



Soledad Community

HEALTH CARE DISTRICT

AGENDA
MAY 25, 2023

Agenda

SOLEDAD COMMUNITY HEALTH CARE DISTRICT
Regular Meeting of the Board of Directors
May 25, 2023 @ 4:00 p.m.

Board members and members of the public may attend this meeting in person at the District Office located at 612 Main Street, Soledad, Ca 93960 in the Creekside Room

1. Call to Order

2. Roll Call

Graig Stephens
Maggie Campa
Rosemary Guidotti
Anne Trebino
Michael Schell

3. Pledge of Allegiance

4. Reading of the District's Mission Statement – To be read by a District Board Member
“To anticipate and provide services to meet the health care needs of the people we serve.”

5. President's Welcome
Introductions and Welcome – Graig Stephens

6. Approval of Minutes Action
A. Regular Meeting of April 27, 2023.

BOARD ACTION: _____

7. Public Comment

Members of the public are welcome to participate in the meetings of the Board. When the Board President recognizes a member of the public for oral comment, such comment shall be three (3) minutes or less, at the discretion of the Board President. Comments of the public will be accepted during the Public Comment portion of the agenda only. No action or comments will be taken by the Board on matters not on the agenda.

8. Communications Coordinator – Jaimee Campa

9. Outside District Audit Presentation – JWT & Associates, LLP – Rick Jackson, CPA, Partner, Presenter.

A. Audited Financial Statements for the Soledad Community Health Care District.
(Board will consider the approval of the Audited Financial Statements FYE June 30, 2022)

BOARD ACTION: _____

10. Treasurer's Report –

- A. Review of Operating Entities and the District, Mr. Brent Green, CPA
Financial Statements (*Board will consider the approval of the Treasurer's Report*)

BOARD ACTION: _____

11. Proposed Budget Review –

- (*Board will consider the approval of the proposed budget for the 2023-2024 fiscal year*)

BOARD ACTION: _____

12. Resolution No. 2023-03 To Terminate 403(b) Plan – Graig Stephens

- (*Board will consider the approval of Resolution No. 2023-03*)

BOARD ACTION: _____

13. Revised SCHCD Employee Handbook – Graig Stephens

- (*Board will consider the approval of the revised SCHCD Employee Handbook*)

BOARD ACTION: _____

14. District's CEO Report – Ida Lopez Chan

- A. Food Insecurity Presentation – Julia Snell, RDS and Louie Diaz Infante, Aggrigator

15. Adjournment to Closed Session

- A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Government Code §54956.9(d)(1)) Name of case: (Jose Andres Sandoval a/k/a Andrew Sandoval vs. Ida Lopez Chan; Soledad Community Health Care District, CASE NUMBER 23CV001502):

16. Reconvene in Open Session and report out from closed session, if any

17. Adjournment to the next meeting

- Regular District Board Meeting – Thursday, June 29, 2023 at 4:00 P.M.

Note: 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 District Recording Secretary during regular business hours at 831-678-2462. Notification received 47 hours before the meeting will enable the district to make reasonable accommodations. Open session meeting materials provided to the Board of Directors after the agenda packets are distributed are available at the office of the Recording Secretary located at 612 Main Street, Soledad, California.

**Soledad Community Health Care District
Regular Meeting of the Board of Directors
April 27, 2023 @ 4:00 p.m.**

MINUTES

1. Call to order at 4:00 p.m. by Vice President, Maggie Campa

2. Board of Directors Roll Call.

Directors Present: President, Graig Stephens
Vice President, Maggie Campa
Secretary, Rosemary Guidotti
Treasurer, Anne Trebino
Board Member, Michael Schell

Directors Absent: None

Staff Present: CEO, Ida Lopez Chan
District Recording Secretary, Sophie Piña

District CPA: Brent Green

We have a Quorum

3. Pledge of Allegiance: Michael Schell

4. Mission Statement: Rosemary Guidotti

5. President's Welcome: Graig Stephens

6. Approval of Minutes:

Motion: The board approved the minutes as mailed from the regular board meeting on March 30, 2023 with the following corrections. Correction of spelling of Graig Stephen's last name. It was asked to be noted in the minutes that if a board member speaks under public comment, it should be noted that they are speaking as an individual member of the public. Anne asked that it be noted in the minutes that at the end of the board meeting on 3-30-23 the way Mr. Schell presented himself was unprofessional & frightening. Anne was not happy with that type of conduct. Mr. Schell apologized to her. By no means should this be a reflection of the board.

M/S: Trebino/Guidotti

Ayes: Campa, Guidotti, Trebino & Schell

Nays: -

Abstain: - Stephens

Absent: -

Motion: Passed

7. Public Comment:

Marcelino Nuno, commented on his request for records. He also would like the possibility of a zoom meeting for the public to be able to make public comments.

**Soledad Community Health Care District
Regular Meeting of the Board of Directors
April 27, 2023 @ 4:00 p.m.**

The Bagwell family read a letter to the board regarding the physical and emotional care of their mother during her time at Eden Valley. Board members received a copy of the letter.

Ronnie a healthcare worker, not only a patient of the clinic but also refers patients to us commented her concerns regarding the article shared.

Kim Stemler expressed her gratitude for the support and partnership from the clinic during COVID. The clinic was one of the best partners that provided services to Ag and industries throughout the county.

Martha Zarate a Community Healthcare Worker for VIDA, wanted to Congratulate Ida publicly for making the COVID clinics possible for farm workers to be able to obtain vaccinations. Also, for giving her the opportunity to work in the immunization clinics.

Adriana Ramelli expressed her concerns. Board members received a copy of her letter which outlines her concerns.

Wes White commented that he would like there to be more engagement in order to work through all the concerns. Closure needs to happen and concerns need to be corrected. He suggested starting with Zoom meetings to get interaction.

Rosemary Guidotti excused herself as a board member and spoke as a member of the public during public comment. Rosemary spoke regarding the complaint at Eden Valley. The State addressed the complaint, an investigation was completed with no findings.

Max Schell excused himself as a board member and spoke as a member of the public during public comment. Max read anonymous employee comments to the board.

8. **Communications Coordinator** – Jaimee reported that she is the main contact for our websites and handles any updates and changes that need to be made. She continues to work on our monthly newsletter and updates our social media accounts. Jaimee is also working on the new Eden Valley brochure and will be getting that completed soon.

**Soledad Community Health Care District
Regular Meeting of the Board of Directors
April 27, 2023 @ 4:00 p.m.**

9. Treasurer's Report –

Motion: The board approved the Financial Statements for review for Operating Entities and the District.

M/S: Guidotti/Trebino

Ayes: Stephens, Campa, Guidotti, Trebino, Schell

Nays: -

Abstain: -

Absent:

Motion: Passed

10. Budget Review –

Motion: The board approved to accept the salary portion of the revised budget for the 2022-2023 fiscal year. Mr. Schell recused himself and left the meeting room during the discussion and vote. He recused himself because there was a conflict of interest. His wife is employed by the District as a Nurse Practitioner and there are no other Nurse Practitioners currently employed by the district.

M/S: Trebino/Guidotti

Ayes: Stephens, Campa, Guidotti, Trebino

Nays: -

Abstain: - Schell

Absent: -

Motion: Passed

Motion: The board approved to accept the revised budget for the 2022-2023 fiscal year.

