



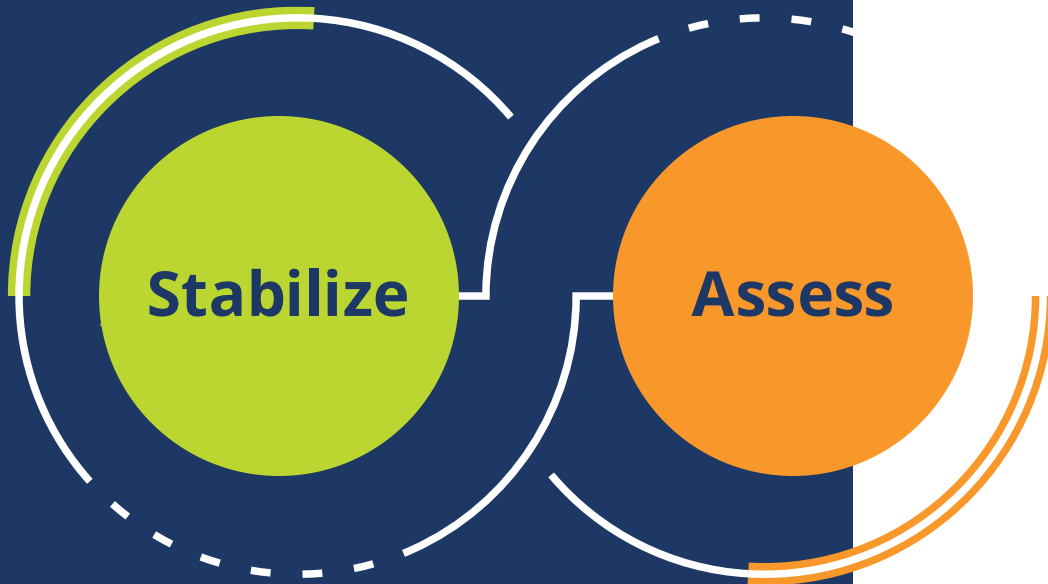
Palo Verde Hospital

180-DAY

MSA Report-Out

October 7, 2026





Agenda

- Assessment
- Progress/Improvement
- Long-term Sustainability
- Future Governance & Operation



Background

- Rural critical access hospital facing imminent closure
- Operational/financial crisis
 - Initial \$1M loan from County of Riverside, followed by \$3.5M loan
- RUHS interim management Feb. 23 – Aug. 21, 2026
 - Extended to Nov. 21, 2026



Members of the RUHS Strike Team & Palo Verde Hospital Staff



180-DAY MSA Report-Out

180-Day Management Focus



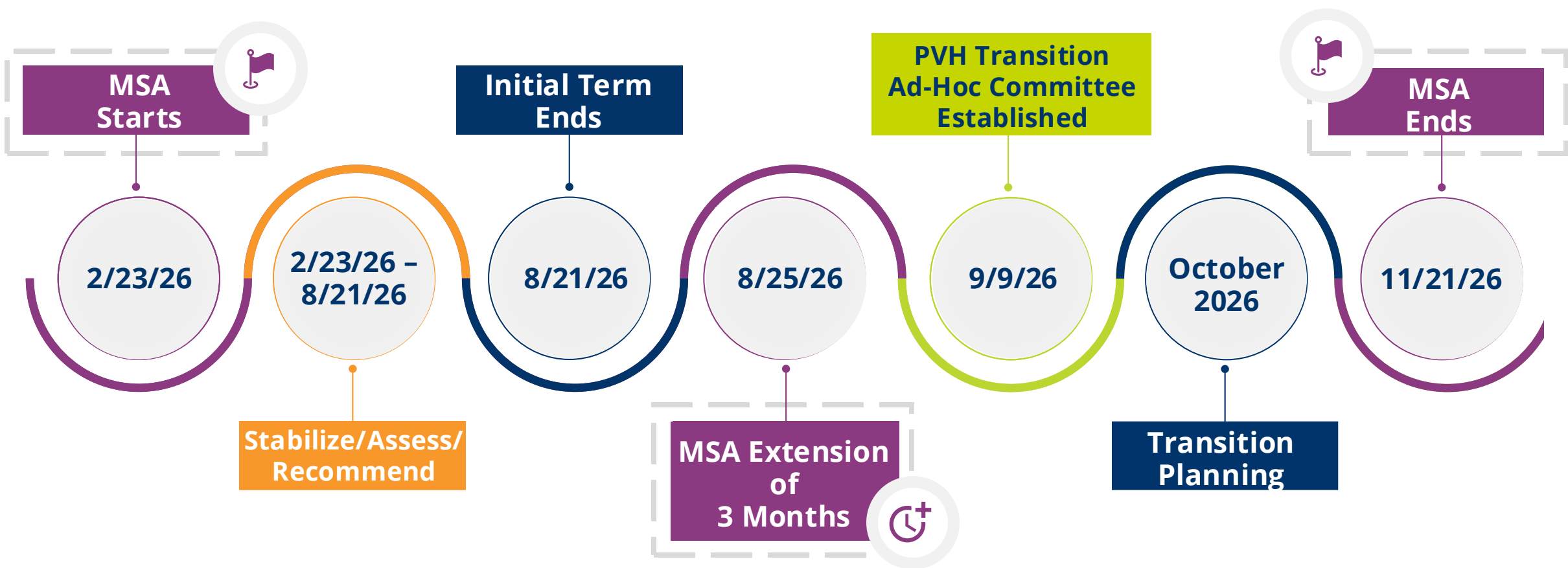
STABILIZE operations in the Emergency Department and supporting services

- Restore financial controls
- Address regulatory compliance gaps
- Improve visibility and reporting
- Maintain uninterrupted patient care



ASSESS/RECOMMEND clinical, operational, financial and regulatory needs to recommend what is needed for long-term sustainability

Key Milestones





Capital & Infrastructure



Staffing, Operations &
Patient Care



Governance



Financial Operations

Initial Findings

Levels of Priority

Categorized tasks and issues based on their importance and urgency



Priority 1

Immediate threats to life, limb, compliance, or shutdown



Priority 2

Serious issues to resolve within the next month



Priority 3

Address within the next three months



Priority 4

Consider for resolution within six months



Priority 5

Consider for resolution within one year

Discovery of Initial Findings



FEB. 23, 2026

**RUHS STRIKE
TEAM ARRIVES
AT PALO VERDE
HOSPITAL**



**Essential equipment, facilities,
staffing and operations did not
meet minimum quality and
regulatory standards for a rural,
critical access hospital**



Capital & Infrastructure



Staffing, Operations &
Patient Care



Governance



Financial Operations

Capital & Infrastructure



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Capital & Infrastructure

- Decades of deferred maintenance & capital investment
- Catastrophic failures of equipment
 - Cooling tower
 - Chiller system
 - Boiler
 - Emergency generator
- Significant Fire/Life Safety and Infection Control Issues



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Hole in Roof

BEFORE





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



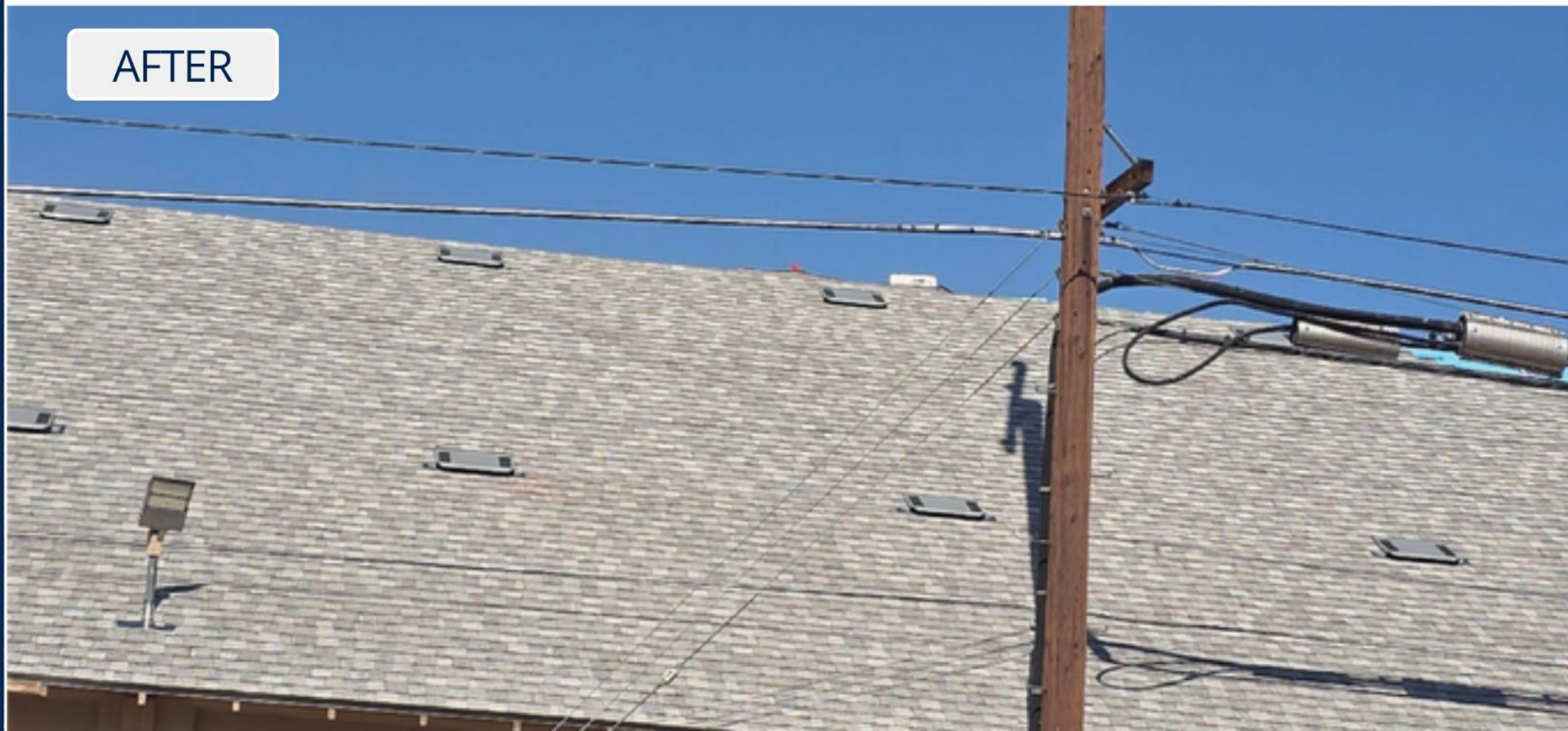
Financial
Operations

FINDINGS

Capital & Infrastructure

Replaced Hole in Roof | \$122,800

AFTER





Capital & Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Plumbing & Bathrooms

