



July 21, 2023

TO: Legal Counsel

News Media

Salinas Californian

El Sol

Monterey County Herald

Monterey County Weekly

KION-TV

KSBW-TV/ABC Central Coast

KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE** of the **SALINAS VALLEY HEALTH**¹ will be held **MONDAY, JULY 24, 2023, AT 12:00 P.M., DOWNING RESOURCCE CENTER ROOM A, B, & C, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA** or via **TELECONFERENCE** (*visit SalinasValleyHealth.com/virtualboardmeeting for Access Information*).

A handwritten signature in black ink, appearing to read "Pete Delgado".

Pete Delgado
President/Chief Executive Officer



Committee Members: Joel Hernandez Laguna, Chair; Juan Cabrera, Vice Chair; Pete Delgado, President/CEO; Augustine Lopez, Chief Financial Officer; Clement Miller, Chief Operating Officer; Tarun Bajaj, M.D. Medical Staff Member; Sanjeev Tandon, Community Member Harry; Wardwell, Community Member

**FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH¹**

**MONDAY, JULY 24, 2023, 12:00 P.M.
DOWNING RESOURCE CENTER, ROOMS A, B & C**

**Salinas Valley Health Medical Center
450 E. Romie Lane, Salinas, California
or via Teleconference**

(Visit SalinasValleyHealth.com/virtualboardmeeting for Access Information)

AGENDA

1. Call to Order / Roll Call
2. Approve Minutes of the Finance Committee Meeting of June 19, 2023 (DELGADO)
 - Motion/Second
 - Action by Committee/Roll Call Vote
3. Consider Recommendation for Board Approval of 3M 360 Encompass Coding Software as Sole Source and Contract Award (LOPEZ/KATZENBERGER)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
4. Consider Recommendation for Board of Directors to Award the Construction Contract to FTG Builders, Inc. for the CT Scanner and Nuclear Medicine Equipment Replacement Projects (MILLER/STROTMAN/SULLIVAN)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
5. Review Balanced Scorecard (LOPEZ)
6. Financial Performance Review (LOPEZ)
7. FY23 Capital Spending Update (LOPEZ/NORMAN/SILLIVAN)
8. Public Input

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

9. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, August 21, 2023 at 12:00 p.m.**

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Committee packet is available at the Committee Meeting, at www.SalinasValleyHealth.com, and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Clerk during regular business hours at 831-759-3050. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

**SALINAS VALLEY HEALTH¹
FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES MAY 22, 2023**

Committee Members Present:

In person: Chair Joel Hernandez Laguna, Vice-Chair Juan Cabrera, Tarun Bajaj, MD., Augustine Lopez, and Clement Miller

Via teleconference: Pete Delgado and Sanjeev Tandon

Committee Members Absent: Harry Wardwell

Other Board Members Present, Constituting Committee of the Whole: Catherine Carson and Rolando Cabrera, MD. (via teleconference)

Juan Cabrera in at 12:09 p.m.

1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Joel Hernandez Laguna called the meeting to order at 12:03 p.m. in the Downing Resource Center, Rooms A, B, and C.

2. APPROVE MINUTES OF THE FINANCE COMMITTEE MAY 22, 2023

The Finance Committee meeting minutes of May 22, 2023 were included in the Committee packet.

PUBLIC COMMENT:

None

MOTION:

Upon motion by Committee member Delgado, and second by Committee member Lopez, the minutes of May 22, 2023 of the Finance Committee were approved as presented.

ROLL CALL VOTE:

Ayes: Chair Hernandez Laguna, Bajaj, MD., Delgado, Lopez, Miller, and Tandon

Noes: None;

Abstentions: None;

Absent: Vice-Chair Cabrera, and Wardwell

Motion Carried

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

3. REVIEW BALANCED SCORECARD

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the Balanced Scorecard.

4. FINANCIAL PERFORMANCE REVIEW

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the Financial Performance Review. A full report was included in the packet.

5. PUBLIC INPUT

No public comment

6. REVIEW AND CONSIDER RECOMMENDATIONS FOR THE BOARD OF DIRECTORS APPROVAL OF (FY2024) OPERATING & CAPITAL BUDGET.

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the Operating & Capital Budget for FY2024

PUBLIC COMMENT:

None

MOTION:

Upon motion by Vice-Chair Cabrera, and second by Miller, the Finance Committee recommends the Board of Directors consider approval (FY2024) Operating & Capital Budget.

ROLL CALL VOTE:

Ayes: Chair Hernandez Laguna, Vice Chair Cabrera, Bajaj MD., Delgado, Lopez, Miller and Sanjeev

Noes: None;

Abstentions: None;

Absent.: Wardwell

7. ADJOURNMENT

There being no other business, the meeting was adjourned at 12:40 p.m. The next Finance Committee Meeting is scheduled for **Monday, July 24, 2023 at 12:00 p.m.**

Joel Hernandez Laguna, Chair

Board Paper: Review and Approval by Board

Agenda Item: Consider Recommendation for Board Approval of 3M™ 360 Encompass™ Coding Software as Sole Source Justification and Contract Award

Executive Sponsor: Augustine Lopez, CFO
Philip Katzenberger, Director of Health Information Management

Date: July 20, 2023

Executive Summary

3M™ 360 Encompass™ provides the software licenses for coding staff in Health Information Management (HIM) to translate the diagnoses and procedures, as provided by the physician into ICD-10 codes for claim submission. The 3M software provides computer assisted coding with encoder software to group procedures and diagnoses into the proper regulator sequence for Inpatient and Outpatient services. 3M 360 Encompass has clinical documentation improvement system modular software which is used to track review of medical record documentation for completeness and accuracy. It also includes multiple-group HIM custom interfaces, reimbursement calculation software APR DRG (all patient refined diagnosis related groups), and Med-Cal Coding reference advantage software for coding staff.

We do not recommend replacing the existing solution. There is risk of operational disruption during the learning curve while adapting to a new system and workflow methodology such as tabulator base vs. etiology base to obtain structure code sets. We would expect operational disruptions and inefficiencies should we replace the current solution with another vendor's solution. We can reasonably estimate a hit to staff productivity (10% to 40% reduction) running dual systems and increases in Salinas Valley Health's mid revenue collection days valued at several millions of dollars of unclaimed/unprocessed cases.

The 3M™ 360 Encompass™ solution leverages natural language processing for report types such as history and physicals, consultation, discharge summaries, operative reports, progress notes, radiology and lab reports. Each of these reports required interface customization. These customizations were created nine (9) years ago at a sunk cost of \$150,000 requiring seven (7) months' time of custom project build. To recreate a similar custom build, the estimated cost is \$235,000, plus consultation services. There is no proven operational advantage to switching vendors.

Referenced Gartner Peer Insights, who compared 3M™ to other vendors in the market. 3M™ 360 Encompass™ has higher scoring scores higher when compared to their competition in capability functionality, of scalability, integration, customization, administration, and maintenance sustainable maintenance.

Unique to market, 3M has reviews in healthcare provider value-based performance management analytics. As a tool that aids in delivering insights into claims, encounters and how achieving systemness can lead to seamless, cost-effective, and high-quality care.

The 3M product functions well with periodic upgrades and new product development. We recommend the 3M™ five-year contract renewal as proposed.

Key Contract Terms	3M™
1. Proposed contract signing date	August 28, 2023
2. Term of agreement	August 7, 2023 – August 6, 2028
3. Renewal terms	Auto one-year renewal
4. Termination provision(s)	60 days' written notice to terminate, 30 day with cause termination.
5. Payment Terms	Net 45
6. Annual cost(s)	\$333,386.49
7. Cost over life of agreement	\$1,787,773.65
8. Budgeted (yes or no)	Yes
9. Contract	1001.660

Recommendation

Consider recommendation for Board approval of 3M™ 360 Encompass™ contract renewal as sole source justification and contract award in the amount of \$1,787,773.65 over a five-year term.

Attachments

- Sole Source Justification Form
- Evidence of legal review
- Master Software and Services Agreement

Justification for Sole Source Form

To: Proposal Evaluation Panel

From: Philip Katzenberger

Type of Purchase: (check one)

- Materials/Supplies
- Data Processing/Telecommunication Goods > \$25,000
- Medical/Surgical – Supplies/Equipment > \$25,000
- Purchased Services

Cost Estimate (\$):	\$1,787,773.65 (5year contract)
Vendor Name:	3M™
Item Title:	3M 360 Encompass Coding Software Renewal: 2023 - 2028

Statement of Need: My department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the SVMHS. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

Describe how this selection results in the best value to SVMHS. See typical examples below.

- Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe why it is mandatory to use this licensed or patented product or service:**
- Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe. If product is off-the-shelf, list efforts to find other vendors (i.e. web site search, contacting the manufacturer to see if other dealers are available to service this region, etc.).**

Salinas Valley Health (SVH) has natural language processing for report types such as; history and physicals, consultation, discharge summaries, operative reports, progress notes, radiology and lab reports. Each of these reports required interface customization. These customizations were created nine (9) years ago at a sunk cost of \$150,000 and seven (7) months' time. To recreate a similar custom build, the estimated cost is \$235,000. Additional consultation services are not included. There is no proven operational advantage to switching vendors.

Gartner Peer Insights compares 3M™ to other vendors in the market, 3M™ 360 Encompass™ scores higher when compared to their competition in functionality, scalability, integration, customization, administration, and sustainable maintenance.

Unique to market, 3M has reviews in healthcare provider value-based performance management analytics. As a tool that aids in delivering insights into claims, encounters and how achieving systemness can lead to seamless, cost-effective, and high-quality care.

We do not recommend replacing the existing solution. There is risk of operational disruption during the learning curve for our coding staff to adapt to a new system, and workflow methodology such as tabulator base vs. etiology base to obtain structure code sets. We would expect operational disruptions and inefficiencies should we replace the current solution with another vendor's solution. We can reasonably estimate a hit to staff productivity (10% to 40% reduction) running dual systems and increases in Salinas Valley Health's mid revenue collection days valued at several millions of dollars of unclaimed/unprocessed cases.

Justification for Sole Source Form

The 3M product functions well with periodic upgrades and new product development. We recommend the 3M™ 5-year contract renewal as proposed.

- Uniqueness of the service. **Describe.**
- SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Attach documentation from manufacturer to confirm that only one dealer provides the product.**
- Factory-authorized warranty service available from only this single dealer. Sole availability at the location required. **Describe.**
- Used item with bargain price (describe what a new item would cost). **Describe.**
- Other -The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, **Describe:**

By signing below, I am attesting to the accuracy and completeness of this form.

Submitter Signature: _____

Date: _____



MASTER SOFTWARE AND SERVICES AGREEMENT

SIGNATURE PAGE

THIS MASTER SOFTWARE AND SERVICES AGREEMENT ("Agreement") between **3M Health Information Systems, Inc.** ("3M") having an office at 575 West Murray Boulevard, Murray, Utah 84123-4611 and **Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code, operating as Salinas Valley Health** ("Client") with offices at **450 E Romie Ln, Salinas, CA 93901-4029** (collectively the "Parties" or individually the "Party") shall be effective as of the date last signed ("Effective Date").

The Parties acknowledge that the agreements(s) listed below, shall be terminated upon the conclusion of **August 7, 2023**, with the exception of any Services being contracted for (but not yet completed and invoiced) under the agreement(s) below which were not added to this Agreement ("Outstanding Services"). Such Outstanding Services under the agreement(s) below shall not be cancelled and shall continue to be completed and invoiced under the agreement(s) they were originally contracted for, and such agreement(s) will be extended to the extent necessary to complete such Outstanding Services. After the completion of any such Outstanding Services, the agreement(s) below shall terminate in their entirety.

DESCRIPTION OF AGREEMENT	DATED	AGREEMENT NUMBER (IF APPLICABLE)
Software License Agreement	August 8, 2006	06-1259

REMIT ALL PAYMENTS DUE UNDER THIS AGREEMENT TO: 3M Health Information Systems Dept. 0881 PO Box 120881 Dallas, TX 75312-0881	ACH AND WIRE TRANSFERS TO: JPMorganChase 1 Chase Manhattan Plaza New York NY 10081 Beneficiary A/C Name: 3M Health Information Systems, Inc. ABA # 021000021 Account # 192825864 Swift address: CHASUS33 (for International Use)
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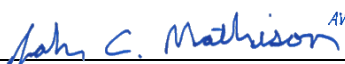
WRITTEN NOTICES UNDER THIS AGREEMENT SHALL BE SENT TO: Salinas Valley Health 450 E Romie Ln Salinas, CA, 93901-4029 Attention: Office of the President/CEO Email Address:	3M HEALTH INFORMATION SYSTEMS 575 West Murray Boulevard Murray, UT 84123-4611 Attention: Pricing and Contract Director With copy to: Legal
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To indicate acceptance and agreement to be bound by the terms and conditions of this Agreement, the Parties have executed this Agreement on the date(s) indicated below.

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM, A LOCAL HEALTH CARE DISTRICT ORGANIZED AND OPERATING PURSUANT TO DIVISION 23 OF THE CALIFORNIA HEALTH AND SAFETY CODE, OPERATING AS SALINAS VALLEY HEALTH

3M HEALTH INFORMATION SYSTEMS, INC.

BY: _____
 NAME: Pete Delgado
 TITLE: President/CEO
 DATE: _____

BY: 
 NAME: John C. Mathison
 TITLE: HIS Operations
 DATE: July 12, 2023

Please email or fax a purchase order in the amount of **\$333,360.68**, this signed Agreement and applicable Tax-Exempt forms to: **hisilverspringcontractrequests@mmm.com** or **(651) 732-8469**

ISSUE DATE / BY:	GPO:	BATCH NUMBER:	CLIENT SITE ID:	AGREEMENT NUMBER:	CLIENT EMR:
06/14/23 CS	*****	Q32161 O39266	2930400	O39266-23	
REVISION DATE/BY:	VERSION: MSSA				CMR No: 39841240r1

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1. **"3M Information"** means all items, information, and data (technical and non-technical and tangible and intangible), provided by 3M or 3M Personnel, any 3M Product, Deliverables or Results of a 3M Product(s) in connection with this Agreement, and any ideas, input, and feedback provided by Client to 3M or 3M Personnel.
- 1.2. **"3M Personnel"** means 3M's employees, agents, contractors, and subcontractors.
- 1.3. **"3M Product"** means any item listed on a Schedule.
- 1.4. **"Agreement"** means the General Terms and Conditions, and all exhibits, Appendices, Schedules, SOW's, and other attachments.
- 1.5. **"Appendix"** means the document so titled, attached to the Agreement and includes terms and conditions unique to a class of 3M Products.
- 1.6. **"Authorized Site"** means an entity that meets the requirements of Section 2.2.
- 1.7. **"Authorized User"** means an Authorized Site's employees and contingent workers (individuals hired by Client through a temporary staffing agency for a period not to exceed twelve months that supplements Client's employee workforce or serves as a temporary replacement of an employee position, and Client is responsible for the training and day-to-day direction of the individual) and, if applicable, an admitting physician (a licensed physician who has the privilege to admit patients at an Authorized Site) and a consulting physician (a licensed physician who provides medical consultation at an Authorized Site, or to an admitting physician).
- 1.8. **"Client Applications"** means Client developed software.
- 1.9. **"Client Data"** means all information provided by Client to 3M under this Agreement.
- 1.10. **"Client Equipment"** means the central processing unit(s), any peripheral equipment and all interconnecting cables and wires physically located at the Authorized Sites.
- 1.11. **"Client Portal"** means any proprietary secure electronic gateway provided by 3M to a collection of digital files, Consulting Services, Deliverables, Results, and other information accessible over the internet through a web browser.
- 1.12. **"Consulting Services"** means services identified on a Schedule attached to the Consulting Services Appendix.
- 1.13. **"Deliverables"** or **"Results"** means any report, file, document, presentation, analysis, analytics, recommendation, suggestion, methodologies, Software output or other work product that 3M delivers to Client or may make available to Client through the use of a 3M Product.
- 1.14. **"Documents"** means written reference, technical and hardware specifications, and operations and/or user manuals for 3M Products.
- 1.15. **"Implementation and Training"** or **"I&T"** means implementation (installation) and training services for a specific 3M Product.
- 1.16. **"Interface"** means enabling the communication between a non-3M Product and a 3M Product.
- 1.17. **"Intellectual Property Rights"** means all intellectual property rights throughout the world, including but not limited to registered or unregistered copyrights, trade secrets, patents, patent applications, designs, know-how, registered or unregistered trademarks and service marks, and trade names.
- 1.18. **"License Start Date" or "Go-Live"** means with respect to: (a) Software to be installed on 3M equipment or by 3M on Client Equipment - the date on which 3M has completed all I&T tasks and the respective module(s) of Software are made available to Client for productive use; or (b) Software to be installed by Client on Client Equipment - seven (7) days after the date on which such Software is made available to Client (without regard to actual Client installation).
- 1.19. **"Perpetual Software"** means Software identified on a Schedule attached to the Perpetual Software Appendix.
- 1.20. **"Schedule"** means the document so titled and attached to the respective Appendix, which lists each 3M Product to be provided, the Authorized Site(s), and the associated fees.
- 1.21. **"Services"** means Implementation and Training, Support Services, or Consulting Services.
- 1.22. **"Software"** means any and all (a) 3M owned computer program(s) with incorporated Third-Party Content, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form and whether embodied in software or otherwise, including application programming interfaces, architecture, records, schematics, computerized databases,

software implementations of algorithms, software tool sets, software models, (b) databases, libraries and compilations, including any and all data and collections of information or data, each to the extent relating to or otherwise used in support or for the benefit of, or embodied within, any of the items in (a) above, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, and (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, which are licensed under this Agreement and are identified on the applicable Schedule.

1.23. "Software as a Service" or "SaaS" means the cloud infrastructure including hosting, maintenance, and support of the servers, databases and code that constitute the services environment, including, without limitation, system administration, system management, and system monitoring activities for such SaaS products.

1.24. "Support Services" means 3M's maintenance and support of 3M Products as further defined in Section 3.1.3.

1.25. "SOW" means a statement of work or scope of work document so titled that describes the 3M Product and sets forth project specific details.

1.26. "Territory" means the United States of America, its territories and protectorates.

1.27. "Third-Party Content" means all non-3M owned software, algorithms, rules, analytical tools, materials, and content incorporated into, or distributed by 3M for use in combination with the 3M Product.

1.28. "Update" means a modification to Software provided by 3M to each customer licensing the Software without an additional or increased fee.

1.29. "Use Rights" means the limited rights to specific 3M Information granted by 3M.

2. OWNERSHIP; RESTRICTIONS; USE; SERVICES

2.1. Ownership. 3M, and its suppliers, are the sole and exclusive owners of all Intellectual Property Rights in and to the 3M Information. Client obtains no ownership interest in the 3M Product or 3M Information by virtue of providing 3M with Client Data under this Agreement.

2.2. Authorized Site. A facility is an Authorized Site if it is (a) Controlled by Client, and (b) has been added to the applicable Schedule. "Controlled" means Client possessing more than fifty percent (50%) of the voting stock or similar ownership interest. The Controlled requirement may be waived by 3M on a facility-by-facility basis.

2.2.1. "Access Site" means an Authorized Site that accesses the Software and is identified on the applicable Schedule as an "ACCESS" site.

2.2.2. "Host Site" means a Third-Party Contractor authorized by 3M to host the Software on behalf of Client and is identified on the applicable Schedule as a "HOST" site.

2.2.3. "Install Site" means the Authorized Site's physical location where the Software has been installed and which is listed on the applicable Schedule as an "INSTALL" site.

2.3. Use Rights. Use Rights to 3M Information are found in the applicable Appendix and are specific to the 3M Product(s) added to the applicable Appendices Schedule(s). Any Use Rights not explicitly granted in this Agreement are reserved by 3M.

2.4. Restrictions. Including any additional Restrictions on the applicable Appendices, the Use Rights granted in this Agreement do not permit access or use of 3M Information in any manner not specifically authorized in this Agreement. Client shall not, and shall not permit Authorized Users to:

- (a) download, attempt to download, or make extra copies of the 3M Information, provided however, Client may make: (i) one (1) copy of the Software (non SaaS) for archival purposes and such number of backup copies of the Software (non SaaS) and/or Results as are consistent with Client's normal periodic backup procedures with all such copies remaining subject to the terms of this Agreement, and (ii) reproduce or copy any portion of the Documents into machine-readable or printed form for its internal use and only as required to exercise its rights hereunder;
- (b) sublicense, lease, lend, transfer, redistribute, or permit any third-party to have access to, or the use of, the 3M Information;
- (c) process transactions of any entity or facility that has not been specifically listed as an Authorized Site under the applicable Schedule, including using the Software or Results in a service bureau or any other manner to provide a service or analytics for a third-party;
- (d) disassemble, decrypt, decompile, reverse-engineer, disclose, or use any means to discover the source code, methodologies, or other trade secrets embodied in any 3M Information;

- (e) create derivative works based upon 3M Information;
- (f) engage in any activity or introduce any device, software or routine that interferes with or disrupts the Software, Support Portal (as defined in Section 3.1.3), Client Portal, or the servers or networks which are connected to such;
- (g) remove the Software (non SaaS) from the installation site without 3M's written consent, which shall not be unreasonably withheld; however, during any period of Client Equipment malfunction causing the Software (non SaaS) to be inoperative, Client may use the Software (non SaaS) on alternate Client Equipment if Client promptly notifies 3M in writing of the new location (upon correction of the Client Equipment malfunction, Client shall immediately delete Software from the alternate Client Equipment and certify in writing to 3M such deletion is complete);
- (h) modify or otherwise alter the 3M Information;
- (i) remove the trademarks, trade names or any notice of 3M or 3M's suppliers from any 3M information;
- (j) use, allow access to, or distribute Results or Deliverables that is not permitted in the applicable Appendix;
- (k) create or offer a "wrapper," which is software that hides the underlying Software or Client Portal by any means;
- (l) use or access any 3M Information for benchmarking, consulting, or data analytics.

2.5. Third-Party Access to or Use of 3M Information. Client is prohibited from providing or allowing a third-party to view, use, execute, or display 3M Information, or create and/or maintain an Interface using 3M Information, unless the third-party has executed a 3M prepared confidentiality agreement and is listed as a limited license Authorized Site on the applicable Schedule.

2.6. Suspension. 3M may temporarily suspend portions of its performance in the event (a) of a denial of service attack or other attack on the Software; (b) 3M determines there is a reasonable likelihood of risk to 3M, 3M Products, or 3M customers if performance is not suspended; (c) 3M determines it is prudent to do so for legal or regulatory reasons; or (d) Client is in breach of the Agreement, subject to the cure period set forth in Section 8.2 (with the exception of a breach of 3M intellectual property, for which no cure period shall apply). 3M shall endeavor to provide Client notice of any suspension under this section. Any suspension shall only be to the extent and duration necessary to investigate and remediate the adverse condition. If a suspension occurs as a result of items (a)-(c) above which last more than five (5) consecutive days, if Client submits a written request for a credit within thirty (30) days of the end of such suspension, 3M will provide a pro-rated credit for the term of the suspension for the suspended 3M Products, to be applied on a future invoice.

2.7. Verification. Upon thirty (30) day notice, and no more than once every twelve (12) months, during Client's regular business hours, Client shall allow 3M, or a third-party designated by 3M, to inspect and audit applicable books and records to verify Client's compliance with its obligations under this Agreement. In addition to other available remedies, the cost of any audit conducted by a third-party shall be paid for by Client if the audit reveals a violation of 3M's Intellectual Property Rights, or unauthorized release or use of 3M Information. Consistent with 3M's efforts to ensure its business operations are conducted in compliance with applicable laws, 3M's audit rights of Section 9.12 Compliance with Laws, shall apply during the Term, and will survive three years thereafter.

2.8. Third-Party Content. Client agrees to comply with Exhibit B (Third-Party Content Terms and Conditions) which contain flow-down provisions for Third-Party Content that may be incorporated in 3M Products and are contractually required by the Third-Party Content providers. 3M may by written notice, modify the contents of Exhibit B, that do not result in Client incurring additional fees, as may be required by its contracts with Third-Party Content providers by sending Client written notice of the contractually required changes to Exhibit B.

2.9. Use of Client Data. When Client Data is uploaded, submitted, stored, or otherwise sent to 3M through or in connection with a 3M Product, Client gives 3M the right to use, aggregate, and modify Client Data; to develop, enhance, deliver, and support the 3M Product(s) and their underlying technologies, in compliance with the terms of the Business Associate Agreement between the Parties. This right is subject to all applicable laws restricting the use of the applicable types of Client Data.

3. ADDITIONAL OBLIGATIONS

3.1. 3M's Obligations.

3.1.1. Security. 3M is responsible for the security of, access to, and use of Client Data, and the security of any 3M Product that is installed or stored on 3M equipment.

3.1.2. Implementation and Training. When I&T for a module of Software is added to a Schedule, 3M will contact Client and establish a mutually agreed upon I&T plan. 3M agrees to reasonably cooperate with Client including, but not limited to: (i) adhering to the I&T plan; (ii) providing constant and informative communication; and (iii) providing the necessary personnel, equipment (if any is required by be provided by 3M), and technical resources contemplated and required.

3.1.3. Support. Support Services shall be provided as set forth on 3M's website <https://support.3Mhis.com> as updated from time to time ("Support Portal). Updates and the notifications of Updates for Software installed on Client Equipment, as well as updates to Documents are provided through the Support Portal. Updates to Software installed on 3M equipment are performed by 3M. Support Services do not apply if Client: (a) is in breach of the Agreement; (b) fails to place a Support Service request as set forth in the Support Portal; (c) fails to provide 3M reasonable access to Client's Equipment, data, and qualified Client personnel; and (d) has not installed the most recent Software Update.

3.1.4. Access. To the extent required by law, 3M and applicable subcontractors, shall make available upon written request to the Secretary of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, this Agreement and such books, documents and records necessary to verify the cost of services furnished to Client by 3M.

3.2. Client Obligations.

3.2.1. General. Client is responsible for: (a) ensuring Authorized Sites and Authorized Users adhere to the requirements of the Agreement; (b) its business decisions and any medical care it provides; (c) accuracy of Client Data, (d) verifying the accuracy of the Results of the 3M Product(s), (e) any Interfaces not created by 3M, (e) the acquisition and maintenance of Client Equipment and any non-3M software; (f) installing Updates on Client Equipment, and testing and running a commercially reasonable software security scan on all Updates before releasing the Update into its production environment; (g) performing routine backups (e.g., incremental backups performed daily, and full backups performed weekly) of its data and providing 3M with only copies of Client's original data set; (h) provide a list of Client Applications upon request; (i) reasonably cooperating with requests made by 3M; (j) delays or deficiencies caused by special requests made by Client or a government authority (authorized to regulate or supervise Client); and (k) installing all Software for which it has not added I&T to the applicable Schedule. Reasonable cooperation entails but is not limited to: (i) adhering to the I&T plan; (ii) providing constant and informative communication; and (iii) providing the necessary access, data, personnel, facilities, equipment, and technical resources contemplated and required.

3.2.2. Security. Client is responsible for: (a) security of, access to, and use of 3M Information; and (b) within fifteen (15) calendar days of discovery, notifying 3M of unauthorized use, disclosure of, or access to 3M Information.

4. CONFIDENTIAL INFORMATION

4.1. Protected Health Information. The Parties will comply with the applicable provisions of HIPAA and the HITECH Act, and when exchange of protected health information ("PHI") is reasonably anticipated, will enter into a business associate agreement that will be the controlling document as it relates to use, disclosure, confidentiality, and notifications relating to PHI. Unless explicitly contracted for otherwise, PHI delivered to 3M does not constitute a "designated record set" as defined under 45 CFR § 164.501.

