

**Tulare Local Healthcare District
Board of Directors Meeting AGENDA
Wednesday, August 22, 2018 6:30 PM
City of Tulare Council Chambers
475 M Street, Tulare, CA**

AGENDA

Tulare Local Healthcare District Board Members:

Kevin Northcraft	President of Directors	District 4
Mike Jamaica	Vice President	District 2
Senovia Gutierrez	Secretary/Treasurer	District 3
Xavier J. Avila	Director	District 5
Stephen Harrell	Director	District 1

- 1. Call to Order**
 - a. Roll Call
 - b. Welcome/Introductions
 - c. Pledge of Allegiance

- 2. Public Comment:** The public may comment on any item of public interest within the jurisdiction of the Tulare Local Healthcare District Board of Directors. In the interest of time and equal opportunity, speakers are requested to observe a 3-minute maximum time limit (subject to change at the Chair's direction). In accordance with the Brown Act, if a member of the public addresses an item not on the posted agenda, no response, or action on the item may occur during the meeting.

- 3. Approve Agenda, Acceptance of Minutes:**
 - a. Board Meeting 07-25-2018
 - b. Special Board Meeting 07-17-2018
 - c. Special Board Meeting 08-01-2018
 - d. Special Board Meeting 08-06-2018
 - e. Special Board Meeting 08-16-2018

- 4. Announcements – Board**

- 5. Discussion and Consideration to Authorize an Amendment to the Board Bylaws Article 2.1.A, to increase the current number of regular monthly Board meetings from one meeting per month to two meetings per month, such meetings to be held on the 2nd and 4th Wednesday of each month.**

- 6. Consent Agenda Items:**
 - a. Approval of hospital policies

- 7. Discussion of Items Related to Reopening Tulare Regional Medical Center:**

- a. Update on Hospital and Lease Fair Market Study
- b. Update on Status of Agreements with Adventist Health/West and Adventist Health Tulare

8. Chief Executive Officer Update:

- a. Licensing and Certification update
- b. Adventist Health and Tulare Regional Medical Center Coordination Status – Hiring, Physicians, Contracts, Capital Projects, Rural Health Clinics
- c. Public Relations

9. Chief Financial Officer Report:

Review and Recommend the following for Board Approval:

- a. April and May, 2018 Draft Internal Financial Statements:
 - i. Comments, Balance Sheets, and Statements of Revenue and Expenses
- b. Accounts Payable Update
- c. Supplemental Payment Recoveries Update
- d. Cash Report Update
- e. Update on Adventist Health Line of Credit activities

10. Tulare Hospital Foundation Update

11. EVO Management Company Update – Evolutions Wellness Center

12. Measure H Election Update: Status of recent ballot filings and other issues related to Measure H, and if necessary, consideration of and action on the manner in which the Board may proceed with a Rebuttal Argument.

13. Approval of acknowledgement and thank you to members of recent adhoc committee participants for their contributions

14. Review and actions regarding state audit of District operations and finances preliminary report

15. Report on bankruptcy court proceedings

16. Suspend open session – recess to closed session

17. Closed session

- a. Conference with Interim Legal Counsel – Existing litigation (Government Code 54956.9)
 - (1) In re Tulare Local Healthcare District dba Tulare Regional Medical Center -- United States Bankruptcy Court Eastern District of California Case No. 17-13797
 - (2) HCCA v. Tulare Local Healthcare District, and Counterclaim, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 17-01095 – B
 - (3) Kumar v. Betre—Tulare County Superior Court Case No. VCU265230 & Appeal
 - (4) Phelps v. Greene-- Tulare County Superior Court Case No. VCU270681
 - (5) Drilling v. Bell-- Tulare County Superior Court Case No. VCU267051

- (6) Martin Soares v. TRMC-- Tulare County Superior Court Case No. VCU266902
- (7) Gutierrez v. TLHD-- Tulare County Superior Court Case No. VCU271265
- (8) Specialty Laboratories v. TRMC-- U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01014
- (9) TRMC v. Celtic Leasing-- U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01008
- (10) Maxim Healthcare Services v. HCCA-- U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01018

- b. Interim Financing Update
- c. End Close Session

18. Reconvene Open Session – Public report of action taken in closed session (if necessary) pursuant to Government Code 54957.1

19. Adjournment *Next regular meeting scheduled for 6:30 PM on Wednesday September 26, 2018 at Tulare City Council Chambers.*

Tulare Local Healthcare District
Board of Directors Meeting
Minutes
Wednesday, July 25, 2018 6:30 PM
City of Tulare Council Chambers

In attendance:	Mike Jamaica	Vice President	Larry Blitz	Interim CEO
	Senovia Gutierrez	Secy/Tres	Dan Heckathorne	Interim CFO
	Xavier Avila	Board Member	Sandy Haskins	Interim CAO
	Stephen Harrell	Board Member	Rich Giordano	Wipfli
			Todd Wynkoop	Legal Counsel
			Ben Nicholson	Legal Counsel
			Riley Walter	Bk Counsel
Absent:	Kevin Northcraft	President		

1. Call to Order

Meeting called to order at 6:30 pm

2. Public Comment

Deanne Martin-Soares

3. Approve Agenda, Acceptance of Minutes: **To be presented at next meeting

4. Announcements

Senovia Gutierrez announced that she and Mike Jamaica will be doing a presentation in Pixley to the Spanish speaking public updates on what is happening with the hospital

5. Foundation Report

Jan Smith reported that there are 3 seats available on the Board of Trustees. Candidates must live or work in Tulare. The Foundation is working with Adventist Health. The Proud to Wear Pink event will be October 6, 2018. It provides approximately 400 women with information on cancer prevention.

6. Report on Evolutions

EVO Oversight Committee chairman Derek Jackson said things are going well at Evolutions. Members concerns are being addressed and a check for \$24,084.14 was presented to the District representing profits for June, 2018.

7. Consideration of and action on Resolutions enacting the terms of the settlement of the matter of TRMC Medical Staff v. Tulare Local Healthcare District, HCCA et al; Tulare Case No. 264227 and reinstating the status of the TRMC Medical Staff and Bylaws

Item pulled

8. Discussion of Items Related to Reopening Tulare Regional Medical Center
 - a. Update on Hospital and Lease Fair Market Study
Larry Blitz reported that a number of firms submitted proposals. DeLoitte won the bid. They will have a fair market lease soon.
 - b. Discussion of Ballot Measure language for November 6, 2018 Ballot Measure concerning leasing of Hospital Report bid — Update
Todd Wynkoop reported that they are moving forward getting the ballot measure ready. It will be prepared by 8/1/18. A formal resolution will be required.
 - c. Recommendation regarding bids for repairs needed for hospital reopening
Larry Blitz reported that all bids have been approved. They are working with Adventist Health. They are currently scheduling contractors and OSHPD. Next week will commence actual work.
9. Chief Executive Officer Update
 - a. Rural Health Clinic Update
Larry Blitz reported that Wipfli and Adventist Health are working with CMS to reopen the Hillman Health Center and the Earlimart Clinic as Rural Health Clinics.
 - b. Special Legislative Audit
Larry Blitz and Dan Heckathorne received a briefing. The findings will be announced September 18, 2018. The State Auditors are creating a chronology and history.
 - c. Licensing and OSHPD Policy – Update Survey Preparedness
Wipfli and Adventist Health staffs are working on licensing certification. Timeframes are ready. They are preparing for CDPH licensure survey. If an extension is necessary, it is a one-day process.
 - d. VA Clinic and Continued Relationship
Sand Haskins reported that they are speaking to the VA in Fresno. They are interested in two properties. Accessibility is an issue. People from the VA will be onsite this week. They will need an appraisal for the General Services administration who will not allow a contract more than fair market value. The District fair market appraisal will be coming in.
 - e. Provider Progress – MEC
There will be an Adventist Health meeting in Hanford. There is a lot of interest from physicians. Senovia Gutierrez asked if it will be a requirement to be licensed. Larry Blitz said that is correct. Xavier Avila asked if there are plans to exclude doctors. Larry Blitz said no. Todd Wynkoop asked for a clarification of Xavier Avila’s question. Xavier Avila asked if Tulare Pediatrics Group is being excluded. Todd Wynkoop

replied that there is no exclusion because no contracts have been extended. The MEC will make recommendations and the Board will have the final say. A public agency has an obligation not to exclude. Xavier asked if the Board is protected from liability. Todd Wynkoop responded that as long as the board acts properly they are protected from liability.

f. Posting Information Capabilities

A volunteer had been posting the agenda but has since resigned. Wipfli personnel is now posting the agenda.

g. Construction Progress - Safety issues

h. Communication Response - CEO and Leadership Team

10. Chief Financial Officer Report

a. March, April, and May, 2018 Draft Internal Financial Statements:

Note: Reports Not Included in this Packet will be provided, as available, at the Board Meeting. Comments, Balance Sheets, and Statements of Revenue and Expenses

See financial report

c. Cash Report Update

d. Financial Audit FYE 2017, FYE 2018, and FYE 2019 — Recommend for Approval: Award Financial Audit to JWT and Associates, LLP, CPA's

Xavier Avila moved to approve awarding the audit to JWT and Associates, LLP, CPA's. Senovia Gutierrez seconded the motion. Approved 4-0.

e. District Insurance Coverages Renewal and Approval: Crime and Fiduciary Liability

Coverages Extension until Sept 1, 2018 with Chubb/Federal Insurance Company (via Marsh & McLennan Agency, TLHCD Broker)

Xavier Avila moved to renew district coverages with Chubb/Federal Insurance Company. Senovia Gutierrez seconded the motion. Approved 4-0.

11. Discussion -Proposed definitive agreements between Adventist Health System West and Tulare Local Healthcare District related to the lease of Tulare Regional Medical Center and affiliated real properties and the purchase/sale of specified assets to include the following documents:

a. Lease between Tulare Local Healthcare District and Adventist Health System West affiliate whereby the affiliate would lease the real property commonly known as the Tulare Regional Medical Center and other properties operated under the license associated with that hospital and operate the hospital as a general acute care hospital for a period of five years with Guarantee and Memorandum of Lease;

b. Agreement for Purchase and Sale of Assets by and Among Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would sell and Adventist Health System/West would purchase assets associated with and affixed to the Tulare Regional Medical Center and other properties operated under the hospital license.