BEFORE





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

— FINDINGS

Capital & Infrastructure

Plumbing & Bathroom Repairs | \$103,652

AFTER





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Walk-in Refrigerator Compressor

BEFORE





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Walk-in Refrigerator Compressor Replaced | \$2,000

AFTER



Capital & Infrastructure

Cooling Tower

FINDINGS

BEFORE



Capital & Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Cooling Tower Repaired | \$48,725





Capital & Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Capital & Infrastructure

Steam Boiler Tank

FINDINGS





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance

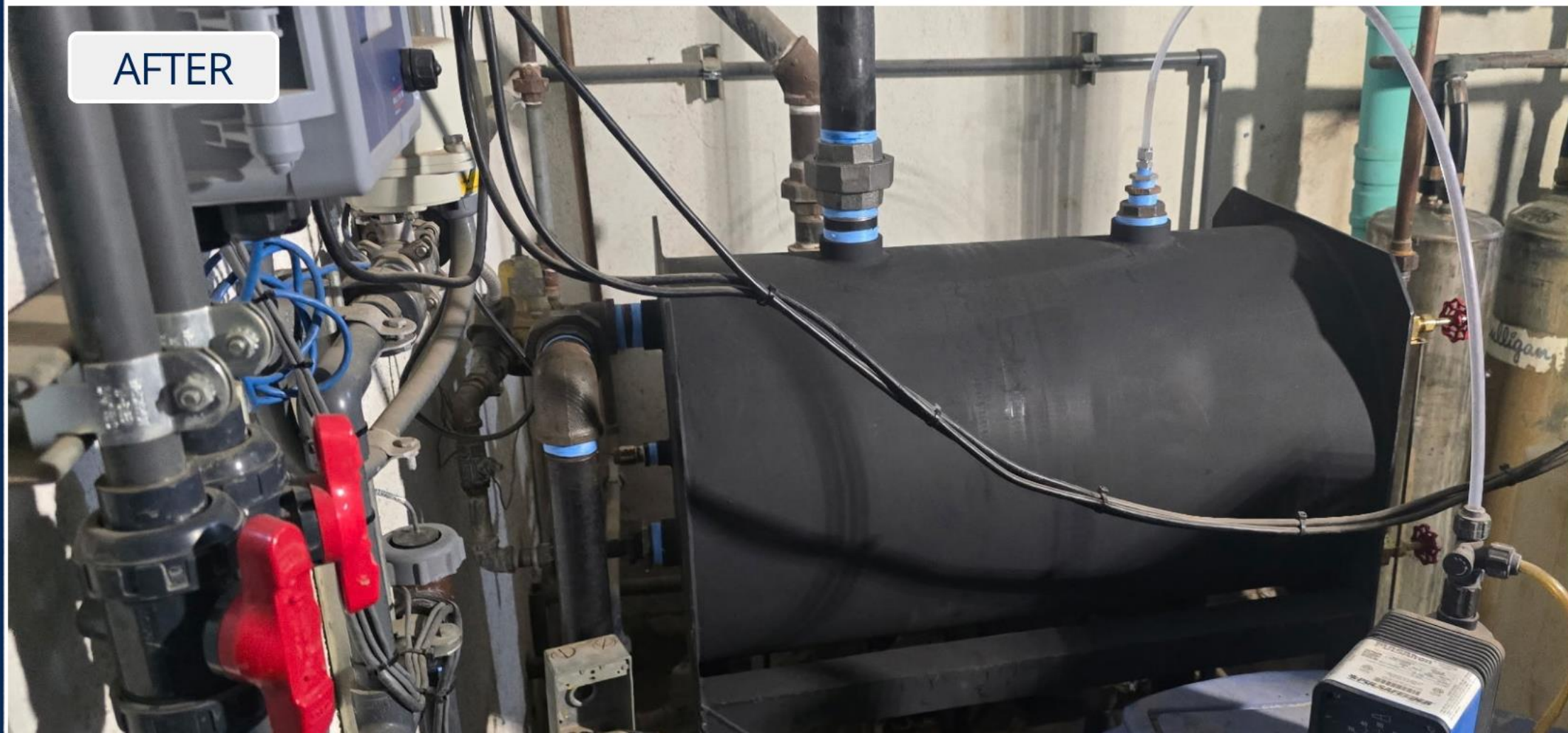


Financial
Operations

FINDINGS

Capital & Infrastructure

Steam Boiler Tank Repairs | \$65,169





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Emergency Generator

BEFORE





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

— FINDINGS

Capital & Infrastructure

Emergency Generator Repaired | \$10,496

AFTER





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Materials Warehouse

BEFORE





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Materials Warehouse

BEFORE





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Materials Warehouse Mezzanine Removal | \$59,200

AFTER



Capital & Infrastructure Cafeteria



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations

BEFORE





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Capital & Infrastructure

Cafeteria

BEFORE





Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Cafeteria Refresh | \$15,745

AFTER



Capital & Infrastructure

Exterior

FINDINGS

BEFORE



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

FINDINGS

Capital & Infrastructure

Exterior Stucco Repair & Painting | \$5,500

AFTER



Capital & Infrastructure

Impacts & Risks

FINDINGS

▶ **Patient, staff,
public health
and safety**

▶ **Regulatory
compliance**

▶ **Regulatory
agency
shutdown for
catastrophic
failures**



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Capital & Infrastructure Improvements

IMPROVEMENTS



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



21 Projects
Completed



**Hybrid
Savings**
due to
RUHS work

Capital & Infrastructure Future Needs

FUTURE NEEDS



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



FUTURE PROJECTS

\$3.58M

Replace Water Pipes and Chillers in Hospital*

\$680,000

**Approved by PVHD Board in 2017 for replacement*

Replace X-Ray Room and Equipment

\$2,391,714

Parking Lot and Alleyway Paving

\$360,000

General Maintenance

\$150,000

Capital & Infrastructure

Future Needs

FUTURE NEEDS

\$16.3M

SEISMIC RETROFIT TOTAL

- **\$9M**

HCAI REIMBURSEMENT

- **ADDITIONAL
COST SAVINGS**

FOR DECREASING NUMBER OF
LICENSED INPATIENT BEDS FOR
WHICH NON-STRUCTURAL SEISMIC
WORK IS REQUIRED

= < \$7.3M



SENATE BILL 1953 SEISMIC COMPLIANCE

\$9M Eligible for HCAI reimbursement

**90% of
structural
costs**



HCAI Documents

\$1,326,900



Construction

\$15,000,000



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Capital & Infrastructure



Staffing, Operations &
Patient Care



Governance



Financial Operations

Staffing, Operations & Patient Care

Staffing, Operations & Patient Care

Overview

Initial findings revealed need to address:

- Processes for patient care and administrative requirements
- Equipment & technology
- Regulatory readiness and compliance
- Workforce stability & training
- Quality & patient experience



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Pharmacy



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Lack of critical
procedure for
Emergency Code
Cart use



No
active regulatory
required
Pharmacy &
Therapeutics
Committee



Pharmacy Lab
sterile
compounding
area did not
meet standards



Lack of formal
physical
inventory count
process & fiscal
year-end
reporting of
values



*Regulatory review: medication
management standards per Centers
for Medicare & Medicaid Services,
title 22, and DNV*

Staffing, Operations & Patient Care Pharmacy



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

- Developed and implemented:
 - Emergency Code Cart readiness procedure
 - Therapeutic Interchange, auto-substitution of medications
 - Updated Medication Management Guidelines

- Re-established Pharmacy & Therapeutics Committee, a required Medical Staff Committee

- Supported \$17k in medications, including drug shortage and critical supply

Staffing, Operations & Patient Care

Pharmacy

Established Naloxone (Narcan) Distribution Program for the Emergency Department -
- providing FREE medication to prevent death from overdose

Completed annual fiscal year end physical inventory count, and valuation, completed reports to support hospital Medicare Cost Reporting for FY24, FY25, and FY26



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations

Staffing, Operations & Patient Care Pharmacy



Added new medication
refrigerator in
Emergency Department



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Pharmacy

- Pharmacy staffing model is unable to flex or scale without commitment to resources
- Any expansion to re-open admitted beds will require strong understanding of existing informatics technologies and integration of electronic health record, automated dispensing cabinets



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Pharmacy

- Financial plan, flexibility to buy routine medications and critical supply/shortage medications
- Identify and address Hospital Pharmacy-required state licensure designation of corporate ownership, e.g. PVHD Board



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Radiology

Regulatory Compliance

- No quality assurance testing
- Not compliant with required annual radiation safety surveys

Emergency Preparedness

- Lack of call button for radiology emergencies



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Radiology

Infection Prevention

- Outdated disinfection policy and associated procedures

Ultrasound Standardization

- Lack of ultrasound worksheets and associated policies/procedures

Cerner Billing

- Not capturing charges for the professional radiologist interpretation (reading) fee on imaging procedures



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Radiology



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Optimized
workforce and
staffing



Expanded
equipment,
service and
patient access



Increased
operational
efficiency and
efforts toward
continuous
improvement



Developed
policies and
procedures

Staffing, Operations & Patient Care Radiology



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations

SERVICIOS DE IMAGENOLÓGIA AMBULATORIA

Servicios Disponibles

- Rayos X**
Sin cita previa
- Tomografía CT**
Con cita
- Ultrasonido**
Con cita
- MRI**
Disponible cada dos lunes

Programa su cita
Ayuda disponible en inglés y español
PH: 760-921-5195
FX: 760-921-8674

Para preguntas o dudas sobre citas
Christie McManus,
Radiology Manager
PH: 951-467-6737

MÁS SERVICIOS DE IMAGENOLÓGIA EN BLYTHE

Nos enorgullece ofrecer servicios de radiología convenientes y confiables cerca de casa. Esto ayuda a reducir la necesidad de viajar largas distancias y permite brindar atención oportuna a nuestra comunidad.