4.2. Confidential Information. For the purposes of this Agreement, "Confidential Information" means any business, technical, or personnel information that a Party ("Disclosing Party") discloses to the other Party ("Receiving Party") that: (a) if disclosed in writing, is marked "confidential" or "proprietary" at the time of disclosure; (b) if disclosed orally, is identified as "confidential" or "proprietary" at the time of disclosure, or is later summarized in writing by the Disclosing Party to the Receiving Party; or (c) if not so identified or marked as stated previously, information that would be reasonably understood to be confidential due to the nature of the information or the circumstances in which it was disclosed. At all times, this Agreement, 3M Information, and pricing information are Confidential Information.

4.3. Confidential Treatment. Each Party will: (a) keep the Disclosing Party's Confidential Information confidential; (b) use the Disclosing Party's Confidential Information only as authorized or necessary to perform its obligations under this Agreement; and (c) protect the Disclosing Party's Confidential Information by using the same degree of care, but not less than a reasonable degree of care, to prevent the unauthorized disclosure or use of Confidential Information as the Receiving Party uses to protect its own confidential information of a like nature. 3M's privacy standards for confidentiality of contact information of Client personnel (i.e. Personal Information) are found in the 3M Global Privacy policy. Neither Party acquires rights to the other Party's Confidential Information, and a Receiving Party shall hold harmless the Disclosing Party and its personnel, from any unauthorized use or disclosure by the Receiving Party, or its suppliers, of the Disclosing Party's Confidential Information.

4.4. Disclosures Required by Law. The Receiving Party may release Confidential Information as required to comply with applicable law, regulation, valid court order, or other binding requirement of a competent governmental authority, provided that in any such case, where permitted by applicable law: (a) the Receiving Party will immediately notify the Disclosing Party in writing of any such requirement (and in any event, prior to disclosure of Confidential Information); (b) the Receiving Party provides all reasonable assistance to the Disclosing Party in any attempt by the Disclosing Party to limit or prevent the disclosure of Confidential Information; and (c) the Receiving Party agrees to furnish only that portion of the Confidential Information that is legally required to be furnished and, in consultation with the Disclosing Party, to use all reasonable efforts to ensure, to the extent possible, that the information is maintained in confidence by the party to whom it is furnished.

4.5. Exceptions. A Party's Confidential Information does not include information that: (a) is made available to the public by the Disclosing Party; (b) was known to the Receiving Party without an obligation of confidentiality prior to its receipt from the Disclosing Party as evidenced by the Receiving Party's written records; (c) is received by the Receiving Party from a third-party who is not subject to an obligation of confidentiality and without breach of any agreement or violation of law to the Disclosing Party and without breach of any agreement or violation of law; or (d) is independently developed by the Receiving Party without reference to Confidential Information received hereunder. The Parties agree that the existence of a copyright notice shall not cause or be construed to cause the Software or Documents to be a published copyrighted work or in the public domain. A Party's information that would otherwise be Confidential Information, but for a breach of an agreement or violation of law, shall remain the Disclosing Party's Confidential Information.

5. WARRANTIES; INDEMNIFICATION

5.1. 3M Warranties and Indemnification.

5.1.1. Debarment/Exclusion from Participation Warranty. 3M warrants to Client that upon the Effective Date, neither it nor any of its officers, directors, or employees performing 3M's obligations under the Agreement (collectively "3M Participant") is excluded from participation in any applicable Federal or State health benefits program. Upon discovery that a 3M Participant is excluded, 3M will immediately remove the 3M Participant from involvement with this Agreement. REMOVAL OF A 3M PARTICIPANT FOR EXCLUSION IS CLIENT'S SOLE REMEDY, UNLESS 3M ITSELF IS THE EXCLUDED PARTICIPANT, IN WHICH CASE CLIENT'S REMEDY IS TERMINATION OF THE AGREEMENT AND A PRORATED CREDIT OF PREPAID FEES.

5.1.2. Software Performance Warranty. Software shall perform in substantial accordance with the Documents; however, 3M does not represent or warrant the operation of the Software will be uninterrupted, error-free, or that immaterial non-conformance between the Software and Documents can be corrected. Upon receipt of written notice from Client that Software fails to meet this warranty, 3M shall provide Support Services in accordance with the terms of the Agreement. IF 3M IS UNABLE TO REMEDY A BREACH OF THIS WARRANTY, CLIENT'S REMEDY SHALL BE TO TERMINATE THE 3M PRODUCT THAT FAILS TO MEET THE WARRANTY AND RECEIVE A PRORATED CREDIT OF APPLICABLE PREPAID ANNUAL FEES.

5.1.3. Services Warranty. 3M warrants to Client that Services will be performed in a workman-like manner, using generally recognized commercial practices and standards. Provided 3M receives written notice of breach of this warranty from Client within thirty (30) days after the Service was performed, CLIENT'S REMEDY IS, AT 3M'S OPTION TO EITHER: (A) RE-PERFORM THE SERVICES IN A MANNER CONSISTENT WITH THIS WARRANTY; OR (B) REFUND TO CLIENT ANY AMOUNTS PAID FOR THE SERVICES THAT FAIL TO MEET THIS WARRANTY AND TERMINATE THE SERVICES GIVING RISE TO THE CLAIM WITHOUT FURTHER OBLIGATION ON THE PART OF EITHER PARTY.

5.1.4. Hardware Warranty. Any warranty for Hardware is provided by the manufacturer of the Hardware. "Hardware" means tools, machinery, and other tangible equipment.

5.1.5. Disabling Code Warranty. 3M warrants to Client that after using reasonable, industry-standard, up-to-date anti-virus technology, the 3M Product does not contain viruses, worms, trojan horses, spyware, ransomware, trap doors, time bombs, or other similar devices and techniques. Nothing prevents the inclusion of technical protection measures in the 3M Product for purposes of preventing unauthorized use, are not considered Disabling Code. IF 3M IS UNABLE TO REMEDY A BREACH OF THIS WARRANTY, CLIENT'S REMEDY SHALL BE TO TERMINATE THE 3M PRODUCT THAT FAILS TO MEET THE WARRANTY AND RECEIVE A PRORATED CREDIT OF APPLICABLE PREPAID ANNUAL FEES.

5.1.6. 3M Indemnification. 3M shall indemnify, defend and hold Client harmless from any liability for any damages, cost or expense actually and finally awarded against Client, or any settlement made by 3M, that is caused by or resulting from any third-party claim, action, suit or proceeding that a specific 3M Product licensed under this Agreement infringes or misappropriates such third-party's U.S. patent, trademark, copyright or trade secret ("Infringement Claim"). Client shall give 3M prompt notice of any Infringement Claim and provide 3M with a copy of any pleadings or claim. The selection of counsel, the conduct of the defense of any lawsuit and any settlement shall be within the sole control of 3M. Client shall reasonably cooperate with 3M in 3M's defense and settlement of an Infringement Claim. In the event that use of the 3M Product is enjoined or, in 3M's opinion, likely to be enjoined, 3M will, at its option and expense, either: (a) procure for itself, or Client, as applicable, the right to continue using the relevant 3M Product; (b) replace or modify the same so that the relevant 3M Product is comparable and non-infringing, or (c) terminate the alleged infringing 3M Product, require Client to cease all further access to and use of the relevant 3M Product and in such case, 3M will provide Client pro-rated credit of prepaid fees, except with respect to Perpetual Software, a credit in an amount equal to the unamortized portion (based on straight-line depreciation over a five-year period) of the license fee. 3M shall have no obligation or liability under this Section in the event any Infringement Claim results solely from licensure of the 3M Product in combination with any item not furnished by 3M such liability would not have occurred from the licensure of the 3M Product itself. THIS SECTION STATES CLIENT'S REMEDY FOR ANY ALLEGED INFRINGEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED.

5.2. Client Warranties and Indemnifications.

5.2.1. Client Data Use. Client represents and warrants that Client has all rights and permissions necessary to grant 3M the use rights set forth in Section 2.9, Use of Client Data.

5.2.2. Client Indemnification. To the extent permitted by law, Client shall indemnify, defend and hold 3M harmless from any liability for any damages, cost or expense actually and finally awarded against 3M, or any settlement made by Client, that is caused by or resulting from any third-party claim, action, suit or proceeding related to any of Client's obligations or responsibilities in Section 5.2.1 and 3.2.

5.3. Exclusions

5.3.1. Warranty Exclusions. THE WARRANTIES SET FORTH IN THIS AGREEMENT DO NOT APPLY IF: (A) THE 3M PRODUCT IS USED, IN WHOLE OR IN PART, WITH COMPUTER EQUIPMENT, INTERFACE(S) OR OTHER SOFTWARE OTHER THAN THOSE RECOMMENDED IN WRITING BY 3M FOR USE WITH THE 3M PRODUCT; (B) ANYONE OTHER THAN 3M OR 3M PERSONNEL IN ANY WAY MAINTAINS, ATTEMPTS TO MAINTAIN, MODIFIES OR ATTEMPTS TO MODIFY THE 3M PRODUCT OR ANY PART THEREOF IN ANY MANNER, EXCEPT FOR THOSE ELEMENTS OF THE 3M PRODUCT THAT ARE SPECIFIED IN THE DOCUMENTS AS BEING USER-DEFINABLE; (C) THE 3M PRODUCT IS USED IN ANY MANNER OTHER THAN AS SPECIFIED IN THE DOCUMENTS; (D) CLIENT FAILS TO USE ANY UPDATE, NEW OR CORRECTED VERSIONS OF THE 3M PRODUCT OR ANY COMPONENT THEREOF MADE AVAILABLE BY 3M; (E) CLIENT FAILS TO FOLLOW ANY WRITTEN DIRECTIONS OR TO PERFORM ANY PROCEDURES PRESCRIBED BY 3M IN WRITING; (F) ANY ABUSE, MISUSE, ACCIDENT OR NEGLIGENCE, IN EACH CASE OTHER THAN BY 3M OR 3M PERSONNEL SHALL HAVE OCCURRED IN RELATION TO THE 3M PRODUCT; (G) THE NON-CONFORMANCE OF THE 3M PRODUCT WITH THE WARRANTY IS CAUSED BY CIRCUMSTANCES OTHER THAN BY THE 3M PRODUCT ITSELF, OR BY 3M OR 3M'S PERSONNEL; OR (H) MODIFICATIONS TO THE 3M PRODUCT MADE BY 3M AT CLIENT'S REQUEST UNLESS 3M HAS AGREED TO WARRANT SUCH MODIFICATIONS IN WRITING.

5.3.2. Third-Party Content. IF 3M RECEIVES A WARRANTY ON THE THIRD-PARTY CONTENT, TO THE EXTENT ALLOWABLE, SUCH WARRANTY SHALL BE PASSED THROUGH TO CLIENT, OTHERWISE, ALL THIRD-PARTY CONTENT IS PROVIDED "AS-IS" WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT.

5.3.3. Disclaimer. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS SECTION 5, 3M AND ITS SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING.

6. LIMITATIONS OF LIABILITY

6.1. RESTORATION OF CLIENT DATA. ALL CLIENT DATA SENT TO 3M IS TO BE A COPY OF CLIENT'S ORIGINAL DATA SET. IF CLIENT DATA IS LOST DUE TO 3M'S NEGLIGENT ACT OR OMISSION, OR BREACH OF WARRANTY, CLIENT'S EXCLUSIVE REMEDY SHALL BE FOR 3M TO USE COMMERCIALY REASONABLE EFFORTS TO RECOVER THE LOST CLIENT DATA SINCE CLIENT'S LAST REQUIRED BACKUP.

6.2. EXCLUDED DAMAGES. NEITHER CLIENT, NOR 3M AND ITS SUPPLIERS SHALL BE LIABLE TO THE OTHER UNDER ANY CIRCUMSTANCES FOR ANY INCIDENTAL, SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR ECONOMIC LOSS, BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY EVEN IF 3M OR ITS SUPPLIERS OR CLIENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, REVENUE (EXCEPT FOR LOSS OF PROFITS OR REVENUE TO 3M ARISING FROM CLIENT'S FAILURE TO PAY AMOUNTS DUE UNDER THIS AGREEMENT), EQUIPMENT USE, DATA OR INFORMATION OF ANY KIND. 3M AND ITS SUPPLIERS SHALL NOT HAVE ANY LIABILITY ARISING FROM ANY INTERRUPTION OR LOSS OF USE OF THE 3M PRODUCT, NOR FROM THE UNAVAILABILITY OF, OR CLIENT'S INABILITY TO OBTAIN OR ACCESS, MEDICAL OR OTHER DATA.

6.3. MAXIMUM LIABILITY. 3M'S AND ITS SUPPLIERS' MAXIMUM CUMULATIVE ANNUAL LIABILITY FOR ALL DAMAGES, COSTS OR EXPENSES OF ANY TYPE OR NATURE BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY IS LIMITED TO TWO (2) TIMES THE FEES PAID TO 3M FOR THE 3M PRODUCT GIVING RISE TO THE LIABILITY, IN THE YEAR LIABILITY AROSE. ALL OTHER LIABILITIES NOT SPECIFICALLY LINKED TO A 3M PRODUCT IS LIMITED TO THE FEES PAID IN THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO THE LIABILITY. 3M AND ITS SUPPLIERS MAXIMUM CUMULATIVE LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED FIVE MILLION DOLLARS (\$5,000,000). THIS SECTION DOES NOT APPLY TO ANY NONINFRINGEMENT INDEMNIFICATION OBLIGATIONS OR BREACH OF UNSECURED PROTECTED HEALTH INFORMATION.

7. FEES; AND INVOICING

7.1. Payment of Fees. All fees and other charges are payable in U.S. dollars, are due forty-five (45) days after the date of the invoice ("Payment Period"). During the Payment Period, Client may dispute an invoiced item that Client reasonably believes is incorrect, and for which Client intends to withhold payment; provided that, within the Payment Period, Client: (a) gives 3M a written notice detailing the specific items and amount in dispute and the basis of the dispute (or the invoiced item shall be deemed undisputed), and (b) pays all undisputed amounts in full. All delinquent fees are subject to a late payment charge at a rate up to one percent (1%) per month calculated daily.

7.2. Late Payment; Suspension. If Client becomes fifteen (15) days past due on any undisputed fees, upon written notice to Client, 3M may suspend its obligations under the Agreement until such past due charges are brought current.

7.3. Delays and Additional Expenses. If Client delays or postpones a scheduled event with less than seven (7) day notice, Client shall pay to 3M all reasonably incurred and nonrefundable expenses associated with the delayed or postponed event, and a rescheduling fee calculated to represent one (1) day's fees for the canceled event. If business travel and miscellaneous expense are not included in the quoted fees, they will be billed to Client without mark-up, and will be incurred in accordance with 3M policies. If the delivery of a scheduled event, Services, or Consulting Services is delayed at Client's request, the entire schedule may be extended at 3M's discretion, it being understood that any such extension may exceed the delay requested by Client.

7.4. Taxes. Quoted fees do not include applicable taxes, duties, or amounts levied in place of taxes (collectively "Taxes"). 3M will invoice Client all applicable Taxes unless Client provides 3M a tax-exempt form. Client is not responsible for paying 3M's personal property taxes on the 3M Products nor taxes based on 3M's net income.

8. TERM AND TERMINATION

8.1. Term of the Agreement. The Agreement begins on the Effective Date and ends upon the termination of the last Schedule.

8.2. Termination for Cause. Either Party may terminate the Agreement if: (a) the other Party has failed to take reasonable steps to cure a breach of this Agreement within thirty (30) days after receiving written notice describing the breach; (b) the other Party becomes insolvent; or (c) either Party ceases to conduct business relevant hereunder. In the event Client terminates a 3M Product due to a material breach of a performance warranty by 3M, Client's remedy is for 3M to a refund to Client (i) for Perpetual Software, the unamortized portion of the pre-paid license fee based on straight-line depreciation over a five-year period, (ii) for Software other than Perpetual Software, the unused portion of the current year's pre-paid fee for the Software, or (iii) for Services, the actual fees paid to 3M for the Service not yet performed.

8.3. Obligations upon Termination. Upon termination of this Agreement or a Use Right for a specific 3M Product, each Party shall immediately cease use of the other Party's Confidential Information as it relates to the Use Right that was terminated, or all Confidential Information if the entire Agreement has terminated. Within fifteen (15) days of termination, Client shall: (a) certify that the relevant Software has been de-installed, or if the applicable Software requires 3M to assist in the de-installation have scheduled with 3M a date acceptable to 3M for 3M to de-install the Software; and (b) returned or destroyed all applicable Documents. Within ninety (90) days of the termination of the Agreement, the Parties will have destroyed all the other Party's Confidential Information, or Confidential Information related to the Use Right terminated, except those copies necessary to comply with legal obligations and items for which a perpetual license has been issued. IN THE EVENT CLIENT DOES NOT COMPLY WITH THE TERMINATION PROVISIONS, CLIENT IS IN BREACH OF 3M INTELLECTUAL PROPERTY RIGHTS, AND 3M MAY ELECT TO EITHER: (I) DEEM 3M PRODUCT(S) TO BE IN USE BY CLIENT AND CONTINUE TO INVOICE FOR THE FULL LIST PRICE AND THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT; OR (II) SEEK ALL REMEDIES AT LAW TO ENSURE CLIENT HAS DE-INSTALLED THE SOFTWARE AND DESTROYED THE DOCUMENTS.

8.4. Divestiture of Authorized Sites. In the event an Authorized Site is divested, subject to 3M's right of approval, the Parties shall honor the Transition Period. "Transition Period" means a period of time the divested site is to remain an Authorized Site on this Agreement, which shall end the earlier of the date the divested site (a) has an active license for the relevant 3M Products under another agreement with 3M, (b) six (6) months following the date of divestiture, or (c) the divested site's notice to 3M it wishes to terminate all 3M Products under this Agreement. Upon conclusion of the Transition Period, the Use Rights for the divested site will terminate, and 3M will issue a prorated refund to Client applicable prepaid and unused fees.

9. GENERAL PROVISIONS

9.1. Entire Agreement. This Agreement represents the final, complete, exclusive and fully integrated agreement between the Parties with respect to its subject matter and supersedes any understanding, discussions, negotiations, representation or warranty of any kind made prior to or simultaneous with the execution of this Agreement, and no ancillary agreement or obligations are binding on 3M or 3M Personnel unless added to this Agreement by amendment. Terms or conditions found on a purchase order(s) or any other Client prepared document are specifically rejected and

do not form any part of this Agreement. A failure or delay in enforcing any right or remedy under this Agreement shall not be construed as a waiver of any existing or future right or remedy.

9.2. Amendments. Any changes to the Agreement must be done through a 3M prepared amendment executed by both Parties, or 3M may, at its option, acknowledge and accept a written request from Client for changes, by returning to Client a numbered amendment letter prepared and signed by 3M (having the same effect as a fully executed amendment).

9.3. Interpretation, Priority. The headings and captions contained in this Agreement are for convenience only and shall not constitute a part hereof. In the event of any conflict of terms, the more specific parts of the Agreement prevail over more general; as such, any conflict shall be resolved in the following order of priority unless specifically stated otherwise (the more specific and controlling document listed first): Schedule, SOW, Appendix, Exhibit, and the Agreement's General Terms and Conditions.

9.4. Assignment. Neither Party shall assign or otherwise transfer this Agreement, including but not limited to, an acquisition or change of control of either Party (e.g. merger, sale, voting membership) without the other Party's prior written consent, which shall not be unreasonably withheld, and any attempt to do so shall be void. Notwithstanding the foregoing, the Parties acknowledge and agree that 3M may assign this Agreement as part of 3M Company's publicly announced spin-off of the 3M Health Care Business Group, which includes 3M (3M Health Information Systems, Inc.), into a new company, and that any such assignment by 3M shall not require 3M to obtain prior written consent from Client and shall be valid under this Agreement.

9.5. Force Majeure. A Party shall not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labor disputes, embargoes, government orders or any other force majeure event. Notwithstanding the foregoing, if such force majeure event precludes payment of fees or the fulfillment of an obligation hereunder, the Parties will work together in good faith to come to a mutually agreeable resolution. In the event of any such delay, all performance obligations shall be tolled to the extent necessary under the circumstances.

9.6. Announcements; Trade Name. Neither Party may use the other Party's trade name or logo, or issue an announcement concerning this Agreement to the trade press or industry consultants without prior written consent.

9.7. Notices. All required legal notices shall be given to the address listed on the cover page of the Agreement, by authorized personnel in writing and delivered by personal delivery, certified or registered mail, overnight carrier, or to a designated email address. Any change of address or representative shall be promptly communicated in writing to the other Party. All other correspondence can be addressed to the parties' representatives listed on Exhibit D. If Exhibit D is not completed or the designated party's representative is not reachable, such notices may be delivered to the address on the cover page of the Agreement. Both Parties may also utilize email as acceptable written notice to the other Party except a notice of breach of contract must be sent via the methods described above.

9.8. Omitted.

9.9. Dispute Resolution. The parties shall attempt in good faith to resolve any controversy, claim or dispute (cumulatively, "Dispute") arising from or relating to this Agreement by negotiations between representatives of the parties. Prior to any litigation, the parties agree that "C-Level" executive from each party will discuss with one another to seek a resolution ("C-Level Meeting"), and if the C-Level Meeting doesn't resolve the Dispute, the Dispute shall undergo mediation using a mediator with a background in the industry and subject matter of the Dispute (mediation costs shall be shared equally). In the event of litigation both parties hereby waive any right of trial by jury. Nothing herein shall preclude a Party from taking any action necessary to preclude imminent and irreparable harm, nor diminish a Party's obligation to minimize damages.

9.10. No Third-Party Beneficiaries. Unless stated otherwise the Parties expressly acknowledge and agree that no third-party is intended to be nor shall be considered a beneficiary of any provision of this Agreement.

9.11. Insurance. The Parties shall each maintain insurance policies appropriate to its obligations under this Agreement, certificates of which shall be provided to the other Party upon request.

9.12. Compliance with Laws. Each Party shall comply with the provisions of all applicable federal, state, county and local laws, ordinances, regulations and orders pertaining to the performance of its obligations under this Agreement including, but not limited to the Deficit Reduction Act of 2005, the Federal False Claims Act, the U.S. Foreign Corrupt Practices Act, and other federal and state laws addressing anti-kickback, anti-bribery, self-referral, fraud, waste, and whistleblower protections for those reporting violations of such laws. If one Party believes that the other may not comply with one of the foregoing, it shall so notify the other Party, which will promptly look into the matter and take measures necessary to remedy any non-compliance. Notwithstanding any other provision in this Agreement, this Agreement is not intended to designate 3M as a delegated entity or First Tier, Downstream, or Related Entity (FDR) under this Agreement or applicable Centers for Medicare & Medicaid Services (CMS) rules. Each Party will observe its own standards of business conduct that are generally consistent with 3M's Code of Conduct and underlying Principles which are located on 3M's website <http://www.3m.com/>.

9.13. Independent Contractors. Nothing contained in this Agreement shall be construed to create the relationship of employer and employee, principal and agent, partnership or joint venture, or any other fiduciary relationship.

9.14. Injunctive Relief. The Parties agree that a breach of the Agreement may cause immediate and irreparable harm to the damaged party and that monetary damages will not be adequate to fully compensate the damaged Party. Therefore, each Party is entitled to seek injunctive relief for a threatened, anticipated, or actual breach of the Agreement.

9.15. Severability. The provisions of this Agreement are severable. If any part of this Agreement is deemed or rendered void, invalid, or unenforceable, in any jurisdiction in which this Agreement is performed, then that part will be severed from the remainder of the Agreement only as to that jurisdiction. Such severance will not affect the validity or enforceability of the remainder of this Agreement unless such severance substantially impairs the value of the whole agreement to any Party.

9.16. Survival. Sections 2, 4, 5, 7, 8, and 9 hereof shall survive any termination of any Appendix, and/or 3M Product(s), and/or this Agreement, as applicable.

9.17. Attachments. The following are 3M's standard Exhibits and Appendices, which are added only when applicable, based on the 3M Products added by Client on the Agreement:

APPENDICES:

Appendix 1	Annuity Products Additional Terms
Appendix 2	RESERVED
Appendix 3	RESERVED
Appendix 4	RESERVED
Appendix 5	RESERVED
Appendix 6	RESERVED
Appendix 7	RESERVED
Appendix 8	RESERVED
Appendix 9a	RESERVED
Appendix 9b	RESERVED
Appendix 9c	RESERVED
Appendix 10	RESERVED
Appendix 11	RESERVED

EXHIBITS:

- Exhibit A Business Associate Agreement
- Exhibit B Third-Party Content Required Terms
- Exhibit C Network and/or Facility Access and Confidentiality Agreement
- Exhibit D Client Contact Information

* * *

EXHIBIT A BUSINESS ASSOCIATE AGREEMENT

Parties:

Executed as an Exhibit to Software License Agreement #O39266-23

Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code, operating as Salinas Valley Health
450 E Romie Ln
Salinas, CA 93901-4029
("Covered Entity")

3M Health Information Systems Inc.
575 West Murray Boulevard
Murray, UT 84123-4611
("Business Associate")

The Parties agree that this Business Associate Agreement ("BAA") is executed with 3M Health Information Systems, Inc.'s authorized agent, by way of the Master Software and Services Agreement above, and shall be incorporated by reference into all contracted relationships between the Parties in which the exchange of Protected Health Information is required.

1. Purpose:

Whereas, Business Associate may provide certain software and services as set forth in the Software License and/or Services Agreement(s) ("**Underlying Agreement(s)**") to Covered Entity which may require Covered Entity to disclose certain information to Business Associate, some of which may constitute Protected Health Information ("**PHI**") and/or Electronic Protected Health Information ("**EPHI**"). As a result, Business Associate may be considered a Business Associate of Covered Entity as defined by the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**"), and regulations promulgated thereunder. Furthermore, this BAA applies to all Underlying Agreement(s) between Business Associate and Covered Entity.

Whereas, Business Associate and Covered Entity intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to the Underlying Agreement(s) in compliance with (i) HIPAA; (ii) Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), also known as Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009; and (iii) regulations promulgated thereunder by the U.S. Department of Health and Human Services, including the HIPAA Omnibus Final Rule (the "HIPAA Final Rule"), which amended the HIPAA Privacy and Security Rules (as those terms are defined below) pursuant to the HITECH Act, extending certain HIPAA obligations to business associates and their subcontractors,

Whereas, the purpose of this BAA is to satisfy certain standards and requirements of HIPAA, the Privacy Rule and the Security Rule (as those terms are defined below), and the HIPAA Final Rule, including, but not limited to, Title 45, §§ 164.314(a)(2)(i), 164.502(e) and 164.504(e) of the Code of Federal Regulations ("C.F.R.").

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

2. Definitions.

Terms used in this BAA shall have the same meaning as those terms in the Privacy and Security Rules or the HIPAA Final Rule.

"Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

"Security Rule" shall mean the Security Standards at 45 CFR Part 160 and Part 164, Subparts A and C.

The terms "Protected Health Information" or "PHI" and "Electronic Protected Health Information" or "EPHI" when used in this BAA shall have the same meanings given to such terms in the Privacy and Security Rules, limited to the information that Business Associate creates, receives,

maintains or transmits from or on behalf of Covered Entity. Wherever the term PHI is used in this BAA, it shall mean, include and be applicable to EPHI. Wherever the term EPHI is used, it shall mean and be applicable to EPHI only.