- c. Debtor-in-Possession Credit Agreement by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would borrow and Adventist Health System/West would lend up to \$10,000,000 for Tulare Local Healthcare District to use to open the Tulare Regional Medical Center by October 28, 2018;
- d. Security Agreement and Chattel Mortgage by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would pledge collateral in the form of title to the assets which are the subject of the Agreement for the Purchase and Sale of Assets between the parties and books and records of the Tulare Local Healthcare District;
- e. Short Form Deed of Trust and Assignment of Rents by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would provide Adventist Health System/West a secured interest in the specified real property and assign the rents of such property to Adventist Health System/West;
- f. Interim Management Services Agreement by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Adventist Health System/West would provide Tulare Local Healthcare District management services related to the Tulare Regional Medical Center from the date that the Tulare Local Healthcare District reinstates the Tulare Regional Medical Center license to operate through the closing of the lease and related transactions.

Public comment received by: Barry Caplan
 David Wells
 David Phelps
 Patty Drilling

12. Suspend open session — recess to closed session

13. Closed Session

- a. Conference with Interim Legal Counsel — Existing litigation (Government Code 54956.9)
 - i. In re Tulare Local Healthcare District dba Tulare Regional Medical Center --United States Bankruptcy Court Eastern District of California Case No. 17-13797
 - ii. HCCA v. Tulare Local Healthcare District, and Counterclaim, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 17-01095 — B
- b. Interim Financing Update
- c. End close Session

14. Reconvene Open Session Public report of action taken in closed session (if necessary) pursuant to Government Code 54957.1

Nothing to report

15. Adjournment Special Meeting scheduled for 6:30 PM on Wednesday August 1, 2018 at the Tulare City Council Chambers. Next regular meeting scheduled for 6:30 PM on Wednesday, July 25,2018 at the Tulare City Council Chambers

**Tulare Local Healthcare District
Board of Directors Meeting SPECIAL BOARD MEETING
Minutes**

Tuesday, July 17, 2018 6:00 P.M.

TRMC Administrative Offices (Annex Lab Building, 2nd Floor)

869 North Cherry Street, Tulare. CA (Enter parking lot from Merritt Avenue)

AGENDA

In attendance:

Kevin Northcraft	President	Larry Blitz	Interim CEO
Mike Jamaica	Vice President	Dan Heckathorne	Interim CFO
Senovia Gutierrez	Secretary/Treasurer	Rich Giordano	Wipfli
Xavier J. Avila	Director	Todd Wynkoop	Legal Counsel
Stephen Harrell	Director	Ben Nicholson	Legal Counsel

1. Call to order

Meeting called to order at 6:03 p.m.

2. Public Comment:

Barry Caplan

3. Consideration of and action on Resolution calling for consolidation with Tulare County for the regular election of Board of Directors for Districts 1, 3, and 5, and addition of ballot measure to approve lease with Adventist Health

Xavier Avila moved to approve, Senovia Gutierrez seconded. Approved 5-0

4. Report on the terms of settlement of litigation in the matter of *TRMC Medical Staff v. Tulare Local Healthcare District, HCCA et al*; Tulare Case No. 264227

Item deferred

5. Consideration of and action on Resolution authorizing staff to secure interim borrowing of up to one million dollars (\$1,000,000) on terms set forth in the proposed promissory note

Withdrawn by legal counsel

6. Discussion of negotiations related to Letter of Intent between Adventist Health and Tulare Local Healthcare District and timetable for proposed deal between Adventist Health and Tulare Local Healthcare District related to the lease of Tulare Regional Medical Center and the purchase of associated assets.

No action taken

7. Discussion of proposed definitive agreements between Adventist Health System West and Tulare Local Healthcare District related to the lease of Tulare Regional Medical Center and

affiliated real properties and the purchase/sale of specified assets to include the following documents:

- a. Lease between Tulare Local Healthcare District and Adventist Health System West affiliate whereby the affiliate would lease the real property commonly known as the Tulare Regional Medical Center and other properties operated under the license associated with that hospital and operate the hospital as a general acute care hospital for a period of five years;
- b. Agreement for Purchase and Sale of Assets by and Among Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would sell and Adventist Health System/West would purchase assets associated with and affixed to the Tulare Regional Medical Center and other properties operated under the hospital license.
- c. Debtor-in-Possession Credit Agreement by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would borrow and Adventist Health System/West would lend up to \$10,000,000 for Tulare Local Healthcare District to use to open the Tulare Regional Medical Center by October 28, 2018;
- d. Security Agreement and Chattel Mortgage by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would pledge collateral in the form of title to the assets which are the subject of the Agreement for the Purchase and Sale of Assets between the parties and books and records of the Tulare Local Healthcare District;
- e. Short Form Deed of Trust and Assignment of Rents by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would provide Adventist Health System/West a secured interest in the specified real property and assign the rents of such property to Adventist Health System/West;
- f. Interim Management Services Agreement by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Adventist Health System/West would provide Tulare Local Healthcare District management services related to the Tulare Regional Medical Center from the date that the Tulare Local Healthcare District reinstates the Tulare Regional Medical Center license to operate through the closing of the lease and related transactions.

No action taken

Public comment made by: Alex Gutierrez
Marmie Fidler
David Higdon
Jennifer Burcham

8.

Xavier made a motion to retain DeLoitte to perform a market valuation of the hospital and fixtures. Senovia Gutierrez seconded. Approved 5-0

9. Consideration of and action on bids for construction improvements for the hospital facility in preparation for its reopening

Larry Blitz said the list of projects will be completed before CDPH does their survey

Lionel Machado reported the list of repairs needed dates back to 2017 and was presented to the past administration. Adventist Health is aware of the items on the list:

Chillers - The hospital has 2 old chillers. They have one temporary in place. 1 is functional and 1 needs to be replaced as well as water pumps, compressor, and vacuum pumps. Procurement of the chiller takes 3 months. A temporary is in place.

Elevator repairs include seismic switchbox

Nurse call system upgrades

Fire doors

IT server room needs life safety system

Floors – carpet is an infection control issue. Tile glue contains asbestos and will require abatement and new flooring. ER flooring needs to be redone. ER registration needs carpeting removed.

Generator needs a load test and maintenance agreement

Line isolation in the OR – safety mechanism need upgrade

Total is \$300,000 which needs to be approved to avoid delay in opening

Stephen Harrell moved to approve all items. Mike Jamaica seconded the motion.

Kevin Northcraft asked if competitive bids were obtained and was told yes.

Jennifer Burcham and Barry Caplan offered public comment

Motion approved 5-0

10. Discussion of lease ballot measure for voter approval of Adventist Health lease of real property and sale of assets of Tulare Local Healthcare District.

Ballot measure regarding lease must be a 75 word draft. The County will offer impartial analysis. The District will provide an argument in favor. Due by 8/10. Xavier Avila hoped the ballot measure and argument will put an emphasis on how vital the lease is.

Jennifer Burcham offered public comment

11. Approval of financing of leased equipment previously approved for the upgrade of Evolutions Fitness facility

Joseph Soares, legal counsel for EVO management said the agreement will need to be amended for upgraded equipment. Riley Walter said it is an unsecured obligation that doesn't need court approval. An event will be held when the equipment is installed.

Stephen Harrell moved to approve and Senovia Gutierrez seconded. Approved 5-0

12. Consideration of and action on moving and/or adding board meetings as needed in July and August 2018

The regular Board meeting to be held 7/25/18 will be held for public input on the Adventist Health lease agreement. The item will be carried over to an 8/1/18 special meeting for approval. Agreed by consensus of the Board. Todd Wynkoop said a version of the documents will be posted to the hospital website this weekend, including red-line copies. The 8/1/18 meeting will be held at the Tulare City Council Chambers, if available.

13. Consideration of an ad hoc committee to review and comment to the board on the terms of the lease being proposed with Adventist Health

Kevin Northcraft appointed an ad hoc committee to review the proposed lease with Adventist Health. The proposed members of the committee are: Phil Smith, Dennis Mederos, Darlene Thompson, Leroy Trippel, and Lionel Pires. Todd Wynkoop will send the ad hoc committee the documents.

Xavier Avila moved to approve the committee, Senovia Gutierrez seconded the motion. Approved 5-0

14. Update on new lease and lease renewal discussions regarding District owned facilities now leased or proposed to be leased in the future

Stephen Harrell reported a lease is being discussed with the Veteran's Administration to operate a clinic in hospital adjacent property that could bring in \$225,000 per year. They have toured the cottages and expressed interest in 2-3 of the cottages. It needs to go to the General Services Administration for appraisal. Facilities people for the VA are coming done next week. One of the cottages is on Cherry and one is on Gem Street. It will not be a substantial investment to rehab the cottages.

Jennifer Burcham offered public comment.

Sandy Haskins said a lease has been completed with Pro PT and they have leased the former POSH location to Starting Line Up Barbershop. They need to negotiate the leases with Revive, Fugazzi's and Top O the Morn.

15. Discussion of options with the gift shop previously located in the hospital's first floor

No action taken

16. Suspend open session – recess to closed session

17. Closed Session

a. Conference with Interim Legal Counsel – Existing litigation (Government Code 54956.9)

- i. *In re Tulare Local Healthcare District dba Tulare Regional Medical Center* -- United States Bankruptcy Court Eastern District of California Case No. 17-13797
- ii. *HCCA v. Tulare Local Healthcare District, and Counterclaim*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 17-01095 – B
- iii. *TRMC v. Celtic Leasing Corp*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01008
- iv. *First Source Solutions USA LLC v. TRMC et. al*, United States District Court, Eastern District of California Case No. 1:15 –cv-01136
- v. *Specialty Laboratories, Inc. v. TRMC et al*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01014
- vi. *In re TLHD, Maxim Healthcare Services, Inc. v. HCCA*, United States Bankruptcy Court Eastern District of California Case No. 17-13797
- vii. *Zulim v. TRMC et al.*, Tulare Case No. 274358

b. *Real property negotiations*

18. Reconvene Open Session -- Public report of action taken in closed session (if necessary) pursuant to Government Code 54957.1

19. Adjournment *Next regular meeting scheduled for 6:30 PM on Wednesday, July 25, 2018 at the Tulare City Council Chambers*

**Tulare Local Healthcare District
SPECIAL Board of Directors Meeting
Minutes
Wednesday, August 1, 2018 6:30 PM
City of Tulare Council Chambers
475 M Street, Tulare, CA**

In attendance:

Kevin Northcraft	President	Larry Blitz	Interim CEO
Mike Jamaica	Vice President	Dan Heckathorne	Interim CFO
Senovia Gutierrez	Secretary/Treasurer	Sandy Haskins	Interim CAO
Xavier J. Avila	Director	Rich Giordano	Wipfli
Stephen Harrell	Director	Todd Wynkoop	Legal Counsel
		Shane Smith	Legal Counsel
		Riley Walter	Bankruptcy Counsel

1. Call to Order

- 2. Public Comment:** Patty Coulson
Jose Sigala
Leah Demmers
Barry Caplan

a. Announcements –Board

Kevin Northcraft thanked the Lease Agreement Ad Hoc Committee. Todd Wynkoop attended their meeting and took notes. Kevin thanked Paul Atlas for the suggestion to form the committee.