HORARIOS Y REGISTRO

Lunes a viernes | 8 a.m. – 5 p.m.
Registro: *Entrada Principal*

- Tomografía (CT) y ultrasonido con cita
- Rayos X sin cita previa

Sábado y domingo | 9 a.m. – 4 p.m.
Registro: *Entrada del Departamento de Emergencias*

- Tomografía (CT) y ultrasonido con cita
- Rayos X sin cita previa

250 N. First Street
Blythe, CA 92225

OUTPATIENT IMAGING SERVICES

Services Available

- X-ray**
Walk-In
- CT Scans**
Scheduled
- Ultrasound**
Scheduled
- MRI**
Available Every Other Monday

Schedule Your Appointment
English & Spanish Assistance Available
PH: 760-921-5195
FX: 760-921-8674

For Questions/Scheduling Concerns
Christie McManus,
Radiology Manager
PH: 951-467-6737

EXPANDING ACCESS TO QUALITY IMAGING IN BLYTHE

We are proud to provide convenient, reliable radiology services close to home—reducing the need for long-distance travel while ensuring timely care for our community.

HOURS & CHECK-IN

Monday – Friday | 8 A.M. – 5 P.M.
Check in: Main Lobby

- Scheduled CT & Ultrasound
- Walk-in X-ray services

Saturday – Sunday | 9 A.M. – 4 P.M.
Check in: Emergency Department Lobby

- Scheduled CT & Ultrasound
- Walk-in X-ray services

250 N. First Street
Blythe, CA 92225

Staffing, Operations & Patient Care

Radiology

Cerner Radiology Billing

- Update Cerner billing workflow to ensure professional radiologist reading fees are captured and billed to insurance



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Radiology



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

X-Ray Room Equipment

- Prioritize replacement of X-ray room equipment

Management

- Determine department management and supervision

Staffing, Operations & Patient Care Laboratory

Contracting & Vendor Support Gaps

- Lack of critical agreements for blood products, reagents, supplies, and technical service
- Gaps presented risks to continuity of testing, equipment support, and laboratory operations

Regulatory Compliance

- Laboratory did not have the resources to keep up with required reporting



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Laboratory

Facility & Infrastructure Deficiencies

- Several areas did not meet infection control requirements
- Aging infrastructure, i.e. multiple pipes that were not functional

Blood Bank Equipment Needs

- Unsupported testing equipment



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Laboratory



Improved Laboratory Facilities

Replaced wood laboratory countertops (infection control hazard) to support a safer and more regulatory compliant work environment for laboratory operations



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations

Staffing, Operations & Patient Care Laboratory



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Restored Critical Blood Supplier Partnership

Re-established contact
with LifeStream Blood
Bank within first week of
interim management

★ **Crucial to PVH's
ability to provide
life saving care**

Upgraded Blood Bank Testing

Successfully replaced and
upgraded the Blood Bank
testing platform,
strengthening transfusion
service operations

Staffing, Operations & Patient Care Laboratory



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Complete
Laboratory
Renovations in
Back Room



Complete
Respiratory
Build in Cerner



Prepare for
Plasma Thawer
Go-Live



Prepare for
Calif. Dept. of
Public
Health Inspection

Staffing, Operations & Patient Care

Respiratory



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Workforce & Clinical Standardization

Dire shortage of per-diem staff; no process for ensuring required training

Technology & Clinical Capability

End-of-life, non-compliant equipment (ventilators, blood gas analyzers)

Operational & Financial Reliability

No process for cleaning/testing equipment; no tracking system for supplies and expiration dates; not capturing respiratory services for payment

Governance & Accountability

No standard operating procedure for blood gas lab; no required medical director; limited communication

Staffing, Operations & Patient Care

Respiratory



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations

Workforce & Clinical Standardization

- Strengthened staffing to support reliable 24/7 respiratory coverage
- Hired new manager and per-diem staff to cover gaps
- Established 30+ policies, training on equipment, and competency expectations across respiratory services

Technology & Clinical Capability

- Replaced and updated equipment (analyzers, ventilators, high-flow oxygen equipment)

Staffing, Operations & Patient Care

Respiratory



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations



BEFORE



AFTER



Replaced
blood gas
machines

Staffing, Operations & Patient Care Respiratory



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Operational & Financial Reliability

- Dedicated phone now allows respiratory therapist to be reached directly, campus-wide
- Improved documentation and billing

Governance & Accountability

- Part of hospital's ongoing quality improvement process
- Consistent way to identify issues and track corrective actions

Staffing, Operations & Patient Care

Respiratory

Blood Gas Integration

Establish a direct interface between the GEM 5000 analyzers and Cerner to link results to patient orders, eliminate manual entry, and reduce transcription risk.

Charge Capture

Resolve Cerner configuration issues to enable accurate charging for venous blood gas testing and appropriate mapping to the Respiratory Department.

Reporting and Oversight

Expand Cerner reporting capabilities to support audits of procedures, billing, documentation, and productivity.



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Emergency Department



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing & Productivity

- Overutilization of overtime relative to patient census
- Opportunity to improve staffing efficiency and resource allocation

Equipment & Supplies

- Lack of appropriate equipment and supplies to support patient care

Staffing, Operations & Patient Care Emergency Department

Regulatory, Quality & Compliance

- Identified knowledge deficits
- Opportunities to strengthen integration of evidence-based practice into bedside care
- 2+ years since training had been provided to department
- Outdated policies and procedures which did not consistently align with regulatory requirements and current standards of practice



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Emergency Department

STAFFING & PRODUCTIVITY

Increased and stabilized staffing while evaluating staffing needs in relation to patient census and acuity

First time in more than 10 years, the Emergency Department is no longer staffed with traveler nurses

Staffing, Operations & Patient Care

Emergency Department

STAFFING & PRODUCTIVITY



Established a daily communication and huddle board that provides visibility into the department's priorities and operational needs



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance

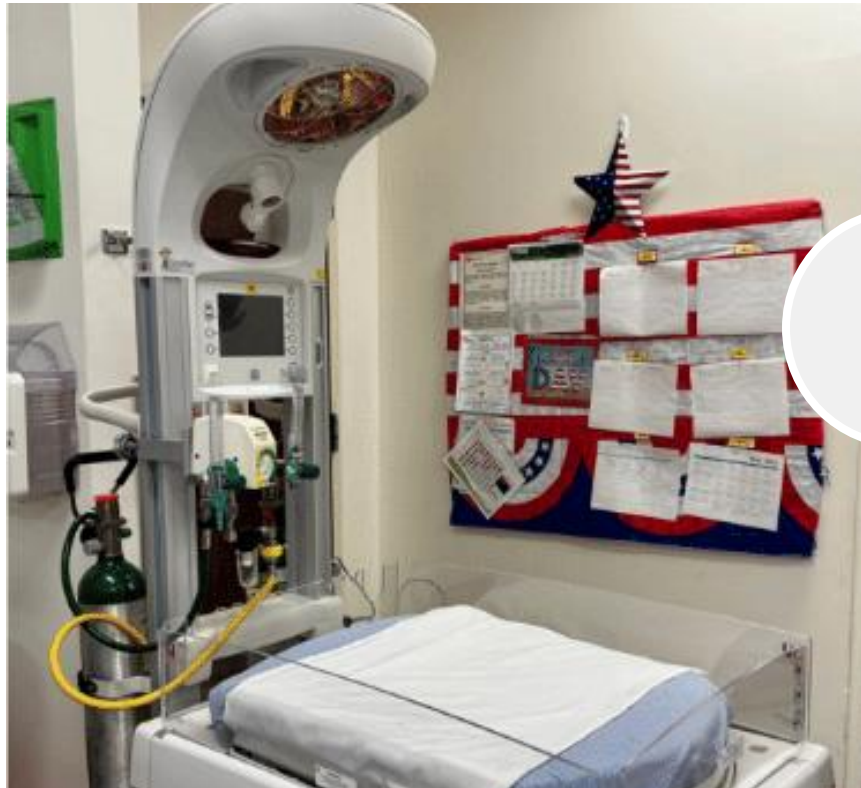


Financial
Operations

Staffing, Operations & Patient Care

Emergency Department

EQUIPMENT & SUPPLIES



Made targeted upgrades for critical equipment (lifesaving airway machine, newborn warmer, portable ultrasound, EKG equipment)

Worked to stabilize the supply chain, ensuring that essential supplies were available when needed and reducing barriers to patient care



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Emergency Department

REGULATORY, QUALITY & COMPLIANCE



Implemented multiple skills days and competency-based education to address identified knowledge and skills gaps



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Emergency Department

REGULATORY, QUALITY & COMPLIANCE



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations

- Reviewed policies and procedures that were outdated or did not consistently reflect current standards of practice and regulatory expectations



Key Milestone

Successful completion of the DNV survey, demonstrating progress in developing processes and practices that support regulatory and accreditation requirements

Staffing, Operations & Patient Care Emergency Department

Staffing & Productivity

- Continue to review staffing patterns in relation to census and patient care
- Monitor productivity and overtime utilization on an ongoing basis

Equipment & Supplies

- Ensure appropriate resources are available to support safe, effective patient care



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Emergency Department

Regulatory, Quality & Compliance

- Maintain compliance with regulatory and accreditation standards
- Strengthen ongoing quality monitoring and performance improvement
- Provide ongoing staff education and competency training
- Increase integration of evidence-based practice into bedside practice
- Continue to review and update policies and procedures to reflect current standards and regulatory requirements