3. Obligations and Activities of Business Associate: Business Associate agrees, that with respect to PHI, it will:

- a. not use or further disclose PHI other than as permitted or required by this BAA or as Required By Law;
- b. use appropriate safeguards and comply with the Security Rule with respect to Electronic PHI, to prevent use or disclosure of such information other than as provided for by the Underlying Agreement(s) and this BAA;
- c. in accordance with 45 CFR § 164.502(e)(1)(ii) and 45 CFR § 164.308(b)(2), as applicable, enter into a written agreement with any agent or subcontractor that creates, receives, maintains or transmits PHI on behalf of Business Associate for services provided to Covered Entity, providing that the agent agrees to restrictions and conditions that are substantially similar to those that apply through this BAA to Business Associate with respect to such PHI;
- d. report to Covered Entity any use or disclosure of PHI not permitted under this BAA, Breach of Unsecured PHI or Security Incident, without unreasonable delay, and in any event no more than Thirty (30) Days following discovery; provided, however, that the Parties acknowledge and agree that this Section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which notice to Covered Entity by Business Associate shall be required only upon request. "Unsuccessful Security Incidents" shall include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI. Business Associate's notification to Covered Entity of a Breach shall include, to the extent such information is available to Business Associate: (i) the identification of each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed during the Breach; and (ii) any particulars regarding the Breach that Covered Entity would need to include in its notification, as such particulars are identified in 45 CFR § 164.404;
- e. to the extent Business Associate maintains PHI in a Designated Record Set, make such information available pursuant to 45 CFR § 164.524 upon receipt of a written request of Covered Entity; provided, however, that Business Associate is not required to provide such access where the PHI contained in a Designated Record Set is duplicative of the PHI contained in a Designated Record Set possessed by Covered Entity. If an Individual makes a request for access pursuant to 45 CFR § 164.524 directly to Business Associate, or inquires about his or her right to access, Business Associate shall direct the Individual to his or her healthcare provider;
- f. to the extent Business Associate maintains PHI in a Designated Record Set, make such information available to Covered Entity for amendment pursuant to 45 CFR § 164.526 upon receipt of a written request of Covered Entity. If an Individual submits a written request for amendment pursuant to 45 CFR § 164.526 directly to Business Associate, or inquires about his or her right to amendment, Business Associate shall direct the Individual to his or her healthcare provider. Any amendments to PHI made by Business Associate at the direction of Covered Entity shall be the responsibility of the Covered Entity;
- g. document disclosures of PHI made pursuant to applicable law and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528;
- h. make available to Covered Entity the information collected in accordance with Section 3(g) of this BAA as is in the possession of Business Associate to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. If an Individual submits a written request for an accounting of disclosures pursuant to 45 CFR § 164.528 directly to Business Associate, or inquires about his or her right to an accounting of disclosures of PHI, Business Associate shall direct the Individual to his or her healthcare provider;
- i. make internal practices, books, and records, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary of the United States Department of Health and Human Services (the "Secretary"), in a reasonable time and manner or as designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule; and
- j. mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.

4. Permitted Uses and Disclosures by Business Associate:

Except as otherwise limited in this BAA, Business Associate may use or disclose PHI:

- a. on behalf of, or to provide services to, Covered Entity, as provided for in the Underlying Agreement(s) and in accordance with the Privacy Rule, provided that such disclosure would not violate the Privacy Rule. To the extent Business Associate is carrying out any of Covered Entity's obligations under the Privacy Rule pursuant to the terms of the Underlying Agreement(s) or this BAA, Business Associate shall

comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligation(s). Business Associate shall request, use and disclose the minimum amount of PHI necessary to accomplish the intended purpose of such request, use or disclosure, in accordance with 45 CFR § 164.514(d), and any amendments thereto;

- b. for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that, in the case of disclosure to third parties, Business Associate shall obtain reasonable assurances from the person or entity to whom the PHI is disclosed that it will remain confidential, be used or further disclosed only as Required by Law or for the purpose for which it was disclosed (which purpose must be consistent with the limitations imposed upon Business Associate pursuant to this BAA), and the person or entity will notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached;
- c. to provide Data Aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B); and
- d. to de-identify PHI in accordance with the standards set forth in 45 CFR § 164.514(b), and to use de-identified data solely and exclusively as permitted by applicable law.

5. Obligations of Covered Entity: Covered Entity shall:

- a. not transmit Unsecured PHI to Business Associate. Any Secured PHI, as defined under the HITECH Act and guidance promulgated thereunder, transmitted by Covered Entity to Business Associate shall be secured by a technology standard that is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute and is consistent with guidance issued by the Secretary specifying the technologies and methodologies that render PHI unusable, unreadable, or indecipherable to unauthorized individuals. Any Electronic PHI disclosed by Covered Entity to Business Associate shall be rendered unusable, unreadable or indecipherable through the use of a technology or methodology specified by the Secretary in guidance issued under the HITECH Act and shall not constitute Unsecured PHI;
- b. notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the limitation;
- c. notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the change. Covered Entity shall obtain any consent or authorization that may be required by the HIPAA Privacy Rule, or applicable state law, prior to furnishing Business Associate with PHI;
- d. notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the restriction.
- e. not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule, the Security Rule or the HIPAA Final Rule if done by Covered Entity.

6. Term and Termination

- a. Term. The Term of this BAA begins on the Effective Date (above) and ends when all Underlying Agreement(s) have expired and PHI provided by Covered Entity to Business Associate is destroyed or returned to Covered Entity, or if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with Section 6.c.
- b. Breach. Upon either Party's knowledge of a material breach by the other Party of this BAA, such Party shall provide written notice to the breaching Party stating the nature of the breach and providing an opportunity to cure the breach within thirty (30) business days. Upon the expiration of such 30-day cure period, the non-breaching Party may terminate this BAA and, at its election, the Underlying Agreement(s) (which requires compliance with this BAA), if cure is not possible. However, all rights and obligations arising prior to such termination shall remain in effect. All other Agreements between Covered Entity and Business Associate shall remain in effect in accordance with their terms.
- c. Effect of Termination. Upon termination of this BAA, Business Associate shall, if feasible, return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI except as provided for in this BAA. If return or destruction of PHI is not feasible, Business Associate shall: (i) extend the security protections of this BAA to such PHI; and (ii) limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

7. Miscellaneous

- a. Cooperation in Investigations. The Parties acknowledge that certain breaches or violations of this BAA may result in litigation or investigations pursued by federal or state governmental authorities of the United States resulting in civil liability or criminal penalties. Each Party shall cooperate in good faith in all respects with the other Party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation, complaint, action or other inquiry, unless such Party is a named adverse party in such litigation or investigation.
- b. HIPAA Final Rule Applicability. Business Associate acknowledges that enactment of the HITECH Act, as implemented by the HIPAA Final Rule, amended certain provisions of HIPAA in ways that now directly regulate, or will on future dates directly regulate, Business Associate under the Privacy Rule and the Security Rule. Business Associate agrees, as of the compliance date of the HIPAA Final Rule, to comply with applicable requirements imposed under the HIPAA Final Rule.
- c. Third Party Beneficiaries. Nothing expressed or implied in this BAA is intended, nor shall be deemed, to confer any benefits on any third party.
- d. Regulatory References. A reference in this BAA to a section in the Privacy Rule, the Security Rule or other law or regulation means the section as in effect or as amended.
- e. Entire Agreement. This BAA supersedes and replaces any other agreement terms with 3M Health Information Systems with respect to the terms and obligations relating to HIPAA and PHI.
- f. Amendment. The Parties agree to take such action as is necessary to amend this BAA from time to time as is necessary for Covered Entity to comply with the requirements of HIPAA and the Privacy and Security Rules. This BAA may be modified, or any rights under it waived, only by a written document executed by the authorized representatives of both Parties.
- g. Survival. The respective rights and obligations of Business Associate under this BAA shall survive the termination of this BAA.
- h. Interpretation. Any ambiguity in this BAA shall be resolved to permit compliance with the Privacy and Security Rules and the HIPAA Final Rule.
- i. Designated Record Set. Unless explicitly contracted for, Business Associate does not maintain a Designated Record Set for the Covered Entity.
- j. Notices. Any notices required or permitted to be given hereunder by any party to the other shall be in writing and shall be deemed delivered upon personal delivery; twenty-four (24) hours following deposit with a courier for overnight delivery; or seventy-two (72) hours following deposit in the U.S. Mail, registered or certified mail, postage prepaid, return-receipt requested, addressed to the parties at the following addresses or to such other addresses as the parties may specify in writing:

If to Covered Entity: Salinas Valley Memorial Healthcare System
 450 E Romie Ln
 Salinas, CA 93901-4029
 Attention: Office of the President/CEO

If to Business Associate: 3M Health Information Systems, Inc.
 575 West Murray Blvd
 Murray, UT 84123
 Attention: Compliance Officer
 With Copy to: Legal Services

EXHIBIT B

THIRD-PARTY CONTENT REQUIRED TERMS

AMA TERMS AND CONDITIONS

The following terms and conditions apply to Client's use of Software containing Current Procedural Terminology (CPT®) and/or material published in CPT® Assistant (collectively referred to herein as "AMA Editorial Content") in addition to the terms and conditions set forth in the License Agreement ("Agreement"). In the event of a conflict between the terms and conditions in the Agreement and those set forth in this Exhibit B, with respect to Client's use of the AMA Editorial Content, the terms and conditions of this Exhibit B shall control.

Grant of Rights Restrictions. Client has a nontransferable, nonexclusive license to use the AMA Editorial Content contained within the Software solely for its internal purposes within the United States. Client is prohibited from publishing, distributing via the Internet or other public computer based information system, creating derivative works (including translations), transferring, selling, leasing, licensing or otherwise making the AMA Editorial Content, or a copy or portion thereof, available to any unauthorized party. Client's access to updated AMA Editorial Content depends upon a continuing contractual relationship between 3M and the AMA. Client shall ensure that anyone with authorized access to the AMA Editorial Content will comply with the provisions of the Agreement, including this Exhibit B. Any printing or downloading of CPT® Assistant from the Software must be solely for Client's internal use, without any modification to the content, and in such a way that all references to the AMA are included.

Notices. CPT and CPT Assistant are copyrighted works of the American Medical Association. CPT is a registered trademark of the American Medical Association. The following U.S. Government Rights notice shall apply: U.S. Government Rights. This product includes CPT and/or CPT Assistant which is commercial technical data which was developed exclusively at private expense by the American Medical Association, 515 North State Street, Chicago, Illinois, 60610. The AMA does not agree to license CPT to the Federal Government based on the license in FAR 52.227-14 (Data Rights – General) and DFARS 252.227-7015 (Technical Data – Commercial Items) or any other license provision.

Backup Rights. Client may make backup copies of the Software containing AMA Editorial Content for backup or archival purposes only provided that all notices of proprietary rights, including trademark and copyright notices, appear on all backup or archival copies made.

Warranty Disclaimer. TO THE FULLEST EXTENT POSSIBLE UNDER APPLICABLE LAW, ALL WARRANTIES (EXPRESS AND IMPLIED) INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING ARE DISCLAIMED WITH RESPECT TO THE AMA EDITORIAL CONTENT. CLIENT'S USE OF THE AMA EDITORIAL CONTENT AS CONTAINED IN THE SOFTWARE IS "AS IS" WITHOUT ANY LIABILITY TO 3M OR THE AMA INCLUDING, WITHOUT LIMITATION, ANY LIABILITY FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR LOST PROFITS FOR SEQUENCE, ACCURACY, OR COMPLETENESS OF DATA, OR THAT THE AMA EDITORIAL CONTENT WILL MEET CLIENT'S REQUIREMENTS. THE SOLE RESPONSIBILITY OF THE AMA IS TO MAKE AVAILABLE TO 3M REPLACEMENT COPIES OF THE AMA EDITORIAL CONTENT IF THE DATA IS NOT INTACT. THE AMA DISCLAIMS ANY LIABILITY FOR ANY CONSEQUENCES DUE TO USE, MISUSE, OR INTERPRETATION OF INFORMATION CONTAINED OR NOT CONTAINED IN THE AMA EDITORIAL CONTENT.

AMA as Third-Party Beneficiary. The AMA is a third-party beneficiary of those terms and conditions of the Agreement, including this Exhibit B, necessary to protect the rights and interests of the AMA with respect to AMA Editorial Content.

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EXHIBIT B - 2

THIRD-PARTY CONTENT REQUIRED TERMS

HEALTH FORUM TERMS AND CONDITIONS

To the extent Client has licensed Software which contains AHA Coding Clinic™ for ICD-9-CM, ICD-9-CM Coding Handbook, Revised Edition, by Faye Brown, and/or AHA Coding Clinic™ for HCPCS, the following terms and conditions apply to Client's use of such Software in addition to the terms and conditions set forth in the Agreement. In the event of a conflict between the terms and conditions in the Agreement and those set forth in this Exhibit B-2, with respect to Client's use of such Software, the terms and conditions of this Exhibit B-2 shall control.

ICD-9-CM Coding Handbook, Revised Edition, by Faye Brown, is copyrighted by Health Forum, LLC, Chicago, Illinois, which licenses its use. No portion of ICD-9-CM Coding Handbook may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior express, written consent of Health Forum, LLC.

ICD-10-CM and ICD-10-PCS Coding handbook (most current year), by Nelly Leon-Chisen, is copyrighted by Health Forum, LLC, Chicago, Illinois, which licenses its use. No portion of ICD-10-CM and ICD-10-PCS Coding Handbook may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior express, written consent of Health Forum, LLC.

It is understood that Health Forum, LLC did not enter the ICD-9-CM Coding Handbook information and data into the computer and therefore Health Forum, LLC is not responsible for the accuracy, completeness or appropriateness of the information.

It is also understood that Health Forum, LLC did not enter the ICD-10-CM and ICD-10-PCS Coding Handbook information and data into the computer and therefore Health Forum, LLC is not responsible for the accuracy, completeness or appropriateness of the information. Health Forum, LLC makes no warranties of merchantability or fitness for a particular purpose.

Health Forum, LLC shall have no liability to anyone including 3M and the Sublicensed Location, for lost profits or indirect or consequential damages. Health Forum, LLC makes no warranties of any kind with respect to 3M, its products or services.

AHA Coding Clinic™ for ICD-9-CM is copyrighted by the American Hospital Association ("AHA"), Chicago, Illinois, which licenses its use. No portion of AHA Coding Clinic™ for ICD-9-CM may be copied without the express, written consent of Health Forum, LLC.

It is understood that AHA did not enter the AHA Coding Clinic™ for ICD-9-CM information and data into the computer and therefore AHA is not responsible for the accuracy, completeness or appropriateness of the information. AHA makes no warranties of merchantability or fitness for a particular purpose. AHA shall have no liability to anyone, including 3M and the Client, for lost profits or indirect or consequential damages. AHA makes no warranties of any kind with respect to 3M, its products or services.

AHA Coding Clinic™ for HCPCS is copyrighted by the American Hospital Association ("AHA"), Chicago, Illinois, which licenses its use. No portion of AHA Coding Clinic™ for HCPCS may be copied without the express, written consent of Health Forum, LLC.

It is understood that AHA did not enter the AHA Coding Clinic™ for HCPCS information and data into the computer and therefore AHA is not responsible for the accuracy, completeness or appropriateness of the information. AHA makes no warranties of merchantability or fitness for a particular purpose. AHA shall have no liability to anyone, including 3M and the Client, for lost profits or indirect or consequential damages. AHA makes no warranties of any kind with respect to 3M, its products or services.

The printing or downloading of ICD-9-CM Coding Handbook, AHA Coding Clinic™ for ICD-9-CM and AHA Coding Clinic™ for HCPCS (collectively, the "HF Documentation") or any portion thereof, is prohibited, other than the printing of an excerpt from HF Documentation on a specific topic without any modification to the excerpt for internal use only by the Authorized Site as long as the source of the excerpt(s) is printed on the printout(s).

The text of HF Documentation is and will remain inaccessible to other programs capable of generating paper printouts of HF Documentation (excluding the print screen functionality of Windows software) by encrypting all files containing source text of HF Documentation.

EXHIBIT B - 3**THIRD-PARTY CONTENT REQUIRED TERMS****NOTICES****LOINC NOTICE**

Certain Software may include all or a portion of the LOINC® table, LOINC panels and forms file, LOINC document ontology file, and/or LOINC hierarchies file, or is derived from one or more of the foregoing, subject to a license from Regenstrief Institute, Inc. Your use of the LOINC table, LOINC codes, LOINC panels and forms file, LOINC document ontology file, and LOINC hierarchies file also is subject to this license, a copy of which is available at <http://loinc.org/terms-of-use>. The current complete LOINC table, LOINC Users' Guide, LOINC panels and forms file, LOINC document ontology file, and LOINC hierarchies file are available for download at <http://loinc.org>. The LOINC table and LOINC codes are copyright © 1995-2013, Regenstrief Institute, Inc. and the Logical Observation Identifiers Names and Codes (LOINC) Committee. The LOINC panels and forms file, LOINC document ontology file, and LOINC hierarchies file are copyright © 1995-2013, Regenstrief Institute, Inc. All rights reserved. THE LOINC TABLE (IN ALL FORMATS), LOINC PANELS AND FORMS FILE, LOINC DOCUMENT ONTOLOGY FILE, AND LOINC HIERARCHIES ARE PROVIDED "AS IS." ANY EXPRESS OR IMPLIED WARRANTIES ARE DISCLAIMED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. LOINC® is a registered United States trademark of Regenstrief Institute, Inc. A small portion of the LOINC table may include content (e.g., survey instruments) that is subject to copyrights owned by third parties. Such content has been mapped to LOINC terms under applicable copyright and terms of use. Notice of such third-party copyright and license terms would need to be included if such content is included.

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EXHIBIT B-4
THIRD-PARTY CONTENT REQUIRED TERMS
INTERSYSTEMS CORPORATION LICENSE AND SUPPORT TERMS

1. These License and Support Terms are part of the License Agreement between InterSystems Corporation ("InterSystems") and the end user customer ("you," the "Customer" or the "End User"), who has signed a Master Software and Services Agreement with 3M Health Information Systems, Inc. (the "Partner"). The License Agreement shall not be binding until an order form (the "Order Form") has been fully executed between Partner and InterSystems.
2. As of the date the Order Form has been fully executed (Partner will execute such Order Form prior to implementation of Customer) (the "Effective Date"), InterSystems hereby grants to you a nontransferable and nonexclusive license (the "License") to use the InterSystems product(s) incorporated into the Partner solution internally within your organization in the conduct of your business, provided that all fees are paid by Partner to InterSystems. You may only use the Licensed Software to run the Partner's solution and to connect the Partner's solution to other applications or systems, but not for any other purpose. No License shall be granted upon the physical delivery of any software to you. For the avoidance of doubt, the "Licensed Software" shall not include any open source or third-party software that may be shipped with, installed with or used in conjunction with InterSystems' proprietary software.
3. You are acquiring the License via the Partner so the Partner will be responsible for paying all fees specified therein to InterSystems.
4. If your use of the Licensed Software is regulated, you agree not to use or implement the Licensed Software in any manner that is outside the scope of intended use or otherwise violates any prohibitions or conditions set forth in a Quality Agreement or otherwise communicated to you by InterSystems.
5. Your License is a subscription License. The term ("License Term") of a subscription License begins on the Effective Date and terminates automatically on the last day of the final period for which InterSystems has received the proper fee.
6. The Licensed Software may only be used on servers operated by you or on your behalf. You may not sublicense the Licensed Software or otherwise make it available to third parties except as explicitly provided herein.
7. Software Update and Technical Assistance ("Product Support") shall be provided in accordance with the standard product terms in effect on the date such Product Support is invoiced. You shall receive all Product Support from the Partner and not from InterSystems directly.
8. InterSystems hereby warrants to you that (i) the Licensed Software will operate substantially in accordance with InterSystems' documentation relating thereto for one year from the Effective Date or the end of the License Term, whichever occurs first, and (ii) all Product Support shall be provided in a manner consistent with industry standards. The foregoing warranties are conditioned upon the use of the Licensed Software strictly in accordance with InterSystems' documentation and instructions, and the absence of any misuse, damage, alteration or modification thereof. INTERSYSTEMS SHALL NOT BE DEEMED TO HAVE MADE ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, TITLE, NON-INFRINGEMENT, DESIGN, OPERATION OR FITNESS FOR A PARTICULAR PURPOSE OF THE LICENSED SOFTWARE OR PRODUCT SUPPORT. MOREOVER, The Licensed Software is not a substitute for the skill, knowledge and experience of the individuals who may use the Licensed Software. Your exclusive remedy for a breach of the above warranties shall be for InterSystems to use reasonable efforts to repair, replace or re-perform any non-conforming Licensed Software or Product Support, as applicable. The limited warranty provided in (i) above does not include Product Support and are not a substitute for Product Support. You must direct any warranty claim to the Partner and the Partner will send the claim directly to InterSystems.
9. In the event of a valid claim that any Licensed Software that has not been altered, modified, misused or damaged infringes upon the intellectual property rights of a third party when used in accordance with InterSystems' documentation and instructions, InterSystems shall either (a) modify the Licensed Software, (b) procure a license for you to use the Licensed Software or (c) terminate your License, at InterSystems' sole discretion.
10. InterSystems' liability to you shall in no event exceed the portion of the fee received by InterSystems in respect of the specific Licensed Software or Product Support on account of which such liability arose. In no event shall InterSystems be liable to you for any special, incidental, exemplary, indirect or consequential damages or lost profits.
11. Either party may terminate the License Agreement with 30 days advance written notice upon the other party's breach if the breach is not cured during that period. InterSystems will consult the Partner before terminating the License Agreement. The Partner shall be liable for all fees relating to Licensed Software or Product Support provided prior to termination, and Sections 10, 11, 12, 13, and 14 hereof shall survive termination or expiration of the License Agreement. Your rights to use the Licensed Software cease immediately upon termination or expiration of the License Agreement.
12. The Licensed Software and related documentation are and shall remain the sole property of InterSystems. You agree not to (i) decompile, disassemble, or reverse engineer the Licensed Software or (ii) with the exception of the Partner for the purposes of fulfilling your obligations under your agreement with Partner, disclose to others the Licensed Software or any data or information relating to the Licensed Software. You agree to allow InterSystems or its representatives to audit your use of the Licensed Software upon 5 days advance notice by InterSystems. You agree to provide access to your premises and otherwise cooperate with InterSystems in such audit. Any such audit shall be conducted with the assistance from the Partner.
13. The parties are and shall be independent contractors to one another, and the License Agreement shall not create an agency, partnership or joint venture between the parties. Neither party nor its employees, agents or representatives shall be deemed to be an agent or employee of the other party and each party acknowledges that it is not authorized to bind or in any way commit the other party to any legal, financial or any other obligation.
14. This License Agreement shall be governed by and construed in accordance with the laws of, and the parties agree to submit to exclusive jurisdiction of the Commonwealth of Massachusetts, USA. The English version of the License Agreement shall control unless otherwise required by local law.
15. You agree to comply with all applicable laws, including, but not limited to: U.S. export control or similar laws with respect to the distribution of the Licensed Software, Product Support and technical data; the US Foreign Corrupt Practices Act and any other anti-corruption laws; and applicable data protection laws. Without InterSystems' prior written consent, you may not allow the Licensed Software, Product Support or technical data to be exported to or used in a country or region where a license, permit or special permission is required. InterSystems may, but shall not be required to, apply for such license, permit or permission at your expense.
16. This document sets out all the terms (the "License Agreement") between you and InterSystems relating to your use of the Licensed Software and receipt of Product Support and supersedes any prior understandings between us as well as any purchase orders or similar documents that may be submitted to InterSystems. InterSystems shall have the right to transfer or assign the License Agreement without your consent or prior notice to you. You may not assign the License Agreement without InterSystems' prior written consent. The License Agreement may only be modified or amended by a writing signed by both parties.

EXHIBIT C**NETWORK AND/OR FACILITY ACCESS AND CONFIDENTIALITY AGREEMENT**

This ACCESS AND CONFIDENTIALITY AGREEMENT (the "Access Agreement") is made by and between 3M Health Information Systems, Inc. ("3M") and **Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code, operating as Salinas Valley Health** ("Customer"). The parties have contemporaneously entered into a Software License and/or Services Agreement, as amended (Agreement), pursuant to which, inter alia, Customer and 3M have agreed to terms and conditions setting forth the complete rights and obligations of the parties including, but not limited to, the use and confidentiality of the parties' systems and information, and provisions relating to the use of Protected Health Information (as set forth in the Exhibit to the Agreement entitled Business Associate Agreement or as an independent Business Associate Agreement ("BAA")). All of the terms and conditions of the Agreement shall continue in full force and effect and shall apply to this Access Agreement. In the event a conflict arises between the terms of this Access Agreement and the terms of the Agreement and BAA, the conflict shall be resolved in the following order of priority unless specifically stated otherwise (governing provision stated first): the Agreement, as amended (including all Attachments and Exhibits thereto, and the BAA), this Access Agreement.

As set forth in the Agreement, 3M understands that Customer must assure the confidentiality of its human resources, payroll, financials, research, internal reporting, strategic planning, communications, computer systems and management information (collectively, "Operational Information"). Therefore, in connection with this Agreement and the Agreement, including the BAA, 3M shall instruct its employees, agents and contractors ("3M Personnel") as follows:

1. Not to disclose or discuss any Operational Information with others who do not have a need to know such information.
2. Not to divulge, copy, release, sell, loan, alter, or destroy any Operational Information except as properly authorized.
3. Not to discuss Operational Information where others can overhear the conversation. It is not acceptable to discuss Operational Information even if the patient's name is not used.
4. Not to make any unauthorized transmissions, inquiries, modifications, or purging of Operational Information.
5. To immediately return to Customer any documents or media containing Operational Information upon termination of access.
6. That 3M and 3M Personnel have no rights to any ownership interest in any information accessed or created by the same during the relationship with Customer.
7. To abide by 3M's Compliance and Ethical Business Conduct Guidelines, found at https://www.3m.com/3M/en_US/ethics-compliance/code/.
8. That a violation of this Agreement may result in disciplinary action, up to and including termination of access or suspension/loss of privileges within Customer systems.
9. To only access or use systems or devices 3M Personnel are officially authorized to access and not to demonstrate the operation or function of systems or devices to unauthorized individuals.
10. That Customer may log, access, review, and otherwise utilize information stored on or passing through its systems, including e-mail, in order to manage systems and enforce security.
11. To practice good workstation security measures such as locking up diskettes when not in use, using screen savers with activated passwords appropriately, and positioning screens away from public view.
12. To practice secure electronic communications by transmitting Operational Information only to authorized entities, in accordance with approved security standards.
13. To use only 3M Personnel's officially assigned User-ID and password and use only approved licensed software.
14. To never share/disclose user-IDs, passwords or tokens, use tools or techniques to break/exploit security measures or connect to unauthorized networks through the systems or devices.
15. To notify the appropriate Information Services person, as directed by Customer, if any 3M personnel password has been seen, disclosed, or otherwise compromised, and will report activity that violates this agreement, privacy and security policies, or any other incident that could have any adverse impact on Operational Information.
16. This Agreement will terminate upon the expiration or termination of the Services Agreement; provided, however the confidentiality obligations hereunder will continue after termination or expiration of this Agreement, subject to the limitations on such obligations as defined in the Services Agreement, or if not defined, for four (4) years after the termination or expiration of the Services Agreement, unless such information becomes publicly available through no fault of 3M.

The Parties have agreed to this Access and Confidentiality Agreement, which has been signed by way of the MSSA Agreement and will be terminated by way of the MSSA Agreement. Please see MSSA Agreement Signature Page for the authorized signatures.