3. Approve Agenda, Acceptance of Minutes:

- a. Board Meeting Minutes June 27, 2018
- b. Special Board Meeting Minutes July 17, 2018
Stephen Harrell made a correction to the 7/17/18 minutes. Item #14 should reflect Sandy Haskins, not Stephen Harrell.
With those corrections Stephen Harrell moved to approve the minutes, Mike Jamaica seconded the motion. Approved 5-0.

4. Discussion and Approval of Proposed definitive agreements between Adventist Health System West and Tulare Local Healthcare District related to the lease of Tulare Regional Medical Center and affiliated real properties and the purchase/sale of specified assets to include the following documents:

- a. Lease between Tulare Local Healthcare District and Adventist Health System West affiliate whereby the affiliate would lease the real property commonly known as the Tulare Regional Medical Center and other properties operated under the license associated with that hospital and operate the hospital as a general acute care hospital for a period of five years with Guarantee and Memorandum of Lease;

It was moved by Xavier Avila and seconded by Stephen Harrell to approve.
Approved 5-0.

- b. Agreement for Purchase and Sale of Assets by and Among Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would sell and Adventist Health System/West would purchase assets associated with and affixed to the Tulare Regional Medical Center and other properties operated under the hospital license.

Motion to approved made by Stephen Harrell, seconded by Xavier Avila.
Approved 5-0.

- c. Debtor-in-Possession Credit Agreement by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would borrow and Adventist Health System/West would lend up to \$10,000,000 for Tulare Local Healthcare District to use to open the Tulare Regional Medical Center by October 28, 2018;

Xavier Avila moved to approve, Mike Jamaica seconded. Approved 5-0.

- d. Security Agreement and Chattel Mortgage by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would pledge collateral in the form of title to the assets which are the subject of the Agreement for the Purchase and Sale of Assets between the parties and books and records of the Tulare Local Healthcare District;

Motion to approve by Stephen Harrell, seconded by Senovia Gutierrez.
Approved 5-0.

- e. Short Form Deed of Trust and Assignment of Rents by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would provide Adventist Health System/West a secured interest in the specified real property and assign the rents of such property to Adventist Health System/West;

Mike Jamaica moved to approve with Xavier Avila seconding. Approved 5-0.

- f. Interim Management Services Agreement by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Adventist Health System/West would provide Tulare Local Healthcare District management services related to the Tulare Regional Medical Center from the date that the Tulare Local Healthcare District reinstates the Tulare Regional Medical Center license to operate through the closing of the lease and related transactions.

Motion to approve made by Xavier Avila and seconded by Stephen Harrell.
Approved 5-0.

- 5. **Request for appointment and approval of Board subcommittee to review District contracts** related to hospital operations as required by agreements and bankruptcy requirements.

Kevin Northcraft appointed Stephen Harrell and Senovia Gutierrez to a subcommittee work with staff to review approximately 1100 vendor and physician contracts.

- 6. **Discussion of Items Related to Reopening Tulare Regional Medical Center**

- a. Update on Hospital and Lease Fair Market Study
Rich Giordano reported that a preliminary fair market value study should be completed by the end of the week.
- b. Discussion of Ballot Measure language for November 6, 2018

- 7. **Consideration of and Action on a Resolution ordering an election on a proposed lease with Adventist Health/West, requesting a consolidation of elections, and a related Specifications of the Election Order.** The proposed Resolution would cause the District to submit the Lease of Tulare Regional Medical Center and related assets to Adventist Health/West for voter approval during the upcoming general election.

Xavier Avila moved to adopt the resolution that would cause the District to submit the lease of Tulare Regional Medical Center and related assets to Adventist Health/West for voter approval at the November 6, 2018 election. Senovia Gutierrez seconded the motion. Resolution approved 5-0.

- 9. Action Items Recommendation regarding bids for repairs needed for hospital reopening--CEO
 - a. ICU/PICU Nursing Call Lights

Three proposals were received by Siemens for \$68,000. West Com \$89,000, and a bid for \$39,000. Staff recommended the Siemens bid.

Mike Jamaica moved to accept the Siemens bid for the ICU/PICU nursing call lights in the amount of \$68,000. Stephen Harrell seconded the motion.

Approved 5-0.

- 10. **Suspend open session – recess to closed session**

11. Closed Session

- a. Conference with Interim Legal Counsel – Existing litigation (Government Code 54956.9)
 - (1) *In re Tulare Local Healthcare District dba Tulare Regional Medical Center* --United States Bankruptcy Court Eastern District of California Case No. 17-13797
 - (2) *HCCA v. Tulare Local Healthcare District, and Counterclaim*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 17-01095 – B
- b. Interim Financing Update
- c. End closed Session

12. Reconvene Open Session -- Public report of action taken in closed session (if necessary) pursuant to Government Code 54957.1

No action to report

13. Adjournment *Next regular meeting scheduled for 6:30 PM on Wednesday August 22, 2018 at the Tulare City Council Chambers.*

**Tulare Local Healthcare District
SPECIAL Board of Directors Meeting
Minutes
August 6, 2018 8:30 PM
TRMC Administrative Offices
869 North Cherry Street, Tulare**

In attendance:

Kevin Northcraft	President	Larry Blitz	Interim CEO
Mike Jamaica	Vice President	Dan Heckathorne	Interim CFO
Senovia Gutierrez	Secretary/Treasurer	Todd Wynkoop	Legal Counsel
Xavier J. Avila	Director	Shane Smith	Legal Counsel
Stephen Harrell	Director	Christine Pickering	Adventist Health

1. Call to Order

Meeting called to order at 8:30 pm

2. Public Comment:

3. Announcements –Board

4. Dissolution of Ad Hoc Committees

(a) Ad Hoc Committee to Review Response to Request for Proposals for Potential Affiliation with Tulare Local Healthcare District

(b) Ad Hoc Committee to Review Definitive Agreements with Adventist Health

Xavier Avila moved and Senovia Gutierrez seconded to dissolve the ad hoc committees.
Approved 5-0.

5. Update on Status of Agreements with Adventist Health/West and Adventist Health Tulare

Todd Wynkoop reported that the Bankruptcy court previously approved a \$1 million loan from Adventist Health to be used to open the hospital and should be approving an additional \$9 million tomorrow. This ruling advancing the opening of Adventist Health Tulare will save lives in the community. There has been good cooperation with Adventist Health.

6. Discussion of Item Related to Reopening Tulare Regional Medical Center.

a. Update on Hospital and Lease Fair Market Study

No fair market value conclusion from Deloitte yet. Wipfli is working with Adventist Health to work out the fair market value.

b. Discussion of Ballot Measure language and ballot argument language/signature for November 6, 2018 and overview of the election timeline and related issues.”

c. Report on bankruptcy court proceeding on August 2, 2018 and anticipated future court proceedings.

See item 5 above

7. Summary report on results of preliminary poll related to the ballot measure on the proposed lease with Adventist Health

Christine Pickering reported that 350 voters were surveyed. Cell phones and landlines were contacted. The survey was conducted in English and in Spanish. See survey results.

8. Consideration of and Action on a Resolution 861 to approve language for ballot measure on a proposed lease with Adventist Health including specific terms and specifications of the Election Order. The proposed Resolution would provide to the County Registrar the language proposed for the ballot measure on the proposed lease of Tulare Regional Medical Center to Adventist Health with necessary administrative determinations.

Mike Jamaica asked that the resolution use “acute care hospital”. Xavier Avila asked that the voter approval of fixtures, furniture be removed. Senovia Gutierrez asked that the “high quality services” be inserted. Todd Wynkoop said it could not because that was a subjective. Stephen Harrell moved that Resolution 861 be approved with the suggested changes. Senovia Gutierrez seconded the motion. Approved 5-0.

Mike Jamaica moved to publish Resolution 861. Stephen Harrell seconded the motion. Approved 4-0 with Xavier Avila abstaining.

9. Discussion of a special meeting in August due to filing deadline for ballot argument of 10 days after filing the measure.

A special meeting was set for August 16, 2016 to approve the 300 word ballot argument in favor of the ballot measure.

10. Suspend open session – recess to closed session

11. Closed Session

- a. Conference with Interim Legal Counsel – Existing litigation (Government Code 54956.9)
 - (1) *In re Tulare Local Healthcare District dba Tulare Regional Medical Center* --United States Bankruptcy Court Eastern District of California Case No. 17-13797
 - (2) *HCCA v. Tulare Local Healthcare District, and Counterclaim*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 17-01095 – B
- b. Interim Financing Update
- c. Conference with Interim Legal Counsel – Initiation of Litigation (Gov. Code § 1 matter.
- d. End closed Session

12. Reconvene Open Session -- Public report of action taken in closed session (if necessary) pursuant to Government Code 54957.1

Nothing to report

13. Adjournment *Next regular meeting scheduled for 6:30 PM on Wednesday August 22, 2018 at the Tulare City Council Chambers.*

**Tulare Local Healthcare District
SPECIAL Board of Directors Meeting
Minutes**

Thursday, August 16, 2018 6:30 PM

TRMC Administrative Offices

869 North Cherry Street, Tulare

In Attendance:

Kevin Northcraft	President	Dan Heckathorne	Interim CFO
Mike Jamaica	Vice President	Rich Giordano	Wipfli
Senovia Gutierrez	Secretary/Treasurer	Shane Smith	Legal Counsel
Xavier J. Avila	Director		
Stephen Harrell	Director		

Call to Order

Meeting called to order at 6:30 pm

1. Public Comment:

2. Announcements –Board

Stephen Harrell requested that a proposal to amend the bylaws Article 2 Section 1A be amended to approve 2 Board meetings per month. He also announced an offer had been received to lease the Women’s Pavilion at Evolutions.

Senovia Gutierrez reported on the Spanish language hospital update meeting in Pixley held on August 16, 2018. She reported that very few people attended, but they had a good meeting. They hope to hold another forum in September in Pixley and in Tulare.