M/S: Trebino/Guidotti

Ayes: Stephens, Campa, Guidotti, Trebino, Schell

Nays: -

Abstain: -

Absent: -

Motion: Passed

11. Foundation Report – Rosemary reported that Jaimee continues to receive donations for our Mother's Day Quilt fundraiser. We have sold 415 tickets, and have raised about \$5,000.00. The fundraiser will help with the purchase of 6 new patient beds for our residence at Eden Valley.

12. LAFCO Update – On 4-21-23 Graig and Ida met with Kate Mckenna and Mary Ann Leffel of LAFCO. The purpose of the meeting was to find out if the district is going to be able to pay our share. Ida will be writing a letter stating that when we become profitable we will pay our share.

**Soledad Community Health Care District
Regular Meeting of the Board of Directors
April 27, 2023 @ 4:00 p.m.**

- 13. District's CEO Report** – Ida updated the board on the power outage incident. The total cost for the outage was \$100,000.00 in damages. Loss was \$184,000 with a reimbursement of \$140,000.00. The district received money from the state of California for a Department of Health Care Service Retention Program. Each staff member except Executive Staff received \$1,000.00. This week Kate McKenna Executive Officer of LAFCO and Chair Mary Ann Leffel came to tour our facility. The district celebrated Years of Service for the following staff members. Marlen Duran LVN at Eden Valley 1 Year of Service, Nancy Herrera MA at Soledad Medical Clinic 10 Years of Service and Rosemary Rivera Biller at Soledad Medical Clinic 15 Years of Service. Ida shared an employee success story from one of our Eden Valley employees. Edwin Nava has been with Eden Valley for 12 years. He was hired in 2011 as a CNA. He worked as a CNA for 8 years. In 2021 he went back to school to become an LVN that year he got promoted to be our Infection Control. In 2023 he was promoted to Director of Staff Development. Census today is 59 with 26 Medicare. The employee turnover rate for the 1st quarter was 2.8%. Our staff is officially back to 100% fulltime hours. The clinic has negotiated a five-year low-cost fixed rate plan with Foundation Labs, a new business here in Soledad. The clinic held a sports physical day this month. Dr. Giron and Dr. Peña saw about 30 patients. Upcoming events for district staff and patients will be Cinco de Mayo, Nursing Home Week, and Mother's Day. Eden Valley received a complaint regarding quality of care. The state came and completed their investigation. No violations were found.
- 14. Adjournment to Closed Session** – Public Employee Performance Evaluation (Government Code §54957(b)) Title: CEO
- 15. Reconvene to Open Session** – No reportable action taken.
- 16. Meeting Adjourned at 7:10p.m.** – The board will reconvene on May 25, 2023 for a Regular District Board Meeting at 4:00p.m.

Prepared By: _____
Sophie Piña, District Board Secretary

Approved By: _____
Rosemary Guidotti, Secretary

Audited Financial Statements

**SOLEDAD COMMUNITY
HEALTH CARE DISTRICT**

June 30, 2022

**JWT & Associates, LLP
Certified Public Accountants**

Audited Financial Statements

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

June 30, 2022

FINANCIAL STATEMENTS

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Management's Discussion and Analysis

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

June 30, 2022

The management of the Soledad Community Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2022 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the District's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2022 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

Financial Highlights

- Total assets were \$11,408,485 for the year as compared to \$10,723,238 for the prior year. Total cash and cash equivalents were \$3,309,758 for the year as compared to \$1,500,003 for the prior year. In addition, net patient accounts receivable were \$1,223,274 as compared to the prior year of \$1,233,012. Net days in patient accounts receivable were 38.58 for the year as compared to 37.52 for the prior year.
- Current assets were \$4,837,139 and current liabilities were \$4,914,560 resulting in a 0.98 current ratio for the year as compared to 0.73 for the prior year.
- The operating loss was \$(3,021,793) for the year as compared to an operating loss of \$(1,901,718) for the prior year.
- The net position showed an decrease of \$(2,038,086) in 2022 as compared to an increase of \$279,502 in 2021.
- Net patient revenues were \$11,572,130 for the year as compared to \$12,119,741 for the prior year. Operating expenses were \$15,289,853 for the year as compared to \$14,146,481 for the prior year.
- Medicare cost reports and Medi-Cal PPS reconciliations transactions for the year resulted in a net liability of \$3,713,702, for the years ended June 30, 2022 through June 30, 2019.

Cash and Investments

For the fiscal year ended June 30, 2022, the District's operating and board designated cash and investments totaled \$3,303,627 as compared to \$1,493,848 for the prior year. At June 30, 2022, days cash on hand were 81.07 as compared to 39.23 for the prior year. The District maintains sufficient cash and cash equivalent balances to pay all short-term liabilities.

Management's Discussion and Analysis (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

Current Liabilities

As previously noted, current liabilities of the District were \$4,914,560. This was due to a combination of trade payables of \$431,440, accrued payroll liabilities of \$637,432, third party settlements of \$3,713,702 and current maturities of debt borrowings of \$131,986.

Capital Assets

During the year the District spent \$361,368 for capital purchases for construction in progress, for building improvements and for equipment for use in patient care, with disposals of \$108,714 . In addition, depreciation expense was \$507,672 for an overall net decrease in capital assets of \$255,018.

Volumes

- Skilled nursing days were 13,345 for the year as compared to 12,735 for the prior year allowing for an average daily census of 36.56 as compared to 34.89 for the prior year. Occupancy was at 61.97% as compared to 59.14% for the prior year.
- There were 31,720 face-to-face encounters qualifying as rural health care visits for the year as compared to 31,299 for the prior year. This resulted in an average daily patient visit rate of 125.87 as compared to 124.20 per open day for the prior year.

Gross Patient Charges

The District charges all its patients equally based on its established pricing structure for the services rendered. The District gross charges for the skilled nursing area for the year were \$4,472,578 while the rural health care clinic charges were \$16,354,710 for the year. The combined totals were \$20,827,288 for the year as compared to \$19,989,570 for the prior year.

Deductions From Revenue and Net Patient Service Revenues

Deductions from revenue are comprised of contractual allowances and provisions for bad debts. Contractual allowances are computed deductions based on the difference between gross charges and the contractually agreed upon rates of reimbursement with third party programs such as Medicare, Medi-Cal and Blue Cross. Deductions from revenue (as a percentage of gross patient charges) were 44.44% for the year as compared to 38.14% for the prior year.

Management's Discussion and Analysis (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. Net patient service revenues decreased by \$547,611 in fiscal year 2022 over the prior year due mainly to increased contractual allowances due to PPS reconciliations.

Operating Expenses

Total operating expenses were \$15,289,853 for the year as compared to \$14,146,481 for the prior year. Significant changes in expenses are as follows:

- A \$449,095 increase in salaries, wages and benefits. Full time equivalents (FTE's) were 104.37 for the year resulting in a cost of \$84,436 per FTE for the year as compared to \$81,698 per FTE for the prior year. Increased health insurance costs made up most of the increase.
- Professional fees, supplies and purchased services increased by \$175,910 due to volume and rate increases. All other expense changes were relatively minor when compared to the prior year.

Economic Factors and Next Fiscal Year's Budget

The District has prepared a budget for the fiscal year ending June 30, 2023. For fiscal year 2023, the District is budgeted to increase its net revenue due to several assumptions:

- A conservative increase in skilled nursing volumes for fiscal year 2023 was budgeted due to continued improvements in reimbursement.
- Operating expenses are expected to increase at a rate of percentage to match revenues. The District is committed to keeping expenses at a reasonable level as in the past.