SECTION BELOW TO BE FILLED OUT BY 3M PERSONNEL REQUIRING ACCESS TO CUSTOMER FACILITY (AS AND WHEN REQUIRED)

CUSTOMER WILL PROMPTLY PROVIDE ACCESS TO ALL REQUESTS BY 3M PERSONNEL

NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER	NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER
NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER	NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER
NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER	NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER
NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER	NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER

EXHIBIT D
CLIENT CONTACT INFORMATION

Client shall provide the following information:

Send Invoices to:

Name: Philip Katzenberger
Title: HIM Director
Address: 450 East Romie Lane Salinas, CA
93901
Phone number: 831 759-1960
Email Address: pkatzenberger@salinasvalleyhealth.com
Email Address for Invoices: JRoberts@salinasvalleyhealth.com

Accounts Payable Contact:

Name: Rhonda Fuller
Title: Accounting Tech II
Phone number: 831 759-6802
Email Address: fuller@salinasvalleyhealth.com

Contact for installation:

Name: Aaron Burnsidess
Title: IT Manager
Phone number: 831 759 -1859
Email Address: aburnsides@salinasvalleyhealth.com

Renewal contact:

Name: Philip Katzenberger Natalie
James
Title: HIM Director Contract Administrator
Phone number: 831 759 1960
Email Address: pkatzenberger@salinasvalleyhealth.com
njames@salinasvalleyhealth.com

APPENDIX 1

ANNUITY PRODUCTS ADDITIONAL TERMS

IN ADDITION TO THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT, THE PROVISIONS OF THIS APPENDIX SHALL ONLY APPLY TO 3M PRODUCTS ADDED UNDER THIS APPENDIX AND IDENTIFIED ON ANY SCHEDULE 1.

- A. Definitions.** Capitalized terms used herein but not otherwise defined hereunder shall have the meaning ascribed to them in the Agreement.
- A.1. "Annual Billing Cycle"** means each one-year period, beginning on the first License Start Date unless otherwise set forth on the applicable Schedule.
- A.2. "Annuity Software"** means Software licensed to Client on an annual or multi-year annual basis, but less than a perpetual basis, which may be installed on Client's systems, 3M's systems (SaaS), or a combination of the two.
- A.3. "Renewal Proposal"** means a 3M-prepared document that sets forth the fees for the first year of any subsequent Renewal Term hereunder invoiced by 3M and due by Client for such Renewal Term.
- B. Use Rights.** Subject to the Client's compliance with this Agreement, 3M grants to Client, a non-exclusive, non-transferable and non-sublicensable license during the License Term of each Schedule 1 to (a) install the non-SaaS Annuity Software at the Client's designated Install Site(s) listed on the applicable Schedule 1 and located within the Territory, and (b) permit Authorized Users to access and use the Annuity Software and Documents solely for processing transactions and using the Results for Client's healthcare business reimbursement purposes of the Authorized Sites, and (c) permit Client to create an Interface between the Software and Client developed systems ("License"). Third party developed Interfaces and/or interfaces to third party software shall be in accordance with Section 2.5.
- C. Term of Use Right.** The term of Client's License to the Annuity Software shall be as set forth on the applicable Schedule 1 ("License Term"). Once the License Start Date for any 3M Product on the applicable Schedule 1 has been established, all other 3M Products listed or added on the same Schedule 1 will share the same License Term, and any 3M Products added will be pro-rated to the next Annual Billing Cycle of the applicable Schedule 1.
- D. Renewal Term.** Unless otherwise set forth on a Schedule, the License Term for any Schedule 1 **shall automatically renew**, for a successive License Term of one (1) year (each a "Renewal Term"), subject to either Parties right to choose not to renew any 3M Product(s) with at least sixty (60) days written Notice prior to the end of the then-current term of the applicable Schedule 1. If timely Notice is not provided, the fees for all the 3M Product(s) listed on the most current version of the Renewal Proposal, will automatically renew for the additional Renewal Term.
- E. Annuity Software Fees, Invoicing and Payments.** License and I&T fees for each Authorized Site are set forth on the applicable Schedule 1 hereto, and unless otherwise set forth on such Schedule 1, shall be invoiced to Client as set forth below.
- E.1. Fees; Invoicing.**
- E.1.1. License Fees.** Annuity Software license fees, set forth on any Schedule 1, will be invoiced to Client on the earlier of: (a) shortly after their License Start Date, or (b) 30 days before the Annual Billing Cycle of each Schedule 1. 3M shall communicate Client's next Annual Billing Cycle fees for each Schedule 1 by e-mail, U.S. mail, or courier approximately ninety (90) days prior to the end of the Annual Billing Cycle of each Schedule 1. The annual License fee increases during any then-current License Term on any Schedule 1 shall not exceed five percent (5%) of the License fees for the immediately preceding year, unless otherwise set forth on the applicable Schedule 1. The fees for the first year of any Renewal Term will be provided to Client within a Renewal Proposal for any Schedule 1, delivered to Client's Notice address or the Renewal Contact in Exhibit D. The Renewal Proposal will: (i) reflect 3M's then-current list fee, less Client's applicable discounts, and (ii) be superseded by the most recent version of the Renewal Proposal for any Schedule 1 provided to Client.
- E.1.2. Additional Annuity Software and/or Authorized Sites.** During the License Term, the Parties upon mutual consent, may add new items of Annuity Software and additional Authorized Sites to any Schedule 1. 3M will prorate the first year's License fees for any additional items of Annuity Software and new Authorized Sites from their License Start Date to the end of the current Annual Billing Cycle of the applicable Schedule 1.

E.1.3. Invoicing and Payment for Software Installation and Training fees. Software I&T fees, set forth on any Schedule 1, will be invoiced to Client on or shortly after the License Start Date for the associated item(s) of Annuity Software, unless otherwise set forth on the applicable Schedule 1 or SOW attached to any Schedule 1.

PROPRIETARY 3M CONFIDENTIAL TRADE SECRET, COMMERCIAL OR FINANCIAL INFORMATION.

Do not release or disclose any information in this document under any Open Records Act, Freedom of Information Act, or equivalent law. Release or disclosure is prohibited without 3M consent. Immediately report any request to 3M.

SCHEDULE 1-1

ANNUITY PRODUCTS FEE SCHEDULE

THE ITEMS LISTED HEREUNDER SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE AGREEMENT AND APPENDIX 1.

- 1. Term of Schedule 1-1.** The License Term of this Schedule begins on the earlier of (i) the first License Start Date or (ii) **August 8, 2023** and continues for **five (5)** years from the date identified in (ii) ("Initial Term"). The anniversary of the Annual Billing Cycle date for this Schedule is **August 8** of each year. Annual fee increases during the Initial Term will be three and a half percent (3.5%) of the fees for years 2-5.
- 2. Itemized Schedule of 3M Products below:**

S/O ITEM	CPU ACTION	SKU	AUTHORIZED SITE PRODUCT DESCRIPTION	SITE TYPE LIST FEE	TOTAL 1 ST YR ANNUAL & ONE TIME FEE
346971	Web	-----	SALINAS VALLEY MEM HEALTHCARE--450 E ROMIE LN, SALINAS, CA, HI2930400	Install/Access Site	
1.	Existing	360E CAC INPATIENT	360 Encompass System - Computer Assisted Coding Inpatient	\$54,473.97	\$40,935.09
2.	Existing	360E CAC OUTPATIENT	360 Encompass System - Computer Assisted Coding Outpatient	\$43,061.03	\$29,650.11
3.	Existing	360E CDI	360 Encompass System - Clinical Documentation Improvement System Software	\$81,145.53	\$51,002.38
4.	Existing	360E CODING EXCELLNC	360 Encompass System - Coding Excellence	\$223,165.74	\$165,502.51
5.	Existing	CONNSFT BAS	Connections Software Basic	\$3,374.00	\$3,328.13
6.	Existing	MNAPC CA A&B	Medical Necessity for APCfinder CA A&B	\$13,323.04	\$9,337.57
7.	Existing	MULTIGRP-HIM	Multi Group HIM Custom Interface	\$12,495.00	\$12,318.84
8.	Existing	RCS APR CAMED	Reimbursement Calculation Software APR Med-Cali	\$5,732.25	\$4,261.24
9.	Existing	TRICAREGRP	TRICARE Groupier	\$11,633.75	\$8,687.11

The License Start Date for the above products is August 8, 2023.

10.	Add	CODREF ADV	Coding Reference Advantage Software	\$7,662.70	\$7,662.70
11.	Add	CODREF ADV I&T	Coding Reference Advantage Software I&T*	\$675.00	\$675.00
SITE SUBTOTAL:					\$333,360.68

FEE SUMMARY:

ANNUAL SOFTWARE LICENSE & SUPPORT FEES:	\$332,685.68
*TOTAL ONE TIME, IMPLEMENTATION & TRAINING FEES:	\$675.00
TOTAL THIS SCHEDULE:	\$333,360.68

The fees stated above are guaranteed for a period of sixty (60) days from the Issue Date of this Schedule or December 31, 2023, whichever occurs first, unless this Schedule is fully executed prior to such date. Client acknowledges and agrees the fees shown above include discounts for Client's commitment to a term. 3M reserves the right to rescind the multi-year discount and re-price the 3M Product(s) on this Schedule in the event Client elects a term less than stated above.

In the event Client delays implementation of any module of Software or scheduling of Services, at no fault of 3M, for more than one hundred fifty (150) days from the execution date of being added to this Schedule, 3M may, at its option, increase the price of such 3M Product(s) to the then-current list price or 3M may terminate any such 3M Product(s) from this Schedule.

I&T = Implementation and Training PI = Phone Installed CI = Customer Installed

- 3.** During the initial License Term, Client may terminate the 3M Product(s) on this Schedule, so long as Client has: (i) provided notice of its intent to terminate the specific 3M Product(s) on this Schedule at least ninety (90) days in advance of the end of the current Annual Billing Cycle for this Schedule, and (ii) paid all outstanding fees, including the current year's Software License fees and the Termination for Convenience Fee, as set forth below. As reasonable compensation to 3M in exchange for right to exercise the early termination right set forth herein, Client shall pay to 3M an early termination charge ("Termination for Convenience Fee") calculated as follows:

- a. If termination is effective during or at the end of year 1: one year's current annual fee;
- b. If termination is effective during or at the end of year 2: seventy five percent (75%) of the current annual fee;
- c. If termination is effective during or at the end of year 3: fifty percent (50%) of the current annual fee;
- d. If termination is effective during or at the end of year 4: twenty five percent (25%) of the current annual fee, and
- e. If termination is effective during or at the end of year 5: no Termination for Convenience Fee.

Board or CEO – Packet Submission Checklist

3M 360 Encompass Coding Software Renewal: 2023 - 2028

The original of this completed/fully signed checklist and all required supporting documents are to be hand-delivered to Assistant to CFO by 4:00 p.m. on the Tuesday that falls three (3) weeks before Board week.

- BOARD/CEO PAPER** – required for all submissions; see attached instructions/sample
- KEY CONTRACT TERMS** – required for all submissions – see table in Board/CEO Paper
- CONTRACT** – negotiated final with vendor signature 1001.660
- PROCUREMENT PROCESS DOCUMENTATION** – required for all submissions requiring Board review/approval per Procurement Management Policy (see policy for details; indicate which sub-category is applicable):
 - If for **data processing/telecommunications goods/services** of more than \$25,000, check applicable option and include documentation:
 - RFP documentation
 - If sole source – provide detailed justification (see attachment)
 - If GPO, submit qualifying verification from Materials Management
 - If for **professional/other services or medical/surgical equipment and supplies** more than \$350,000, check applicable option and include documentation:
 - RFP documentation
 - If GPO, submit qualifying verification from Materials Management
 - If emergency – as designated by Board
 - If for **non-medical materials/supplies** more than \$25,000, check applicable option and include documentation:
 - Invitation for bids documentation
 - If sole source – provide detailed justification (see Attachment 3B)
 - If GPO, submit qualifying verification from Materials Management

Legal counsel/Contract Administrator reviewed: No or Yes, By Whom: Natalie James

SUBMITTED BY DEPARTMENT DIRECTOR OR DEPARTMENT ADMINISTRATOR:

Signature	Title/Department	Date
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REVIEWED BY:

CIO (if applicable): _____	Date: _____
Director of MM, in lieu of Audit/Compliance: _____	Date: _____

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board of Directors to Award the Construction Contract to FTG Builders, Inc. for the CT Scanner and Nuclear Medicine Equipment Replacement Projects

Executive Sponsor: Clement Miller, Chief Operating Officer
 Earl Strotman, Director Facilities Management & Construction
 Dave Sullivan, Project Executive

Date: July 12, 2023

Executive Summary

Facilities Management is returning to the Board to recommend award of construction contract to FTG Builders, Inc. in the amount of \$2,451,551 for the CT Scanner and Nuclear Medicine Equipment Replacement Projects.

Background/Situation/Rationale

In August 2022, the Board approved project funding for design, permitting, planning and major medical equipment purchases, leases and estimated construction costs (see finance table below).

In May 2023, Salinas Valley Health publicly advertised a request for contractor bids to complete the construction services required for this project (Attachment 2) via The Californian and Central Coast Builder’s Exchange. Salinas Valley Health also performed a bid outreach to qualified general contractors and subcontractors in the area. At the close of bid on June 29, 2023, two bids were received and publicly opened (Attachment 3). Upon review of the bid packages submitted, Salinas Valley Health identified FTG Builders, Inc. as the lowest responsible, responsive bidder.

Strategic Plan Alignment

To provide high quality CT and Nuclear Medicine imaging and improved throughput while reducing radiation dose to our patients

Pillar/Goal Alignment

✓ Service People ✓ Quality Finance Growth Community

Financial Implications

The fiscal years 2023 and 2024 capital budget allocated funding for planning, design and construction activities to complete the equipment replacements with renovations and ancillary improvements, while providing interim mobile facilities to offer continuity of CT and Nuclear Medicine services.

**Low Contractor Bid Amount for Construction Services for
 CT Scanner and Nuc Med Equipment Replacement Projects \$2,451,551**

Board Approved costs in August 2022	Service Agreements	Construction Direct and Indirect Costs	Equipment	Total on Board Paper
CT Scanner	\$821,988	\$2,043,001	\$1,096,049	\$3,961,038
Nuclear Medicine	\$267,815	\$2,161,218	\$840,835	\$3,269,868
Totals	\$1,089,803	\$4,204,219	\$1,936,884	\$7,230,906

Schedule: July 2023 – Procurement of construction services
August 2023 - Anticipated approvals from Finance Committee and Board of Directors for award of construction services
September 2023 – Commence construction activities
April 2024 – Complete construction activities, and secure licensing with California Department of Public Health and its Radiologic Health Branch.

Recommendation

Consider recommendation for Board of Directors to award the contract for construction to FTG Builders, Inc. for the terms and conditions in the proposed agreement in the total amount of \$2,451,551.

Attachments

- Attachment 1: Estimated Project Budget (CT and Nuclear Medicine)
- Attachment 2: Proof of Publication of Advertisement for Bids
- Attachment 3: Bid Results for Construction Services solicitation June 29, 2023

Salinas Valley Health (10348)

Project Cost Summary: CT Scanner and Nuclear Medicine Equipment Replacement

Architect: HMC Architects

Budget Generated During Concept Phase/Start of Design Development

Date Printed: 7/12/2023

BUDGET SUMMARY			
Line Item	Description	Original Budget	Notes
	1 Construction		
0100	Construction Contract	\$1,985,491	Single Prime Delivery Method
	Phasing and Sequencing	\$198,549	Phasing and Sequencing
	Unforeseen Conditions	\$170,000	Undiscovered or Unforeseen Conditions
0102	Owner Construction Contingency	\$198,549	Owner Held Contingency
	2 Design		
0200	Professional Fees - Fixed	\$550,000	Architectural & Consulting Engineers
	3 Inspections and Consultation		
0300	Inspector of Record	\$100,000	Agency Required Inspections
0301	Special Inspections	\$55,000	Agency Required Inspections
0303	Testing and Monitoring(Hazardous Materials)	\$23,000	Hazardous Material Testing and Monitoring
	4 AHJ Fees		
0400	OSHPD	\$100,000	Agency Fees
	5 Soft Costs		
0502	Construction Management - PM/CM	\$696,000	Program Management
	7 FF&E		
0701	Medical Equipment	\$1,652,884	CT and NM Equipment
	Medical Equipment Service Agreement	\$1,089,803	CT and NM Equipment Service Agreement
	Medical Equipment Lease	\$284,000	CT and NM Equipment Rental
	99 Contingency		
9900	Contingency	\$127,629	Project Contingency
Totals		\$7,230,906	

Proof of Publication
(2015.5 C.C.P.)

Salinas Newspapers, Inc.
1093 S Main ST STE 101
Salinas CA 93901
831-424-2222/Fax: 831-754-7156

State Of California ss:
County of Monterey

SALINAS VALLEY MEMORIAL
450 E ROMIE LN

SALINAS CA 93901

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I hereby certify that the attached advertisement appeared in said newspaper issues dated as follows:

Newspaper: **The Salinas Californian**
05/19/2023

I acknowledge that I am a principal clerk of the printer of said paper, which is published in the City of Salinas, County of Monterey, State of California. The Salinas Californian is printed and published daily, except Sunday and has been adjudged a newspaper of general circulation by the Superior Court of the County of Monterey, State of California. El Sol is printed and published weekly on Saturday and has been adjudged a newspaper of general circulation by the Superior Court of Monterey, State of California.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on this
19th of May 2023.


Declarant

Ad#:0005707435

P O : Bid

Net Order Cost: 836.51

This is not an invoice

of Affidavits 1

**BIDDING AND CONTRACT DOCUMENTS
ADVERTISEMENT FOR BIDS**

Sealed proposals will be received by Salinas Valley Memorial Healthcare System ("SVMHS") located in Salinas, California, for the furnishing of all labor, materials, equipment and services to SVMHS necessary for and incidental to the construction of:

SVMHS CT SCANNER AND NUC MED EQUIPMENT REPLACEMENT

General Description. SVMHS's main CT scanner and Nuc Med suite of rooms is located on the first floor of the main hospital. SVMHS is pursuing activities to upgrade the CT scanner and Nuclear Medicine camera equipment. To facilitate the conversion, upgrades to existing infrastructure are required including, and not limited to, new electrical panels, raceways and distribution, modifications to the fire alarm, fire sprinkler, nurse call, door access, low voltage, data, medical gas and heating, ventilation and air conditioning and roof systems, with a new restroom, a new hot lab, a new Nuc Med control room, a new CT control room, and additional structural supports for the equipment in both the CT and Nuc Med rooms.

Bids. Sealed bids will be received by SVMHS at the Construction Office located at 535 E Romie Lane, Suite 6, Salinas, California, until 2:00 p.m. on **June 22, 2023** at which time all bids will be publicly opened. Bids will be referred to a subsequent SVMHS Board of Directors meeting for appropriate action. All Bid Proposals shall be submitted on forms furnished by SVMHS. Bid Proposals must conform with, and be responsive to, the Bid and Contract Documents, copies of which may be obtained from SVMHS as indicated below. Only Bid Proposals submitted to SVMHS prior to the date and time set forth above for the public opening and reading of Bid Proposals shall be considered. Note: Bids submitted orally or by telephone, electronic transmission (email) or facsimile will be considered invalid and will not be accepted. Each Bid Proposal shall be accompanied by:

1. Bid Letter (including acknowledgement of receipt of Addenda)
2. List of Subcontractors
3. Statement of Bidder's Qualifications
4. Compliance with Immigration Reform and Control Act of 1986
5. Bidder's Guaranty: Bidder's Bond or Irrevocable Standby Letter of Credit
6. Non-Collusion Certification

All information and responses of a Bidder in its Bid Proposal, and other documents accompanying the Bid Proposal, shall be complete, accurate and true. Incomplete, inaccurate, or untrue responses or information provided by a Bidder shall be grounds for SVMHS to reject such Bidder's Bid Proposal as nonresponsive.

Pre-Bid Conference. There will be a mandatory pre-bid conference held prior to the date of bid. The conference will take place on **May 25, 2023**, from 12:00 a.m.- 2:30 p.m., in the SVMHS Construction Office located at **535 E. Romie Lane, Suite 6, Salinas, California 93901**. Request to access the hospital for site investigation shall be coordinated through dsullivan@bogardconstruction.com. Bidders and their subcontractors are encouraged to investigate the existing conditions prior to close of the bidding period.

Questions. All requests for interpretation of the drawings and specifications or other questions regarding this project during the bidding process shall be submitted to SVMHS in writing by email with the original copy to follow by mail. No telephone questions will be accepted. All written requests for interpretation (RFIs) or correction of the Contract Documents must be received within ten (10) days of close of bid. Send all pre-bid questions and requests for interpretation to SVMHS via email at: dsullivan@bogardconstruction.com.

Bid and Contract Documents. Requests for digital versions of the Documents shall be addressed to Salinas Valley Memorial Healthcare System, Attn: Dave Sullivan (dsullivan@bogardconstruction.com). The Central Coast Builder's Exchange has all bid documents available for Bidders (Visit URL: <http://www.ccbabuilds.com/>).

SALINAS VALLEY HEALTH
CT SCANNER AND NUC MED EQUIPMENT REPLACEMENT
CIP 01.1250.3705 and 01.1250.3710
450 E Romie Lane, Salinas CA 93901
BID RESULTS SUMMARY
Single Prime Bid Package

Bid Close Date: June 29, 2023

Bid Close Time: 2:00 PM

Bid Close Location: 535 E Romie (SUITE 6), Salinas, CA 93901

CONTRACTOR		CONTACT	EMAIL	PHONE	BASE BID + ALLOWANCES	COMMENTS
1	FTG Builders, Inc. 1565 Lafayette St, Santa Clara, CA 95050	Pedro Becerra	pedro@ftgbuilders.com	408 857 3710	\$2,451,551	**
2	DMC Construction, Inc. 194 Sky Park Dr, Monterey, CA 93940	Dan McAweeney	dan@dmcamp.com	831 422 8213	\$2,913,000	

**Apparent Low Bidder

Salinas Valley Health reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received.

Documents Accompanying Bid		Contractor 1	Contractor 2
a	Bid Letter	✓	✓
b	Addenda (A, B, C)	✓	✓
c	List of Subcontractors	✓	✓
d	Disqualification Questionnaire	✓	✓
e	Insurance Requirements	✓	✓
f	Non-Collusion Affidavit	✓	✓
g	Bid Bond (Security)	✓	✓
h	Alternate Bid Item Proposal	✓	✓

Balanced Scorecard

Year To Date: June 2023

Monthly Scorecard Service (30%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
I. Service																
Average of Inpatient HCAHPS Scores	72.7	72.8	71.6	69.8	72.4	75.6	68.7	72.2	73.1	76.7	71.6	74.1	72.6	75.1	-3.3%	74.8
# of Total Responses - IP	150	177	169	157	164	134	158	150	157	146	134	160				
Emergency Room Press Ganey Score	59.7	58.8	60.2	54.6	54.1	54.2	57.9	61.9	60.0	61.5	57.2	56.1	58.0	59.7	-2.8%	58.7
# of Total Responses - ER	252	219	235	236	211	282	240	197	274	213	154	213				
Average of Ambulatory HCAHPS Scores	90.6	89.2	92.6	89.5	92.3	91.3	91.5	93.4	92.0	93.5	90.9	92.7	91.6	92.0	-0.4%	92.0
# of Total Responses - Ambulatory	47	51	54	71	61	71	76	48	64	73	63	78				

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- IP HCAHPS Score is based on maintaining prior year goals
- ER HCAHPS Score FY 2022 Baseline was 58.7. Rationale: Baseline = Threshold is based on FY 2022 Actuals. Target is +1.0 from baseline. Max is +2.0 from baseline.
- Ambulatory HCAHPS Score FY 2022 Baseline was 92.0. Baseline = Target is based on FY 2022 Actuals. Threshold is -1.0 from the baseline. Max is +1.0 from the baseline.

Monthly Scorecard

People (15%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
II. People																
Annual Employee Indicator Survey Score												4.28	4.28	4.32 - 4.36		4.32

Notes / Assumptions:

- **Source: Press Ganey**
- **Annual Employee Survey results are expected to be available on or before June 30, 2023**
- **Achieve Employee Engagement Indicator Target in the range between 4.32 and 4.36 as measured by the annual Employee Engagement Survey**

Monthly Scorecard

Quality & Safety Processes – ER (8%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
Emergency Room Efficiencies																
Median length of stay for non-admits (in minutes)	183.0	180.0	173.0	169.0	179.0	182.0	183.0	174.0	180.5	193.0	184.0	181.0	180.0	181.0	0.6%	170.0
Median time from admit decision to time of admission to nursing unit (in minutes)	82.0	80.0	75.0	77.0	76.5	81.0	82.0	80.0	71.0	71.0	71.0	69.0	76.0	81.0	6.2%	79.0

Source: Meditech

ER - LOS for Non-Admits in Minutes: Data Criteria: Calculate the median LOS in minutes for ER Outpatients for each month & YTD for cases in ER (excludes inpatients and patients leaving against medical advice or left without being seen.) Maximum is based on Feb22 thru Aug22 = 177.0. The Target is a 4 minute increase from the Max, and the Threshold is an 8 minute increase from the Max. **Rationale:** SVMH ER has recently experienced a higher volume level, including a surge of patients. According to CMS, the latest available data from 2021 indicates that the State Rate is 196 minutes and the National Rate is 203 minutes for comparable size hospitals.

ER - Time to Admit in Minutes: Data Criteria: Calculate the median time for inpatients from admit decision to time of admission to nursing unit in minutes (includes observation cases). Baseline = Target is based on FY 2022 Actuals. The Threshold is a 2 minute decrease from the Baseline, and the Max is a 2 minute increase from the Baseline.

Rationale: The ER average daily census is currently averaging at about 186 patients a day compared to the baseline period of 128 (Jul21-Jan22), or a 45% increase in ER census. We also have continued challenges with COVID and respiratory isolation. The vast increase of volume leads to limited space availability and delays. We have put forth a new initiative called the “Big 5 Handover Process”, which is a streamline handover process between the ED and progressive care, which may reduce admit time.

Monthly Scorecard

Quality & Safety Processes – OR (8%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
Operating Room Efficiencies																
Turnover Time (Wheels out / Wheels in) (in minutes)	29.9	28.5	29.1	29.7	29.3	32.1	31.2	28.7	28.6	28.5	29.6	30.0	29.6	29.5	-0.3%	28.3
Percentage of 1st Case On Time Start Time	90.2%	92.2%	93.6%	83.0%	94.7%	90.1%	89.1%	93.3%	89.8%	94.5%	93.3%	94.1%	91.5%	93.0%	-1.6%	95.0%

Turnover Time Measurement: Source is from the **PICIS OR Nurse Record**. Calculate minutes elapsed between the wheels out & wheels in of the next case. Only cases where the time difference is less than or equal to 60 minutes will be included because breaks are often scheduled in a day. Due to MD availability, cases that exceed 60 threshold minutes will not count as a turnover. Excludes non-scheduled cases. Measurement applies to cases for the same physician and same room only. Data will be partition by actual date rather than previously scheduled date. **National benchmarks range from 25 to 38 minutes.** FY 2023 Goals are the same as prior year to continue high efficiency performance and strive to maintain sustainability at these levels. Planning to reduce minutes may cause patient safety risks and other concerns, especially considering the Covid-19 ongoing pandemic and the impact its had in our hospital capacity as well as in our perioperative operations. Additionally, our OPS department has moved over to the other side of the building into 1 Main, which means the nurse, anesthesiologist and surgeon now have to go that distance to interview and mark the patient. While this isn't a huge distance, it can add 1-2 minutes to each start and/or turnover.

