

Tulare Local Healthcare District
Wipfli Engagement Services and Accomplishments
October 2017 – April 2019 (19 Months)

1. Major accomplishments
 - a. Initial meetings with HCCA to gather information to complete Operational Assessment
 - b. Development of application to CDPH to manage the hospital partnering with CMH
 - c. Discussions with CDPH regarding bankruptcy, hospital temporary License suspension and closure.
 - d. Review of existing management contract with HCCA
 - e. Financial Projections
 - i. Initial to determine potential hospital performance
 - ii. On-going weekly cash flow projections for District Operations
 - iii. Projections for RFP package
 - iv. Projections for Bond Trustee
 - v. Projections associated with State Representatives Emergency Funding for Tulare
 - vi. DIP financing RFP and discussions
 - vii. Projections associated with DIP lenders, BizCap and Lapis
 - viii. Projections associated City of Tulare LOC
 - ix. Projections associated with the District Chapter 9 Plan of Adjustment
 - f. RFP and Discussions with Potential Partners (CMH, Dignity, Kaweah Delta and AH)
 - g. Presentation in Sacramento associated with potential need of Emergency funding for TLHD
 - h. Interim A/R Financing
 - i. Cost report filings, audits and appeals

- j. Identification of potential IGT and other supplemental District funding programs
 - k. On-going discussions with Bond Trustee and Attorney's
 - l. Assistance with the State Audit
 - m. Assistance with the DA investigation
 - n. Revenue Cycle and collection of existing A/R
 - o. Discussions with State to try and save the PRIME program including completing Prime application and annual reporting
 - p. Assistance to attorney's regarding hospital management agreement, lease, APA, etc.
 - q. RFP for Lease and Equipment Fair Market Valuations
 - r. RFP for District Financial Audit (FY2017 and 2018)
 - s. Review lease valuation and equipment fair market valuation and negotiations with AH
 - t. Renewal of the VA property lease
 - u. Bankruptcy Services
 - i. Review of contracts for acceptance or rejection
 - ii. Review of leases
 - iii. Review of creditor claims
 - iv. Celtic lease review and evaluation regarding identification and fair market value of assets
 - v. Projections for the Chapter 9 Plan of Adjustment
2. Total Consultant Hours and number of associates who worked on the engagement (October 2017 through March 2019).
- a. Consulting Hours – 19,035
 - b. Number of Consultants – 60 plus
 - c. Average Hourly Rate Billed - \$240
3. Revenue Generation and Expense Savings - \$17 Million
- a. Collection of Existing A/R - \$5 Million
 - b. Cost report appeals, filings and Supplemental Funding Programs - \$9.5 Million

- c. AH Hospital Lease - \$2.175 Million (5 years), \$13.050 Million (30 years)
 - d. Surplus Equipment - \$.7 Million
- 4. Return on Investment to Date – 4:1
- 5. What's left to be Done
 - a. Orientation of New CEO
 - b. Hiring and orientation of new finance director
 - c. Monthly Financial Statements/Book Closing
 - d. FYE Audit June, 2019
 - e. Preparation of fiscal year 2020 Budget
 - f. District Close of Business Cost Report and OSHPD Report
 - g. Prior year DSH and Cost Report Audit
 - h. Accounts Payable Presentation and Check Writing
 - i. Accounts Payable Invoice Scanning to Adventist Health
 - j. Cash Management and related LOC management
 - k. Bankruptcy Plan
 - l. Overseeing the IT Data Storage and Backup
 - m. AH A/R Transitional Data File Download
 - n. Training of the New Executive Team to take over District Management
- 6. Estimated Wipfli Time
 - a. Rich Gianello – Part-Time April-May, Volunteer time and services after June 1 as needed
 - b. Dan Heckathorne – Full-Time April-June, Half-Time July-September, Part-Time October-December
 - c. Teresa Jacques – Full-Time April-August, Half-Time September-October, Part-Time November-December
 - d. Other Wipfli Consultants – Part-Time on an as needed basis