Fiscal year 2023 will be a time for the District to continue to increase services for patients in the Soledad area. The effort by the Soledad community to support the District is a priority for the District's continued operational existence. Efforts will be made to become more efficient at operating the day-to-day needs of a changing healthcare mission within Soledad.

JWT & Associates, LLP

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Report of Independent Auditors

The Board of Directors
Soledad Community Health Care District
Soledad, California

Opinion

We have audited the accompanying financial statements of the Soledad Community Health Care District, a district healthcare provider (the District) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the District as of June 30, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note A, the District analyzed the effects of GASB 87 for the year beginning July 1, 2021 and ending June 30, 2022 finding that it did not affect the District's financial reporting.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

JWT & Associates, LLP

Fresno, California
May 3, 2023

Statements of Financial Position

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

	June 30	
	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,309,758	\$ 1,500,003
Patient accounts receivable, net of allowances	1,223,274	1,233,012
Other receivables	85,125	949,786
Inventories	113,144	113,373
Prepaid expenses and deposits	<u>105,838</u>	<u>100,700</u>
Total current assets	4,837,139	3,896,874
Assets limited as to use	105	105
Capital assets, net of accumulated depreciation	<u>6,571,241</u>	<u>6,826,259</u>
Total assets	<u>\$ 11,408,485</u>	<u>\$ 10,723,238</u>
Liabilities		
Current liabilities:		
Current maturities of debt borrowings	\$ 131,986	\$ 1,013,038
Accounts payable and accrued expenses	431,440	329,547
Accrued payroll and related liabilities	637,432	617,209
Estimated third party payor settlements	<u>3,713,702</u>	<u>3,818,666</u>
Total current liabilities	4,914,560	5,362,150
Debt borrowings, net of current maturities	<u>3,939,617</u>	<u>351,384</u>
Total liabilities	8,854,177	5,713,534
Net position		
Invested in capital assets, net of related debt	6,377,951	5,551,422
Restricted, by bond indenture agreements for debt service	105	105
Unrestricted (deficit)	<u>(3,823,748)</u>	<u>(541,823)</u>
Total net position	<u>2,554,308</u>	<u>4,593,394</u>
Total liabilities and net position	<u>\$ 11,408,485</u>	<u>\$ 10,723,238</u>

See accompanying notes and auditor's report

Statements of Revenues, Expenses and Changes in Net Position

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2022</u>	<u>2021</u>
Operating revenues		
Net patient service revenue	\$ 11,572,130	\$ 12,119,741
Other operating revenue	<u>695,930</u>	<u>125,022</u>
Total operating revenues	12,268,060	12,244,763
Operating expenses		
Salaries and wages	6,650,789	7,026,930
Employee benefits	2,161,778	1,336,542
Professional and other fees	3,110,600	2,613,687
Supplies	1,314,544	1,690,733
Purchased services	323,083	267,897
Utilities and phone	467,207	304,663
Rents and leases	40,093	54,301
Insurance	347,267	299,671
Depreciation and amortization	507,672	261,241
Other operating expenses	<u>366,820</u>	<u>290,816</u>
Total operating expenses	<u>15,289,853</u>	<u>14,146,481</u>
Operating income (loss)	(3,021,793)	(1,901,718)
Nonoperating revenues (expenses)		
District tax revenues	370,065	363,046
Investment income	587	762
Interest expense	(119,104)	(71,462)
Loss on disposal of assets		
Grants and contributions	<u>731,159</u>	<u>1,888,874</u>
Total nonoperating revenues (expenses)	<u>982,707</u>	<u>2,181,220</u>
Increase in net position	(2,039,086)	279,502
Net position at beginning of the year	<u>4,593,394</u>	<u>4,313,892</u>
Net position at end of the year	<u>\$ 2,554,308</u>	<u>\$ 4,593,394</u>

See accompanying notes and auditor's report

Statements of Cash Flows

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from patients and third-parties on behalf of patients	\$ 10,619,583	\$ 11,854,310
Cash received from operations, other than patient services	692,285	121,377
Cash payments to suppliers and contractors	(8,034,408)	(7,021,309)
Cash payments to employees and benefit programs	<u>(6,630,566)</u>	<u>(7,011,777)</u>
Net cash (used in) operating activities	(1,627,479)	(2,057,399)
Cash flows from noncapital financing activities:		
District tax revenues	370,065	363,046
Grants and contributions	<u>731,159</u>	<u>1,888,874</u>
Net cash provided by (used in) noncapital financing activities	1,101,224	2,251,920
Cash flows from capital and related financing activities:		
Purchase of capital assets and other	(252,654)	(989,487)
Proceeds from debt borrowings	4,058,376	1,167,528
Principal payments on debt borrowings	(1,351,195)	(429,306)
Interest on debt borrowings, net of capitalized interest	<u>(119,104)</u>	<u>(71,462)</u>
Net cash provided by (used in) capital financing activities	2,335,423	(322,727)
Cash flows from investing activities:		
Net change in assets limited as to use		(2)
Interest received from investments, net of capitalized interest	<u>587</u>	<u>762</u>
Net cash provided by (used in) investing activities	<u>587</u>	<u>760</u>
Net increase (decrease) in cash and cash equivalents	1,809,755	(127,446)
Cash and cash equivalents at beginning of year	<u>1,500,003</u>	<u>1,627,449</u>
Cash and cash equivalents at end of year	<u>\$ 3,309,758</u>	<u>\$ 1,500,003</u>

See accompanying notes and auditor's report

Statements of Cash Flows (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2022</u>	<u>2021</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (3,021,793)	\$ (1,901,718)
Adjustments to reconcile operating income to net cash (used in) operating activities:		
Depreciation and amortization	507,672	261,241
Provision for uncollectible accounts	24,967	19,487
Changes in operating assets and liabilities:		
Patient accounts receivables	(15,229)	(432,599)
Other receivables	864,661	(860,966)
Inventories	229	9,064
Prepaid expenses and deposits	(5,138)	5,562
Accounts payable and accrued expenses	101,893	(177,625)
Accrued payroll and related liabilities	20,223	15,153
Estimated third party payor settlements	<u>(104,964)</u>	<u>1,005,002</u>
Net cash provided by (used in) operating activities	<u>\$ (1,627,479)</u>	<u>\$ (2,057,339)</u>

See accompanying notes and auditor's report

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

June 30, 2022

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Soledad Community Health Care District (the District) is a public entity healthcare district organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the district to specified terms of office. The District is located in Soledad, California and operates a 59-bed skilled nursing facility and a rural health care clinic. The District provides health care services primarily to those who reside in the area.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Management's Discussion and Analysis: The management's discussion and analysis is a narrative introduction and analytical overview of the District's financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management's discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Patient Accounts Receivable: Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The District manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectibility and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Contractual allowances are the difference between the full gross charge by the District and the contracted amount of payment with third-party payors. Uncollectible accounts (or provisions for bad debts) arise when a private patient is responsible for payment on an account and that payment is in doubt as to whether or not it might be collected. Significant concentrations of patient accounts receivable are discussed further in these footnotes.

Inventories: Inventories are consistently reported from year to year at cost determined on a combination of first-in, first-out (FIFO) basis for certain types of inventory and replacement values which are not in excess of market, for other types of inventory. Inventories consist mainly of medical supplies sold to patients, pharmaceuticals, and dietary supplies.