4. Update on Status of Agreements with Adventist Health/West and Adventist Health Tulare

No report

5. Discussion of Items Related to Reopening Tulare Regional Medical Center

a. Update on Hospital and Lease Fair Market Study

Rich Giordano reported that they do not have a fair market value figure yet. They are working with Deloitte. They hope to have a report tomorrow with estimates. Estimates will be a range. They will speak with Adventist Health for agreement on a fair market value for the lease. A second piece will be the fair market value for the equipment purchase. He hopes to have by the next meeting.

6. November 6, 2018 Ballot Measure H

- a. Discussion and review of election timeline and related issues
- b. Discussion of and action on Ballot Argument and selection of signatures supporting Measure H

By next Monday, August 20, the 300 word ballot argument is due. Shane Smith showed a prepared argument. It was suggested that “at no cost to taxpayers” be moved from paragraph 3 to paragraph 1 and appear in all capitals. Shane Smith made the suggested changes.

Public comment was heard from Eugene Samuels

Stephen Harrell moved that Shane Smith prepare the ballot argument, as agreed on by the Board, for submission by Monday, August 20, 2018. Seconded by Xavier Avila. Approved 5-0.

Kevin Northcraft reported that 5 names have been suggested as signatories on Ballot Measure H. Those signatories are: Pat Hillman, Willard Epps, Dave Macedo, Dr. Miyakawa, and Luis Castellanoz. They represent 5 well known and well respected members of the community. There was Board consensus to ask these community members to be Ballot Measure H signatories.

Kevin Northcraft appointed he and Mike Jamaica to a subcommittee to obtain the signatures and if anyone does not sign to choose another signer from a list of back ups. The signatories and the subcommittee were also approved by consensus of the board.

7. Report on bankruptcy court proceeding on August 2, 2018 and anticipated future court proceedings

No report

8. Action Items Discussion and approval of Maintenance projects related to opening Tulare Regional Medical Center

Dan Heckathorne reported that Adventist Health has requested that instead of the previously approved Siemens system for the ICU nurse call system they would prefer to use the Rauland system at additional cost, but Adventist Health will pick up the cost of the difference. This system has a 5 year warranty. The Siemens system had 1 year warranty. The purchase order will come from the District and Adventist Health will reimburse.

Xavier Avila moved to rescind the Siemens bid and approve the staff recommendation to purchase the Rauland nurse call system with Adventist Health to reimburse the District for the additional cost. Mike Jamaica seconded the motion. Approved 5-0.

Dan Heckathorne reported that the board approved temporary chiller was rejected by OSHPD. They are requiring that the piping and electricity needed for the permanent installation needs to be installed. The total for the additional work is \$296,558 of which \$218,558 is above the

original bid passed by the Board. It was asked if the District could just install the permanent chiller. Because of time concerns a temporary chiller will be required for 2-6 months.

Public comment was heard from Jennifer Burcham

Xavier Avila moved that the additional cost for piping and electricity be approved. Seconded by Stephen Harrell. Approved 5-0.

9. Suspend open session – recess to closed session

10. Closed Session

- a. Conference with Interim Legal Counsel – Existing litigation (Government Code 54956.9)
 - (1) *In re Tulare Local Healthcare District dba Tulare Regional Medical Center* --United States Bankruptcy Court Eastern District of California Case No. 17-13797
 - (2) *HCCA v. Tulare Local Healthcare District, and Counterclaim*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 17-01095 – B
- b. Interim Financing Update
- c. End closed Session

11. Reconvene Open Session -- Public report of action taken in closed session (if necessary) pursuant to Government Code 54957.1

Nothing to report

12. Adjournment *Next regular meeting scheduled for 6:30 PM on Wednesday August 22, 2018 at the Tulare City Council Chambers.*

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
10-1001	Hospital Organizational Chart and Chain of Command
10-1002	Organization Mission, Vision, and Values Statement
10-1002.1	Standards of Ethical Conduct and Code of Conduct
10-1002.3	Compliance Screening Procedure for Employees, Contractors and Medical Staff
10-1002.4	Compliance Enforcement, Investigation and Discipline
10-1002.5	Responsibility of Compliance, Fraud and Abuse
10-1002.7	Claim Development and Submission Compliance Auditing
10-1002.8	Principles of Compliance
10-1002.9	Physician Referral and Anti-Kickback Policy and Procedure
10-1005	Solicitations and Distribution of Literature on Hospital Property
10-1006	Guidelines for Vendor Representatives in the Hospital
10-1008	Visitation
10-1008.1	The Birthplace – Visiting Policy
10-1009	Disruption or Discontinuance of Hospital Service(s)
10-1013	Tobacco-Free Policy
10-1013.1	Patients Temporarily Leaving Patient Care Unit/or Hospital Grounds
10-1017.10	Risk Assessment Policy
10-1021	Patient and Family Services
10-1025	TRMC Employees' Association Delete Policy
10-1031.1	Expense Consideration and Reimbursement for Workshop, Seminars, Conferences, Meetings and other Hospital Business Related Functions
10-1031.2	Expense Reimbursement Disclosure
10-1033	Theft if Suspected Theft of Property
10-1035.1	Mandated Reporting Requirements
10-1035.3	Disclosure of Unanticipated Outcome Information
10-1040	Interpreter- Non-English and Limited English Proficient (LEP) Patients
10-1042	Forms Control
10-1052	Vehicle Parking Policy
10-1053	Patient Deaths and Physician Pronouncement
10-1056	Food and Beverage Control
10-1057	Use of Hospital Vehicles
10-1057.1	Hospital Gas Credit Card Usage
10-1059	Patients Admitted on Law Enforcement Hold

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
10-1060.1	Assault and Abuse Reporting Requirements (HIPAA) Delete Policy
10-1060.2	Patient Abuse/Harrasment Delete Policy
10-1068	Recognition of Third Party Payer Related PRO Delete Policy
10-1072	Definition of Patient Charges
10-1079	Identification of and Disposal of Excess Hospital Equipment and/or Supplies
10-1087	Customer Services Standards
10-1090	Membership to Trade and/or Professional Associations
10-1092	TLHD Chaplaincy Program (Partners In Healing) (HIPAA)
10-1098	Grievance Proceudue for Persons with Disabilities (Non-Employee)
10-1106.5	Interference with Access to Health Care
10-1109	Risk Management Plan
10-1110	Ethics Committee
10-1112	Use of Protected Health Information (PHI) in Marketing (HIPAA)
10-1115	Physician's On-Call Roster for the Emergency Department
10-1116	Program BETA Peer Review Network
10-1117	Securing Patient Monies/Valuables and Property Damage or Loss
10-1118	Use of Social Security Numbers
10-1120	Notice of Privacy Practices (HIPAA)
10-1121	Disclosure of PHI to Law Enforcement (HIPAA)
10-1122	Access to Minimum Necessary Protected Health Information (HIPAA)
10-1123	Release of Patient Information (HIPAA)
10-1124	Consent versus Authorization (HIPAA)
10-1125	Cell Phone within TLHD Facility Delete Policy
10-1126	Patient Identification (of Known or Unknown Individuals)
10-1127	Conflict of Interest – Patients
10-1129	Facility Planning for Construction or Remodeling
10-1130	Expense and Use of Public Resources by Directors
10-1133	Management of Patient Care Contract Services
10-1134	Nondiscrimination Policy
10-1135	Auxiliary Aids and Services for Persons with Disabilities Delete Policy
10-1136	Discharge Planning
10-1138	GVALHI Club
10-1139	Animal Assisted Therapy Program

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
11-1004	Third-Party Audits of Hospital Bills
11-1008	Petty Cash Policy
11-1011	Capitalization Policy and Capital Equipment Purchase Request
11-1013	Investment Guidelines
11-1014	Contract Requirements (HIPAA)
11-1015	Contract Management
11-2001	Admitting – Registration Policy
11-2001.1	Documentation of the Medical Record Face Sheet by Admitting
11-2012	Financial Assistance (Charity Care) Program
11-2018	Share of Cost
11-2019	Advance Beneficiary Note
11-2020	Medicare Secondary Payer Policy
11-3004	Charge Description Master Compliance and Maintenance
11-3004.1	Charge Master & AB 1045 Reporting Requirements and Payer’s Bill of Rights- AB 1627
11-3022	Bad Debt Account
11-3024	Deposit Schedule
11-3026	Contract Negotiations with Third Party Payers
11-3027	Point of Service Cash Collection
11-3028	Financial Assistance (Charity Care) Program (Delete Policy)
11-3029	Uninsured Discount Policy
11-3030	Collection Policy
11-3031	Billing MediCare Outpatient 3 Day Window
11-3032	Contractual Allowances and Administrative Adjustments
11-3033	Overpayment Processing
11-3035	Unidentified Cash Posting
11-5001	Finance Charges
11-5002	Patient Refunds
11-5003	Self Pay Prompt Pay Discount
11-6004	Information Security Policy- Acceptable Use
11-6005	Information Security Program and Governance
11-6006	Information Security Policy- Data Storage and Back Up
11-6009	Information Services- Help Desk & Support
11-6010	Information Security Policy- Change Management and Governance

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
11-6011	Information Security Policy- Mobile Computing and Telenetworking
11-6012	Information Services- Remote Access Policy (Delete Policy)
12-1002	Emotional and Attitudinal Support
12-1020	Interfacility Patient Transfers to Skilled Nursing or Intermediate Care Facilities
12-1026	Bioethics Committee
12-1027	Private (Non-Coroner) Autopsy Protocol for Tulare Local Healthcare District
12-1031	Leaving Hospital Against Medical Advice
12-1032	Safe Patient Handling, Mobility, and Injury Prevention Program (Lift Team)
12-1035	“Hand-off” Communication
12-1036	Prevention of Tubing/Catheter Misconnections
12-1037	Management of Patients in Corridor Locations
12-1038	Assessing and Managing Patients at Risk for Suicide
12-1039	Displaced or Homeless Patient
12-1041	Patient Care Documentation during a Code Brown
12-1043	Fall Prevention Program
12-1044	Patient Assessment / interdisciplinary Plan of Care
12-1049	Determination of Brain Death
12-1050	Nursing Peer Review
12-1051	Medical Futility
12-1052	Healthcare Decisions for Unrepresented Patients
12-1055	Hospitalist Coverage of Private Patients for Primary Care Physicians
12-1057	Latex Allergy and Sensitivity
12-3003.4	ICU Policy- ICU Committee
12-3003.5	ICU Policy- Admission, Discharge and Transfer Criteria
12-3006	Newborn Screening Policy and Procedure
12-3013	Reprocessing and Reuse of Single-Use Devices
12-3028.1	Pediatric Admission
12-3032	Vaccine Informed Consent Requirements
12-3039	Tissue Specimens Excluded from Surgery Service Committee
12-3040	Physician’s Order Process for Same Day Surgery
12-3046	Withholding Life Sustaining Procedures and Do Not Resuscitate (DNR)
12-3048	Emergency Department Holding Orders
12-3054	Emergency Vaginal Birth after a Previous Cesarean Delivery (VBAC)