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Emergency Department, Physician Care

Delayed Evaluation & Limited Engagement

- Multiple physicians remained in the call room while patients sometimes waited hours for evaluation
- Physicians placed orders before personally evaluating patients

Poor Communication & Coordination

- Some physicians communicated inadequately with patients and nursing staff
- Clinical decisions and order changes occurred without communicating the care plan



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Emergency Department, Physician Care

Gaps in Clinical Training & Standards

≈ **2/3 of shifts** Covered by physicians without emergency medicine training

- Significant gaps in clinical knowledge and the application of current evidence-based care
- Bedside ultrasound rarely or never used for procedures or diagnostic evaluation
- Few standardized workflows for stroke, sepsis, transfers, or procedural sedation



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Emergency Department, Physician Care

Documentation & Financial Consequences

≈ 1,500 incomplete charts

- Clear documentation standards supporting quality, compliance, and billing were absent
- Incomplete charts prevented billing and added substantial financial strain to a hospital already in bankruptcy

Consequences for Care

- Clinical and operational deficiencies compounded the hospital's existing challenges

Staffing, Operations & Patient Care

Emergency Department, Physician Care

 **26 BOARD-CERTIFIED
EMERGENCY PHYSICIANS**

Since Transition to Vituity on May 1, 2026

 **30 Mins.**

Improved discharge
turnaround/length of
stay by approximately
30 minutes

 **30.45**
PATIENTS PER DAY

August daily volume of
30.45 patients/day,
approximately **27%**
higher than last year

 **100%**

Charts closed
for billing

 **12.6 Mins.**

Time from when someone
enters ED to first
interaction with healthcare
providers. **70% reduction**
from prior to 5/1/26.



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Community Clinic



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations



Lack of
regulatory
licensing



Insufficient
clinical practice &
provider
compliance



Provider
resignation
forced
temporary
closure

Staffing, Operations & Patient Care Community Clinic

- Strengthened regulatory and clinical compliance
- Improved provider credentialing and clinical practice
- Enhanced quality reporting and performance
- Maximized electronic health record capabilities



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Community Clinic

Fill provider
vacancy

Renew
Medicare/
Medi-Cal
license



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Materials Management & Contracts



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations



Limited supply chain



Lack of inventory management



Lost/ outdated equipment



Poor contract oversight

Staffing, Operations & Patient Care

Materials Management & Contracts



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Inventory Control & Accuracy

Physical inventory, cycle counts, first-in-first-out & storeroom organization

Waste Reduction & Expiration Management

Expired product segregation, disposal, expiration monitoring, and optimized ordering

Vendor & Supply Chain Management

Vendor diversification, redundancy, contract pricing

Operational Process Improvement

Standardized ordering patterns and sustainable Materials Management processes

Staffing, Operations & Patient Care

Materials Management & Contracts



Capital &
Infrastructure



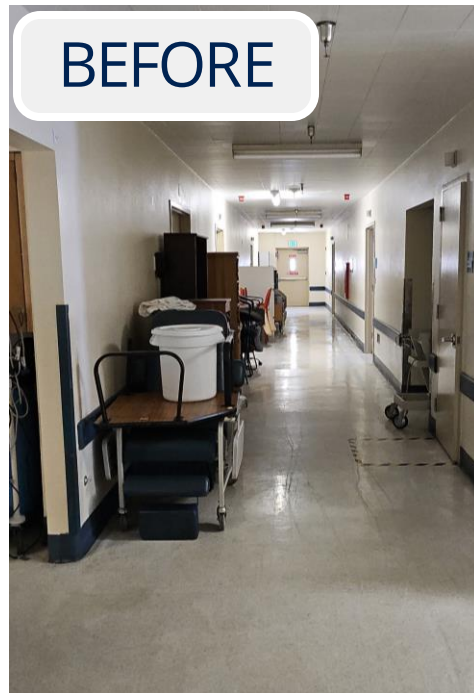
Staffing,
Operations &
Patient Care



Governance



Financial
Operations



Equipment Management

Worked with a vendor to remove end-of-life equipment and equipment recovery



Staffing, Operations & Patient Care

Materials Management & Contracts

Materials Management staff to continue collaborating with department leadership to organize supplies, refine ordering and usage to always have adequate product availability

PVH staff will need to remain vigilant in monitoring supply expirations and removing expired products from the hospital with proper documentation

Investigate opportunities to eliminate unnecessary recurring or continuous invoicing where applicable



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Materials Management & Contracts

Manage open purchase orders and payments to maintain open lines of credit to vendors

Reestablish and manage a capital asset list



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Information Systems



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Applications

- Cerner lacked reporting for DNV and Emergency Medical Treatment and Labor Act compliance
- Lab results, charge capture and billing did not flow reliably
- Heavy reliance on manual workarounds and reporting

Infrastructure

- Aging servers, network, phone and Wi-Fi systems
- Downtime disrupted the ED, imaging, printing and scanning

Staffing, Operations & Patient Care Information Systems

Applications

- Restored Electronic Health Record reliability and documentation readiness
- Enhanced billing for the hospital and contracted physician group
- Replaced manual processes with automated reporting
- Maximized the Cerner support contract
- Brought Palo Verde website into compliance with ADA regulations



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care Information Systems

Infrastructure

- Strengthened reliability and resiliency of critical technology services
- Upgraded servers, network, Wi-Fi, backup and recovery
- Implemented a Palo Verde Intranet as a central repository of policies



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Information Systems



Capital & Infrastructure



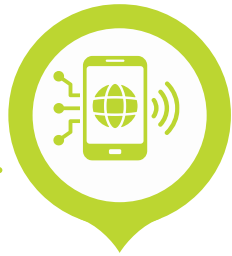
Staffing, Operations & Patient Care



Governance



Financial Operations



Network modernization: replace aging, end-of-life network equipment



Cerner governance to prioritize and review system enhancements



Expand resources within Information Systems for dedicated Cerner support or seek a Managed Service



Data governance: retention, usage, AI and data classification policies



Cybersecurity: maturity, system configuration, disaster preparedness



Capital &
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Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Staffing, Operations & Patient Care

Quality/Regulatory

Regulatory

- Regulatory survey support lacked standard work, clear roles/responsibilities, document organization and corrective action planning
- Regulatory agency communication and visibility required strengthening
- Practice not aligned to policies, creating significant patient safety and licensing risks

Staffing/Resources

- Lacked dedicated leadership, contributing to knowledge deficits across department leaders and staff
- No staffing to support mandated regulatory and quality workflows

Staffing, Operations & Patient Care

Quality/Regulatory

DNV Accreditation

- Survey window approaching with no coordinated preparation strategy, internal gap analysis or proactive corrective action
- Significant non-conformities to standards: insufficient safety measures for care of suicidal patients, missing consents, incomplete documentation and orders, delinquent mandated staff training, environmental safety issues and overall Quality Management System deficits



Capital &
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Staffing,
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Governance



Financial
Operations

Staffing, Operations & Patient Care

Quality/Regulatory

Quality Management System

- Required quality governance on hold and lacked active involvement of operational leadership
- Inadequate committee oversight resulting in lack of meaningful metric tracking with active performance improvement

Quality Reporting

- Loss of clear ownership and tracking created risk of missed required quality submissions and loss of pay for performance program funding streams



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Governance



Financial
Operations

Staffing, Operations & Patient Care Quality/Regulatory



Capital &
Infrastructure



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Governance



Financial
Operations

Regulatory

- Established standardized survey workflows; reconciled outstanding regulatory deficiencies; improved communication with regulatory agencies

Staffing/Resources

- Established clear roles/responsibilities; delivered training & coaching to ensure industry standards in place for quality and safety workflows

Staffing, Operations & Patient Care

Quality/Regulatory



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Governance



Financial
Operations

DNV Accreditation

- Coordinated preparation strategy across all operational departments; executed successful survey with minimal opportunities for improvement; all corrective actions are approved by DNV, in place with oversight & sustained improvement

Quality Management System

- Resolved governance gaps, including establishing required committee structures, process improvement/safety strategies, and metric tracking & oversight

Staffing, Operations & Patient Care Quality/Regulatory



Capital &
Infrastructure



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Governance



Financial
Operations

Quality Reporting

- Established clarity across all quality reporting programs for Critical Access Hospitals requirements, including roles/responsibilities and milestone tracking

Staffing, Operations & Patient Care

Quality/Regulatory

Regulatory

- Sustain compliance; mature leadership capability & continuous survey readiness

Staffing/Resources

- Establish leadership structure for Quality/Regulatory/Safety; identify resources to support ongoing work; improve organizational knowledge and skills across Quality/Safety/Infection Prevention & Regulatory workflows



Capital &
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Governance



Financial
Operations

Staffing, Operations & Patient Care

Quality/Regulatory

DNV Accreditation

- Sustain improvements and corrections made; prepare for next phase of accreditation in 2027 (DNV ISO 9001) & ensure continuous readiness

Quality Management System

- Maintain committees, coach teams to strengthen improvement techniques, establish priority areas of improvement and ensure ongoing accountability to achieve quality and safety outcomes

Quality Reporting

- Hardwire ownership and fill remaining gaps in reporting tasks, manage program milestones; reestablish pay for performance program reporting





Capital & Infrastructure



Staffing, Operations &
Patient Care



Governance



Financial Operations

Governance

Governance

Privacy, Patient Rights, Medical Records

1,500 incomplete medical records, up to 3 years old

150+ unanswered voicemails requesting records

At risk for sanctioning for non-compliance with required price transparency update to website

No process for birth/death certificates completion



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Privacy, Patient Rights, Medical Records



Improper record storage

Lack of required signage

Lack of policies and procedures



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Financial
Operations



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Governance



Financial
Operations

Governance

Privacy, Patient Rights, Medical Records

- Ensured immediate compliance with regulatory requirements

- Established required patient grievance process

- Oversaw updating of documentation for billing, revenue recovery

- Established process for release of information (ROI) requests; addressed backlog of requests

- Secured medical records and health information



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Governance



Financial
Operations

Governance

Privacy, Patient Rights, Medical Records

- Corrected documentation deficiencies for billing/audit readiness

- Established policies to strengthen patient financial protections

- Addressed delinquent corrective action plan for CMS hospital price transparency requirements

- Created required signage and notices on patient rights



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Governance



Financial
Operations

Governance

Privacy, Patient Rights, Medical Records

Health Information Management (HIM) Staffing

Establish ongoing HIM capacity for records sustainability, deficiency monitoring, release of information (ROI) and coding

Learning Management

Implement a learning management system (LMS) to track and maintain required employee training, including infection control, blood-borne pathogens, HIPAA and other regulatory education

Governance

Medical Staff Governance

Identified gaps between the Medical Staff Bylaws, actual governance practices and current operational needs

As written, the Palo Verde Medical Staff Bylaws are not consistent with DNV or State regulatory requirements or were not written with national standards of care language

11 of the 13 Bylaws-required committees have no evidence of meeting at least since 2023

Some of these committees are **REQUIRED** by the State of CA for licensure or by the DNV for the hospital accreditation



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Governance



Financial
Operations



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Governance

Medical Staff Oversight & Process

Medical Staff leadership is tasked with ensuring that Bylaws are followed.