Assets Limited as to Use: Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. During periods of asset construction, the District capitalizes interest cost net of any interest earned on temporary investments of the proceeds set aside for construction projects funded by tax-exempt debt borrowings. Interest expense is also capitalized for projects financed with operating funds.

Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2022 and 2021, the District has determined that no capital assets are significantly impaired.

Compensated Absences: The District's employees earn paid-time-off (PTO) benefits at varying rates depending on years of service. PTO benefits can accumulate up to specified maximum levels. Employees are paid for PTO accumulated benefits if they leave either upon termination or before retirement. Accrued PTO liabilities as of June 30, 2022 and 2021 were \$275,490 and \$287,071, respectively.

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows of Resources: When present, deferred outflows of resources (formerly termed bond issue costs) are comprised of deferred financing cost of the issuance of certain debt. Amortization of these issuance costs is computed by the straight-line method over the life of the repayment agreements. For current and advance refundings which result in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt, together with any unamortized deferred financing costs, is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, in accordance with GASB 23. Amortization expense was \$-0- and \$-0- for the years ended June 30, 2022 and 2021, respectively.

Risk Management: The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters. In the case of employee health coverage, the District is self-insured for those claims and is discussed further in the footnotes.

Net Position: Net position is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is “restricted” net position. This category consists of externally designated constraints placed on the net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is “unrestricted” net position. This category consists of net position that does not meet the definition or criteria of the previous two categories

Net Patient Service Revenues: Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third-party payors and others including estimated retroactive adjustments under reimbursement agreements with third-party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

Operating Revenues and Expenses: The District's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition: As previously stated, net patient service revenues are reported at amounts that reflect the consideration to which the District expects to be entitled in exchange for patient services. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of third-party payor audits, reviews, and investigations. Generally, the District bills the patients and third-party payors several days after the patient receives healthcare services at the District. Revenue is recognized as services are rendered.

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Payment arrangements include prospectively determined rates per day, discharge or visit, reimbursed costs, discounted charges and per diem payments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Gifts of long-lived assets such as land, buildings, or equipment are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit donor restrictions that specify how the asset is to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived asset is placed in service. Cash received in excess of revenue recognized is deferred revenue.

Contributions are recognized as revenue when they are received or unconditionally pledged. Donor stipulations that limit the use of the donation are recognized as contributions with donor restrictions. When the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions. Donor restricted contributions whose restriction expire during the same fiscal year are recognized as net assets without donor restrictions. Absent donor imposed restrictions, the District records donated services, materials, and facilities as net assets without donor restrictions.

From time to time, the District receives grants from various governmental agencies and private organizations. Revenues from grants are recognized when all eligibility requirements, including time requirements are met. Grants may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

Recently Adopted Accounting Pronouncement: In June, 2017 the Governmental Accounting Standards Board released GASB 87 regarding changes in the way leases are accounted for. GASB 87 superceded GASB 13 and GASB 62 and more accurately portrays lease obligations by recognizing lease assets and lease liabilities on the statement of net position and disclosing key information about leasing arrangements. The District analyzed the possible impact of GASB 87 noting that there were no leases which significantly qualified under this new pronouncement.

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Charity Care: The District accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the District. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off entirely as an adjustment to net patient service revenues.

District Tax Revenues: The District receives approximately 3% of its financial support from property taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date.

NOTE B - CASH AND CASH EQUIVALENTS

As of June 30, 2022 and 2021, the District had deposits invested in various financial institutions in the form of operating cash and cash equivalents amounting to \$3,303,492 and \$1,493,743, respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Financial instruments, potentially subjecting the District to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Although deposits exceed the limit in certain bank accounts, management believes that the risk of loss is minimal due to the high financial quality of the bank with which the District does business. Management further believes that there is no risk of material loss due to concentration of credit risk with regards to investments as the District has no investments in equity funds, closed-end funds, exchange-traded products, or other perceived "at risk" alternatives as of June 30, 2022 and 2021.

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE C - NET PATIENT SERVICE REVENUES

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare: Payments for skilled nursing services rendered to Medicare program beneficiaries are based on prospectively determined rates based on a national patient classification system. Outpatient services are generally paid under an outpatient classification system subject to certain limitations. Outpatient services at the rural health clinic are reimbursed under cost based the cost-based methodology. Certain reimbursement areas are still subject to final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. At June 30, 2022, cost reports through June 30, 2019 have been audited or otherwise final settled. The District has recorded a receivable of \$44,763 as of year end for all open settlements.

Medi-Cal: For traditional Medi-Cal services, payments for skilled nursing services rendered to patients are made based on prospectively determined rates while outpatient payments are based on pre-determined fee schedule. The District is paid for rural health clinic under a prospective payment system (PPS) with final settlement determined after submission of annual PPS reconciliation forms and audits thereof by Medi-Cal. At June 30, 2022, cost reports through June 30, 2018, have been audited or otherwise final settled. The District has recorded a liability of \$3,758,465 due the State as of year end for all open settlements.

Other: Payments for services rendered to other than Medicare and Medi-Cal patients are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

Net patient service revenues summarized by payor are as follows:

	<u>2022</u>	<u>2021</u>
Skilled nursing services daily routine services	\$ 4,472,578	\$ 4,045,254
Rural health care clinic and ancillary services	<u>16,354,710</u>	<u>15,547,678</u>
Gross patient service revenues	20,827,288	19,592,932
Less contractual allowances and provision for bad debts	<u>(9,255,158)</u>	<u>(7,473,191)</u>
Net patient service revenues	<u>\$ 11,572,130</u>	<u>\$ 12,119,741</u>

Medicare and Medi-Cal revenue accounts for approximately 75% of the District's gross patient revenues for each year. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Notes to Financial Statements (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE D - CONCENTRATION OF CREDIT RISK

The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there are any credit risks associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent significant concentrated credit risks to the District. Concentration of patient accounts receivable at June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Skilled nursing center	\$ 252,430	\$ 693,688
Rural health care clinic	<u>3,041,010</u>	<u>1,880,367</u>
Gross patient accounts receivable	3,293,440	2,574,055
Less allowances for contractual adjustments and bad debts	<u>(2,070,167)</u>	<u>(1,341,043)</u>
Net patient accounts receivable	<u>\$ 1,223,273</u>	<u>\$ 1,233,012</u>

NOTE E - OTHER RECEIVABLES

Other receivables as of June 30, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Due from the Foundation	\$ 76,607	\$ 80,252
Grant receivable	8,518	869,521
Interest receivable		<u>13</u>
	<u>\$ 85,125</u>	<u>\$ 949,786</u>

There are no advances to physicians in the form of guarantees or business loans which is generally a common practice in rural health care areas in order to aid in recruiting physicians who may require assistance in establishing their local practice. The District has not entered into these types of agreements as an aid to recruitment and do not plan on entering into these types of agreements in the near future.