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
12-3056	Oxygen Administration in the Nursery
12-3057	Newborn Exam policy
12-3058	Pediatrician or Other Qualified Physician Presence During High Risk Deliveries
12-3067	Protocol for Antenatal Hepatitis Screening of Expectant Mothers
12-3070	Pediatric Dosing- Weight Based
12-3071	Physician Attendance for High Risk Infant Stabilization Prior to Transfer
12-3077	Maternal Group B Streptococcus (GBS) Delete Policy
12-3078	Chain of Command
12-3082	Post Partum Hemorrhage
12-3084	Transport of the Neonate from the Intermediate Care Nursery (ICN) to a Higher Level of Care
12-3086	Magnesium Sulfate in Pregnancy – HTN/Preeclampsia Care Guidelines
12-3090	Central Service- Definitions
12-3091	Central Service- Storage of Clean Supplies and Equipment
12-3092	Central Service- Stock Rotation
12-3093	Central Service- Dress Code
12-3094	Central Service- Quality/Environmental Control
12-3095	Central Service- Maintenance and Service Contract Agreement Manufacturer’s Responsibility
12-3096	Central Service- Hours of Service
12-3097	Central Service- Physical Layout
12-3098	Central Service- After Hours Acquisition of Supplies and Equipment
12-3099	Central Service- Traffic Control
12-3100	Central Service- Environmental Cleaning of Central Service
12-3101	Central Service- Infection Control
12-3102	Central Service Department Cleaning
12-3103	Central Service- Storage of Sterile Supplies
12-3104	Central Service- Standard Precaution
12-3106	Hospital Provided Scrubs in the Operating Room
12-3107	Discharge of Patient from OR to the Post Anesthesia Recovery Unit (PACU)
12-5001	High Efficiency Particulate Air (HEPA) Unit Setup and Removal
12-5003	Inventory and Inspection of New Clinical Equipment
12-5004	Contract Service
13-11,001	Speakers Bureau Guidelines
13-11,003	Director of Marketing/Public Information Officer Responsibilities and Guidelines

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
13-11,006	Request for Interviews, Videotaping and Photography
13-11,007	Tulare Hospital Foundation Donor Recognition
13-12,003	New Employee Orientation Program (General Orientation)
13-12,004	Continuing Education Programs for Clinical Nursing Staff
13-12,005	Program Instructor Fees
13-12,006	Educational Services Department Hard and Software Rental
13-12,007	Centralized Annual Update Sessions
13-12,012	Clinical Services Orientation Policy
13-12,013	Simulation Lab and In-situ Simulation
13-2001	Cafeteria: Rates, Charges, and Discounts
13-2008	Screening Adult Patients for Nutritional Risk
13-2009	Screening Pediatric Patients for Nutrition Risk
13-3011	Emergency Department Patients with Infectious Diseases
13-3026	Newborn Abandonment (Safe Surrender)
13-5002.1	Investigational Therapies Review
13-5019	Warming Recommendations for IV Contrast Media, Intravenous (IV) and Irrigation Solutions
13-5023	Pharmacy Hours of Operation
13-5026	Pharmacy Safety
13-5027	Medication Management Program
13-5032	FDA Approved Drugs for Non-FDA Approved Use
13-5033	Intravenous Drug Administration Guidelines
13-5036	Obtaining Medications for Emergency Purposes
13-5037	Medication Recall
13-5039	Unusable and Outdated Drugs
13-5040	Refrigerated Drug Storage
13-5042	Drug Procurement/Inventory Control
13-5048	Light Sensitive Medications
13-5049	Standing Orders
13-5056	Automated Dispensing Machines- Removing Medications
13-5057	Automated Dispensing Machines- Stock Medication
13-5058	Controlled Substances Purchase, Storage and Distribution – Pharmacy
13-5062	Unit Dose Distribution System
13-5065	Titration and Tapering Medications

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
13-5066	Patient's Own Medication Including Herbals and "Natural" Remedies (Usage and Storage)
13-5068	Controlled Drug Management on Patient Care Units
13-5069	Disposal of Controlled Substance Patches
13-5071	Medication Errors and Reporting
13-5072	Blood Derivatives
13-5074	Pharmacist's Therapeutic Intervention
13-5084	Patient Controlled Analgesia (PCA)
13-5086	Pharmaceutical Vendor Representatives
13-5096	Look-alike/sound-alike Drugs
13-5101	Parenteral Nutrition
13-5106	Medication Administration Check (MAK) Downtime Procedures Delete Policy
13-5109	Reporting Chemical, Mental or Physical Impairment of a Licensed Pharmacy Employee to the Board of Pharmacy
13-5111	Computerized Physician Order Entry (CPOE)
13-5112	340 Drug Pricing Program
13-7002	Certification Requirements for use of Fluoroscopy Units and Radiographic Units
13-7003	Receipt of Packages Containing Radioactive Materials when Radiology and Nuclear Medicine Personnel are not in the Department
13-7005	Release of X-ray Films
13-7010	Obtaining Neonatal X-rays
13-7013	Radiation Oncology Services Policy Delete Policy
13-7015	Removal of the Spacer Cone during use of Mobile Fluoroscopy Equipment
13-7016	STAT After Hour Echocardiography Services
13-7017	Radiation Safety Program
13-7018	Transesophageal Echocardiography (TEE)
13-7020	Dispensing of Medications and Preps for Outpatient Medical Imaging Procedures
13-7021	Outpatient Scheduling and Pre-Registration for Imaging Procedures
13-8027	Impedance Threshold Device (ResQPOD)
13-8032	STAT After Hour Electroencephalogram (EEG) Delete Policy
13-8033	EzPAP
13-9001	Release of Information- Patient, Medical and/or Medical Records/Access to Minimum Necessary Protected Health Information (HIPAA)
13-9006	Patient Right to Access to Protected Health Information (PHI) (HIPAA)
13-9025	Storage and Security of Medical Records

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
13-9030	Release of Medical Imaging Reports
13-9031	Consent for Blood Transfusion
13-9034	Access to Health Information Management (HIM) Department
13-9035	Privacy and Security Incident Management
13-9036	Compliance with HIPAA Regulations
13-9037	Fax Policy for Transmitting Protected Health Information
13-9038	Identity Theft Program
13-9039	Medical Record Content
13-9040	Mitigating Violations of HIPAA and Privacy Related Policies and Procedures
13-9041	Lost or Missing Patient Records
14-2006	Hospital Supplied Scrub Suits and Wearing Apparel
14-2007	Linen Utilization
14-3001	Work Order Request
14-3002	Patient's Use of Own Equipment
14-3005	Moving of Beds, Furniture, TV's and other furnishings
14-3013	Safeguarding Disaster Preparedness Two-way Radios
14-3016	Recording Refrigerator/Freezer, Medication and Lab Specimen Temperatures
14-3019	Use of Fire Hoses
14-3021	Air Transport Landing Procedure
15-2061.1	RN Certification Recognition Program
15-2081	Student Affiliations
15-2083	Breastfeeding – Friendly Workplace Policy
16-1006	Safe Medical Device Reporting
16-1009	Loaning of Hospital Goods to Physicians or Physician Groups
16-4002	Purchasing of Goods and Services – Invoice Approval and Processing
20-20,002	Standardized Procedure- Discharge of Patients from Ambulatory Care Unit by an R.N. Delete Policy
20-20,006	Standardized Procedure: Discharge of Post-Operative/Post-Procedural Patients from Medical/Surgical Units by a R. N.
20-20,007	Standardized Procedure- Protocol for Antipyretic Medication for Fever Delete Policy
20-20,010	Standardized Procedure- Protocol Order for Treatment of Burns Delete Policy
20-20,015	Standardized Procedure: Protocol for Obtaining Glucose Finger Sticks
20-20,017	Standardized Procedure- Weak and Dizzy Protocol Delete Policy
20-20,018	Standardized Procedure- Bleeding Protocol Delete Policy
20-20,019	Standardized Procedure- OB/Gyn Protocol Delete Policy

POLICIES FOR BOARD APPROVAL 08/22/18

Policy #	Policy Name
20-20,020	Standardized Procedure- Laceration Protocol Delete Policy
20-20,021	Standardized Procedure- Respiratory Distress- Pediatric Upper Airway Protocol Delete Policy
20-20,022	Standardized Procedure- Vomiting and Diarrhea Under 3 Years Protocol Delete Policy
20-20,023	Standardized Procedure- Respiratory Distress- Adult Protocol Delete Policy
20-20,024	Standardized Procedure- Abdominal Pain Protocol Delete Policy
20-20,025	Standardized Procedure- Allergic Reaction Protocol Delete Policy
20-20,026	Standardized Procedure- Fractures and Sprains Protocol Delete Policy
20-20,027	Standardized Procedure- Fever I 0-90 Days Old Protocol Delete Policy
20-20,028	Standardized Procedure- Fever II 3 Months Protocol Delete Policy
20-20,029	Standardized Procedure- Chest Pain and Anginal Equivalents Protocol Delete Policy
20-20,030	Standardized Procedure- Pain Management Protocol Delete Policy
20-20,033	Standardized Procedure- Finger Stick Hemoglobin Testing Delete Policy
20-20,034	Standardized Procedure- Urine Dip Testing in the Rural Health Clinic Delete Policy
20-20,035	Standardized Procedure- Finger Stick Glucose Testing in the Rural Health Clinic Delete Policy
20-20,036	Standardized Procedure- Urine Pregnancy Testing in the Rural Health Clinic Delete Policy
20-20,038	Standardized Procedure- Clinitek Status Urine Procedure Delete Policy
20-1003	PA/NP Protocols/Guidelines for the Rural Health Department Affilliate Staff
20-8002.1	Human Immunodeficiency Virus (HIV) Testing
20-8014	Environmental Control Cultures and Monitoring
20-8015	Visit to Contract Laundry Services
20-8017	Cautious Handling of Materials and Equipment Prior to Decontamination and Decontamination Process
20-8020	Definitions of Healthcare Associated Infections (HAI) Delete Policy
20-8025	CDC Hand Hygiene Guidelines
20-8027	Outbreak Management Plan
20-8031	MRSA Active Surveillance Testing (AST)
20-8040	Identification and Triage, Testing, Management and Infection Control of Suspected and Confirmed Cases of Ebola Virus Disease (EVD)
21-2005	Code Yellow- Bomb Threat (Disaster)
21-2021	Communications Plan during Disaster or Communications Failure
21-2026	Water Management Plan
21-2028	Earthquake
22-1008	Interim Life Safety Measures (ILSM)

Tulare Local Healthcare District dba Tulare Regional Medical Center

Agenda Item: CFO Reports

Board Meeting Date: August 22, 2018

April, 2018, and May, 2018 Drafts of Internal Statements: Balance Sheets and Statements of Revenue and Expenses - **Notes and Disclaimer:**

The April and May Statements were prepared based on the following facts:

There has not been a financial audit of the Tulare Local Health Care District dba Tulare Regional Medical Center's accounting books and records for the FYE June 30, 2017. As such, there are numerous items that we believe need to be adjusted to the FYE 6/30/17 financial statements, and these will need to be addressed in-depth at the time the District can afford to hire independent auditors and sufficient internal financial staff needed to prepare and perform an audit.