- Gaps were identified in peer review, proctoring, credentialing oversight and documentation
- Bylaws were not followed for officer succession or awarding medical staff privileges
- There was no evidence that medical staff leadership completed any action items related to quality improvement or peer review

Governance

Medical Staff Oversight & Process

Concentration of Authority

- Medical staff structure and membership practices concentrated voting, committee and leadership authority among a small number of positions



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Governance



Financial
Operations



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Governance

Medical Staff

Bylaws: Clarified contradictory, outdated or inconsistent language in the bylaws and aligned them with the operational needs of Palo Verde.

Building an engaged medical staff with members willing to serve on the committees required by law or DNV accreditation

Restored defined election, succession and vacancy processes and clarified officer responsibilities

Established required committees, membership, meeting cadence, minutes and reporting responsibilities



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Governance



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Operations

Governance

Medical Staff

Governance processes require clearer accountability, broader participation of a larger medical staff, and consistent adherence to established bylaws and regulatory requirements.

Continued committee meeting structure/cadence

CEO/CNO shared accountability with medical staff leadership for committee and quality work



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Governance



Financial
Operations

Governance

SUSTAINABLE HOSPITAL GOVERNANCE

Regulatory Compliance

Quality & Patient Safety

Accountability

Transparent Decision-Making

Organizational Sustainability



Sustainable operations require a governance structure that clearly defines authority, distributes responsibility, supports appropriate clinical oversight and can adapt as the hospital's operating model evolves.

180-DAY
MSA Report-Out



Capital & Infrastructure



Staffing, Operations &
Patient Care



Governance

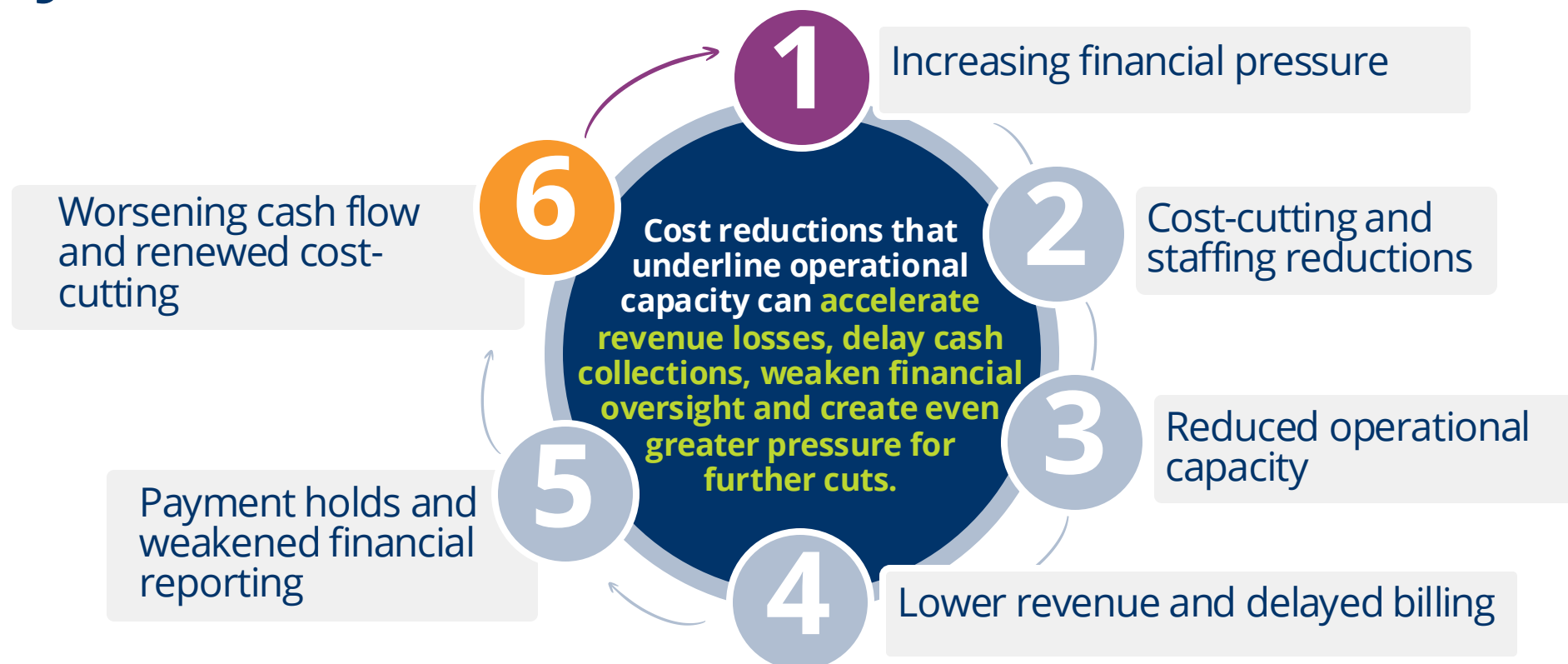


Financial Operations

Financial Operations

Financial Operations

Cycle of Financial Pressure



Breaking the cycle requires restoring the operational, revenue-cycle and financial-management capacity necessary to support a sustainable operating model.



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Staffing,
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Governance



Financial
Operations

Financial Operations

- Inadequate staffing
- Lack of financial management, statements & visibility
- Inconsistent accounts payable processes
- Lack of revenue cycle management
- Delinquent regulatory reporting
- Inadequate grant pursuit & management
- Limited cash, liquidity & modeling
- Lack of understanding of true financial condition & structural deficit
- Incomplete & underdeveloped data, systems & technology
- No reporting or management of key performance indicators



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Governance



Financial
Operations



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Governance



Financial
Operations

Financial Management, Statements & Visibility

- Lack of regular financial statements or public/board financial reports
- No visibility on financial position/operating performance
- Insufficient finance infrastructure and processes required for hospital complexity



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Staffing,
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Patient Care



Governance



Financial
Operations

Financial Management, Statements & Visibility

- Obtained access to financial system and bank accounts
- Established vendor and accounts payable reporting
- Established cash-basis financial reporting
- Worked toward full-accrual financial statements
- Established more structured approach to monthly financial reporting

STATUS AT DEPARTURE

- Substantially improved financial visibility
- Does not eliminate District's financial deficit
- Board understanding of financial deficit/challenges



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Governance



Financial
Operations

Accounts Payable, Vendor Management & Internal Controls

- Significant stabilization needed around invoice capture, tracking, approval and payment processes for accounts payable
- Significant gaps and manual intervention increased operational and internal-control risk
- Damaged vendor relationships for essential services
- Unresolved invoices and vendor holds interrupted operations



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Governance



Financial
Operations

Accounts Payable, Vendor Management & Internal Controls

- Established recurring check runs, worked through accumulated invoices and outstanding obligations
- Created visibility on vendors, invoices and payments
- Addressed post-petition obligations and vendor holds
- Established more standardized processes and internal controls

STATUS AT DEPARTURE

Accounts payable is more stable; crisis situations less frequent; better understanding of obligations, processes and controls to sustain reliable AP function

Must maintain AP process and internal controls

Revenue Cycle & Revenue Integrity

- Limited revenue-cycle visibility
- Missing access to critical information
- Change in electronic health significantly impacted revenue cycle
- Incomplete or missing historical revenue-cycle information and supporting documentation
- Breakdowns in key revenue cycle processes
- Lack of reliable revenue-cycle metrics



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Governance



Financial
Operations



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Financial
Operations

Revenue Cycle & Revenue Integrity

- RUHS worked to improve system access, reporting and data visibility
- Team reviewed:
 - External billing operations
 - Managed-care contracts
 - EHR data
 - Charge master information
 - Work queues
 - Claims
 - Unbilled accounts
 - Patient and insurance receivables
- Identified revenue-cycle measures for trends

STATUS AT DEPARTURE

Established better foundation for revenue-cycle management and reporting

Need for continued revenue cycle improvement and revenue capture

Regulatory Compliance & Reporting

- Broad deficiencies in regulatory reporting and supporting documentation
- Reviewed numerous regulatory requirements
- Lack of required regulatory compliance impacts District's finances
- Failure to submit can result in significant impacts such as payment holds, repayment obligations, loss of funding, penalties, increased audit exposure



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Governance



Financial
Operations



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Financial
Operations

Regulatory Compliance & Reporting

- Developed a compliance inventory
- Systematically worked through outstanding requirements
- Known deficiencies brought current:
 - FY2025 Medicare Cost Report submitted to CMS and accepted
 - Medicare payment hold lifted
 - AB915 outpatient supplemental Medi-Cal annual report submitted to DHCS
 - Significant progress on 2023 DSH audit
 - HCAI reporting
 - 2025 HCAI reports completed
 - 2026 quarterly HCAI reporting
 - Hospital Fair Billing deficiencies reduced from 34 to 6, with the remaining deficiencies primarily related to document accessibility