Percentage of 1st case On Time Start Time

- Source is from PICIS for 1st scheduled case of the day in each OR room where the scheduled time is between 07:00 AM and 08:59 AM
- Cases in which the patient is Wheeled In at least zero minutes prior to the case
- **National benchmark goals range from 70% to 80%**
- FY 2023 Max = FY 2022 Baseline = 95.0%. FY 2023 Target is 2% from Max. FY 2023 Threshold is 4% from Max.

Monthly Scorecard

Quality & Safety Processes – HAC & Hand Hygiene (4%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline	
Hospital Acquired Conditions																	
CLABSI SIR (Standard Infection Ratio)	0.00			0.65			0.67			0.81			0.53	0.30	-77.6%	0.16	
# of CLABSI EVENTS	0	0	0	1	0	0	1	0	0	0	1	0					
CAUTI SIR (Standard Infection Ratio)	0.61			0.49			0.00			1.12			0.55	0.47	-17.6%	0.46	
# of CAUTI EVENTS	0	1	0	0	0	1	0	0	0	1	0	1					
CDI SIR (Standard Infection Ratio)	0.68			0.75			0.28			0.16			0.47	0.45	-3.9%	0.48	
# of CDI EVENTS	2	1	1	0	2	3	0	0	2	0	1	0					
Hospital Acquired Conditions Average	0.43			0.63			0.32			0.70			0.52	0.41	-27.3%	0.37	
Hand Hygiene (Percentage of successful Hand Hygiene observations)	99.5%	96.9%	97.4%	95.5%	97.5%	97.2%	96.3%	96.9%	95.3%	96.5%	95.1%	96.9%	96.7%	75.0%	29.0%	89.1%	



Hospital Acquired Conditions

- Source: National Healthcare Safety Network (NHSN) & BD Health Insight Interface
- Hospital Acquired Conditions will be measured **quarterly**
- Rationale for Targets: Utilizing last years FY targets for sustainment and ongoing prevention practices. Process improvement measures for CLABSI, CAUTI for data improvements, and CDI process improvement focusing on expanding our antimicrobial stewardship program**
- Acronyms:
 - CLABSI (Central Line Associated Bloodstream Infection)
 - CAUTI (Catheter Associated Urinary Tract Infection)
 - CDI (Clostridium Difficile Infection)

Hand Hygiene

- Source: Hand Hygiene Auditing Tool populated by SVMHS staff / leaders direct observations (now on STAR net Main Page)
- Hand Hygiene will be measured **monthly**
- Rationale for Targets:**
 - Sustaining targets from last FY for expansion and on-boarding of hand hygiene goals to all SVMHS departments.
 - Hand Hygiene process improvement measures last FY with Nursing collaboration, expansion to all staff auditing monthly which will directly effect the target goal.
 - Created new interactive Hand Hygiene Dashboard for leaders/staff to view data by department/unit and staff, posted on the StarNet Infection Prevention page

Monthly Scorecard

Finance (20%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
IV. Finance																
Income from Operations (Normalized) (\$ in Millions)	\$2,030	\$6,289	\$7,724	\$4,092	\$8,042	\$9,746	\$5,109	\$2,815	\$1,542	\$15,442	\$7,097	\$9,819	\$79,748	\$58,906	35.4%	\$83,662
Operating Margin (Normalized)	4.5%	11.5%	14.1%	8.0%	14.3%	16.5%	9.6%	5.8%	3.0%	25.7%	13.1%	17.5%	12.0%	10.1%	18.8%	13.9%

- Target Methodology is based on SVMH's 100% of FY 2023 Board Approved Annual Operating Budget
- *FY 2023 Budget is subject to change following final determination of the Plan of Finance for the Master Facility Plan and any material changes resulting from the Final CCAH contract that is under negotiations.*

Monthly Scorecard

Growth (10%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
V. Growth																
Grow New Service line Bariatric Surgery	1	1	0	2	0	0	2	1	0	0	4	2	13	25	-48.0%	-
Implement e-Visits in SVMC	0	0	0	25	31	25	59	35	50	31	27	27	310	100	210.0%	-
Implement MyChart Inpatient	0	0	0	2,326	2,102	1,927	2,085	1,675	2,171	1,811	1,046	1,351	16,494	15,000	10.0%	-

- **Grow New Service Line Bariatric Surgery:** CDC estimates 42.4% of U.S. adults had obesity and 9.2% had severe obesity in 2017, the highest incidence ever recorded in America. Metabolic/bariatric surgery is the most effective and durable treatment for severe obesity leading to significant weight loss and the improvement, prevention, or resolution of many related diseases. The initial program meeting was conducted during November 2021. The 1st surgery was performed successfully on 7/13/22. We are excited about this new service line and medical service to our community.
- **Implement e-Visits in SVMC:** MyChart adoption for SVMC has increased to over 40% over the last year. This continues to be a significant focus as we expand functionality for patient engagement and develop MyChart as our digital front door for the clinic. This was one of our FY'22 organizational goals. As a result of increasing our patient adoption the number of messages to our providers has increased dramatically. Messaging your doctor can be a convenient way to get medical advice. Patients can send a note through MyChart whenever they have time – day or night – and our providers will typically reply in a timely fashion. Depending on the patient needs and schedule, this can be a great alternative to an in-person, video or telephone visit. The issue for our providers is the time involved to engage in more than a simple response can be extensive and is not billed for currently. We are giving our providers the ability to determine whether a message exchange should be billed to insurance. Even if a message is billed to insurance, many patients won't have to pay anything. For those who do, out-of-pocket expenses for this type of care vary by insurance plan and are generally low.
- **Implement MyChart Inpatient in SVMH:** There's a regulatory requirement which goes into effect the first week of October. It is a component of the 21st Century CURES ACT which must provide patient requests of their inpatient record, real time. We are implementing MyChart Inpatient to comply with the requirement. The current patient portal doesn't meet 21st Century CURES requirements so we are at risk of missing the Promoting Interoperability metrics. Each occurrence of patient information blocking as it is termed is fineable up to \$1M. Currently, what is in scope for documentation view to comply is Discharge summaries, Progress notes, Lab and Radiology results. Out of scope are scanned documents, nursing documentation, provider messaging (inpatient), scheduling (hospital departments), bill pay (inpatient), and COVID vaccination status.

Monthly Scorecard Community (5%)

Organizational Goals by Pillar	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY 2023 Act/Proj	TARGET	Var %	FY 2022 Baseline
VI. Community																
Employees Complete the Real Age Test via the SVMHS wellness platform, Wellness Your Way				97	24	50	224	178	95	18	4	9	699	600	16.5%	-



- A **New Employee Wellness Platform**, Wellness Your Way, will launch in October 2022. It will serve all SVMHS employees and members of their households who are covered by our health plan.
- All users of Wellness Your Way will be encouraged to complete the Real Age Test. The information provided by the user in the Real Age Test will allow customization of the platform for the user.
- Users will be able to complete the Real Age Test anytime after the launch of the platform. For the purposes of this Pillar Goal metric, all Real Age Tests completed by SVMHS employees between the launch of the platform through June 30, 2023 will count toward the goal.

Questions / Comments?



SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of June and twelve months to date

	<u>Month of June</u>		<u>Twelve months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	33	44	464	457	(7)
Other Admissions	80	97	1,132	1,034	(98)
Total Admissions	113	141	1,596	1,491	(105)
Medi-Cal Patient Days	61	68	732	739	7
Other Patient Days	132	166	1,853	1,746	(107)
Total Patient Days of Care	193	234	2,585	2,485	(100)
Average Daily Census	6.4	7.8	7.1	6.8	(0.3)
Medi-Cal Average Days	2.1	1.7	1.6	1.7	0.1
Other Average Days	0.7	1.9	1.6	1.7	0.1
Total Average Days Stay	1.8	1.8	1.6	1.7	0.1
<u>ADULTS & PEDIATRICS</u>					
Medicare Admissions	378	373	4,270	4,709	439
Medi-Cal Admissions	285	265	2,889	3,477	588
Other Admissions	367	304	3,624	3,698	74
Total Admissions	1,030	942	10,783	11,884	1,101
Medicare Patient Days	1,466	1,520	18,158	19,967	1,809
Medi-Cal Patient Days	1,129	1,036	12,254	14,309	2,055
Other Patient Days	1,312	987	13,529	13,687	158
Total Patient Days of Care	3,907	3,543	43,941	47,963	4,022
Average Daily Census	130.2	118.1	120.4	131.4	11.0
Medicare Average Length of Stay	3.8	4.0	4.2	4.2	0.0
Medi-Cal Average Length of Stay	4.1	3.3	3.5	3.6	0.0
Other Average Length of Stay	3.8	2.5	2.9	3.0	0.0
Total Average Length of Stay	3.9	3.3	3.5	3.6	0.0
Deaths	19	29	327	296	(31)
Total Patient Days	4,100	3,777	46,526	50,448	3,922
Medi-Cal Administrative Days	0	10	212	103	(109)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	0	10	212	103	(109)
Percent Non-Acute	0.00%	0.26%	0.46%	0.20%	-0.25%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of June and twelve months to date

	<u>Month of June</u>		<u>Twelve months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	248	263	3,282	3,569	287
Heart Center	421	345	3,790	4,194	404
Monitored Beds	592	619	8,820	7,979	(841)
Single Room Maternity/Obstetrics	355	359	4,294	4,013	(281)
Med/Surg - Cardiovascular	877	732	9,000	10,754	1,754
Med/Surg - Oncology	282	289	3,109	3,381	272
Med/Surg - Rehab	585	443	5,767	6,025	258
Pediatrics	146	83	1,302	1,409	107
Nursery	193	234	2,585	2,485	(100)
Neonatal Intensive Care	114	60	1,386	1,531	145
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	63.59%	67.44%	69.17%	75.22%	
Heart Center	93.56%	76.67%	69.22%	76.60%	
Monitored Beds	73.09%	76.42%	89.50%	80.96%	
Single Room Maternity/Obstetrics	31.98%	32.34%	31.80%	29.71%	
Med/Surg - Cardiovascular	64.96%	54.22%	54.79%	65.47%	
Med/Surg - Oncology	72.31%	74.10%	65.52%	71.25%	
Med/Surg - Rehab	75.00%	56.79%	60.77%	63.49%	
Med/Surg - Observation Care Unit	0.00%	68.63%	0.00%	82.32%	
Pediatrics	27.04%	15.37%	19.82%	21.45%	
Nursery	38.99%	47.27%	21.46%	20.63%	
Neonatal Intensive Care	34.55%	18.18%	34.52%	38.13%	

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of June and twelve months to date

	<u>Month of June</u>		<u>Twelve months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	110	136	1,522	1,436	(86)
C-Section deliveries	36	39	495	451	(44)
Percent of C-section deliveries	32.73%	28.68%	32.52%	31.41%	-1.12%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	24,790	19,894	238,995	236,813	(2,182)
Out-Patient Operating Minutes	27,278	32,654	304,315	335,196	30,881
Total	52,068	52,548	543,310	572,009	28,699
Open Heart Surgeries	15	14	146	168	22
In-Patient Cases	184	138	1,762	1,615	(147)
Out-Patient Cases	294	307	3,082	3,396	314
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	21	38	376	399	23
High Risk	515	653	5,729	7,633	1,904
More Than One Resource	2,964	2,944	31,743	35,378	3,635
One Resource	1,970	1,807	20,310	24,430	4,120
No Resources	83	88	1,006	1,168	162
Total	<u>5,553</u>	<u>5,530</u>	<u>59,164</u>	<u>69,008</u>	<u>9,844</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of June and twelve months to date

	<u>Month of June</u>		<u>Twelve months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
CENTRAL SUPPLY					
In-patient requisitions	14,810	14,140	180,661	180,922	261
Out-patient requisitions	9,992	11,263	112,473	117,046	4,573
Emergency room requisitions	557	771	11,357	9,051	-2,306
Interdepartmental requisitions	6,375	6,093	73,383	81,494	8,111
Total requisitions	<u>31,734</u>	<u>32,267</u>	<u>377,874</u>	<u>388,513</u>	<u>10,639</u>
LABORATORY					
In-patient procedures	34,948	35,383	419,089	468,241	49,152
Out-patient procedures	10,343	11,202	133,772	126,815	-6,957
Emergency room procedures	13,079	12,806	135,581	155,144	19,563
Total patient procedures	<u>58,370</u>	<u>59,391</u>	<u>688,442</u>	<u>750,200</u>	<u>61,758</u>
BLOOD BANK					
Units processed	<u>392</u>	<u>276</u>	<u>3,760</u>	<u>3,711</u>	<u>-49</u>
ELECTROCARDIOLOGY					
In-patient procedures	933	1,042	11,851	13,466	1,615
Out-patient procedures	354	446	4,406	4,503	97
Emergency room procedures	1,182	1,211	12,645	13,964	1,319
Total procedures	<u>2,469</u>	<u>2,699</u>	<u>28,902</u>	<u>31,933</u>	<u>3,031</u>
CATH LAB					
In-patient procedures	98	88	1,095	1,212	117
Out-patient procedures	102	118	1,120	1,024	-96
Emergency room procedures	0	0	0	1	1
Total procedures	<u>200</u>	<u>206</u>	<u>2,215</u>	<u>2,237</u>	<u>22</u>
ECHO-CARDIOLOGY					
In-patient studies	364	380	4,366	4,765	399
Out-patient studies	211	263	2,569	2,922	353
Emergency room studies	1	2	10	17	7
Total studies	<u>576</u>	<u>645</u>	<u>6,945</u>	<u>7,704</u>	<u>759</u>
NEURODIAGNOSTIC					
In-patient procedures	137	165	1,810	1,709	-101
Out-patient procedures	11	20	282	240	-42
Emergency room procedures	0	0	0	0	0
Total procedures	<u>148</u>	<u>185</u>	<u>2,092</u>	<u>1,949</u>	<u>-143</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of June and twelve months to date

	<u>Month of June</u>		<u>Twelve months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
SLEEP CENTER					
In-patient procedures	0	0	1	2	1
Out-patient procedures	182	208	2,040	1,795	-245
Emergency room procedures	0	0	0	1	1
Total procedures	182	208	2,041	1,798	-243
RADIOLOGY					
In-patient procedures	1,216	1,173	14,893	17,017	2,124
Out-patient procedures	342	441	4,745	4,884	139
Emergency room procedures	1,375	1,491	15,597	18,214	2,617
Total patient procedures	2,933	3,105	35,235	40,115	4,880
MAGNETIC RESONANCE IMAGING					
In-patient procedures	153	198	1,612	1,860	248
Out-patient procedures	105	138	1,307	1,305	-2
Emergency room procedures	8	7	87	73	-14
Total procedures	266	343	3,006	3,238	232
MAMMOGRAPHY CENTER					
In-patient procedures	4,094	4,043	43,741	47,667	3,926
Out-patient procedures	4,064	3,987	43,442	47,225	3,783
Emergency room procedures	0	3	12	12	0
Total procedures	8,158	8,033	87,195	94,904	7,709
NUCLEAR MEDICINE					
In-patient procedures	25	10	195	225	30
Out-patient procedures	95	71	941	1,089	148
Emergency room procedures	0	0	5	2	-3
Total procedures	120	81	1,141	1,316	175
PHARMACY					
In-patient prescriptions	80,466	84,753	1,021,745	1,134,381	112,636
Out-patient prescriptions	16,083	16,579	179,605	183,891	4,286
Emergency room prescriptions	8,559	9,049	87,764	105,838	18,074
Total prescriptions	105,108	110,381	1,289,114	1,424,110	134,996
RESPIRATORY THERAPY					
In-patient treatments	14,916	16,391	211,611	213,968	2,357
Out-patient treatments	1,330	894	14,382	13,317	-1,065
Emergency room treatments	215	290	2,764	4,796	2,032
Total patient treatments	16,461	17,575	228,757	232,081	3,324
PHYSICAL THERAPY					
In-patient treatments	2,502	2,195	28,983	30,363	1,380
Out-patient treatments	275	261	3,593	2,526	-1,067
Emergency room treatments	0	0	0	2	2
Total treatments	2,777	2,456	32,576	32,891	315

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of June and twelve months to date

	<u>Month of June</u>		<u>Twelve months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2021-22</u>	<u>2022-23</u>	
OCCUPATIONAL THERAPY					
In-patient procedures	1,255	1,445	17,149	19,059	1,910
Out-patient procedures	157	201	1,831	2,101	270
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,412</u>	<u>1,646</u>	<u>18,980</u>	<u>21,160</u>	<u>2,180</u>
SPEECH THERAPY					
In-patient treatments	383	512	5,221	5,705	484
Out-patient treatments	16	43	331	325	-6
Emergency room treatments	0	0	0	0	0
Total treatments	<u>399</u>	<u>555</u>	<u>5,552</u>	<u>6,030</u>	<u>478</u>
CARDIAC REHABILITATION					
In-patient treatments	0	2	0	3	3
Out-patient treatments	468	564	6,488	6,452	-36
Emergency room treatments	0	0	1	0	-1
Total treatments	<u>468</u>	<u>566</u>	<u>6,489</u>	<u>6,455</u>	<u>-34</u>
CRITICAL DECISION UNIT					
Observation hours	<u>291</u>	<u>326</u>	<u>3,978</u>	<u>4,975</u>	<u>997</u>
ENDOSCOPY					
In-patient procedures	79	73	1,076	996	-80
Out-patient procedures	40	72	363	719	356
Emergency room procedures	0	0	0	0	0
Total procedures	<u>119</u>	<u>145</u>	<u>1,439</u>	<u>1,715</u>	<u>276</u>
C. T. SCAN					
In-patient procedures	689	723	7,197	8,795	1,598
Out-patient procedures	324	448	4,205	4,922	717
Emergency room procedures	652	765	7,480	8,333	853
Total procedures	<u>1,665</u>	<u>1,936</u>	<u>18,882</u>	<u>22,050</u>	<u>3,168</u>
DIETARY					
Routine patient diets	19,935	20,668	227,855	277,213	49,358
Meals to personnel	24,437	28,233	263,781	303,414	39,633
Total diets and meals	<u>44,372</u>	<u>48,901</u>	<u>491,636</u>	<u>580,627</u>	<u>88,991</u>
LAUNDRY AND LINEN					
Total pounds laundered	<u>93,908</u>	<u>97,403</u>	<u>1,177,643</u>	<u>1,221,167</u>	<u>43,524</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
June 30, 2023**

	Month of June,		Twelve months ended June 30,	
	current year	prior year	current year	prior year
Patient days:				
By payer:				
Medicare	1,762	1,760	23,632	21,148
Medi-Cal	981	1,094	13,871	11,883
Commercial insurance	659	624	8,720	8,784
Other patient	86	46	1,467	1,256
Total patient days	3,488	3,524	47,690	43,071
Gross revenue:				
Medicare	\$ 105,303,384	\$ 98,016,903	\$ 1,263,747,921	\$ 1,123,537,736
Medi-Cal	67,729,412	64,206,315	849,054,820	685,840,554
Commercial insurance	56,494,220	50,125,392	628,644,840	593,689,626
Other patient	8,840,971	5,833,628	105,684,890	94,823,167
	238,367,987	218,182,238	2,847,132,471	2,497,891,083
	72.6%	74.4%	74.2%	72.4%
Deductions from revenue:				
Administrative adjustment	72,563	(27,209)	3,086,596	3,260,698
Charity care	824,076	554,068	7,724,323	9,592,563
Contractual adjustments:				
Medicare outpatient	33,599,796	30,594,787	370,792,647	334,139,787
Medicare inpatient	45,009,982	40,699,043	555,460,281	492,120,788
Medi-Cal traditional outpatient	2,647,523	3,463,809	38,876,838	36,040,421
Medi-Cal traditional inpatient	1,250,711	1,792,869	59,791,485	67,818,454
Medi-Cal managed care outpatient	30,121,468	24,233,798	341,758,075	266,005,432
Medi-Cal managed care inpatient	20,115,843	25,071,160	304,661,806	236,204,606
Commercial insurance outpatient	21,941,233	18,989,754	225,451,397	201,941,543
Commercial insurance inpatient	20,116,538	17,984,711	240,140,483	208,330,469
Uncollectible accounts expense	4,464,114	4,036,087	47,598,238	45,609,276
Other payors	506,947	(647,066)	17,086,451	8,012,984
	180,670,794	166,745,810	2,212,428,620	1,909,077,021
Net patient revenue	\$ 57,697,193	\$ 51,436,428	\$ 634,703,851	\$ 588,814,062
	24.21%	23.57%	22.29%	23.57%
Gross billed charges by patient type:				
Inpatient	\$ 119,256,978	\$ 110,969,167	\$ 1,519,243,349	\$ 1,330,183,319
Outpatient	87,936,332	78,842,751	972,485,176	846,505,981
Emergency room	31,174,677	28,370,321	355,403,945	321,201,783
	238,367,987	218,182,238	2,847,132,470	2,497,891,083

**SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
June 30, 2023**

	Month of June,		Twelve months ended June 30,	
	current year	prior year	current year	prior year
Operating revenue:				
Net patient revenue	\$ 57,697,193	\$ 51,436,428	\$ 634,703,851	\$ 588,814,062
Other operating revenue	1,456,715	415,158	19,354,793	13,924,053
Total operating revenue	<u>59,153,908</u>	<u>51,851,586</u>	<u>654,058,644</u>	<u>602,738,115</u>
Operating expenses:				
Salaries and wages	15,339,465	15,693,191	200,798,472	186,838,429
Compensated absences	2,642,484	2,863,109	34,440,500	33,034,072
Employee benefits	25,254,355	9,318,395	112,167,994	84,730,013
Supplies, food, and linen	6,821,744	6,637,409	82,113,243	76,339,085
Purchased department functions	5,229,078	4,049,215	50,500,131	42,053,884
Medical fees	2,719,477	2,782,393	26,831,181	22,892,541
Other fees	2,984,415	3,067,931	35,116,921	30,660,007
Depreciation	478,740	4,784,231	22,653,044	25,346,051
All other expense	2,973,961	(680,218)	20,709,727	14,978,805
Total operating expenses	<u>64,443,719</u>	<u>48,515,656</u>	<u>585,331,213</u>	<u>516,872,887</u>
Income from operations	<u>(5,289,811)</u>	<u>3,335,930</u>	<u>68,727,431</u>	<u>85,865,228</u>
Non-operating income:				
Donations	6,648,598	(65,000)	16,406,938	1,844,206
Property taxes	2,053,906	1,320,277	5,720,572	4,986,944
Investment income	1,407,871	(1,793,683)	8,254,571	(13,522,866)
Taxes and licenses	0	0	0	(29,074)
Income from subsidiaries	(5,354,640)	(829,542)	(42,354,456)	(33,352,926)
Total non-operating income	<u>4,755,735</u>	<u>(1,367,948)</u>	<u>(11,972,375)</u>	<u>(40,073,716)</u>
Operating and non-operating income	<u>(534,076)</u>	<u>1,967,982</u>	<u>56,755,056</u>	<u>45,791,511</u>
Net assets to begin	<u>913,078,139</u>	<u>853,821,025</u>	<u>855,789,006</u>	<u>809,997,496</u>
Net assets to end	<u>\$ 912,544,063</u>	<u>\$ 855,789,007</u>	<u>\$ 912,544,063</u>	<u>\$ 855,789,007</u>
Net income excluding non-recurring items	\$ (534,076)	\$ 1,967,982	\$ 56,755,056	\$ 39,499,135
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,292,376</u>
Operating and non-operating income	<u>\$ (534,076)</u>	<u>\$ 1,967,982</u>	<u>\$ 56,755,056</u>	<u>\$ 45,791,511</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
June 30, 2023**

	<u>Month of June,</u>		<u>Twelve months ended June 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Detail of other operating income:				
Dietary revenue	\$ 185,468	\$ 172,757	\$ 1,989,152	\$ 1,715,287
Discounts and scrap sale	132,869	2,023	1,347,360	1,336,587
Sale of products and services	95,258	50,508	514,618	764,979
Clinical trial fees	0	1,210	0	28,910
Stimulus Funds	0	0	0	0
Rental income	98,924	59,810	2,084,037	1,880,981
Other	944,196	128,850	13,419,626	8,197,309
Total	\$ 1,456,715	\$ 415,158	\$ 19,354,793	\$ 13,924,053

Detail of investment income:				
Bank and payor interest	\$ 1,402,630	\$ 115,550	\$ 11,184,628	\$ 1,082,877
Income from investments	5,241	(1,914,233)	(1,727,807)	(16,320,488)
Gain or loss on property and equipment	0	5,000	(1,202,250)	1,714,745
Total	\$ 1,407,871	\$ (1,793,683)	\$ 8,254,571	\$ (13,522,866)

Detail of income from subsidiaries:

Salinas Valley Medical Center:

Pulmonary Medicine Center	\$ (181,797)	\$ (182,721)	\$ (2,025,696)	\$ (2,202,870)
Neurological Clinic	(67,306)	(15,558)	(779,593)	(624,810)
Palliative Care Clinic	(103,994)	(80,270)	(870,651)	(943,414)
Surgery Clinic	(152,801)	(80,711)	(1,730,882)	(1,477,919)
Infectious Disease Clinic	(32,116)	(18,198)	(370,495)	(305,689)
Endocrinology Clinic	(201,752)	(93,860)	(2,100,044)	(1,468,261)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(469,444)	(439,496)	(5,770,601)	(5,062,460)
OB/GYN Clinic	(414,289)	(257,444)	(4,047,530)	(3,903,447)
PrimeCare Medical Group	(709,890)	(70,519)	(8,014,124)	(5,637,329)
Oncology Clinic	(413,029)	(260,781)	(3,490,516)	(2,837,829)
Cardiac Surgery	(403,674)	(108,228)	(3,710,973)	(2,386,170)
Sleep Center	(33,332)	(24,180)	(448,918)	(391,073)
Rheumatology	(57,248)	(42,537)	(739,926)	(653,798)
Precision Ortho MDs	(395,372)	(45,049)	(4,606,611)	(3,287,472)
Precision Ortho-MRI	0	190	0	0
Precision Ortho-PT	(25,531)	(9,385)	(422,895)	(541,192)
Vaccine Clinic	0	2,723	(683)	(55,690)
Dermatology	(67,386)	6,158	(279,020)	(182,294)
Hospitalists	0	0	0	0
Behavioral Health	(39,350)	(40,933)	(417,730)	(725,870)
Pediatric Diabetes	(48,584)	(40,116)	(552,538)	(512,196)
Neurosurgery	(24,673)	(38,804)	(361,771)	(285,200)
Multi-Specialty-RR	1,316	17,066	82,050	106,330
Radiology	(1,297,370)	11,404	(1,794,865)	(2,538,422)
Salinas Family Practice	(95,792)	(82,242)	(1,241,078)	(1,151,129)
Urology	(109,662)	66,642	(1,085,215)	(173,493)
Total SVMC	(5,343,076)	(1,826,849)	(44,780,305)	(37,241,697)

Doctors on Duty	(595)	683,726	515,366	762,542
Vantage Surgery Center	0	0	0	222,007
LPCH NICU JV	0	178,532	0	178,532
Central Coast Health Connect	(106,009)	(55,447)	(106,009)	(55,447)
Monterey Peninsula Surgery Center	58,641	168,182	1,649,523	2,407,819
Coastal	22,943	(68,398)	54,826	(343,667)
Apex	0	0	0	103,759
GenesisCare USA	(56,210)	35,766	(161,196)	155,750
Monterey Bay Endoscopy Center	69,666	54,946	473,340	457,477