Notes to Financial Statements (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE F - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Internally designated or restricted for specific purposes:		
Cash in banks and other financial institutions		
held in restriction for patient residents	\$ 105	\$ 105
Total cash and cash equivalents	<u>\$ 105</u>	<u>\$ 105</u>

NOTE G - RELATED PARTY TRANSACTIONS

The Soledad Community Health Care District Foundation (the Foundation), has been established as a nonprofit public benefit corporation under the Internal Revenue Code Section 501 (c) (3) to solicit contributions for the benefit of the health care needs for the surrounding community in which the District is located . It is not considered a component unit of the District as it's mission is community wide and not restricted solely to the District. Foundation's funds are donated to the District in amounts and in periods determined by the Foundation's Board of Directors, who may also restrict the use of funds for District property and equipment replacement or expansion or other specific purposes. Donations by the Foundation to the District were \$16,649 and \$-0- for the years ended June 30, 2022 and 2021, respectively. The Foundation's net assets (deficit) for the years ended June 30, 2022 and 2021 were \$893 and \$(8,307), respectively.

NOTE H - EMPLOYEES' RETIREMENT PLAN

The District offers a 403(b) retirement compensation plan (the Plan) to eligible employees. The Plan provides certain pension benefits to its participants. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). District has allowed any employee be become eligible to participate in the Plan as of any enrollment date following the date he or she becomes employed by the District. All contributions are voluntary by the employee and they are 100% vested at inception. The District may make a discretionary nonelective contribution to the Plan each year for the benefit of the employees

Notes to Financial Statements (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE I - CAPITAL ASSETS

Capital assets rolled forward to June 30, 2022 and 2021 are as follows:

	<u>Balance at June 30, 2021</u>	<u>Transfers & Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2022</u>
Land and land improvements	\$ 8,148			\$ 8,148
Buildings and improvements	10,704,910			10,704,910
Equipment and vehicles	2,922,823	\$ 243,205	\$ (138,785)	3,027,243
Construction-in-progress	<u>22,681</u>	<u>118,163</u>		<u>140,844</u>
Totals at historical cost	13,658,562	361,368	(138,785)	13,881,145
Less accumulated depreciation for:				
Building and improvements	(4,812,891)	(306,684)		(5,119,575)
Equipment and vehicles	<u>(2,019,412)</u>	<u>(170,917)</u>	<u>30,071</u>	<u>(2,190,329)</u>
Total accumulated depreciation	<u>(6,832,303)</u>	<u>(507,672)</u>	<u>30,071</u>	<u>(7,309,904)</u>
Capital assets, net	<u>\$ 6,826,259</u>	<u>\$ (146,304)</u>	<u>\$ (108,714)</u>	<u>\$ 6,571,241</u>

	<u>Balance at June 30, 2020</u>	<u>Transfers & Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2021</u>
Land and land improvements	\$ 8,148			\$ 8,148
Buildings and improvements	6,785,448	\$ 3,919,462		10,704,910
Equipment	2,268,999	653,824		2,922,823
Vehicles	<u>3,606,480</u>	<u>(3,583,799)</u>		<u>22,681</u>
Totals at historical cost	12,669,075	989,487		13,658,562
Less accumulated depreciation for:				
Building and improvements	(4,665,160)	(147,731)		(4,812,891)
Equipment	<u>(1,905,902)</u>	<u>(113,510)</u>		<u>(2,019,412)</u>
Total accumulated depreciation	<u>(6,571,062)</u>	<u>(261,241)</u>		<u>(6,832,303)</u>
Capital assets, net	<u>\$ 6,098,013</u>	<u>\$ 728,246</u>	<u>\$</u>	<u>\$ 6,826,259</u>

Notes to Financial Statements (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE J - DEBT BORROWINGS

As of June 30, 2022 and 2021, debt borrowings are as follows:

	<u>2022</u>	<u>2021</u>
Loan payable to a bank; principal due March 24, 2022; interest due monthly and charged at 4.75%; secured by District assets:	\$ -0-	\$ 250,000
Loan payable to a bank; principal and interest due monthly in the amount of \$5,763.46; interest charged at 4.99%; final payment due July 15, 2023; secured by District assets:	3,878,313	201,994
Loan payable to a bank; principal due March 24, 2022; interest due monthly and charged at 4.25%; secured by District assets:	-0-	600,000
Capital lease payable to a bank; principal and interest due monthly in the amount of \$346; interest charged at bank's rate; final payment due September 15, 2026; secured by District assets:	12,170	-0-
Capital lease payable to a bank; principal and interest due monthly in the amount of \$613; interest charged at bank's rate; final payment due October 15, 2026; secured by District assets:	24,625	-0-
Capital lease payable to a bank; principal and interest due monthly in the amount of \$2,004.75; interest charged at bank's rate; final payment due June 20, 2024; secured by District assets:	156,495	72,171
Capital lease payable to a bank; principal and interest due monthly in the amount of \$6,380.39; interest charged at 5.479%; final payment due September 1, 2024; secured by District assets:	-0-	216,756
Other minor debt borrowings:	<u>-0-</u>	<u>23,501</u>
	4,071,603	1,364,422
Less current maturities of debt borrowings	<u>(131,986)</u>	<u>(1,013,038)</u>
	<u>\$ 3,939,617</u>	<u>\$ 351,384</u>

Future principal maturities for debt borrowings for the next four succeeding years are: \$131,986 in 2023; \$133,789 in 2024; \$134,963 in 2025; and \$136,325 in 2026.

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE K - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2022, the District has \$140,844 recorded construction-in-progress representing cost capitalized for new building or remodeling expansion projects on the District's premises. As of June 30, 2021, there was no interest expense related to construction of any District projects that was capitalized.

Operating Leases: The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2022 and 2021 was \$40,093 and \$54,301, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2022, that have initial or remaining lease terms in excess of one year are not considered material.

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2022 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

Medical Malpractice Insurance: The District maintains commercial malpractice liability insurance coverage under a claims made and reported policy covering losses up to \$1 million per claim and \$3 million in the annual aggregate, with a per claim deductible of \$10,000. The District plans to maintain the insurance coverage by renewing its current policy, or by replacing it with equivalent insurance.

Workers Compensation Program: The District is a participant in the Association of California Hospital District's Alpha Fund (the Fund) which administers a self-insured worker's compensation plan for participating hospital employees of its member hospitals. The District pays premiums to the Fund which are adjusted annually. If participation in the Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the Fund.

Regulatory Environment: The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE K - COMMITMENTS AND CONTINGENCIES (continued)

Health Insurance Portability and Accountability Act: The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Management believes the District is in compliance with HIPAA as of June 30, 2022 and 2021.

NOTE L - INVESTMENTS

The District's investment balances and average maturities were as follows at June 30, 2022 and 2021:

<i>As of June 30, 2022</i>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
Local agency investments fund	\$ 15,898	\$ 15,898		
Total investments	<u>\$ 15,898</u>	<u>\$ 15,898</u>	<u>\$</u>	<u>\$</u>

<i>As of June 30, 2021</i>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
Local agency investment fund	\$ 15,854	\$ 15,854		
Total investments	<u>\$ 15,854</u>	<u>\$ 15,854</u>	<u>\$</u>	<u>\$</u>

The District's investments are reported at fair value as previously discussed. The District's investment policy allows for various forms of investments generally set to mature within a few months to others over 15 years. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a position of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations. Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the District's investments by maturity.

Notes to Financial Statements (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE L - INVESTMENTS (continued)

Credit Risk: Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody's Investor Service, Inc. The District's investment policy for corporate bonds and notes is to invest in companies with total assets in excess of \$500 million and having a "A" or higher rating by agencies such as Moody's or Standard and Poor's.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investments are generally held by broker-dealers or bank's trust departments used by the District to purchase securities.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment allows concentrations of over 5% in government-backed securities.