STATUS AT DEPARTURE

- Substantial compliance with regulatory requirements
- Historical items remain

Cannot be allowed to fall behind again



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Governance



Financial
Operations

Medicare, Medi-Cal & Government Reimbursement

- Government reimbursement reporting deficiencies created financial risk
- Medicare payment hold
- Delayed, missed or recouped revenue affects financial position and liquidity
- Government reimbursement programs require specialized expertise and extensive documentation



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Governance



Financial
Operations

Medicare, Medi-Cal & Government Reimbursement

- Completion of Medicare Cost Report and Medi-Cal supplemental reporting
- FY2025 Medicare Cost Report payment hold lifted
- Submitted AB915 outpatient supplemental annual report
- 2023 DSH audit was advanced, with required documentation submitted

STATUS AT DEPARTURE

Reduced immediate reimbursement and compliance risk

Maintain reporting infrastructure to protect and maximize government reimbursement



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Governance



Financial
Operations

External Funding, Grants & Financial Relief

- Limited capacity to identify, evaluate and complete complex grant applications
- External funding is critical for a financially distressed hospital
- Grants should supplement a viable operating strategy



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Governance



Financial
Operations

External Funding, Grants & Financial Relief

RUHS pursued and supported multiple funding opportunities, including:

- \$3 million AB108 Distressed Hospital Small Grant
- Approximately \$1.8 million in approved Distressed Hospital Loan forgiveness/payments
- IEHP Cal Rural Health Transformation funding
- Transformative Care Model Accelerator Partners
- Telehealth spoke/hub opportunities
- Workforce capacity funding

STATUS AT DEPARTURE

- Generated almost \$7M of external financial support
- Established more structured approach to evaluating future opportunities

- Must continue pursuing appropriate external funding
- Grants and one-time financial relief do not resolve the underlying operating deficit

Cash Management & Liquidity

- Cash almost completely exhausted January 2026
- Significant recurring gap expenditures and revenues
- Lack of liquidity impacted operations
- Cash was not available when obligations were due



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Governance



Financial
Operations



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Financial
Operations

Cash Management & Liquidity

- Established cash monitoring and forecasting
- Accelerated external reimbursements
- Secured outside funding
- Facilitated approx. \$3M in IGT funding and \$9M in rate-range payments
- AB108 award provided \$3M of liquidity

STATUS AT DEPARTURE

- Cash projections in place
- Liquidity stabilized though fragile
- Cash stabilization does not equal financial sustainability
- Cash is stabilized through FY 26/27 and the beginning of FY 27/28

Remaining structural operating deficit
requires long term solution

Financial Condition & Structural Deficit

- Lack of financial reporting hid magnitude of financial challenge
- Established FY2026-27 budget
- Identified approx. \$9.4M operating deficit
- External funding reduced deficit to \$4.6M
- Grants and one time funding are not ongoing



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Governance



Financial
Operations

Financial Condition & Structural Deficit

- Extended runway to long-term solution
- Improved visibility for monitoring financial deficit
- Established more reliable financial reporting
- Developed cash and financial forecasts
- Improved visibility into revenues and expenditures
- Pursued available reimbursement and external funding

STATUS AT DEPARTURE

- Long term structural deficit remains unresolved



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Governance



Financial
Operations

Data, Systems & Technology

- Lack of integrated systems - financial, clinical, payroll, banking
- Financial management requires timely and reliable information



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Financial
Operations



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Financial
Operations

Data, Systems & Technology

- RUHS secured access to systems
- Worked with Nordic and GEBBS to improve electronic health record and revenue-cycle reporting

STATUS AT DEPARTURE

Substantially better access to necessary information

Continued use of systems and data required



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Governance



Financial
Operations

Performance Management & KPI Reporting

- Lacked management dashboard of key performance indicators
- No visibility of operational performance trends



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Governance



Financial
Operations

Performance Management & KPI Reporting

- Started a KPI dashboard incorporating:
 - Patient volume
 - Net financial performance
 - Labor productivity
 - Worked hours per visit
 - Payer mix
 - Other operational indicators
- Identified limitations of historical comparisons

STATUS AT DEPARTURE

Basic foundation for performance management and Board reporting

Dashboard must expand and become
a regular management tool



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Governance



Financial
Operations

Financial Operations

Financial Position

Estimated annual
operating gap

\$5M-\$10M

Known liabilities

>\$20M

Supplemental funding
dependency

~\$7M annually

Current cash position

stable

but dependent on supplemental
inflow/outflow pressures

Capital needs

**significant and
ongoing**

separate from operating gap





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Governance



Financial
Operations



Palo Verde District Hospital
FY 2025/ 26 June Income Statement Draft

	FY 2025/26 June	
	Month-To-Date	Year-To-Date
Revenue		
Patient Revenue	\$ 824,115	\$ 11,567,514
Total Patient Revenue	\$ 824,115	\$ 11,567,514
Other Revenue	\$ 563,808	\$ 6,764,875
Supplemental Revenue	\$ -	\$ 715,781
Total Other Revenue	\$ 563,808	\$ 7,480,656
Total Revenue	\$ 1,387,923	\$ 19,048,170
Expense		
Salary, Wages and Benefits	\$ 641,543	\$ 7,747,536
Supplies and Services	\$ 1,392,067	\$ 12,134,789
Depreciation	\$ 63,113	\$ 758,231
Total Operating Expenses	\$ 2,096,723	\$ 20,640,557
Interest	\$ 1,000	\$ 12,000
Total Non Operating Expense	\$ 1,000	\$ 12,000
Total Expense	\$ 2,097,723	\$ 20,652,557
Profit/ (Loss)	\$ (709,801)	\$ (1,604,387)



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Financial
Operations



Palo Verde
HOSPITAL

Palo Verde Budget FY26/27

FY26/27

Salaries and Benefits	\$7,950,000
Services and Supplies	\$15,612,000
Other Charges	\$768,000
Total Expense	\$24,330,000

Patient Revenue	\$6,024,000
Other Revenue	\$1,848,000
Supplemental Funding	\$7,013,242
Total Revenue & Funding	\$14,885,242
Total Net Financial Position	(\$9,444,758)
AB108	\$ 3,000,000
Loan Forgiveness	\$1,888,889
Net One-Time Revenue	(\$4,555,869)

180-DAY
MSA Report-Out



Capital &
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Governance



Financial
Operations



Palo Verde District Hospital
FY 2026/ 27 July Income Statement Draft

	FY 2026/ 27 July			
	Month-To-Date			
	Actuals	Prorated Budget	Variance	
Revenue				
Patient Revenue	\$ 680,636	\$ 862,000	\$ (181,364)	
Total Patient Revenue	\$ 680,636	\$ 862,000	\$ (181,364)	
Other Revenue	\$ 82	\$ 60	\$ 22	
Supplemental Revenue	\$ 923,885	\$ 924,038	\$ (154)	
Total Other Revenue	\$ 923,966	\$ 924,098	\$ (132)	
Total Revenue	\$ 1,604,602	\$ 1,786,098	\$ (181,496)	
Expense				
Salary, Wages and Benefits	\$ 628,938	\$ 692,808	\$ (63,871)	
Supplies and Services	\$ 1,355,374	\$ 1,301,000	\$ 54,374	
Depreciation	\$ 63,113	\$ 63,113	\$ 0	
Total Operating Expenses	\$ 2,047,425	\$ 2,056,921	\$ (9,496)	
Interest	\$ 1,000	\$ 1,000	\$ -	
Total Non Operating Expense	\$ 1,000	\$ 1,000	\$ -	
Total Expense	\$ 2,048,425	\$ 2,057,921	\$ (9,496)	
Profit/ (Loss)	\$ (443,823)	\$ (271,823)	\$ (172,000)	



Capital & Infrastructure



Staffing, Operations & Patient Care

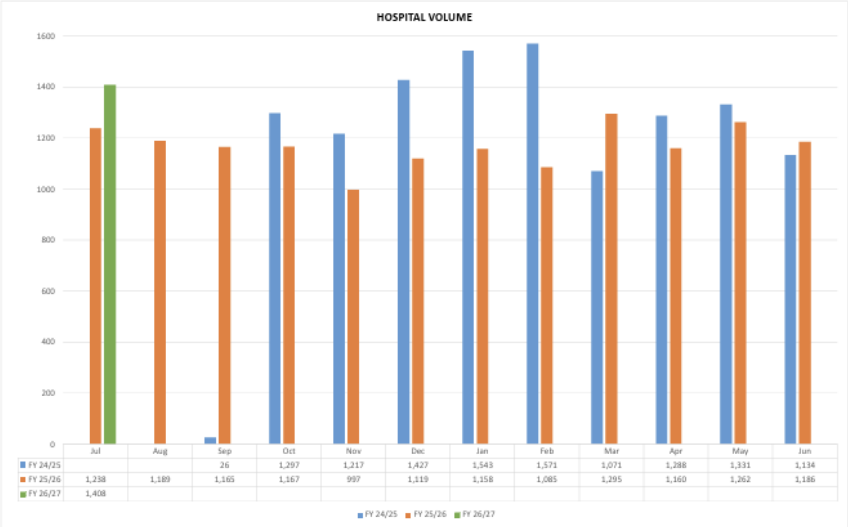
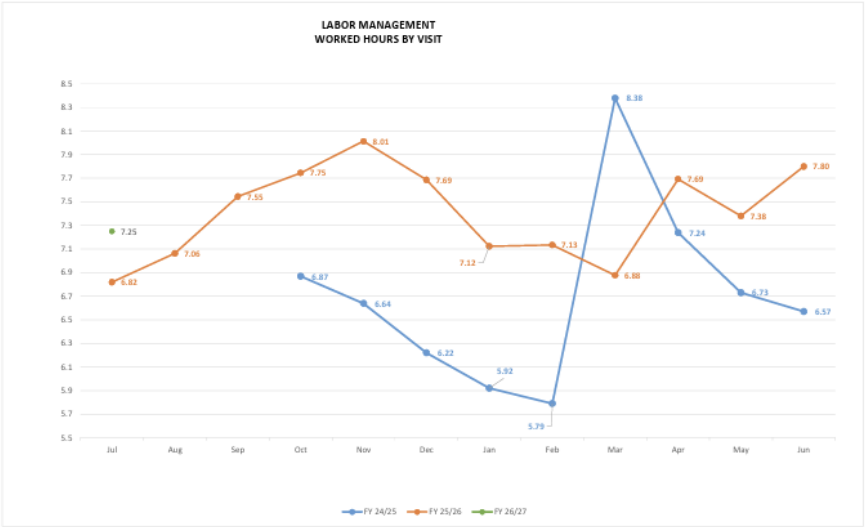