Total **\$ (5,354,640)** **\$ (829,542)** **\$ (42,354,456)** **\$ (33,352,926)**

**SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
June 30, 2023**

	Current year	Prior year
Current assets:		
Cash and cash equivalents	\$ 328,752,213	\$ 298,028,150
Patient accounts receivable, net of estimated uncollectibles of \$27,287,667	85,106,372	83,765,858
Supplies inventory at cost	8,016,154	7,960,823
Current portion of lease receivable	1,924,102	534,201
Other current assets	10,620,365	10,649,480
	434,419,206	400,938,512
Assets whose use is limited or restricted by board	157,874,522	148,632,659
Capital assets:		
Land and construction in process	58,875,554	36,458,903
Other capital assets, net of depreciation	187,542,494	202,553,942
	246,418,048	239,012,844
Other assets:		
Right of use assets, net of amortization	5,675,770	7,137,296
Long term lease receivable	1,120,595	1,462,610
Investment in securities	145,498,387	141,269,337
Investment in SVMC	7,683,412	12,629,372
Investment in Aspire/CHI/Coastal	1,698,526	1,643,700
Investment in other affiliates	21,594,227	21,767,134
Net pension asset	532,173	2,421,869
	183,803,090	188,331,318
Deferred pension outflows	116,970,429	95,857,027
	\$ 1,139,485,295	\$ 1,072,772,360
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 56,350,575	\$ 62,774,145
Due to third party payers	6,173,719	34,388,483
Current portion of notes payable	0	0
Current portion of self-insurance liability	18,527,794	17,347,981
Current portion of lease liability	1,894,870	2,935,968
	82,946,958	117,446,577
Long term portion of notes payable	0	0
Long term portion of workers comp liability	13,285,330	14,058,922
Long term portion of lease liability	3,977,016	4,455,311
	100,209,304	135,960,810
Lease deferred inflows	2,856,614	1,911,058
Pension liability	123,875,314	79,111,485
Net assets:		
Invested in capital assets, net of related debt	246,418,048	239,012,844
Unrestricted	666,126,015	616,776,163
	912,544,063	855,789,007
	\$ 1,139,485,295	\$ 1,072,772,360

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
June 30, 2023

	Month of June,				Twelve months ended June 30,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 238,367,987	\$ 208,914,441	29,453,546	14.10%	\$ 2,847,132,471	\$ 2,504,949,071	342,183,400	13.66%
Deductions from revenue	180,670,794	161,574,650	19,096,144	11.82%	2,212,428,620	1,936,443,207	275,985,413	14.25%
Net patient revenue	57,697,193	47,339,791	10,357,402	21.88%	634,703,851	568,505,864	66,197,987	11.64%
Other operating revenue	1,456,715	1,374,687	82,028	5.97%	19,354,793	16,496,239	2,858,554	17.33%
Total operating revenue	59,153,908	48,714,478	10,439,430	21.43%	654,058,644	585,002,104	69,056,540	11.80%
Operating expenses:								
Salaries and wages	15,339,465	16,372,555	(1,033,090)	-6.31%	200,798,472	195,549,570	5,248,902	2.68%
Compensated absences	2,642,484	2,874,976	(232,492)	-8.09%	34,440,500	34,211,012	229,488	0.67%
Employee benefits	25,254,355	7,280,194	17,974,161	246.89%	112,167,994	86,536,628	25,631,366	29.62%
Supplies, food, and linen	6,821,744	6,215,371	606,373	9.76%	82,113,243	75,583,312	6,529,931	8.64%
Purchased department functions	5,229,078	3,490,994	1,738,084	49.79%	50,500,131	41,892,036	8,608,095	20.55%
Medical fees	2,719,477	2,026,754	692,723	34.18%	26,831,181	24,321,051	2,510,130	10.32%
Other fees	2,984,415	1,982,528	1,001,887	50.54%	35,116,921	23,960,799	11,156,122	46.56%
Depreciation	478,740	1,897,347	(1,418,607)	-74.77%	22,653,044	23,080,683	(427,639)	-1.85%
All other expense	2,973,961	1,732,165	1,241,796	71.69%	20,709,727	20,960,962	(251,235)	-1.20%
Total operating expenses	64,443,719	43,872,885	20,570,834	46.89%	585,331,213	526,096,054	59,235,159	11.26%
Income from operations	(5,289,811)	4,841,593	(10,131,404)	-209.26%	68,727,431	58,906,050	9,821,381	16.67%
Non-operating income:								
Donations	6,648,598	166,667	6,481,931	3889.16%	16,406,938	2,000,000	14,406,938	720.35%
Property taxes	2,053,906	333,333	1,720,573	516.17%	5,720,572	4,000,000	1,720,572	43.01%
Investment income	1,407,871	129,915	1,277,955	983.68%	8,254,571	1,558,986	6,695,586	429.48%
Income from subsidiaries	(5,354,640)	(3,559,699)	(1,794,941)	50.42%	(42,354,456)	(41,823,902)	(530,554)	1.27%
Total non-operating income	4,755,735	(2,929,783)	7,685,518	-262.32%	(11,972,375)	(34,264,916)	22,292,541	-65.06%
Operating and non-operating income \$	(534,076)	\$ 1,911,810	(2,445,886)	-127.94%	\$ 56,755,056	\$ 24,641,134	32,113,922	130.33%

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
June 30, 2023

	<u>Month of June,</u>		<u>Twelve months ended June 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 57,697,193	\$ 51,436,428	\$ 634,703,851	\$ 588,814,062
Other operating revenue	<u>1,456,715</u>	<u>415,158</u>	<u>19,354,793</u>	<u>13,924,053</u>
Total operating revenue	<u>59,153,908</u>	<u>51,851,586</u>	<u>654,058,644</u>	<u>602,738,115</u>
Total operating expenses	64,443,719	48,515,656	585,331,213	516,872,887
Total non-operating income	<u>4,755,735</u>	<u>(1,367,948)</u>	<u>(11,972,375)</u>	<u>(40,073,716)</u>
Operating and non-operating income	<u>\$ (534,076)</u>	<u>\$ 1,967,982</u>	<u>\$ 56,755,056</u>	<u>\$ 45,791,511</u>

SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
June 30, 2023

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 434,419,206	\$ 400,938,512
Assets whose use is limited or restricted by board	157,874,522	148,632,659
Capital assets	246,418,048	239,012,844
Other assets	183,803,090	188,331,318
Deferred pension outflows	<u>116,970,429</u>	<u>95,857,027</u>
	<u>\$ 1,139,485,295</u>	<u>\$ 1,072,772,360</u>
LIABILITIES AND EQUITY:		
Current liabilities	82,946,958	117,446,577
Long term liabilities	17,262,346	18,514,233
Lease deferred inflows	2,856,614	1,911,058
Pension liability	123,875,314	79,111,485
Net assets	<u>912,544,063</u>	<u>855,789,007</u>
	<u>\$ 1,139,485,295</u>	<u>\$ 1,072,772,360</u>

Financial Performance Review

June 2023

Augustine Lopez
Chief Financial Officer

Consolidated Financial Summary For the Month of June 2023

\$ in Millions	For the Month of June 2023			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 67.9	\$ 57.1	\$ 10.8	18.9%
Operating Expense	\$ 77.4	\$ 56.1	\$ (21.3)	-38.0%
Income from Operations *	\$ (9.5)	\$ 1.0	\$ (10.5)	-1050.0%
<i>Operating Margin %</i>	<i>-14.0%</i>	<i>1.7%</i>	<i>-15.7%</i>	<i>-923.53%</i>
Non Operating Income**	\$ 8.7	\$ 1.0	\$ 7.7	770.0%
Net Income	\$ (0.8)	\$ 2.0	\$ (2.8)	-140.0%
<i>Net Income Margin %</i>	<i>-1.2%</i>	<i>3.4%</i>	<i>-4.6%</i>	<i>-135.3%</i>

*** Income from operations includes the following normalized items:**

Expense: <\$18.1M> Defined Benefit Pension Plan adjustment per Actuarial Report for Plan Year 2022

Revenue: \$3.0M Non-Designated Public Hospital IGT payments received in June for FY 22 and FY 23 (Previously known as AB 113)

Revenue: \$4.0M We received a second \$4 million one-time payment from our Managed Medicaid Health plan as result of our recent contract negotiation to fund the organization's readiness for the new reimbursement methodology under APR/DRG

<\$11.1M> Total for month of June

**** Non-operating income includes the following normalized item:**

\$8.1M Revenue recognition post audit review for the CARES Act Provider Relief Funds received in FY 22 (Phase 4)

Consolidated Financial Summary – Normalized For the Month of June 2023

\$ in Millions	For the Month of June 2023			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 60.9	\$ 57.1	\$ 3.8	6.7%
Operating Expense	\$ 59.3	\$ 56.1	\$ (3.2)	-5.7%
Income from Operations *	\$ 1.6	\$ 1.0	\$ 0.6	60.0%
<i>Operating Margin %</i>	2.6%	1.7%	0.9%	52.9%
Non Operating Income **	\$ 0.7	\$ 1.0	\$ (0.3)	-30.0%
Net Income	\$ 2.3	\$ 2.0	\$ 0.3	15.0%
<i>Net Income Margin %</i>	3.7%	3.4%	0.3%	8.8%

*** Income from operations excludes the following normalized items:**

Expense: <\$18.1M> Defined Benefit Pension Plan adjustment per Actuarial Report for Plan Year 2022

Revenue: \$3.0M Non-Designated Public Hospital IGT payments received in June for FY 22 and FY 23 (Previously known as AB 113)

Revenue: \$4.0M We received a second \$4 million one-time payment from our Managed Medicaid Health plan as result of our recent contract negotiation

_____ to fund the organization's readiness for the new reimbursement methodology under APR/DRG

<\$11.1M> Total for month of June

**** Non-operating income excludes the following normalized item:**

\$8.1M Revenue recognition post audit review for the CARES Act Provider Relief Funds received in FY 22 (Phase 4)

Executive Summary: Favorable Financial Performance

- *Salinas Valley Health as a system had a positive financial performance* with income from operations of \$1.6 million or a 2.6% operating margin, after adjusting for the normalizing items totaling <\$11.1> million. These results were attributed to the following:
 - ✓ Higher than expected net patient volumes, including IP & OP surgeries, IP deliveries, outpatient infusion services, as well as various ancillary services
 - ✓ Increase in Commercial insurance revenue, up 10% from budget
 - ✓ Total ALOS was at 3.78, below budget by 8%
 - ✓ There has been a marked improvement in reducing contract labor & overtime utilization
 - ✓ Worked & Paid FTEs were also managed effectively compared to budget
- Non-operating income was favorable by \$7.7 million mostly due to recognition of \$8.1 million in CARES Act Provider Relief Funds, which was normalized for the month

Consolidated Financial Summary

Year-to-Date June 2023

\$ in Millions	FY 2023 YTD June			
	Actual	Budget	Variance fav (unfav)	
			\$VAR	%VAR
Operating Revenue*	\$ 752.2	\$ 681.3	\$ 70.9	10.4%
Operating Expense**	\$ 727.7	\$ 667.8	\$ (59.9)	-9.0%
Income from Operations	\$ 24.5	\$ 13.5	\$ 11.0	81.5%
Operating Margin %	3.3%	2.0%	1.3%	65.0%
Non Operating Income***	\$ 32.8	\$ 11.7	\$ 21.1	180.3%
Net Income	\$ 57.3	\$ 25.2	\$ 32.1	127.4%
Net Income Margin %	7.6%	3.7%	3.9%	105.4%

*Normalizing revenue items in Operations includes:

- \$4.9M Rate Range Program (FY 2022)
- \$3.0M Non-Designated Public Hospital IGT for FY 22 and FY 23 (Previously known as AB 113)
- \$1.8M AB915 OP Supplemental Payments (FY 21)

**Normalizing expense items in Operations includes:

- \$2.4M in Salaries & Wages related to the Employee Retention Grants from the State
- \$18.1M Balance Sheet Adjustment for 2022 Actuarially Determined Liability and Reserve

***Normalizing items in Non-Operating Income includes:

- \$5.1M FEMA Funds recognized
- \$8.1M CARES Act Provider Relief Funds FY22 Phase 4
- \$2.4M received in payments related to the Employee Retention Grants from State of California (SB 184)

Consolidated Financial Summary - Normalized Year-to-Date June 2023

\$ in Millions	FY 2023 YTD June				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 742.5	\$ 681.3	\$ 61.2	9.0%	
Operating Expense	\$ 707.1	\$ 667.8	\$ (39.3)	-5.9%	
Income from Operations	\$ 35.4	\$ 13.5	\$ 21.9	162.2%	
<i>Operating Margin %</i>	4.8%	2.0%	2.8%	140.0%	
Non Operating Income	\$ 17.8	\$ 11.7	\$ 6.1	52.1%	
Net Income	\$ 53.2	\$ 25.2	\$ 28.0	111.1%	
<i>Net Income Margin %</i>	7.2%	3.7%	3.5%	94.6%	

SVHMC Revenue Highlights June 2023

Gross Revenues were 14% Favorable to budget

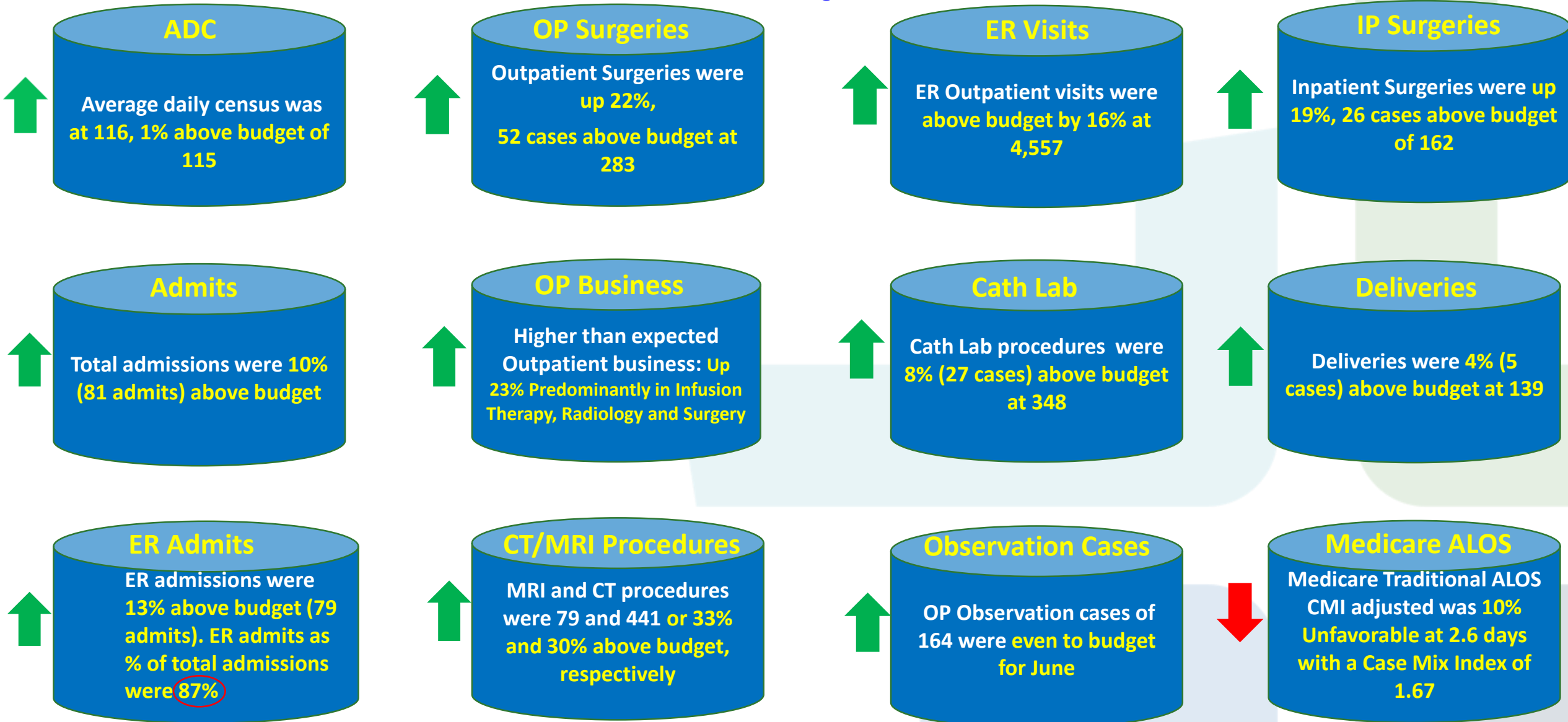
- IP Gross Revenues were 6% favorable to budget
- ED Gross Revenues were 17% favorable to budget
- OP Gross Revenues were 26% favorable to budget in the following areas:
 - Infusion Therapy
 - Radiology
 - Surgery

- Commercial: 10% above budget
- Medicaid: 18% above budget
- Medicare: 15% above budget

Payor Mix – Unfavorable

Total Normalized Net Patient Revenues were \$50.7M, which was Favorable to budget by \$3.3M or 7.1%

Financial Summary – June 2023



COVID Inpatient Discharge Cases

Payor Mix Analysis

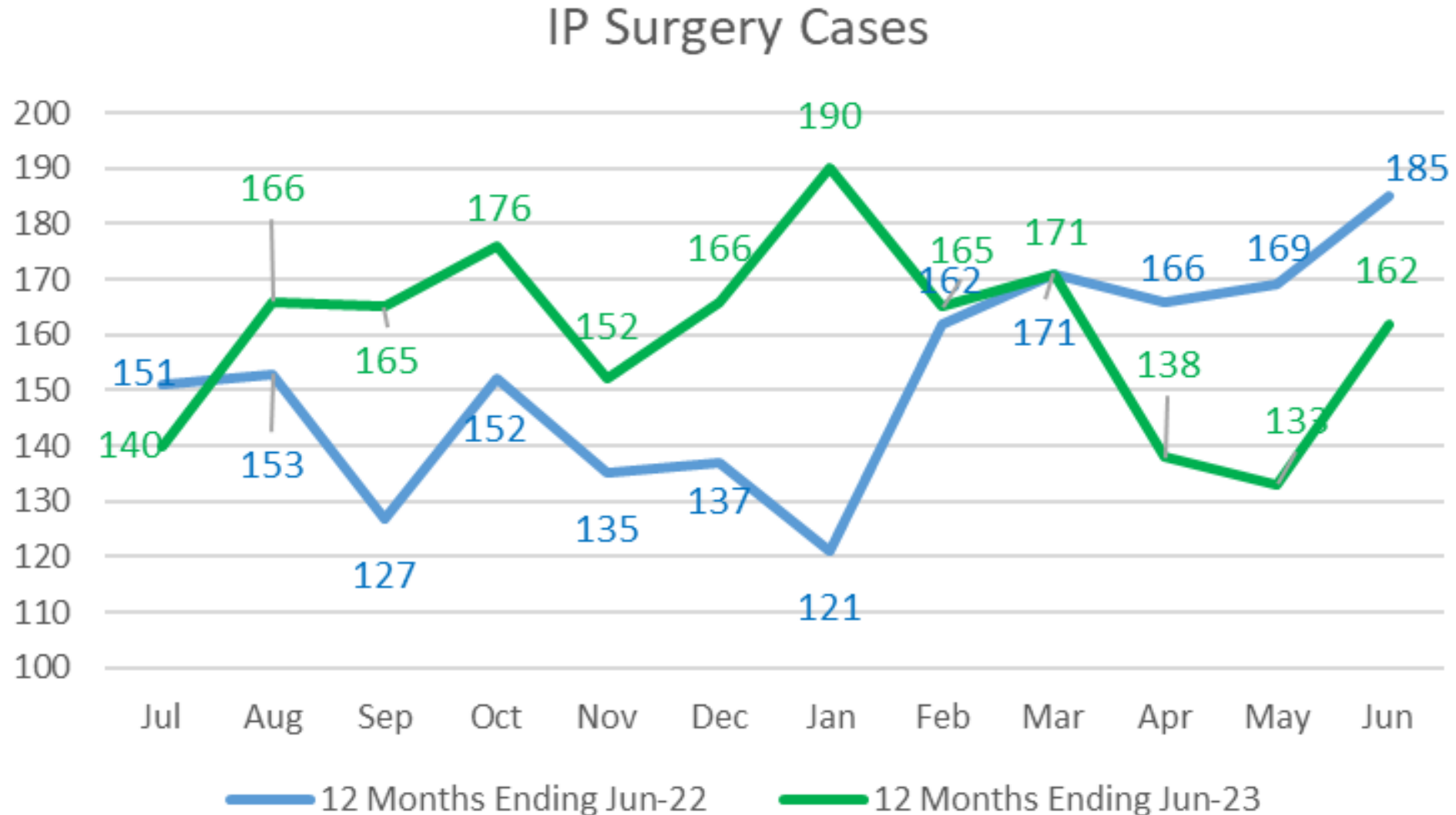
Jul 2022 thru June 2023

Cases	Month	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23
Medicare		44	31	7	13	14	11	19	32	19	9	14	2
Medi-Cal		25	10	4	3	5	5	8	5	10	4	3	2
Commercial		7	5	2	2			5	1	1	2		
Other		2	3				4	2	2			1	
Grand Total		78	49	13	18	19	20	34	40	30	15	18	4

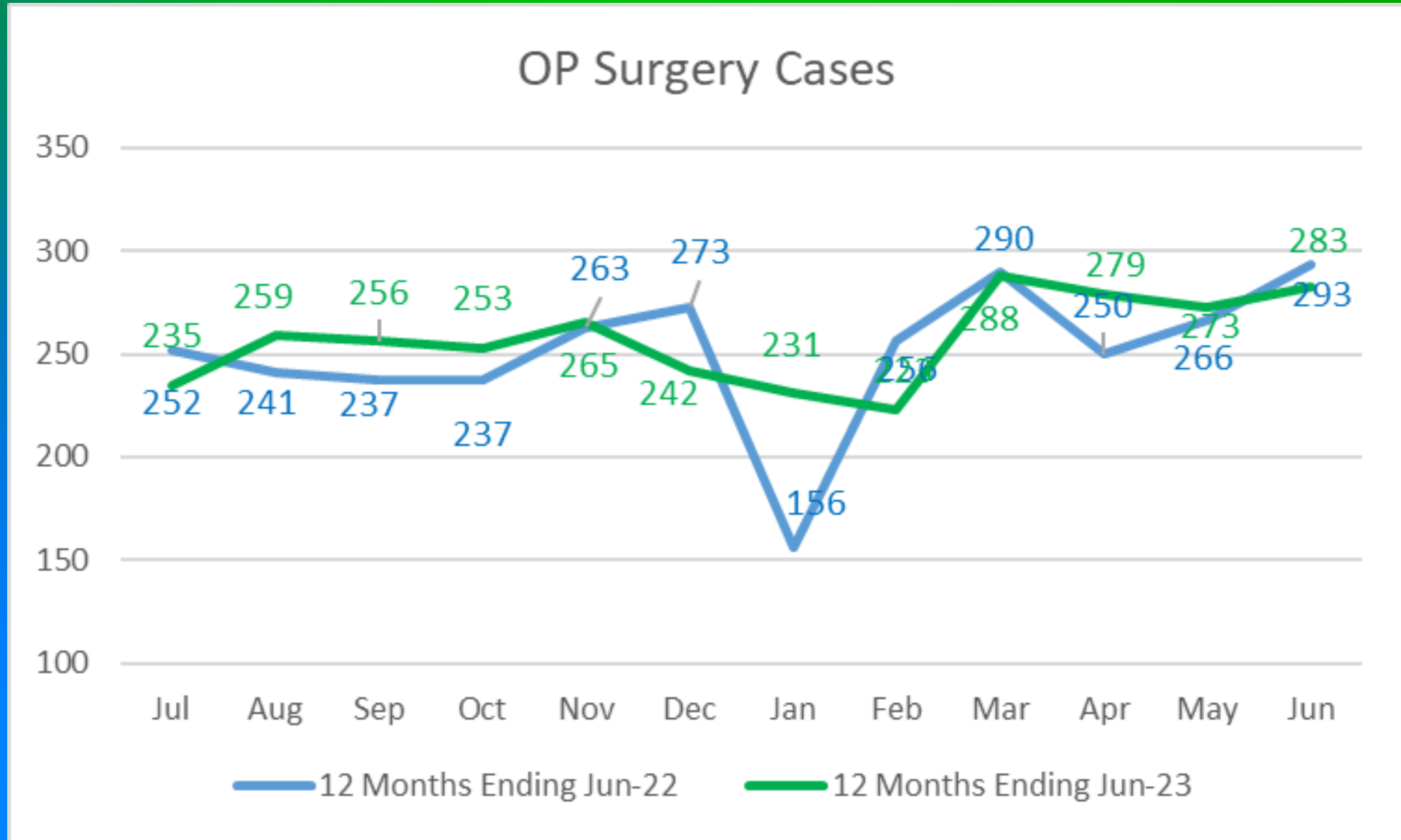
Note: COVID Criteria is based any DX U07.1

COVID Inpatient cases decreased during June compared to prior month.