Investment Hierarchy - The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The District investments are solely measured by Level 1 inputs and does not have any investments that are measured using Level 2 or 3 inputs.

NOTE M - SIGNIFICANT UNUSUAL TRANSACTIONS

CARES Act Funding - The COVID-19 pandemic, whose effects first became known in January 2020, had a broad and negative effect disrupting both the domestic and global economies. During the fiscal years 2022 and 2021, the District noted the adverse impact on District operations with revenue declines and additional labor, supply and other costs. These declines were a direct result of the impact of the pandemic, forcing federal and state requirements to restrict travel, require social distancing, and enhanced infection control practices, leading to reduced patient contacts and a reduced availability of on-site workforce.

The District has received COVID-19 related funding due to the CARES Act. Usage of these funds are reported via the "Reporting Portal" developed by the federal department of Health Resources & Services Administration (HRSA). The first report was submitted at the end of November, 2021 where the District reported on the usage of the first period of funding of \$780,312 received starting from April 10, 2020 through June 30, 2020. Other funds received after June 30, 2020 were reported as required through the same HRSA portal.

Notes to Financial Statements (continued)

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

NOTE N - PRIOR PERIOD ADJUSTMENT

During the audit it was noted that there had been an error in the original filing of the June 30, 2019 PPS reconciliation with the State of California whereas the liability had been understated by approximately \$416,311. This adjustment had the effect of reducing the June 30, 2019 net position by \$416,311, which amount then carried forward to reduce the beginning net position at July 1, 2021 by that same amount. Net position as of June 30, 2021 has been restated as a result.

NOTE O - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through May 3, 2023, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon Avenue, Suite 211, Fresno, California 93720

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Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
Soledad Community Health Care District
Soledad, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Soledad Community Health Care District (the District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated May 3, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JWT & Associates, LLP

Fresno, California
May 3, 2023

Soledad Community Health Care District

Balance Sheet

As of April 30, 2023

	<u>30-Apr-23</u>	<u>30-Apr-22</u>	<u>Variance</u>
Assets			
Current Assets			
Cash & Cash Equivalents	1,416,210	3,133,941	(1,717,731)
Assets Limited as to Use - Current	16,279	16,003	276
Patient Accounts Receivable - Net	2,245,222	1,421,837	823,385
Other Receivables	231,503	80,342	151,161
Inventories	113,144	113,373	(229)
Prepaid Expenses & Deposits	138,198	133,890	4,308
	<u>4,160,556</u>	<u>4,899,386</u>	<u>(738,830)</u>
Fixed Assets:			
Buildings & Improvements	10,713,058	10,713,058	-
Equipment	3,027,243	2,922,824	104,419
Construction in Progress	148,315	635,544	(487,229)
	<u>13,888,616</u>	<u>14,271,426</u>	<u>(382,810)</u>
Accum Depr	(7,735,024)	(7,247,181)	(487,843)
	<u>6,153,592</u>	<u>7,024,245</u>	<u>(870,653)</u>
Total Assets	<u>10,314,148</u>	<u>11,923,631</u>	<u>(1,609,483)</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	465,353	451,820	13,533
Accrued Payroll & Benefits	628,095	601,832	26,263
Estimated Third Party Settlements	2,641,472	2,097,664	543,808
1st Capital Bank - Line of Credit	250,000	-	250,000
Current Portion - Long-term Debt	140,229	193,795	(53,566)
	<u>4,125,149</u>	<u>3,345,111</u>	<u>780,038</u>
Long-Term Debt:	<u>3,827,291</u>	<u>4,215,952</u>	<u>(388,661)</u>
Total Liabilities	<u>7,952,440</u>	<u>7,561,063</u>	<u>391,377</u>
Net Assets (Assets Minus Liabilities)	<u>2,361,708</u>	<u>4,362,568</u>	<u>(2,000,860)</u>
Summary of Net Assets			
Beginning of Year - July 1st	2,554,308	5,009,704	
Increase <Decrease> in Net Assets	(192,600)	(647,136)	
End of Period	<u>2,361,708</u>	<u>4,362,568</u>	
Number of Days of Cash on Hand	<u>38.50</u>	<u>98.86</u>	

Soledad Community Health Care District

Statement of Revenues, Expenses, and Changes in Net Assets

For the Ten Months Ended:

April 30, 2023

	<u>30-Apr-23</u>	<u>30-Apr-22</u>	<u>Variance</u>
Operating Revenues:			
Medical Services	17,223,516	17,731,064	(507,548)
Contractual Adjustments	(5,372,072)	(7,008,569)	1,636,497
	11,851,444	10,722,495	1,128,949
Other Operating Revenues	147,263	807,947	(660,684)
	<u>11,998,707</u>	<u>11,530,442</u>	<u>468,265</u>
Operating Expenses:			
Salaries & Wages	5,865,777	6,054,499	(188,722)
Professional Fees	2,865,380	2,441,776	423,604
Employee Benefits	1,270,479	1,374,719	(104,240)
Supplies	1,214,610	1,111,435	103,175
Utilities	338,080	301,463	36,617
Purchased Services	267,513	375,590	(108,077)
Other Operating Expenses	247,588	260,008	(12,420)
Insurance	228,502	214,757	13,745
Rents and Leases	33,153	36,141	(2,988)
	<u>12,331,082</u>	<u>12,170,388</u>	<u>160,694</u>
Operating Income <Loss> Before Depreciation	(332,375)	(639,946)	307,571
Less Depreciation	(425,120)	(414,878)	(10,242)
Operating Income <Loss> After Depreciation	(757,495)	(1,054,824)	297,329
Non-Operating Revenues <Expenses>			
District Property Tax Revenues	388,724	357,171	31,553
Grants & Contributions	346,536	126,215	220,321
Investment Income	1,156	475	681
Interest Expense	(171,521)	(76,173)	(95,348)
	<u>564,895</u>	<u>407,688</u>	<u>157,207</u>
Increase <Decrease> in Net Assets	<u>(192,600)</u>	<u>(647,136)</u>	<u>454,536</u>
Summary of Income by Operation			
Eden Valley Care Center	564,209	(300,436)	864,645
Clinic & Women's Health Center	(221,865)	(624,495)	402,630
District	(534,944)	277,795	(812,739)
	<u>(192,600)</u>	<u>(647,136)</u>	<u>454,536</u>
Other Items:			
Contractual Adjustments %	<u>31.19%</u>	<u>39.53%</u>	
Salaries to Gross Revenues	<u>34.06%</u>	<u>34.15%</u>	
Professional Fees to Gross Revenues	<u>16.64%</u>	<u>13.77%</u>	

Soledad Community Health Care District

Account Summaries

Description	30-Apr-23	30-Apr-22	Variance
Cash & Cash Equivalents:			
1st Capital Bank	1,055,162	2,718,182	(1,663,020)
Mechanics Bank	350,974	403,009	(52,035)
US Bank	3,793	6,484	(2,691)
Petty Cash	6,281	6,266	15
Totals	1,416,210	3,133,941	(1,717,731)

Accounts Receivable			
Eden Valley - Net	1,466,577	377,002	1,089,575
Clinic - Net	778,645	1,044,835	(266,190)
Totals	2,245,222	1,421,837	823,385