In the meantime, and in order to close the books and prepare a draft statement for the 10 and 11 months ended April, 2018 and May, 2018 respectively (FYE 2018), we have attempted to identify adjustments that are allocable to the FYE 2017 statements, and simultaneously identify those items that appear to be allocable to the FYE 2018 statements.

The premise that we used to develop these draft statements was to, as best could be determined, adjust the respective Balance Sheet items for these months to the most appropriate supportable documentation, e.g., bank statement balances, gross accounts receivable and corresponding expected net collections, the latest Supplemental Payment program estimates, and accounts payable invoices or accruals for certain expenses.

As such, we are unable to make any conclusive representations as to the accuracy or completeness of the Tulare Local Health Care District dba Tulare Regional Medical Center April, 2018 and May, 2018 Draft Internal Financial Statements. The FYE's 2017 and FYE 2018 books and records must be further analyzed, reconciled, and stated in accordance with uniform and accepted accounting procedures, and audited by an independent financial auditor.

TULARE REGIONAL MEDICAL CENTER
Balance Sheet for the period ended 4/30/2018
Unaudited - See Attached Notes and Disclaimer

KEY COMPONENTS (ONLY)

	Prior Month March	Current Month April	Last year April	Increase/ (Decrease)	Inc/(Dec) percentage
Cash and cash equivalents	\$635,817	\$906,129	\$1,575,165	(\$669,035)	(42.5%)
Gross pt accounts receivable	46,912,882	44,147,865	61,791,813	(17,643,947)	(28.6%)
Net pt accounts receivable	2,016,867	1,033,369	19,860,053	(18,826,684)	(94.8%)
Misc receivables	7,195,036	7,256,319	25,953,349	(18,697,030)	(72.0%)
Net capital assets	168,844,745	169,146,283	165,293,674	3,852,609	2.3%
TOTAL ASSETS	\$199,060,886	\$199,066,069	\$228,714,301	(\$29,648,231)	(13.0%)
Accounts payable	35,956,332	37,306,732	18,336,219	18,970,513	103.5%
Est current 3rd party payor settlements	6,366,077	6,366,077	43,235	6,322,842	14624.3%
Debt borrowings, net of curr maturities	100,432,371	100,991,039	100,281,394	709,644	0.7%
TOTAL LIABILITIES	159,468,948	161,639,666	128,287,120	33,352,547	26.0%
Total net assets	39,591,938	37,426,403	100,427,180	(63,000,777)	(62.7%)
TOTAL LIABILITIES & NET ASSETS	\$199,060,886	\$199,066,069	\$228,714,300	(\$29,648,231)	(13.0%)

TULARE REGIONAL MEDICAL CENTER
Balance Sheet for the period ended 4/30/2018
Unaudited - See Attached Notes and Disclaimer

	Prior Month March	Current Month April	Last year April	Increase/ (Decrease)	Inc/(Dec) percentage
Current assets:					
Cash and cash equivalents	\$635,817	\$906,129	\$1,575,165	(\$669,035)	(42.5%)
Ltd use assets avail for curr debt srvc	6,166,780	6,166,780	4,457,119	1,709,661	38.4%
Patient accounts receivable:					
Gross pt accounts receivable	46,912,882	44,147,865	61,791,813	(17,643,947)	(28.6%)
Contractual allowances	(35,215,850)	(33,434,536)	(36,536,345)	3,101,808	(8.5%)
Provision for bad debts & charity	(9,680,165)	(9,679,960)	(5,395,415)	(4,284,545)	79.4%
Net pt accounts receivable	2,016,867	1,033,369	19,860,053	(18,826,684)	(94.8%)
Other receiv. & phys. advances					
Tax revenue receivable	6,794,645	6,919,002	1,596,990	5,322,012	333.3%
Misc receivables	7,195,036	7,256,319	25,953,349	(18,697,030)	(72.0%)
Physician advances	13,604	13,604	265,200	(251,596)	(94.9%)
Total other receivables	14,003,285	14,188,925	27,815,539	(13,626,614)	(49.0%)
Inventories	1,197,508	1,192,541	1,740,350	(547,809)	(31.5%)
Prepaid expenses & deposits	773,295	928,294	940,957	(12,663)	(1.3%)
Total current assets	24,793,552	24,416,038	56,389,183	(31,973,144)	(56.7%)
Assets limited as to use:					
GO bond construction fund	-	-	-	-	0.0%
Restricted trust funds, other	4,971,648	5,052,807	6,556,095	(1,503,288)	(22.9%)
Total limited use assets	4,971,648	5,052,807	6,556,095	(1,503,288)	(22.9%)
Capital assets:					
Land & land improvements	3,301,871	3,301,871	3,301,871	-	0.0%
Bldgs & bldg improvements	45,382,391	45,382,391	44,874,043	508,348	1.1%
Leasehold improvements	607,391	607,391	607,391	-	0.0%
Major movable equipment	38,195,077	38,195,077	36,042,746	2,152,331	6.0%
Construction in progress	147,292,050	147,801,277	146,279,516	1,521,761	1.0%
Gross capital assets	234,778,780	235,288,007	231,105,567	4,182,439	1.8%
Accumulated depreciation	(65,934,035)	(66,141,724)	(65,811,893)	(329,831)	0.5%
Net capital assets	168,844,745	169,146,283	165,293,674	3,852,609	2.3%
Bond issuance costs & other assets	450,941	450,941	475,349	(24,408)	(5.1%)
Intercompany receivable	-	-	-	-	0.0%
TOTAL ASSETS	\$199,060,886	\$199,066,069	\$228,714,301	(\$29,648,231)	(13.0%)
Current liabilities:					
Current maturities of debt borrowings	\$1,130,279	\$1,234,502	\$2,789,841	(\$1,555,339)	(55.8%)
Accounts payable	35,956,332	37,306,732	18,336,219	18,970,513	103.5%
Other accrued liabilities	4,922,194	4,862,306	5,805,658	(943,352)	(16.2%)
Accrued payroll & related liabilities	412,996	129,590	-	129,590	0.0%
Est current 3rd party payor settlements	6,366,077	6,366,077	43,235	6,322,842	14624.3%
Self insurance program accrual	360,000	360,000	321,951	38,049	11.8%
Total current liabilities	49,147,878	50,259,207	27,296,904	22,962,303	84.1%
Long-term liabilities:					
Deferred revenue	9,888,699	10,389,420	708,822	9,680,599	1365.7%
Debt borrowings, net of curr maturities	100,432,371	100,991,039	100,281,394	709,644	0.7%
TOTAL LIABILITIES	159,468,948	161,639,666	128,287,120	33,352,547	26.0%
Net assets:					
Retained Earnings	60,866,714	61,008,595	95,507,495	(34,498,900)	(36.1%)
Increase in net assets	(21,274,776)	(23,582,192)	4,919,685	(28,501,878)	(579.3%)
Total net assets	39,591,938	37,426,403	100,427,180	(63,000,777)	(62.7%)
Intercompany payable	-	-	-	-	0.0%
TOTAL LIABILITIES & NET ASSETS	\$199,060,886	\$199,066,069	\$228,714,300	(\$29,648,231)	(13.0%)

TULARE REGIONAL MEDICAL CENTER
Statement of Revenue and Expenses
For the Ten Months Ending April 30, 2018
Unaudited - See Attached Notes & Disclaimer

KEY COMPONENTS (ONLY)	November	December	January	February	March	April	YTD FY18	YTD FY17
Total operating revenue	175,580	2,313,976	(85,206)	24,924	(1,419,066)	(696,479)	10,550,938	66,949,966
Professional fees	369,868	648,640	733,032	706,624	554,975	528,729	5,747,137	5,904,114
Physicians fees	(45,536)	19,946	6,100	-	-	-	2,220,974	5,144,254
Purchased services	(53,904)	231,850	312,671	269,322	354,615	319,842	4,445,788	9,742,509
Purchased HCCA Labor	1,907,655	-	0	-	-	-	13,782,094	33,919,587
Operating expenses before D&A	2,419,006	1,275,387	1,588,424	1,557,496	1,622,797	1,477,817	33,287,255	66,330,537
EBITDA	(2,243,426)	1,038,589	(1,673,630)	(1,532,572)	(3,041,863)	(2,174,296)	(22,736,317)	619,429
Excess of revenues over expenses	(2,295,367)	1,222,217	(1,522,088)	(1,697,965)	(3,099,311)	(2,307,413)	(23,582,192)	4,574,559

TULARE REGIONAL MEDICAL CENTER
Statement of Revenue and Expenses
For the Ten Months Ending April 30, 2018
Unaudited - See Attached Notes & Disclaimer