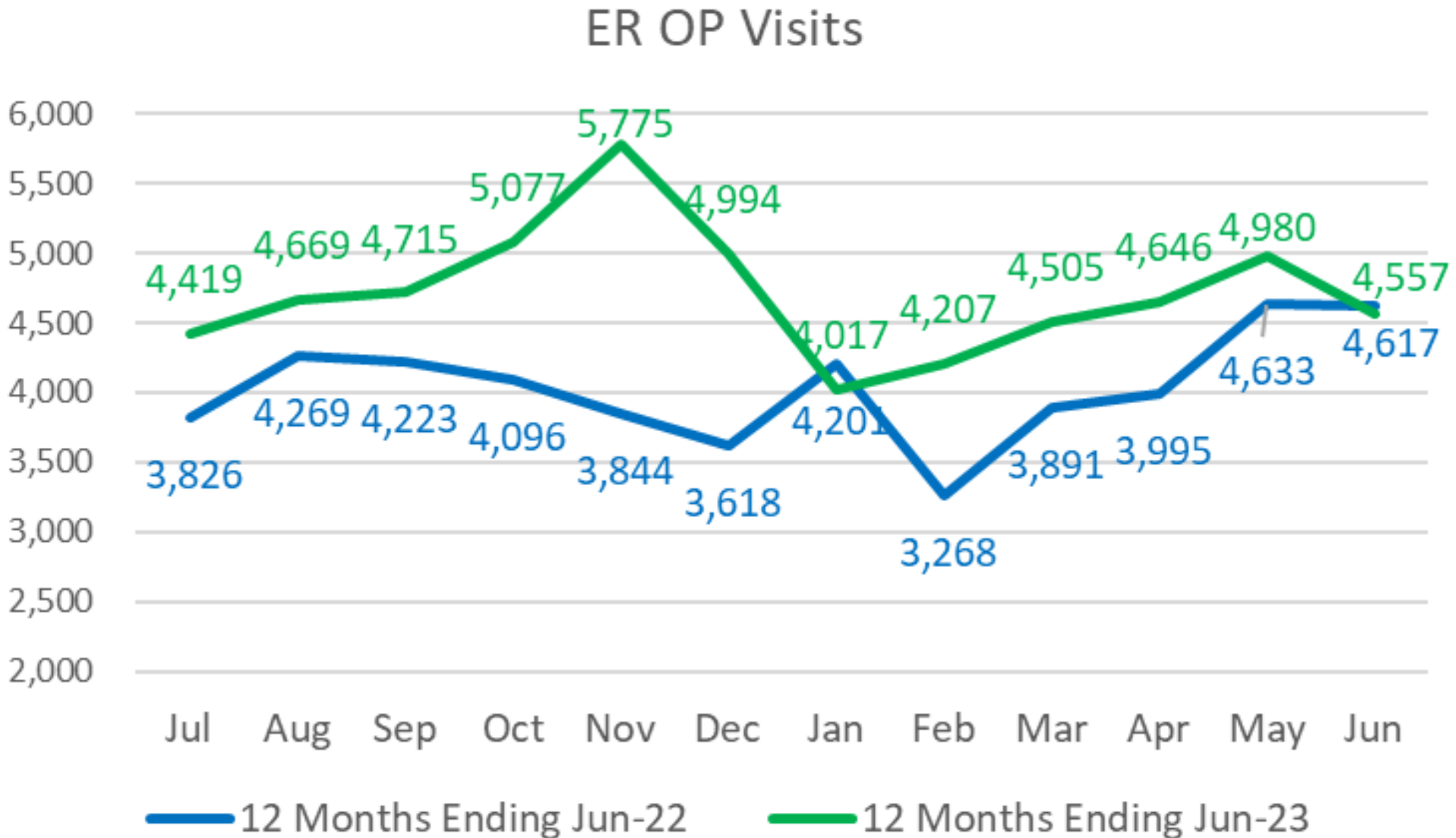
IP Surgery Cases – June 2023



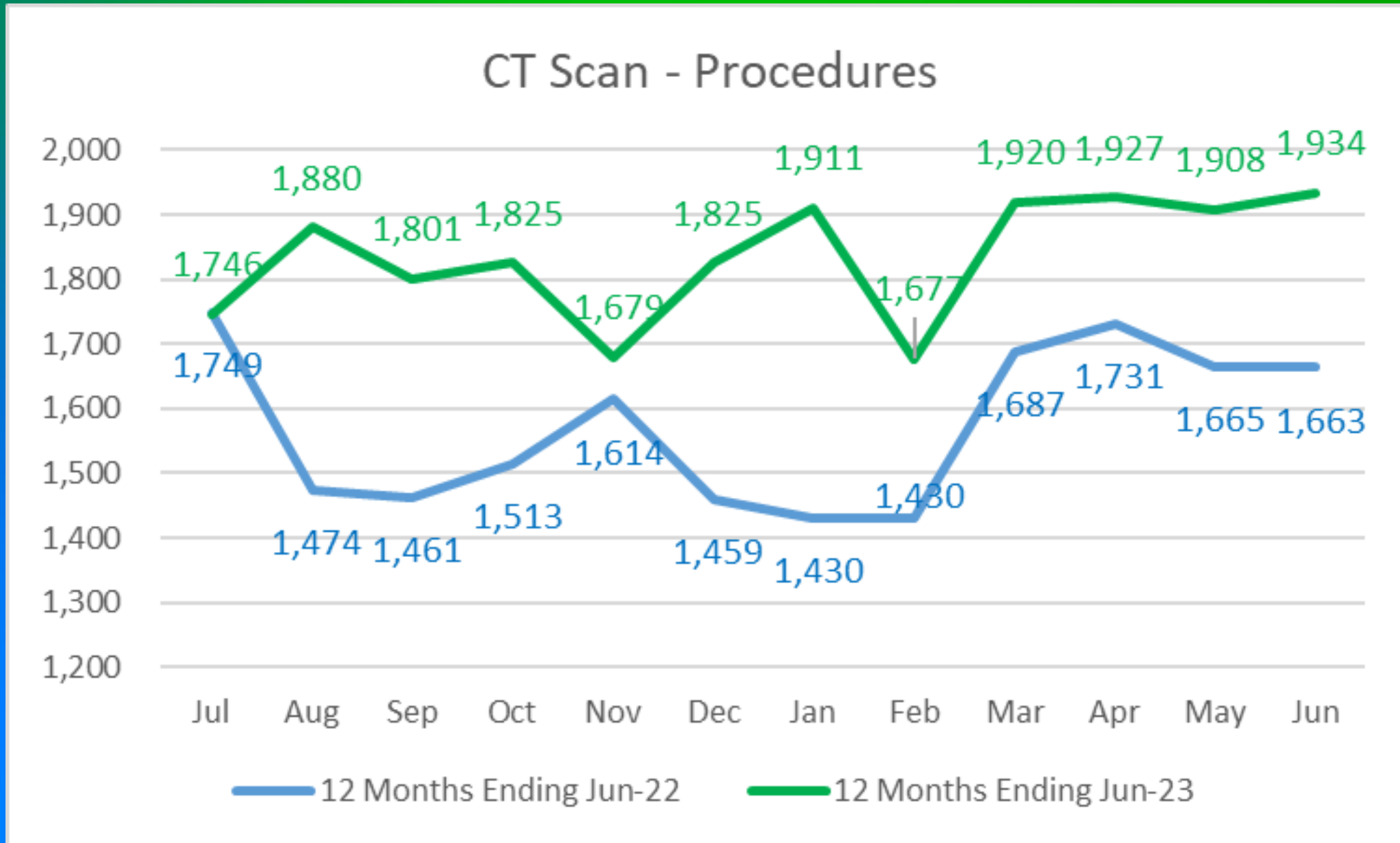
OP Surgery Cases – June 2023



ER OP Visits – June 2023

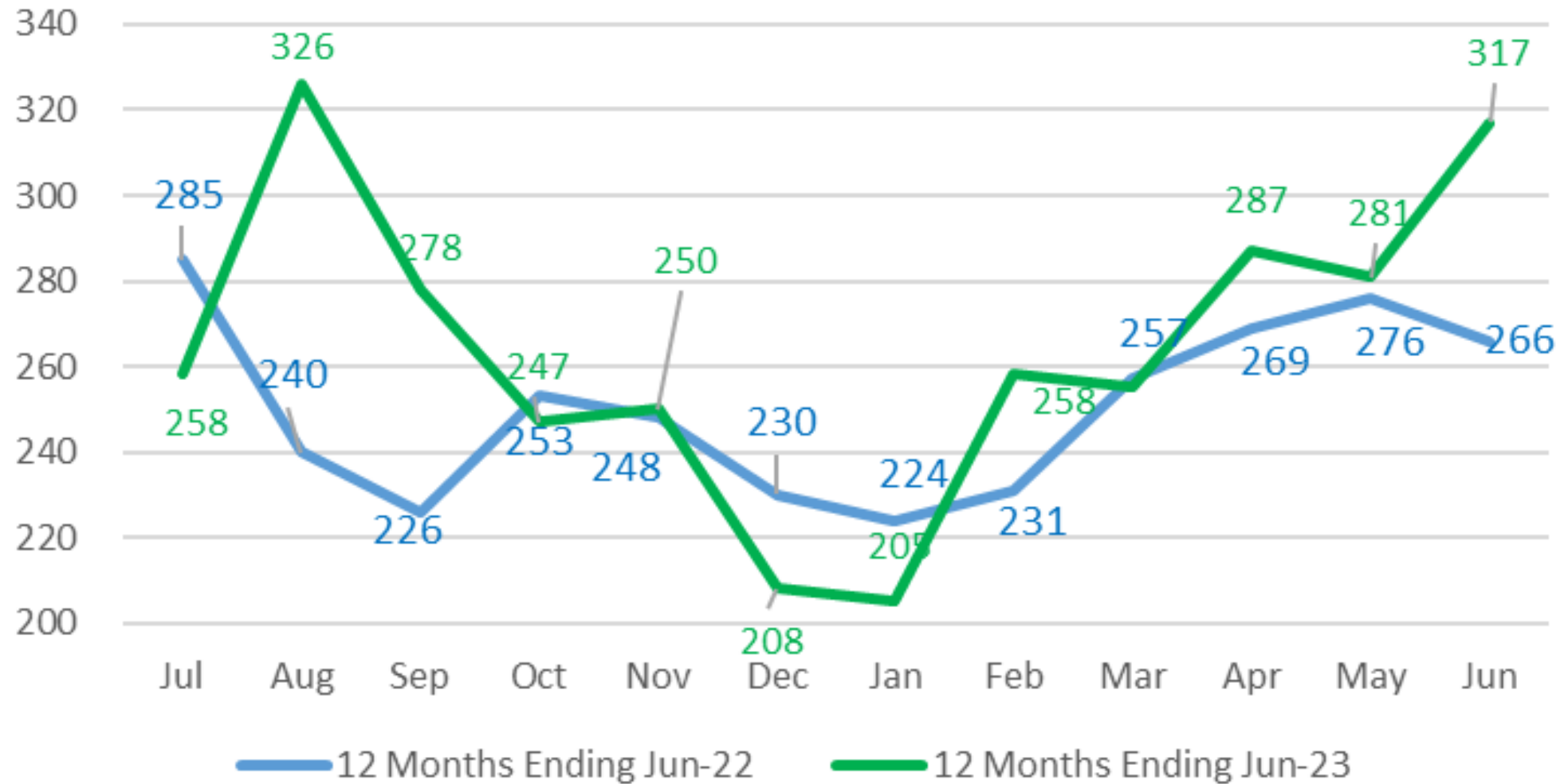


CT Scans – June 2023

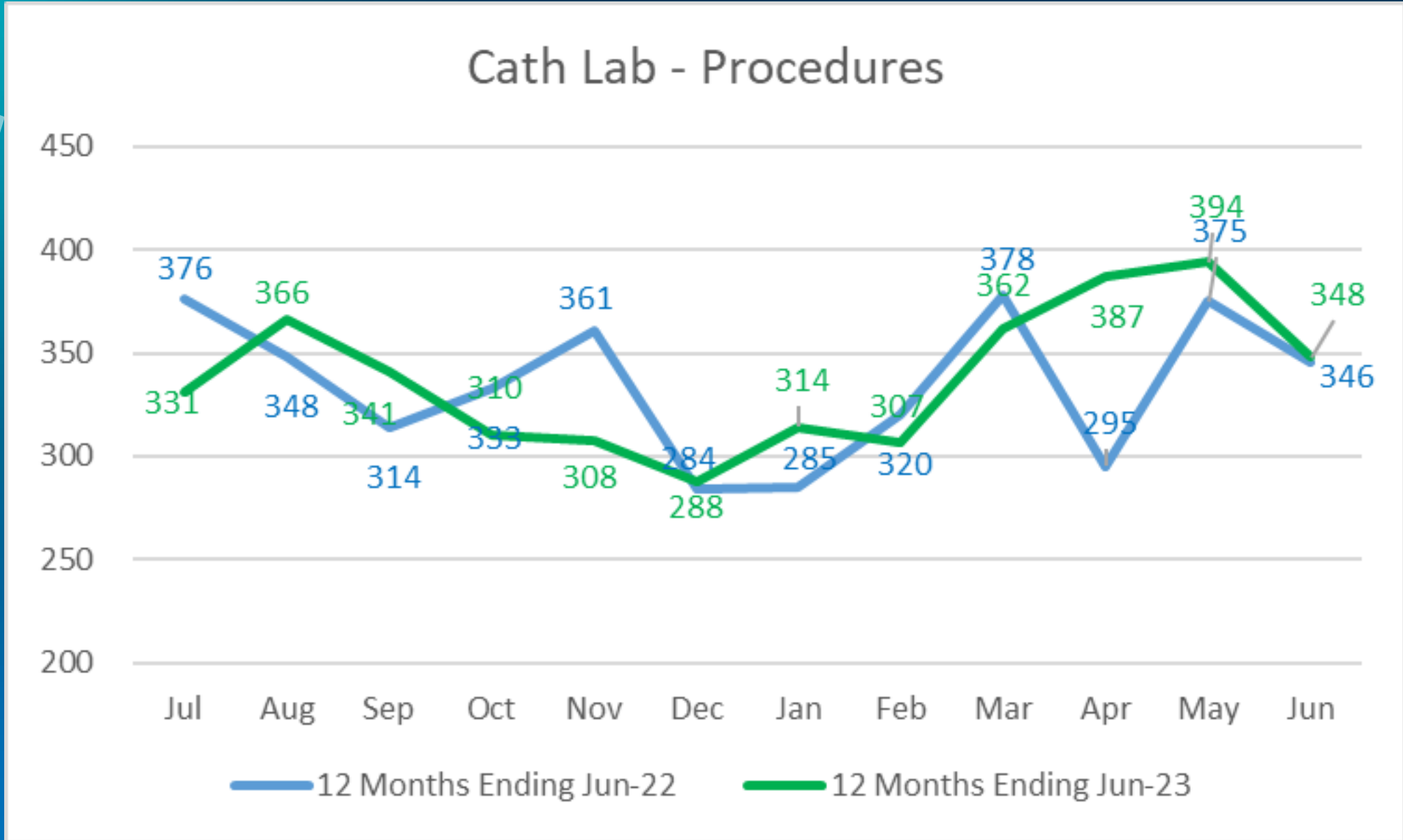


MRI – June 2023

MRI - Procedures

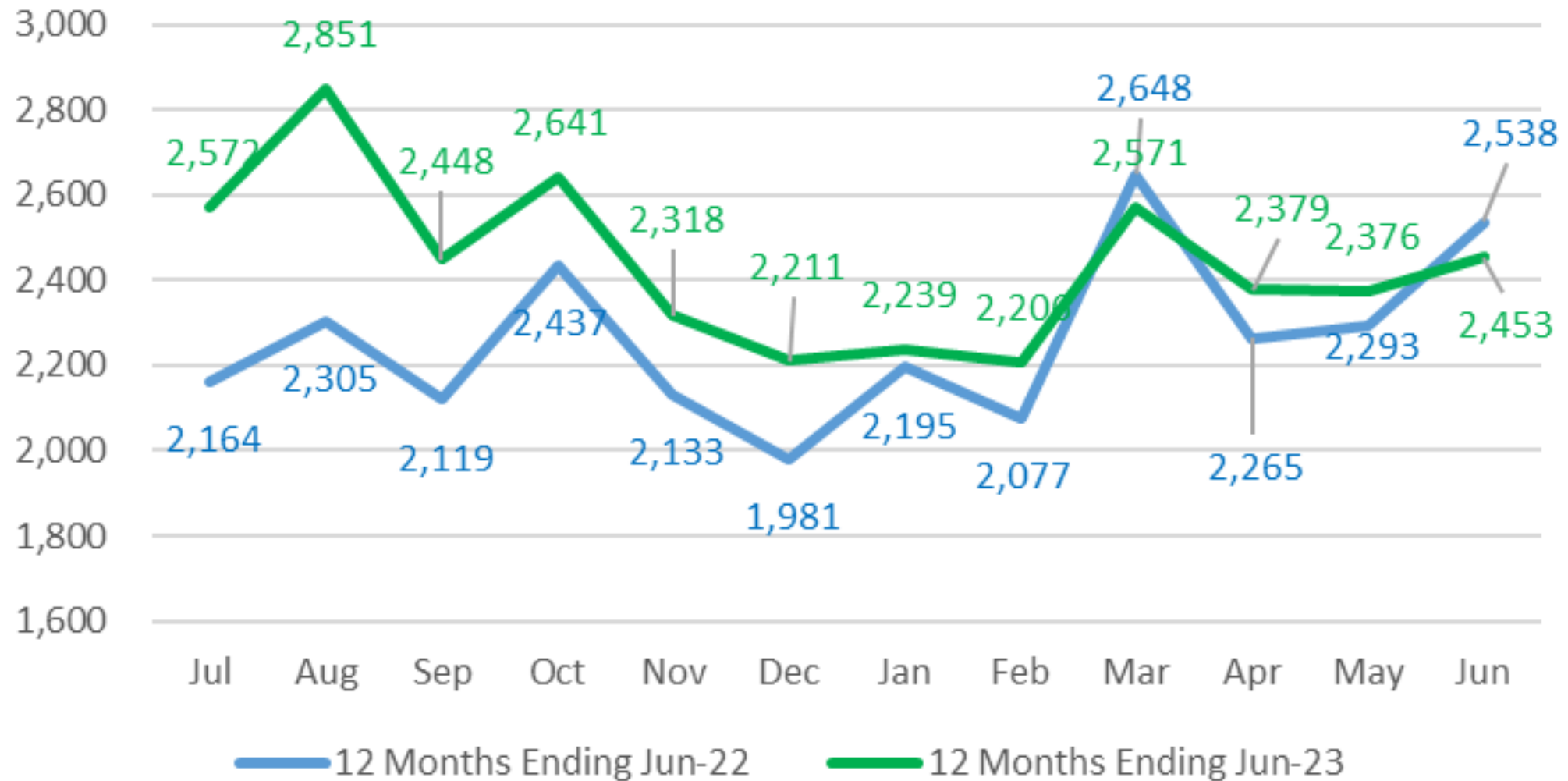


Cath Lab – June 2023



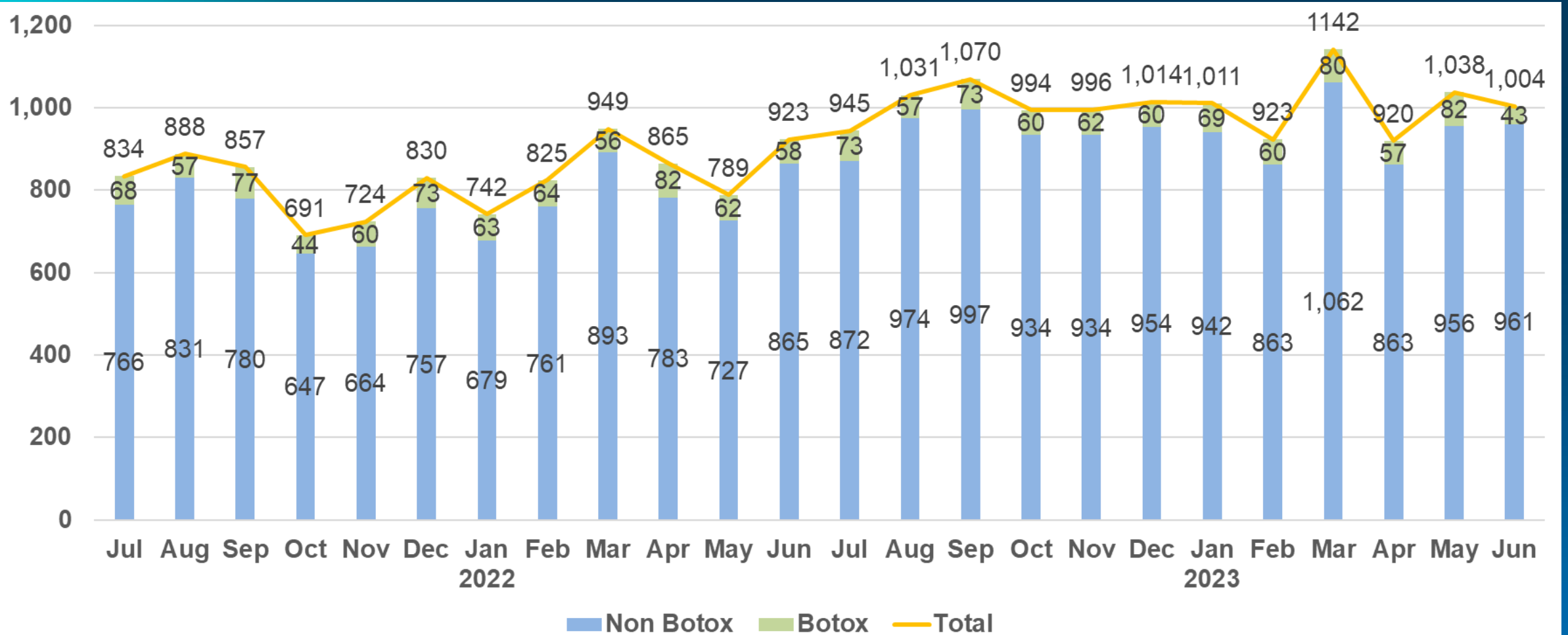
Mammography – June 2023

Mammography - Procedures



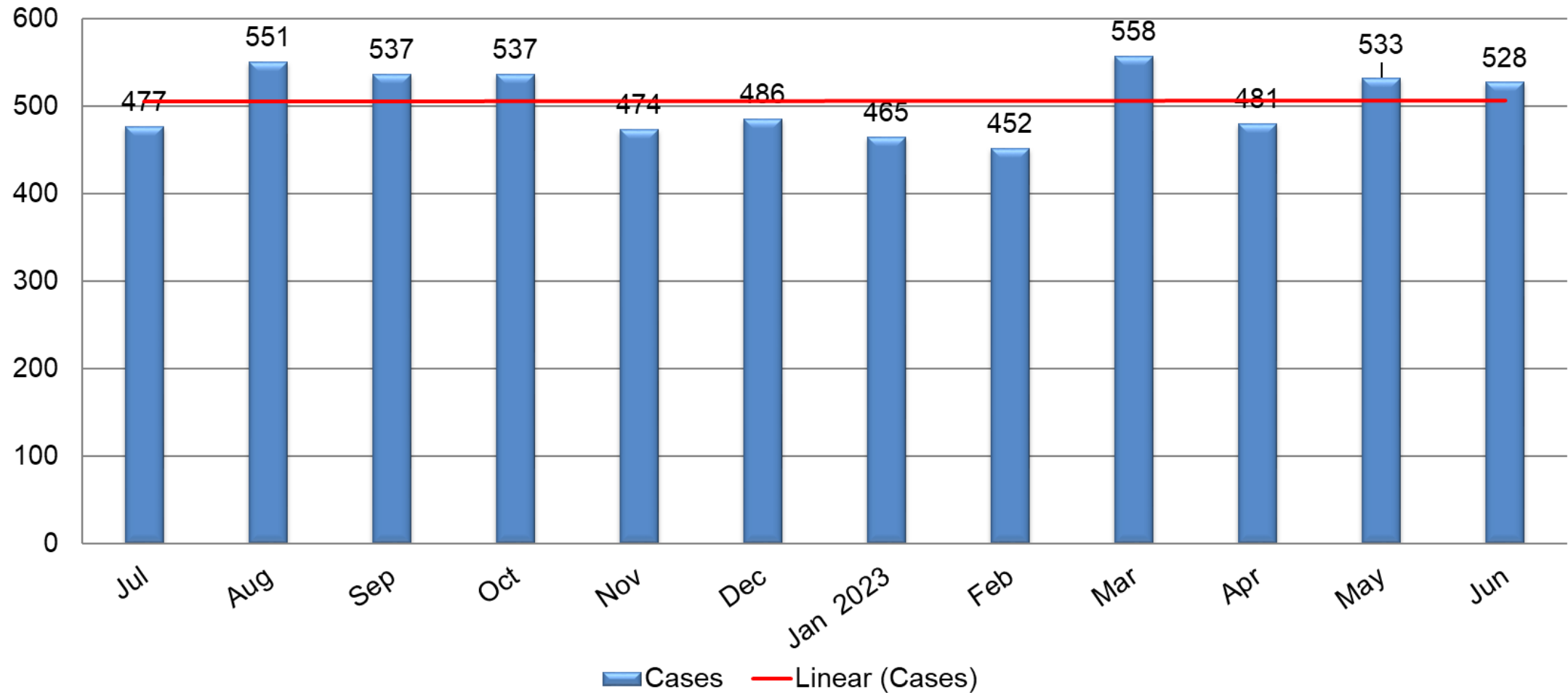
OP Infusion Trend- (Includes Botox)

July 2021 through – June 2023



CDOC Cases - Rolling 12 Month Trend

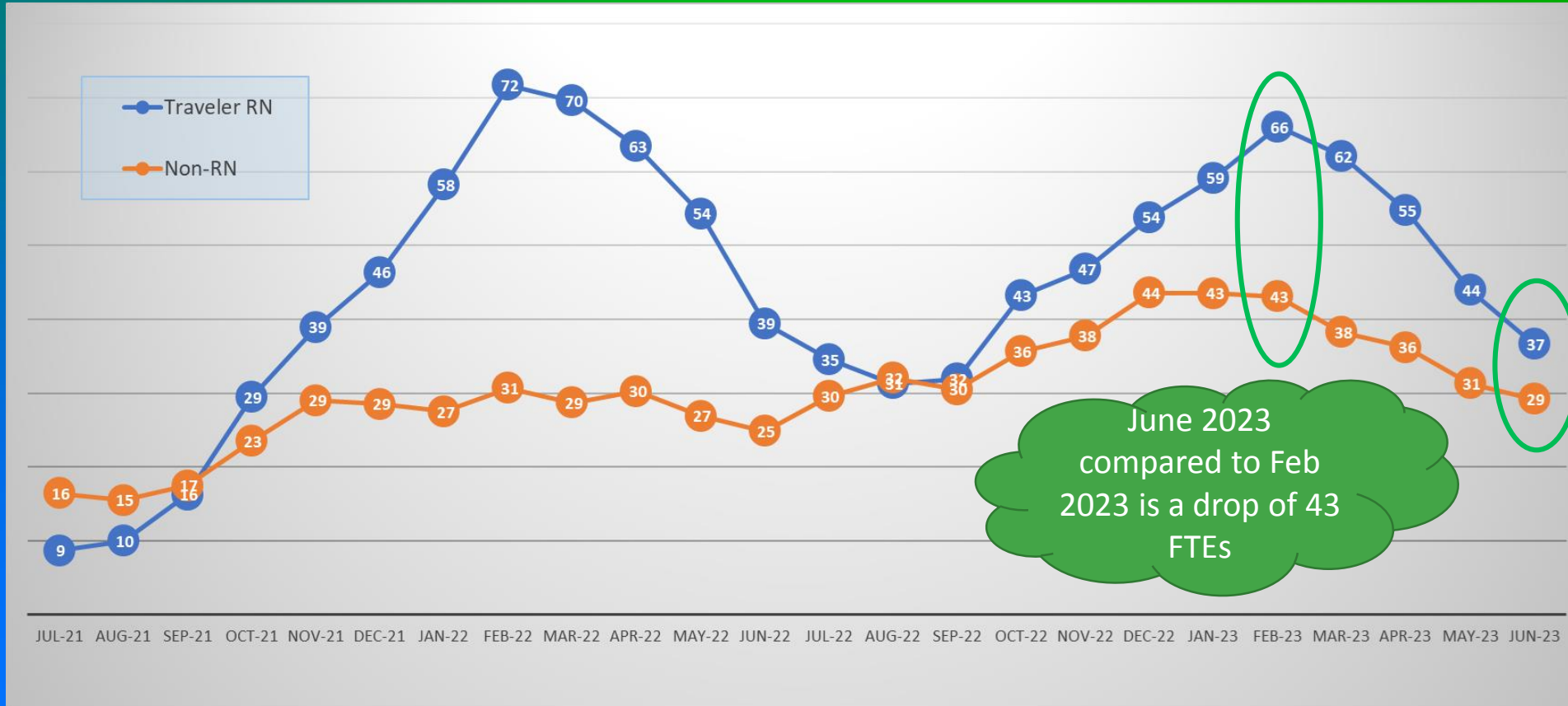
July 2022 thru June 2023



Labor Productivity – June 2023

- 1. Worked FTEs:** During the month of June, worked FTEs on a PAADC basis were 4.3% favorable at **6.63** with a target of **6.91**. *When reviewed on a unit by unit level, the variance was **37.3 FTEs Positive (\$483k)**.* Average Daily Census Was flat at 116 compared to May, and was 1% above budget. Worked FTE decreased to 1,536 in June (1,577 in May).
- 2. Paid FTEs:** On a PAADC basis paid FTEs were **4.4%** favorable to budget at **7.84 actual vs. 8.20 budget**. Paid FTE decreased slightly from 1,830 in May to 1,821 in June.