Summary of Income by Month

July	(306,626)	(40,437)	
August	(446,273)	(313,012)	
September	(82,121)	(149,593)	
October	(58,172)	56,673	
November	(173,506)	888	
December	104,729	426,457	
January	(147,174)	46,058	
February	383,104	(115,084)	
March	123,144	(287,226)	
April	149,295	(381,860)	
May			
June			
Totals	(453,600)	(757,136)	303,536
Grants Received	261,000	110,000	Favorable
	(192,600)	(647,136)	<Unfavorable>

Gross Revenues by Type

Medical Clinic	11,274,860	65.46%	
Medicare	1,969,880	11.44%	33.11%
Medi-Cal	3,105,768	18.03%	52.21%
Private	328,254	1.91%	5.52%
Other	544,754	3.16%	9.16%
Totals	17,223,516	100.00%	100.00%

Soledad Community Health Care District

Account Summaries

<u>Eden Valley Care Center by Dept</u>	<u>30-Apr-23</u>	<u>30-Apr-22</u>	<u>Variance</u>
Revenues - Net			
Medi-Cal	2,998,661	2,410,186	588,475
Medicare	2,427,011	2,463,636	(36,625)
Other Insurance	409,941	250,197	159,744
Private	327,109	420,922	(93,813)
Other Income	79,958	622,975	(543,017)
	<u>6,242,680</u>	<u>6,167,916</u>	<u>74,764</u>
Expenses:			
Medicare Certified Unit	2,080,910	2,156,203	(75,293)
General Administration	970,466	1,465,890	(495,424)
Employee Benefits	480,168	527,653	(47,485)
Dietary	439,641	432,301	7,340
Nursing Administration	365,397	173,251	192,146
Physical, Occupational & Speech Therapy	286,606	359,051	(72,445)
Plant Operations & Maintenance	264,030	420,037	(156,007)
Housekeeping and Laundry	231,126	256,387	(25,261)
Taxes, Insurance, Depreciation, Interest	209,898	203,096	6,802
Activities, Education & Soda Shop	184,443	279,370	(94,927)
Medical Records, Central Supply, Pharmacy	165,786	195,113	(29,327)
	<u>5,678,471</u>	<u>6,468,352</u>	<u>(789,881)</u>
Net Income <Loss>	<u>564,209</u>	<u>(300,436)</u>	<u>864,645</u>

<u>Eden Valley Care Center by Type</u>	<u>30-Apr-23</u>	<u>30-Apr-22</u>	<u>Variance</u>
Revenues - Net			
Medi-Cal	2,998,661	2,410,186	588,475
Medicare	2,427,011	2,463,636	(36,625)
Other Insurance	409,941	250,197	159,744
Private	327,109	420,922	(93,813)
Other Income	79,958	622,975	(543,017)
	<u>6,242,680</u>	<u>6,167,916</u>	<u>74,764</u>
Expenses:			
Salaries	3,273,293	3,843,451	(570,158)
Benefits	753,162	876,690	(123,528)
Professional Fees	511,028	373,359	137,669
Supplies	462,388	458,877	3,511
Utilities	239,377	198,313	41,064
Insurance	142,288	129,531	12,757
Purchased Services	132,843	322,871	(190,028)
Other Operating Expenses	100,422	203,853	(103,431)
Depreciation	63,670	61,407	2,263
	<u>5,678,471</u>	<u>6,468,352</u>	<u>(789,881)</u>
Net Income <Loss>	<u>564,209</u>	<u>(300,436)</u>	<u>864,645</u>

Soledad Community Health Care District

Account Summaries

<u>Soledad Medical Clinic / Women's Health Center</u>	<u>30-Apr-23</u>	<u>30-Apr-22</u>	<u>Variance</u>
Revenues - Net			
Gross Revenues	11,274,860	12,329,083	(1,054,223)
Contractual Adjustments	(5,586,138)	(7,151,529)	1,565,391
Other Revenues	265,888	151,850	114,038
	<u>5,954,610</u>	<u>5,329,404</u>	<u>625,206</u>
Expenses:			
Salaries	2,016,946	2,081,815	(64,869)
Professional Fees	1,228,717	703,586	525,131
Doctors	899,012	1,301,026	(402,014)
Supplies	741,740	652,558	89,182
Employee Benefits	451,964	486,414	(34,450)
Depreciation	360,210	348,426	11,784
Interest Expense	171,521	66,343	105,178
Utilities	98,702	103,150	(4,448)
Other Operating Expenses	79,989	91,379	(11,390)
Insurance	66,434	66,483	(49)
Purchased Services	61,240	52,719	8,521
	<u>6,176,475</u>	<u>5,953,899</u>	<u>222,576</u>
Net Income <Loss>	<u>(221,865)</u>	<u>(624,495)</u>	<u>402,630</u>

<u>Summary of Income by Month</u>	<u>Apr 2023</u>	<u>Jul - Mar</u>	<u>Total</u>
Eden Valley Care Center	261,817	366,062	627,879
Soledad Medical Clinic / Women's Health Center	19,687	118,658	138,345
District	<u>41,303</u>	<u>(575,007)</u>	<u>(533,704)</u>
Sub-Total	322,807	(90,287)	232,520
Depreciation	<u>(42,512)</u>	<u>(382,608)</u>	<u>(425,120)</u>
Totals	<u>280,295</u>	<u>(472,895)</u>	<u>(192,600)</u>

Soledad Community Health Care District

Account Summaries

Summary of Cash Flows:

Cash Flows for Ten Months:

Increase <Decrease> in Net Assets	(192,600)
Add: Increase in Line of Credit	250,000
Depreciation	425,120
Increase in Accounts Payable	33,914
Less: Increase in Limited Assets	(276)
Purchase of Equipment	(7,471)
Decrease in Accrued Payroll	(9,337)
Increase in Prepaids	(32,360)
Payment of Long-Term Debt	(104,083)
Payment of Third Party Settlement	(1,072,230)
Increase in Accounts Receivable	<u>(1,168,327)</u>
Increase <Decrease> in Cash	<u>(1,877,650)</u>

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

Eden Valley Care Center - Budget to Actual

Operating Budget FY 2022-2023

	<u>Eden Valley Care Center</u>	<u>10 Months Budget YTD</u>	<u>10 Months Actual YTD</u>	<u>Variance</u>
Operational Revenues:				
Gross Patient Revenues	6,569,000	5,474,170	5,948,656	474,486
Contractual Adjustments	110,000	91,665	214,066	122,401
Other Operating Revenues	331,000	275,835	72,196	(203,639)
	<u>7,010,000</u>	<u>5,841,670</u>	<u>6,234,918</u>	<u>393,248</u>
Operational Expenditures:				
Salaries	3,772,500	3,143,750	3,273,293	(129,543)
Professional Fees	467,250	389,375	511,028	(121,653)
Employee Benefits	932,700	777,250	753,162	24,088
Supplies	392,150	326,790	462,388	(135,598)
Utilities	269,800	224,835	239,377	(14,542)
Insurance & Taxes	175,000	145,835	142,288	3,547
Purchased Services	162,000	135,000	132,843	2,157
Other Operating Expenses	106,600	88,835	85,947	2,888
Rents & Leases	20,500	17,080	14,475	2,605
	<u>6,298,500</u>	<u>5,248,750</u>	<u>5,614,801</u>	<u>(366,051)</u>
Gross Margin	<u>711,500</u>	<u>592,920</u>	<u>620,117</u>	<u>27,197</u>
General & Administrative				
Depreciation	76,500	63,750	63,670	80
Total General & Administrative	<u>76,500</u>	<u>63,750</u>	<u>63,670</u>	<u>80</u>
Net Margin	<u>635,000</u>	<u>529,170</u>	<u>556,447</u>	<u>27,277</u>
Other Income <Expenditure>				
Grants and Contributions	15,000	12,500	7,750	(4,750)
Investment Income	-	-	12	12
	<u>15,000</u>	<u>12,500</u>	<u>7,762</u>	<u>(4,738)</u>
Net Surplus <Deficit>	<u>650,000</u>	<u>541,670</u>	<u>564,209</u>	<u>22,539</u>