Governance



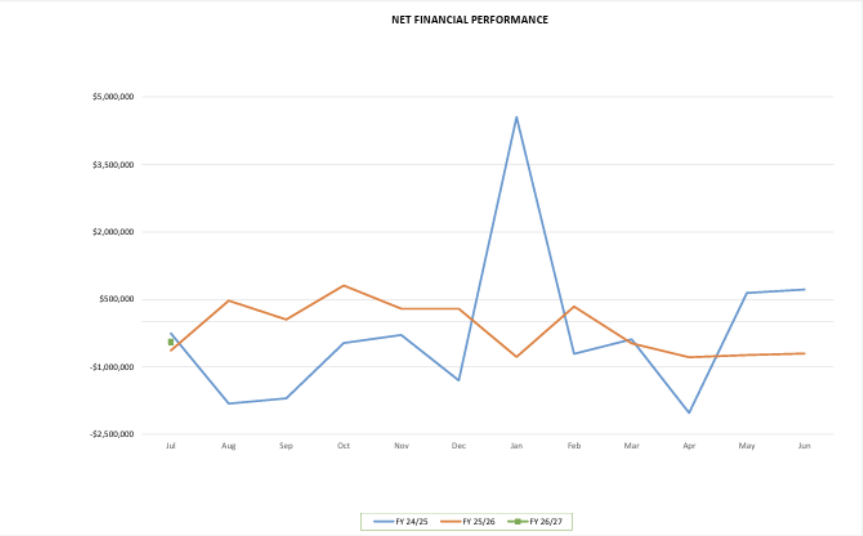
Financial Operations

FY 2026/27 Key Performance Indicators Dashboard - July



PAYOR MIX TREND

Payor	FY2425	FY2526	FY2627	Trend
Mcal (including Managed Medi-Cal)	35.50%	37.30%	36.08%	
Medicare (including Managed Medicare)	29.30%	25.10%	27.49%	
Commercial (private insurance)	27.30%	27.00%	24.08%	
Self Pay	6.70%	9.20%	5.04%	
Charity and Unreimbursed Care	1.20%	1.40%	7.32%	





Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations



Item	January	February	March	April	May	June	July	August	September	October	November	December
Grants												
Discovered Hospital Loans Repayments		February 14 Unaudited quarterly financial statements (45 days after FYE) Financial Statements (45 days after FYE) Financial Policy (45 days after FYE)			May 14 Unaudited quarterly financial statements (45 days after FYE) Financial Statements (45 days after FYE) Financial Policy (45 days after FYE)		July 10 Board Approval Budget (30 days after FYE)	August 14 Unaudited quarterly financial statements (45 days after FYE) Financial Statements (45 days after FYE) Financial Policy (45 days after FYE)		October 10 Financial Policy (120 days after FYE) Annual Consolidated Financial Statements (120 days after FYE) Laboratory Statistics (120 days after FYE)	November 14 Unaudited quarterly financial statements (45 days after FYE) Financial Statements (45 days after FYE) Financial Policy (45 days after FYE)	
ADSB	Research budget changes to AD-125 to determine if additional funding will be available to Discover Hospital				Apply for AD-125 funding if available	Award agreement executed and built Report sent to Board						
Accounting Processes												
Payroll	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting	Payroll should be updated and reconciled immediately following each payroll posting
Bank Reconciliation	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month
Cash Projection	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.	Cash should be monitored and cash projection should be updated at the beginning of each month. However, it is recommended that this be completed weekly.
Financial statements	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month
Insurance Policy Renewal		Initiate Insurance Policy Renewal Applications		Turn in all applications to insurance brokers and wait for estimates	Receive estimates and review with previous year's policies	Submit Insurance Renewals to Policy Vendor Board for approval and provide payment						
FIR - Financial Transactions Report to State Controller's Office		Due January 31 Statement of Revenues, Expenses and Changes in Fund Net Position										
FY 2024 Board (Open Session)												
IR												
Staff Reports		IR										
Budget					Present final budget							
Compliance / Regulatory												
2024 CA DRG AUDIT		Per Auditor email audit for DRG will begin January										
Clinical and Public Health Laboratory License					Submit Renewal for California State Lab License							
HCA - MEDICATION: Medication Staff each year		02/15 - No extension						Begin working on compiling documentation and putting together workbooks for the HCA Annual Report as FYE			HCA ANNUAL REPORT 08/15/2027 - 2 additional extensions can be requested	
HCA - QUARTERLY 45		02 FYE 2027 due 02/15			02 FYE 2027 due 02/15/2026			04 FYE 2027 due 04/15			03 FYE 2028 due 12/15	
Respective DRG Eligibility								Request Received from DRG 08/15 subject to change	Request Due to DRG 09/15 subject to change			
Medicare Cost Report								Begin working on compiling documentation and putting together workbooks for the Medicare Cost Report				
Medi-Cal cost Report								Begin working on compiling documentation and putting together workbooks for the Medi-Cal cost report				
Budget & Reimbursement												
ABRS	Due to DRG 08/15 when subject to change - email request sent in November of prior year										Request from DRG 08/15 will be received around 12/20/26 when subject to change request will be received	
LCI Interim Rate Review					Request received 08/15 from Northern Area 08/15 to verify change - 08/15/2026 subject to change					Request from Northern Area 12/15/26 from 12/15/26 due 12/15/26 when subject to change		
NORDIAN 2ND Interim Rate Review												
Policy & Procedures												
Cash Pay Discount Policy												



Capital & Infrastructure



Staffing, Operations & Patient Care



Governance



Financial Operations



Fiscal Year	January	February	March	April	May	June	July	August	September	October	November	December
Operational Hospital Line Budgets Completed by Sarah McConry	February 14 Completed quarterly Financial Statements (Q1) January FY22 Financial Statements (Q1) January FY22 Financial Statements (Q1) January FY22	March 14 Completed quarterly Financial Statements (Q2) February FY22 Financial Statements (Q2) February FY22 Financial Statements (Q2) February FY22	April 14 Completed quarterly Financial Statements (Q3) March FY22 Financial Statements (Q3) March FY22 Financial Statements (Q3) March FY22	May 14 Completed quarterly Financial Statements (Q4) April FY22 Financial Statements (Q4) April FY22 Financial Statements (Q4) April FY22	June 14 Completed quarterly Financial Statements (Q1) May FY22 Financial Statements (Q1) May FY22 Financial Statements (Q1) May FY22	July 14 Completed quarterly Financial Statements (Q2) June FY22 Financial Statements (Q2) June FY22 Financial Statements (Q2) June FY22	August 14 Completed quarterly Financial Statements (Q3) July FY22 Financial Statements (Q3) July FY22 Financial Statements (Q3) July FY22	September 14 Completed quarterly Financial Statements (Q4) August FY22 Financial Statements (Q4) August FY22 Financial Statements (Q4) August FY22	October 14 Completed quarterly Financial Statements (Q1) September FY22 Financial Statements (Q1) September FY22 Financial Statements (Q1) September FY22	November 14 Completed quarterly Financial Statements (Q2) October FY22 Financial Statements (Q2) October FY22 Financial Statements (Q2) October FY22	December 14 Completed quarterly Financial Statements (Q3) November FY22 Financial Statements (Q3) November FY22 Financial Statements (Q3) November FY22	January 15 Completed quarterly Financial Statements (Q4) December FY22 Financial Statements (Q4) December FY22 Financial Statements (Q4) December FY22
ABJIS Completed by Mike Hernandez	Research budget changes in ABJIS to determine if additional funding will be available in subsequent quarters				Apply for ABJIS funding if available	Meet with agreement committee and staff report sent to Board						
Successful Process												
Payroll by Denise Davis	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting	Payroll should be submitted and reviewed immediately following each payroll posting
Bank Reconciliation by Sarah McConry	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month	Bank reconciliations should be completed at the beginning of each month
Cash Projection by Sarah McConry & Mike Hernandez	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly	Cash should be submitted and cash projection should be submitted at the beginning of each month. However, it is recommended that the completed weekly
Financial Statements by Sarah McConry & Mike Hernandez	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month	Financial Statements should be prepared as part of the month-end closing process each month
Insurance Policy Renewals Completed by Mike Hernandez		Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications	Submit Insurance Policy Renewal Notifications
ITS Financial Transactions Report by Mike Hernandez	See January 15 Transactions Report by Mike Hernandez											
IT Risk Report (Open Incident)												
ITP												
Staff Reports	ITP				Budget staff report							
Budget - Sarah McConry & Mike Hernandez		Month in progress budget	Month in progress budget	Month in progress budget	Month in progress budget							
Monthly Board Presentation												
Compliance / Legislation												
2024 CA 2024 AGENT	For Auditor annual audit for CA 2024 AGENT											
Clinical and Public Health Laboratory Liaison					Submit Request for Laboratory Liaison							
HCW UTILIZATION (February 15 of each year)	2022 - 2023											
HCW CERTIFICATION (2024 after the end of each calendar quarter)	2022 - 2023											
Revenue Cycle Eligibility												
Medicare Cost Report												
Medicaid Cost Report												
Budget & Performance												
ABJIS	Request for ABJIS to be submitted to change report sent to Board of Directors											
Cost Center Rate Review												
WORLDWIDE 2024 January Rate Review												
Policy & Procedures												
Cash Rep Statement Policy												