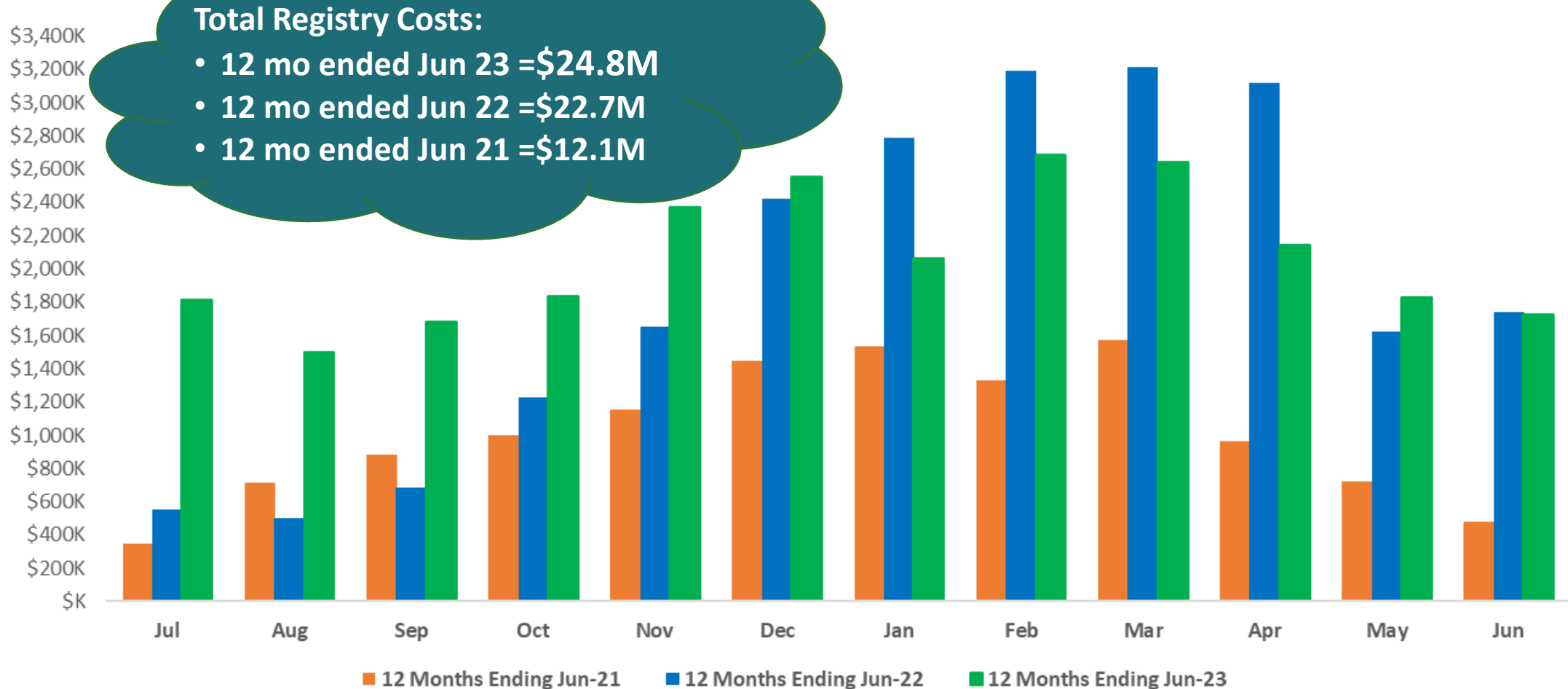
Contract Labor FTE By Month FY22 and FY23 YTD June



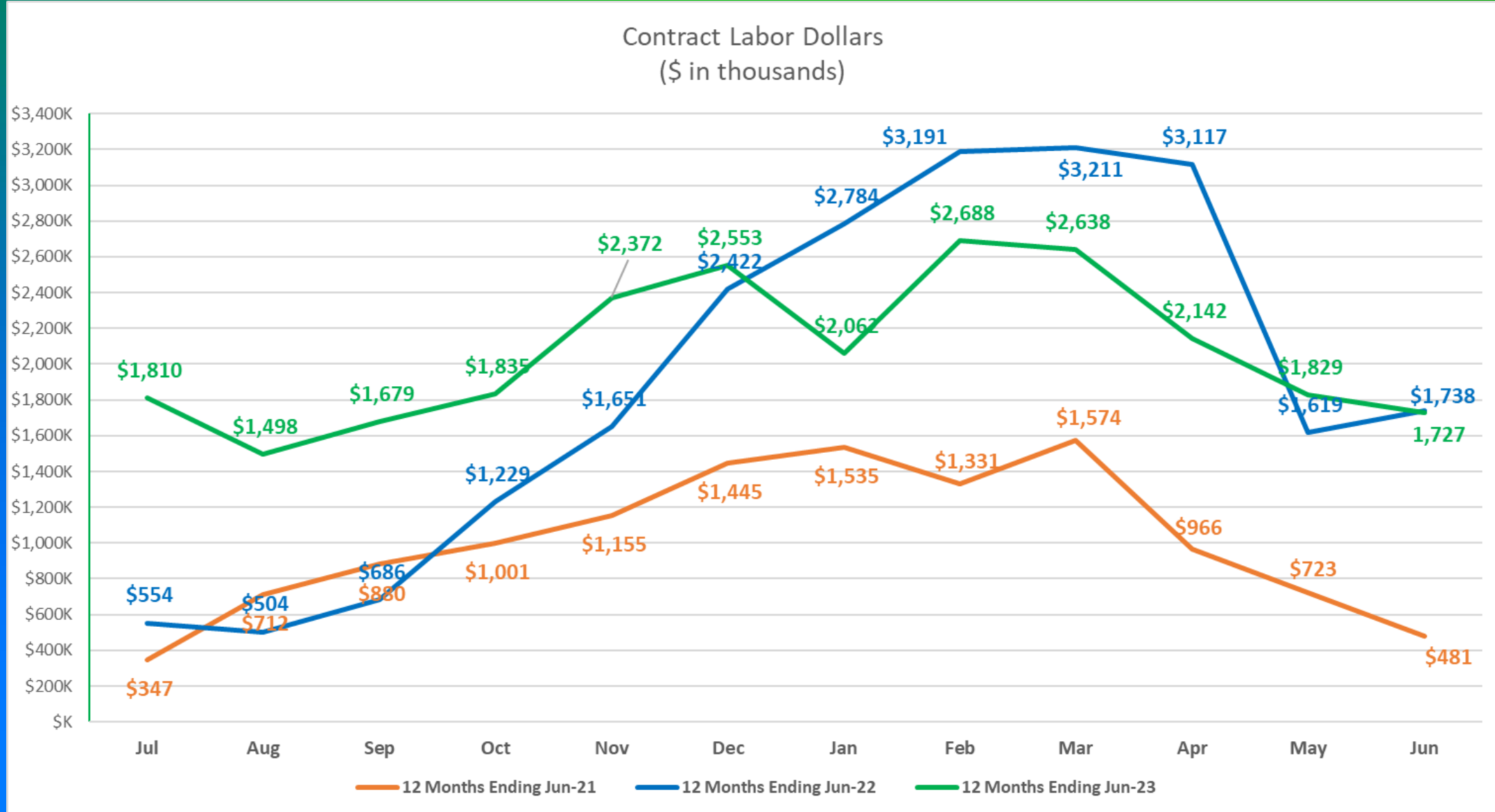
Contract labor continues to be utilized as direct result of staff shortages (national issue), and high volumes. Contract labor came down approximately 9 FTEs in June compared to May, and 43 FTEs compared to the recent peak in February. Both RNs (7 FTEs) and Non-RNs (2 FTEs) contract labor showed a reduction in June compared to May.

Contract Labor Utilization

Contract Labor Dollars
(\$ in thousands)

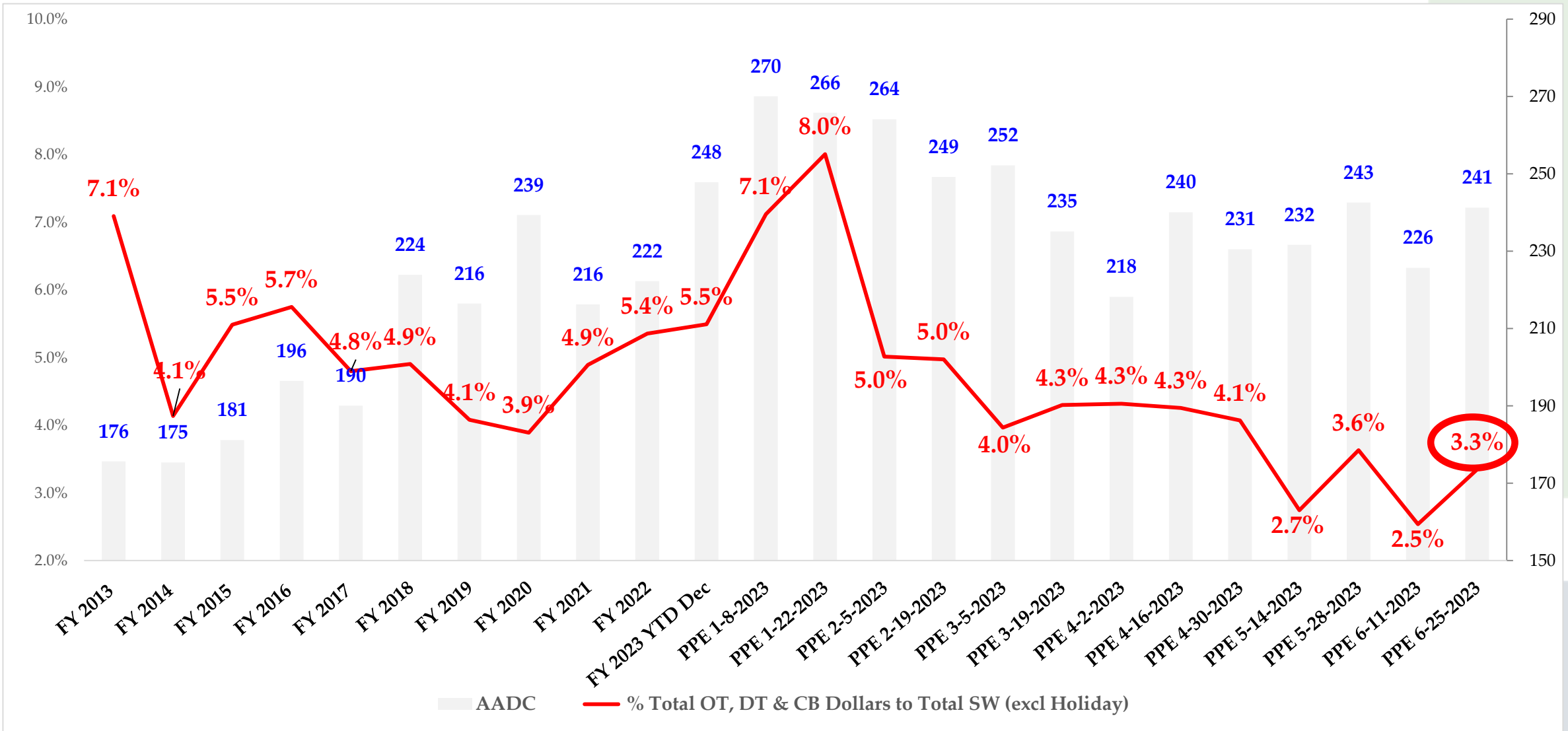


Contract Labor – June 2023



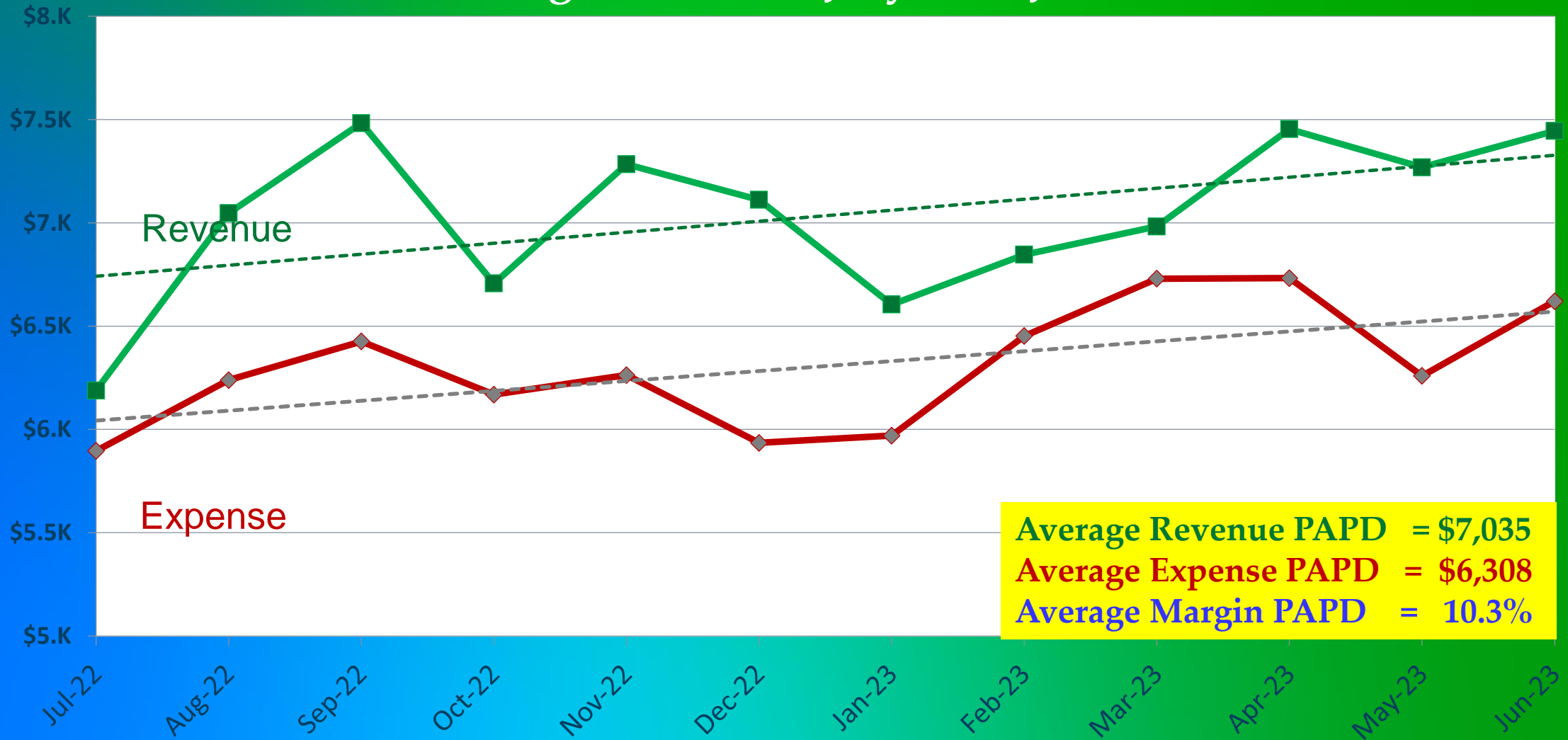
% of Total OT, DT & CB Dollars to Total S&W

Updated Thru PPE 6-25-23



SVHMC Revenues & Expenses Per Adjusted Patient Day (Normalized)

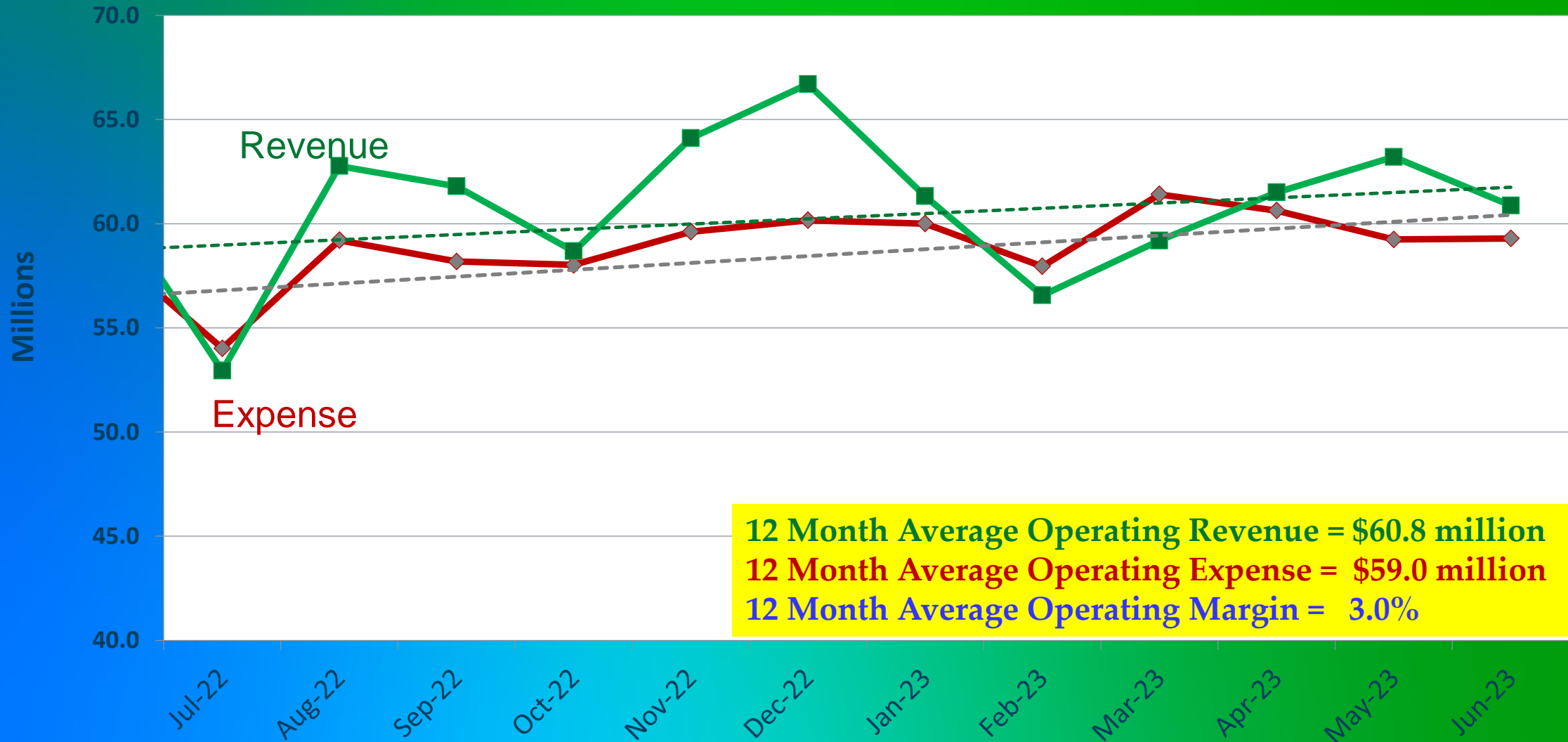
Rolling 12 Months: July 22 to June 23



Average Revenue PAPD = \$7,035
Average Expense PAPD = \$6,308
Average Margin PAPD = 10.3%

SVH Revenues & Expenses (Normalized)

Rolling 12 Months: July 22 to June 23



Salinas Valley Health Key Financial Indicators

Statistic	YTD	SVH		S&P A+ Rated		YTD	
	6/30/23	Target	+/-	Hospitals	+/-	6/30/22	+/-
Operating Margin*	4.8%	5.0%		4.0%		6.7%	
Total Margin*	7.2%	6.0%		6.6%		5.9%	
EBITDA Margin**	8.5%	7.4%		13.6%		10.7%	
Days of Cash*	329	305		249		344	
Days of Accounts Payable*	40	45		-		50	
Days of Net Accounts Receivable*	49	45		49		50	
Supply Expense as % NPR	12.6%	14.0%		-		12.8%	
SWB Expense as % NPR	51.4%	53.0%		53.7%		51.2%	
Operating Expense per APD*	6,503	6,739		-		6,370	

*These metrics have been adjusted for normalizing items

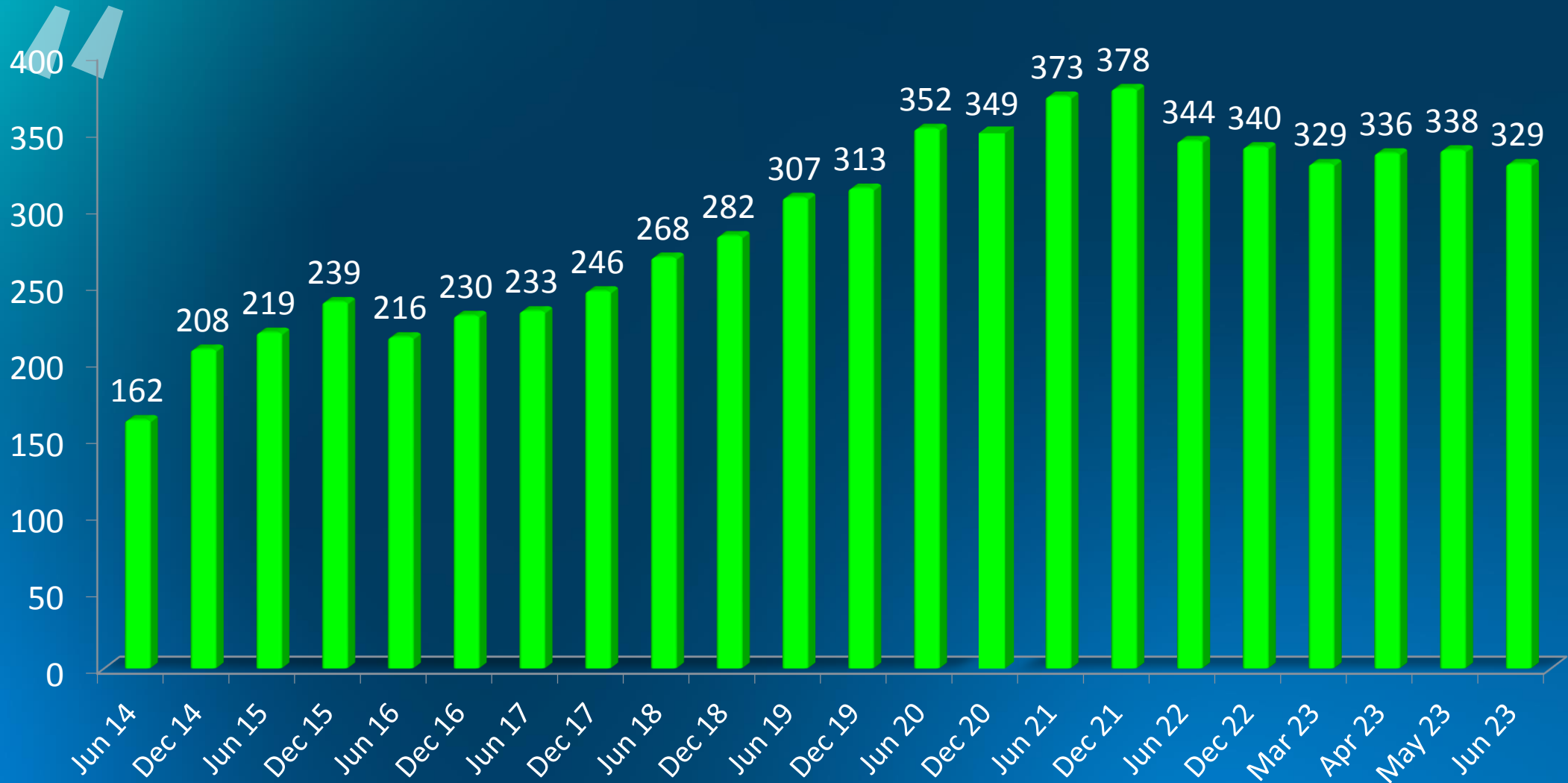
**Metric based on Operating Income (consistent with industry standard)

***Metric based on 90 days average net revenue (consistent with industry standard)

Days of Cash and Accounts Payable metrics have been adjusted to **exclude** accelerated insurance payments (COVID-19 assistance)

Salinas Valley Health

Days Cash on Hand = 329 Days (\$631M) - June 2023



Routine Capital Expenditures Through June 2023

Fiscal Month	FY 2023 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,666,667	417,301	1,249,366	Architects for 5 Ragsdale Building Project	500
August	1,666,667	865,174	2,050,858		
September	1,666,667	1,452,278	2,265,247		
October	1,666,667	746,115	3,185,799		
November	1,666,667	704,795	4,147,670		
December	1,666,667	2,079,034	3,735,303	Total Improvements	500
January	1,666,667	609,423	4,792,546	Ultrasonic Aspirator Console	255,812
February	1,666,667	981,650	5,477,563	IT Computers, Scanners & Network Improvements	252,709
March	1,666,667	446,191	6,698,038	IT Equipment for 559 Abbott	77,714
April	1,666,667	223,172	8,141,533	Ultrasound for Imaging	44,753
May	1,666,667	1,016,874	8,791,326	Other Miscellaneous	164,215
June	1,666,667	795,703	9,662,289	Total Equipment	795,203
YTD TOTAL	20,000,000	10,337,711	9,662,289	Grand Total	795,703

Questions / Comments

Capital Spending Update
Active Projects Approved By The Board
FY2023 June YTD

Rolf Norman & Dave Sullivan

FY23 YTD June Capital Spending, Active Projects

Board Approvals Capital Projects From BOD Minutes Through June 2023						
	(1) Project Name	(2) Board Approved Month	(3) Board Approved Amount	(4) FY2023 Spend	(5) Total Project Spend Since Inception	(6) Under / (Over) Spend Since Inception
1	Parking Garage Annex Design/Build	Mar 20, Jan 21, Jul 21, & Jan 22	\$36,000,000	\$16,076,814	\$18,603,690	\$17,396,310
2	Surgery Addition + Seismic Retrofit, Master Plan	Aug 2019 & Sep 2019 & April 2022	\$12,821,264	\$1,760,088	\$7,039,265	\$5,781,999
2a	Surgery Addition/Patient Tower (included in #2)			\$1,008,391	\$1,012,462	
2b	Seismic Retrofit (included in #2)			\$585,899	\$585,899	
2c	Welcome Center (included in #2)			\$98,409	\$99,067	
3	212 San Jose Street Renovation/Development	January 2021 & December 2021	\$3,825,281	\$3,100,722	\$3,732,171	\$93,110
4	Renovations to 559 Abbott Street for Urology Services	Sep. 2022	\$3,379,628	\$902,593	\$902,593	\$2,477,035
5	Pharmacy Automation Upgrade & Service	June 2021	\$3,300,000	\$2,767,596	\$2,982,182	\$317,819
6	CT Equipment Replacement Project,	Aug 2022	\$3,139,050	\$249,425	\$281,313	\$2,857,737
7	Nuclear Medicine Equipment Replacement	Aug 2022	\$3,002,053	\$283,958	\$327,574	\$2,674,479
8	Elevator Modernization	December 2021	\$2,600,000	\$329,137	\$996,047	\$1,603,953
9	Bulk Oxygen tank replacement project	Aug 2022, Oct 2022	\$2,800,000	\$475,640	\$516,091	\$2,283,909
Total			\$70,867,276	\$25,945,975	\$35,380,925	\$35,486,351
Other projects:						
10	IT Switches, Servers, Network, Computers, AV Upgrades.	N/A		\$2,435,600		
11	All Other SVMH/SVMC Capital Spending	N/A		\$5,851,721		
Grand Total				\$34,233,296		

*QUESTIONS /
COMMENTS?*

PUBLIC INPUT

ADJOURNMENT