	July	August	September	October	November	December	January	February	March	April	YTD FY18	YTD FY17
Net patient revenue	\$5,265,408	\$4,000,227	\$2,977,089	(\$4,142,461)	(\$76,297)	(\$8,079)	\$74,711	(\$5,272)	(\$1,691,169)	(\$757,425)	\$5,636,732	\$48,028,085
Supplemental funds	1,254,200	1,254,200	697,850	(2,290,051)	212,141	2,322,055	(199,956)	-	-	-	3,250,439	16,999,149
Other operating revenue	261,825	244,280	366,926	347,716	39,736	-	40,039	30,196	272,103	60,946	1,663,767	1,922,732
Total operating revenue	6,781,433	5,498,707	4,041,865	(6,084,796)	175,580	2,313,976	(85,206)	24,924	(1,419,066)	(696,479)	10,550,938	66,949,966
Salaries & wages	-	5,548	-	98	-	110,187	189,222	254,718	316,780	230,977	1,107,530	118
Employee benefits	-	-	-	-	-	7,134	46,979	18,935	108,996	81,947	263,991	1,729
Professional fees	591,421	607,690	493,803	512,355	369,868	648,640	733,032	706,624	554,975	528,729	5,747,137	5,904,114
Professional fees, physicians	511,275	648,489	554,215	526,485	(45,536)	19,946	6,100	-	-	-	2,220,974	5,144,254
Supplies	625,652	687,290	466,864	195,233	97,739	(39,688)	10,990	28,349	24,228	27,354	2,124,011	7,152,211
Purchased services	954,973	885,348	576,983	594,088	(53,904)	231,850	312,671	269,322	354,615	319,842	4,445,788	9,742,509
Purchased HCCA Labor	2,929,903	3,901,480	2,685,135	2,357,921	1,907,655	-	0	-	-	-	13,782,094	33,919,587
Repairs & maintenance	11,742	35,132	22,258	16,406	36,572	(7,061)	2,852	18,491	19,102	36,729	192,223	336,427
Utilities & phone	139,238	153,704	185,169	127,088	(45,002)	134,134	98,283	80,896	88,096	91,680	1,053,286	1,273,334
Building & equipment rental	73,339	164,350	59,251	36,257	53,545	46,362	42,556	36,669	38,226	40,444	590,999	365,501
Insurance	119,930	92,325	97,414	83,705	83,705	84,778	83,708	83,708	83,808	83,708	896,789	1,001,095
Other operating expenses	125,273	289,918	102,348	99,232	14,364	39,105	62,031	59,784	33,971	36,407	862,433	1,489,658
Operating expenses before D&A	6,082,746	7,471,274	5,243,440	4,548,868	2,419,006	1,275,387	1,588,424	1,557,496	1,622,797	1,477,817	33,287,255	66,330,537
EBITDA	698,687	(1,972,567)	(1,201,575)	(10,633,664)	(2,243,426)	1,038,589	(1,673,630)	(1,532,572)	(3,041,863)	(2,174,296)	(22,736,317)	619,429
Depreciation & amortization	(216,566)	(216,566)	(216,566)	(216,378)	(210,562)	(210,389)	(210,389)	(209,728)	(207,731)	(207,689)	(2,122,564)	(2,716,034)
Property tax income	145,090	145,090	151,023	(155,369)	429,009	645,698	154,289	154,289	182,880	157,466	2,009,465	6,031,957
Investment income	29,152	22,650	9,747	(2,828)	(208,799)	(190,205)	269,162	(48,575)	12,827	(21,013)	(127,882)	100,589
Interest expense	(63,940)	(64,281)	(61,766)	(61,638)	(61,589)	(61,476)	(61,520)	(61,379)	(45,424)	(61,881)	(604,894)	(639,790)
Grants & contributions	-	-	-	-	-	-	0	-	-	-	0	123,007
Other income	-	-	-	-	-	-	-	-	-	-	-	1,055,401
Total other revenue/(expenses)	(106,264)	(113,107)	(117,562)	(436,213)	(51,941)	183,628	151,542	(165,393)	(57,448)	(133,117)	(845,875)	3,955,130
Excess of revenues over expenses	592,423	(2,085,674)	(1,319,137)	(11,069,877)	(2,295,367)	1,222,217	(1,522,088)	(1,697,965)	(3,099,311)	(2,307,413)	(23,582,192)	4,574,559
Increase in net assets	\$592,423	(\$2,085,674)	(\$1,319,137)	(\$11,069,877)	(\$2,295,367)	\$1,222,217	(\$1,522,088)	(\$1,697,965)	(\$3,099,311)	(\$2,307,413)	(\$23,582,192)	\$4,574,559

TULARE REGIONAL MEDICAL CENTER
Balance Sheet for the period ended 5/31/2018
Unaudited - See Attached Notes and Disclaimer

KEY COMPONENTS (ONLY)

	Prior Month April	Current Month May	Last year May	Increase/ (Decrease)	Inc/(Dec) percentage
Cash and cash equivalents	\$906,129	\$270,181	\$2,009,401	(\$1,739,219)	(86.6%)
Gross pt accounts receivable	44,147,865	42,900,321	60,557,452	(17,657,131)	(29.2%)
Net pt accounts receivable	1,033,369	850,030	18,654,736	(17,804,705)	(95.4%)
Misc receivables	7,256,319	6,770,159	28,753,298	(21,983,140)	(76.5%)
Net capital assets	169,146,283	169,447,679	165,683,374	3,764,304	2.3%
TOTAL ASSETS	\$199,066,069	\$198,201,277	\$230,710,121	(\$32,508,845)	(14.1%)
Accounts payable	37,306,732	37,362,077	19,865,130	17,496,947	88.1%
Est current 3rd party payor settlements	6,366,077	6,366,077	43,235	6,322,842	14624.3%
Debt borrowings, net of curr maturities	100,991,039	101,549,706	100,493,712	1,055,993	1.1%
TOTAL LIABILITIES	161,639,666	162,709,061	129,958,793	32,750,269	25.2%
Total net assets	37,426,403	35,492,215	100,736,419	(65,244,204)	(64.8%)
TOTAL LIABILITIES & NET ASSETS	\$199,066,069	\$198,201,276	\$230,710,122	(\$32,508,845)	(14.1%)

TULARE REGIONAL MEDICAL CENTER
Balance Sheet for the period ended 5/31/2018
Unaudited - See Attached Notes and Disclaimer

	Prior Month April	Current Month May	Last year May	Increase/ (Decrease)	Inc/(Dec) percentage
Current assets:					
Cash and cash equivalents	\$906,129	\$270,181	\$2,009,401	(\$1,739,219)	(86.6%)
Ltd use assets avail for curr debt srvc	6,166,780	6,166,780	4,457,119	1,709,661	38.4%
Patient accounts receivable:					
Gross pt accounts receivable	44,147,865	42,900,321	60,557,452	(17,657,131)	(29.2%)
Contractual allowances	(33,434,536)	(32,370,466)	(39,177,672)	6,807,206	(17.4%)
Provision for bad debts & charity	(9,679,960)	(9,679,825)	(2,725,044)	(6,954,781)	255.2%
Net pt accounts receivable	1,033,369	850,030	18,654,736	(17,804,705)	(95.4%)
Other receiv. & phys. advances					
Tax revenue receivable	6,919,002	7,404,659	1,044,880	6,359,778	608.7%
Misc receivables	7,256,319	6,770,159	28,753,298	(21,983,140)	(76.5%)
Physician advances	13,604	13,604	265,200	(251,596)	(94.9%)
Total other receivables	14,188,925	14,188,422	30,063,378	(15,874,957)	(52.8%)
Inventories	1,192,541	1,156,500	1,794,080	(637,581)	(35.5%)
Prepaid expenses & deposits	928,294	839,808	860,169	(20,361)	(2.4%)
Total current assets	24,416,038	23,471,721	57,838,883	(34,367,163)	(59.4%)
Assets limited as to use:					
GO bond construction fund	-	-	-	-	0.0%
Restricted trust funds, other	5,052,807	4,830,936	6,697,605	(1,866,669)	(27.9%)
Total limited use assets	5,052,807	4,830,936	6,697,605	(1,866,669)	(27.9%)
Capital assets:					
Land & land improvements	3,301,871	3,301,871	3,301,871	-	0.0%
Bldgs & bldg improvements	45,382,391	45,382,391	45,338,270	44,121	0.1%
Leasehold improvements	607,391	607,391	607,391	-	0.0%
Major movable equipment	38,195,077	38,195,077	36,228,039	1,967,037	5.4%
Construction in progress	147,801,277	148,310,249	146,320,876	1,989,373	1.4%
Gross capital assets	235,288,007	235,796,979	231,796,447	4,000,531	1.7%
Accumulated depreciation	(66,141,724)	(66,349,300)	(66,113,073)	(236,227)	0.4%
Net capital assets	169,146,283	169,447,679	165,683,374	3,764,304	2.3%
Bond issuance costs & other assets	450,941	450,941	475,349	(24,408)	(5.1%)
Intercompany receivable	-	-	14,910	(14,910)	(100.0%)
TOTAL ASSETS	\$199,066,069	\$198,201,277	\$230,710,121	(\$32,508,845)	(14.1%)
Current liabilities:					
Current maturities of debt borrowings	\$1,234,502	\$1,205,011	\$925,985	\$279,026	30.1%
Accounts payable	37,306,732	37,362,077	19,865,130	17,496,947	88.1%
Other accrued liabilities	4,862,306	4,828,556	7,954,457	(3,125,900)	(39.3%)
Accrued payroll & related liabilities	129,590	147,492	-	147,492	0.0%
Est current 3rd party payor settlements	6,366,077	6,366,077	43,235	6,322,842	14624.3%
Self insurance program accrual	360,000	360,000	321,951	38,049	11.8%
Total current liabilities	50,259,207	50,269,213	29,110,758	21,158,456	72.7%
Long-term liabilities:					
Deferred revenue	10,389,420	10,890,142	354,323	10,535,820	2973.5%
Debt borrowings, net of curr maturities	100,991,039	101,549,706	100,493,712	1,055,993	1.1%
TOTAL LIABILITIES	161,639,666	162,709,061	129,958,793	32,750,269	25.2%
Net assets:					
Retained Earnings	61,008,595	61,008,603	95,507,495	(34,498,892)	(36.1%)
Increase in net assets	(23,582,192)	(25,516,388)	5,228,924	(30,745,312)	(588.0%)
Total net assets	37,426,403	35,492,215	100,736,419	(65,244,204)	(64.8%)
Intercompany payable	-	-	14,910	(14,910)	(100.0%)
TOTAL LIABILITIES & NET ASSETS	\$199,066,069	\$198,201,276	\$230,710,122	(\$32,508,845)	(14.1%)

TULARE REGIONAL MEDICAL CENTER
Statement of revenue and expenditures
For the Eleventh Months Ending Thursday, May 31, 2018
Unaudited - See Attached Notes & Disclaimer