Financial Operations



Capital &
Infrastructure



Staffing,
Operations &
Patient Care



Governance



Financial
Operations

Financial Model

- Establish a sustainable financial model addressing losses, liabilities, and ongoing capital needs

Revenue

- Restore and maximize revenue by resolving payment holds, financial reporting requirements, billing/collection issues



Long-Term Sustainability

Long-Term Sustainability

Independent rural hospital operating model is increasingly constrained by:



Regulatory and
governance
complexity



Workforce
limitations



Financial scale
requirements



Technology
demands

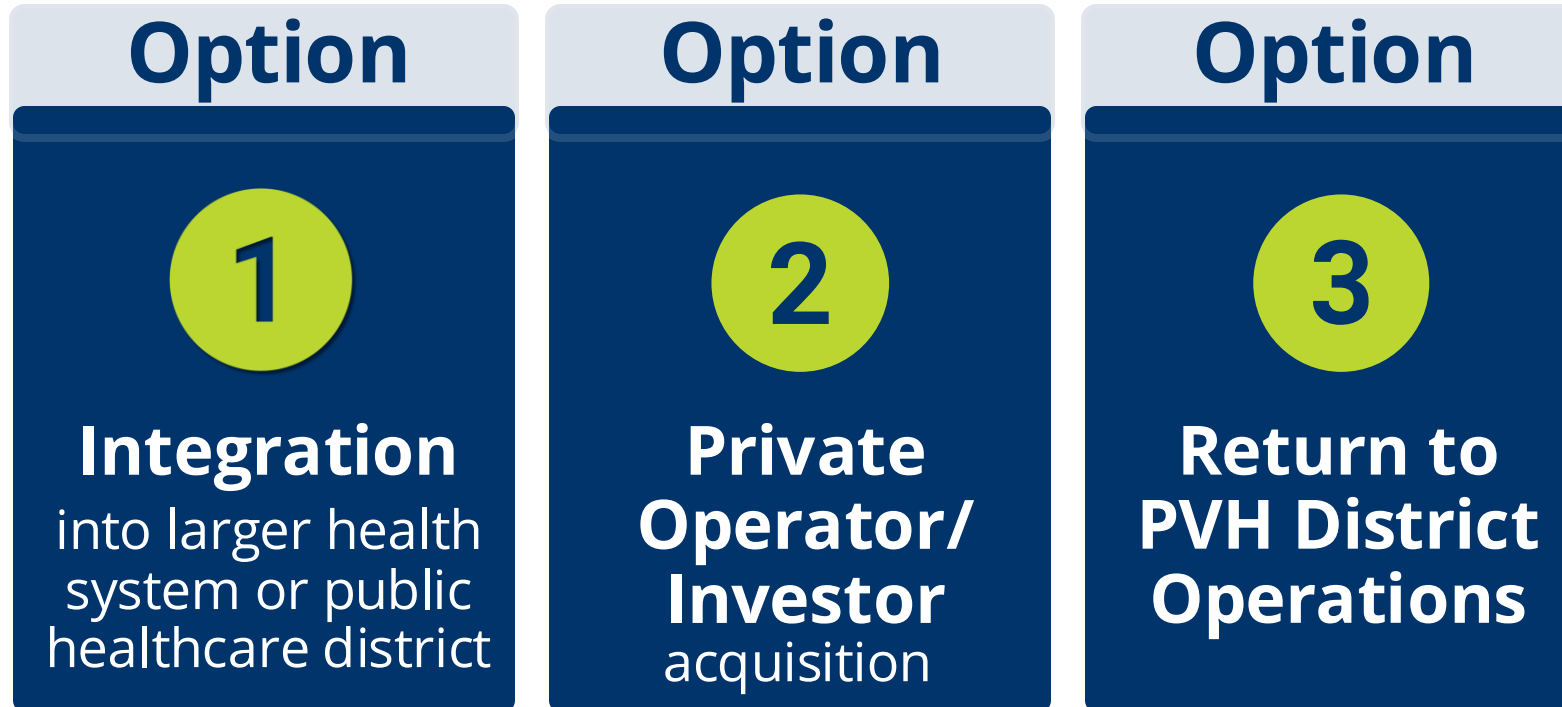


Capital
investment
needs



Sustainability requires **organizational scale**
and **specialized infrastructure**

Strategic Options Overview



Long-Term Sustainability

Option 1 Integration

Transition into larger health system or public healthcare district.

Overview

- Shared services model (finance, IT, HR, revenue cycle, compliance)
- Centralized executive leadership and infrastructure

Likely Financial Requirements

- \$5M–\$10M annual operating support
- \$20M legacy liabilities resolution
- Significant capital investment
- Preservation of ~\$7M annual supplemental funding critical

Long-Term Sustainability

Option 1 Integration

Advantages

- Highest sustainability
- Strongest operational stability
- Access to scale and expertise
- Improved compliance and financial infrastructure

Challenges

- Governance transition
- Regulatory/legislative approvals
- Integration planning and execution
- Community engagement

Long-Term Sustainability

Option 2 Private Operator/Investor

Private entity acquires or leases hospital and assumes operations.

Advantages

- Access to private capital
- Potential modernization investment
- Operational flexibility
- Reduced public exposure

Challenges

- Limited market interest in rural hospitals
- Need to maintain essential services
- Preservation of supplemental funding
- Alignment with community healthcare mission
- Resolution of \$20M+ liabilities

Long-Term Sustainability

Option 2 Private Operator/Investor

Risks

- Variable operator experience
- Financial assumptions may not materialize
- Long-term commitment uncertainty
- Ownership changes over time

Long-Term Sustainability

Option **3** Return to PVH District Operations

Advantages

- Local governance and control
- Community decision-making authority
- Existing structure maintained

Challenges

- Requires experienced leadership across all functions
- Sustaining \$5M–\$10M annual operating gap
- Addressing \$20M+ liabilities
- Maintaining compliance and reporting
- Funding ongoing capital needs

Long-Term Sustainability

Option **3** Return to PVH District Operations

Other Options/Combinations

- Must maximize Critical Access/District Hospital levers
- Rural Emergency Hospital (Legislative lift, new designation in state of CA and potentially changes revenue vehicles from district hospital)
- Rural free standing emergency room (Legislative lift, new designation in state of CA and potentially changes revenue vehicles from district hospital)
- Ballot initiative to increase revenue
- Ongoing state funding requests
- Find firm experienced in Critical Access Hospitals or consulting and/or management contract
- Resolve old liabilities

Long-Term Sustainability

Option 3 Return to PVH District Operations

Risks

- High likelihood of operational and financial strain without external scale and support
- H.R. 1 risks (true for all options but amplified for freestanding district hospital digging out from decades of neglect)

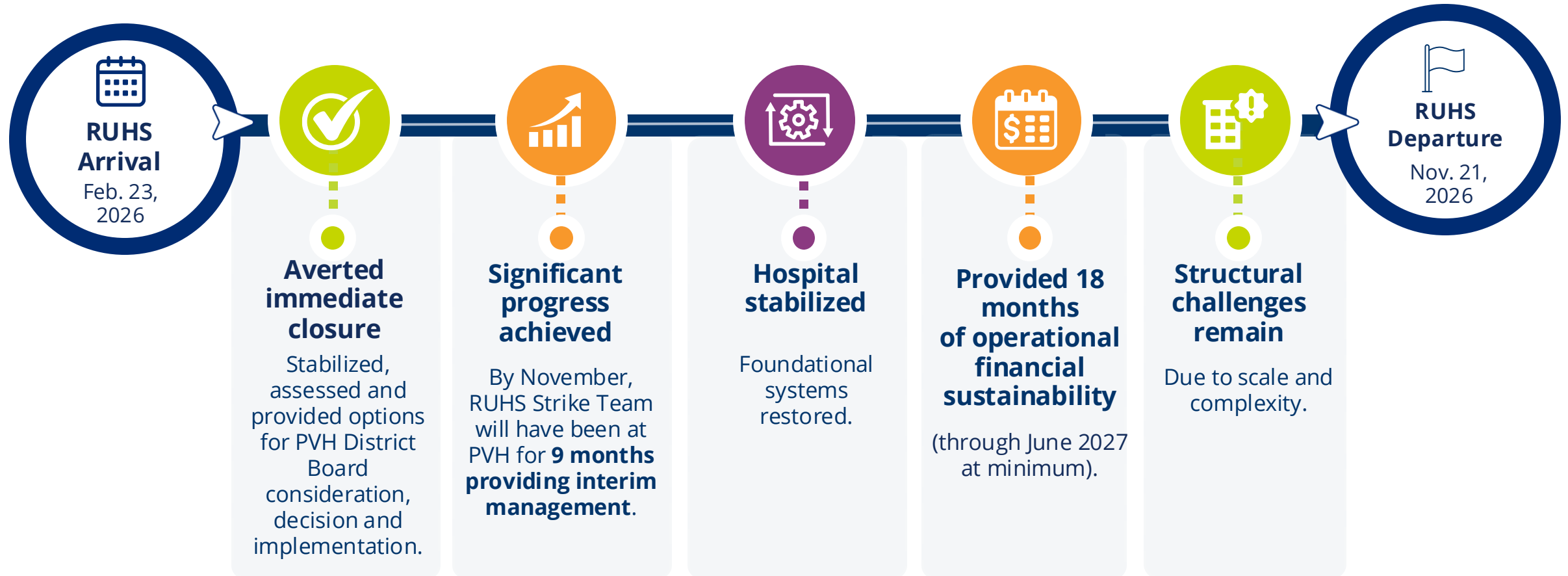
Long-Term Sustainability

Parcel Tax (could be considered as part of Option 1 or 3)

- Another way to generate revenue from properties in the district, separate from the regular property tax revenue that is generated
- PVHD currently receives slightly less than \$200,000 annually from regular property tax payments
- Depending on approach, could generate anywhere from \$156,000 to \$13.6M annually
- Lengthy process
- Registered voters in PVHD would need to approve

Summary

Summary



The Team