KEY COMPONENTS (ONLY)	December	January	February	March	April	May	YTD FY18	YTD FY17
Total operating revenue	2,313,976	(85,206)	24,924	(1,419,066)	(696,479)	59,262	10,610,200	73,147,615
Professional fees	648,640	733,032	706,624	554,975	528,729	498,942	6,246,079	6,494,988
Physicians fees	19,946	6,100	-	-	-	-	2,220,974	5,740,265
Purchased services	231,850	312,671	269,322	354,615	319,842	375,595	4,821,383	10,622,439
Purchased HCCA Labor	-	0	-	-	-	-	13,782,094	36,996,526
Operating expenses before D&A	1,275,387	1,588,424	1,557,496	1,622,797	1,477,817	1,554,736	34,841,991	72,304,098
EBITDA	1,038,589	(1,673,630)	(1,532,572)	(3,041,863)	(2,174,296)	(1,495,474)	(24,231,791)	843,517
Excess of revenues over expenses	1,222,217	(1,522,088)	(1,697,965)	(3,099,311)	(2,307,413)	(1,934,196)	(25,516,388)	4,883,800

TULARE REGIONAL MEDICAL CENTER
Statement of revenue and expenditures
For the Eleventh Months Ending Thursday, May 31, 2018
Unaudited - See Attached Notes & Disclaimer

	July	August	September	October	November	December	January	February	March	April	May	YTD FY18	YTD FY17
Net patient revenue	\$5,265,408	\$4,000,227	\$2,977,089	(\$4,142,461)	(\$76,297)	(\$8,079)	\$74,711	(\$5,272)	(\$1,691,169)	(\$757,425)	(\$13,869)	\$5,622,863	\$52,673,011
Supplemental funds	1,254,200	1,254,200	697,850	(2,290,051)	212,141	2,322,055	(199,956)	-	-	-	-	3,250,439	18,325,692
Other operating revenue	261,825	244,280	366,926	347,716	39,736	-	40,039	30,196	272,103	60,946	73,131	1,736,898	2,148,912
Total operating revenue	6,781,433	5,498,707	4,041,865	(6,084,796)	175,580	2,313,976	(85,206)	24,924	(1,419,066)	(696,479)	59,262	10,610,200	73,147,615
Salaries & wages	-	5,548	-	98	-	110,187	189,222	254,718	316,780	230,977	228,869	1,336,399	118
Employee benefits	-	-	-	-	-	7,134	46,979	18,935	108,996	81,947	80,964	344,955	1,729
Professional fees	591,421	607,690	493,803	512,355	369,868	648,640	733,032	706,624	554,975	528,729	498,942	6,246,079	6,494,988
Professional fees, physicians	511,275	648,489	554,215	526,485	(45,536)	19,946	6,100	-	-	-	-	2,220,974	5,740,265
Supplies	625,652	687,290	466,864	195,233	97,739	(39,688)	10,990	28,349	24,228	27,354	65,168	2,189,179	7,511,033
Purchased services	954,973	885,348	576,983	594,088	(53,904)	231,850	312,671	269,322	354,615	319,842	375,595	4,821,383	10,622,439
Purchased HCCA Labor	2,929,903	3,901,480	2,685,135	2,357,921	1,907,655	-	0	-	-	-	-	13,782,094	36,996,526
Repairs & maintenance	11,742	35,132	22,258	16,406	36,572	(7,061)	2,852	18,491	19,102	36,729	56,281	248,504	375,384
Utilities & phone	139,238	153,704	185,169	127,088	(45,002)	134,134	98,283	80,896	88,096	91,680	99,214	1,152,500	1,396,819
Building & equipment rental	73,339	164,350	59,251	36,257	53,545	46,362	42,556	36,669	38,226	40,444	37,880	628,879	477,356
Insurance	119,930	92,325	97,414	83,705	83,705	84,778	83,708	83,708	83,808	83,708	83,708	980,497	1,075,295
Other operating expenses	125,273	289,918	102,348	99,232	14,364	39,105	62,031	59,784	33,971	36,407	28,115	890,548	1,612,146
Operating expenses before D&A	6,082,746	7,471,274	5,243,440	4,548,868	2,419,006	1,275,387	1,588,424	1,557,496	1,622,797	1,477,817	1,554,736	34,841,991	72,304,098
EBITDA	698,687	(1,972,567)	(1,201,575)	(10,633,664)	(2,243,426)	1,038,589	(1,673,630)	(1,532,572)	(3,041,863)	(2,174,296)	(1,495,474)	(24,231,791)	843,517
Depreciation & amortization	(216,566)	(216,566)	(216,566)	(216,378)	(210,562)	(210,389)	(210,389)	(209,728)	(207,731)	(207,689)	(207,576)	(2,330,140)	(3,017,213)
Property tax income	145,090	145,090	151,023	(155,369)	429,009	645,698	154,289	154,289	182,880	157,466	157,466	2,166,931	6,446,576
Investment income	29,152	22,650	9,747	(2,828)	(208,799)	(190,205)	269,162	(48,575)	12,827	(21,013)	(329,633)	(457,515)	110,363
Interest expense	(63,940)	(64,281)	(61,766)	(61,638)	(61,589)	(61,476)	(61,520)	(61,379)	(45,424)	(61,881)	(58,979)	(663,873)	(701,902)
Grants & contributions	-	-	-	-	-	-	0	-	-	-	-	0	147,058
Other income	-	-	-	-	-	-	-	-	-	-	-	0	1,055,401
Total other revenue/(expenses)	(106,264)	(113,107)	(117,562)	(436,213)	(51,941)	183,628	151,542	(165,393)	(57,448)	(133,117)	(438,722)	(1,284,597)	4,040,283
Excess of revenues over expenses	592,423	(2,085,674)	(1,319,137)	(11,069,877)	(2,295,367)	1,222,217	(1,522,088)	(1,697,965)	(3,099,311)	(2,307,413)	(1,934,196)	(25,516,388)	4,883,800
Increase in net assets	\$592,423	(\$2,085,674)	(\$1,319,137)	(\$11,069,877)	(\$2,295,367)	\$1,222,217	(\$1,522,088)	(\$1,697,965)	(\$3,099,311)	(\$2,307,413)	(\$1,934,196)	(\$25,516,388)	\$4,883,800

TULARE REGIONAL MEDICAL CENTER

Summary of Accounts Payables as of August 17, 2018

TRMC Bankruptcy Status	Date Range 0-30	31-60	61-90	91-120	+121	Accrued Payable as of August 17, 2018	Grand Total
Post-Petition	548,305.14	915,797.06	765,234.39	960,975.22	5,847,996.98		9,038,308.79
Pre-Petition					27,533,454.90		27,533,454.90
Accrued Payable as of August 17, 2018						505,808.00	505,808.00
Grand Total	548,305.14	915,797.06	765,234.39	960,975.22	33,381,451.88	505,808.00	37,077,571.69

TULARE LOCAL HEALTHCARE DISTRICT dba TULARE REGIONAL
DISTRICT HOSPITAL

August 15, 2018

Wipfli

PPS RECONCILIATION	281,068
MCAL OP SUPPLEMENTAL AB915	1,102,180.25
MCARE COST REPORT FY 2017	(96,698.00)
MCARE COST REPORT FY 2018	102,021.00
SUB TOTAL	1,388,571
CASH COLLECTIONS MARCH 1 - AUGUST 15	1,649,631.00
TOTAL	3,038,202.25

TULARE REGIONAL MEDICAL CENTER
CASH RECEIPTS AND DISBURSEMENTS

Prepared: 8/16/2018

	6/1	6/8	6/15	6/22	6/29	7/6	7/13	7/20	7/27	8/3	8/10
CASH IN											
Receipts	78,508	71,913	45,332	77,006	88,098	54,786	51,898	106,247	124,424	62,646	53,791
DSH Payment	0	0	0	(620,053)	0	0	0	0	0	0	0
Property Taxes	0	0	0	0	0	0	77,187	0	0	0	0
Property Rentals and Evolutions	0	0	0	0	0	0	0	22,263	50,700	0	31,017
Short Term Loans	0	0	0	0	(75,000)	0	0	0	0	0	0
Supplemental - AB 113 & 915	0	0	346,045	639,160	526,134	0	0	0	0	0	0
Supplemental - HQAF, Etc.	1,479,997	0	0	0	0	0	0	0	0	0	0
Payments Excluded from AH LOC	0	0	0	0	0	0	0	0	0	0	(46,456)
Other Extraordinary Receipts	0	0	0	0	0	0	0	0	0	0	4,159
Adventist Health Line of Credit	0	0	0	0	0	0	0	0	0	0	932,894
Total Cash In	1,558,505	71,913	391,377	96,113	539,232	54,786	129,085	128,510	175,125	62,646	975,406
EXPENSES											
Revenue Bonds	0	0	0	0	0	103,179	0	0	0	0	103,179
Payroll & Related Expenses	22,203	106,011	41,213	111,511	69,846	109,061	0	93,794	68,954	117,178	110,461
Insurance	0	0	63,218	0	0	20,654	149,085	0	14,992	992	67,546
Utilities/Phone/Internet	40,050	50,000	4,299	64,057	37,223	0	4,604	80,301	42,624	0	4,892
Legal/ Bankruptcy Counsel	0	400,000	0	0	0	0	0	0	0	0	150,000
Consulting & Purchased Services	15,000	531,011	15,000	0	142,568	0	15,000	0	37,354	0	412,797
Physicians	0	0	0	0	0	0	0	0	0	0	0
Software Fees	0	0	0	0	0	0	0	0	0	0	0
Supplies - Medical	0	0	0	0	0	0	0	0	0	0	0
Leases and Rentals	17,488	0	0	0	0	12,325	0	0	7,999	41,852	4,880
IGT Advances	0	0	0	0	0	0	0	0	0	0	0
Third Party Payments	0	0	48,026	0	0	0	0	0	0	0	0
Other	29,558	57,257	40,229	22,828	36,137	24,626	50,441	47,264	38,281	48,028	43,332
Post-Petition Expense Catch-up	0	0	0	0	0	0	0	0	0	0	0
Assumed Liabilities, Pre & Post	0	0	0	0	0	0	0	0	0	0	37,475
Start-up Repairs	0	0	0	0	0	0	0	0	0	0	0
Total Expense	124,299	1,144,279	211,985	198,396	285,773	269,846	219,130	221,358	210,204	208,049	934,561
Difference	1,434,206	(1,072,366)	179,393	(102,283)	253,459	(215,060)	(90,045)	(92,848)	(35,079)	(145,403)	40,845
Cash Balance Forward	1,558,913	486,547	665,940	563,657	817,116	602,056	512,011	419,163	384,084	238,681	279,526

NOTE: \$784,664 of Build America Bonds funds were received by the District in February, 2018 and in July, 2018 and were paid to Tulare County Tax Assessor. These have been removed from this report as these are not District funds.