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

Medical Clinic - Budget to Actual

Operating Budget FY 2022-2023

	<u>Medical Clinic Womens Health</u>	<u>10 Months Budget YTD</u>	<u>10 Months Actual YTD</u>	<u>Variance</u>
Operational Revenues:				
Gross Patient Revenues	14,347,500	11,956,250	11,274,860	(681,390)
Contractual Adjustments	(7,892,500)	(6,577,085)	(5,586,138)	990,947
Other Operating Revenues	365,000	304,170	67,665	(236,505)
	<u>6,820,000</u>	<u>5,683,335</u>	<u>5,756,387</u>	<u>73,052</u>
Operational Expenditures:				
Salaries	2,235,975	1,863,315	2,016,946	(153,631)
Professional Fees	2,299,600	1,916,330	2,127,729	(211,399)
Employee Benefits	445,660	371,385	451,964	(80,579)
Supplies	964,500	803,750	741,740	62,010
Utilities	125,175	104,315	98,702	5,613
Insurance & Taxes	197,900	164,915	66,434	98,481
Purchased Services	67,800	56,500	61,240	(4,740)
Other Operating Expenses	48,490	40,410	74,800	(34,390)
Rents & Leases	9,625	8,020	5,189	2,831
	<u>6,394,725</u>	<u>5,328,940</u>	<u>5,644,744</u>	<u>(315,804)</u>
Gross Margin	<u>425,275</u>	<u>354,395</u>	<u>111,643</u>	<u>(242,752)</u>
General & Administrative				
Depreciation	432,275	360,230	360,210	20
Total General & Administrative	<u>432,275</u>	<u>360,230</u>	<u>360,210</u>	<u>20</u>
Net Margin	<u>(7,000)</u>	<u>(5,835)</u>	<u>(248,567)</u>	<u>(242,732)</u>
Other Income <Expenditure>				
Grants and Contributions	222,500	185,415	197,786	12,371
Investment Income	250	210	437	227
Interest Expense	(213,000)	(177,500)	(171,521)	5,979
	<u>9,750</u>	<u>8,125</u>	<u>26,702</u>	<u>18,577</u>
Net Surplus <Deficit>	<u>2,750</u>	<u>2,290</u>	<u>(221,865)</u>	<u>(224,155)</u>

SOLEDAD COMMUNITY HEALTH CARE DISTRICT

District - Budget to Actual

Operating Budget FY 2022-2023

	<u>District</u>	<u>10 Months Budget YTD</u>	<u>10 Months Actual YTD</u>	<u>Variance</u>
Operational Revenues:				
Gross Patient Revenues	-	-	-	-
Contractual Adjustments	-	-	-	-
Other Operating Revenues	10,000	8,335	7,402	(933)
	<u>10,000</u>	<u>8,335</u>	<u>7,402</u>	<u>(933)</u>
General & Administrative (District)				
Salaries	642,650	535,540	575,539	(39,999)
Professional Fees	202,800	169,000	226,623	(57,623)
Other Expenses	75,900	63,250	160,270	(97,020)
Employee Benefits	74,525	62,105	65,354	(3,249)
Insurance	23,625	19,690	19,780	(90)
Rents & Leases	17,625	14,690	13,489	1,201
Supplies	11,150	9,290	10,482	(1,192)
Depreciation	1,500	1,250	1,240	10
Total General & Administrative	<u>1,049,775</u>	<u>874,815</u>	<u>1,072,777</u>	<u>(197,962)</u>
Net Margin	<u>(1,039,775)</u>	<u>(866,480)</u>	<u>(1,065,375)</u>	<u>(198,895)</u>
Other Income <Expenditure>				
Property Taxes	375,000	312,500	388,724	76,224
Grants and Contributions	11,625	9,690	141,000	131,310
Investment Income	400	335	707	372
	<u>387,025</u>	<u>322,525</u>	<u>530,431</u>	<u>207,906</u>
Net Surplus <Deficit>	<u>(652,750)</u>	<u>(543,955)</u>	<u>(534,944)</u>	<u>9,011</u>

2023 MONTHLY CENSUS FOR EDEN VALLEY

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
<u>AVERAGE DAILY CENSUS</u>												
MEDICARE	14	25	23	26								
PRIVATE	3	4	5	3								
MEDI-CAL	24	23	24	26								
HOSPICE												
TOTAL	41	52	52	55	0	0	0	0	0	0	0	0
<u>OCCUPANCY</u>												
DAYS IN MONTH	31	28	31	30	31	30	31	31	30	31	30	31
TOTAL POSSIBLE DAYS	1,643	1,484	1,643	1,590	1,643	1,590	1,643	1,643	1,590	1,643	1,590	1,643
TOTAL ACTUAL DAYS	1,264	1,452	1,587	1,647								
OCCUPANCY PERCENTAGE	77%	98%	97%	104%	0%	0%	0%	0%	0%	0%	0%	0%
NUMBER-OF FACILITY BEDS	53	53	53	59	59	59	59	59	59	59	59	59
NUMBER OF BEDS AVAILABLE	12	1	1	4	59	59	59	59	59	59	59	59

2022 MONTHLY CENSUS FOR EDEN VALLEY

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
<u>AVERAGE DAILY</u>												
<u>CENSUS</u>												
MEDICARE	11	9	5	9	6	5	7	6	8	8	6	8
PRIVATE	5	4	3	3	4	4	3	3	3	4	4	3
MEDI-CAL	21	23	21	22	21	20	22	22	20	19	21	23
HOSPICE												
TOTAL	37	36	29	34	31	29	32	31	31	31	31	34
<u>OCCUPANCY</u>												
DAYS IN MONTH	31	28	31	30	31	30	31	31	30	31	30	31
TOTAL POSSIBLE DAYS	1,643	1,484	1,643	1,590	1,643	1,590	1,643	1,643	1,590	1,643	1,590	1,643
TOTAL ACTUAL DAYS	1,139	999	911	1,015	954	882	998	983	934	959	906	1,066
OCCUPANCY PERCENTAGE	69%	67%	55%	64%	58%	55%	61%	60%	59%	58%	57%	65%
NUMBER OF FACILITY BEDS	53	53	53	53	53	53	53	53	53	53	53	53
NUMBER OF BEDS AVAILABLE	16	17	24	19	22	24	21	22	22	22	22	19

2023 PATIENT VISIT COUNTS

STAFF	JAN	Avg Pt. Per Day	FEB	Avg Pt. Per Day	MARCH	Avg Pt. Per Day	APRIL	Avg Pt. Per Day	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC
SMC																
DR. GIRON	319	19	364	19	416	18	330	17								
DR. BELTRAN	227	21	178	18	297	20	193	19								
DR. ROD	179	30	92	31	104	26	121	30								
DR. PEÑA	221	18	213	19	337	18	305	18								
OSKAR LIZARAGGA DAVIS PA-C	312	20	263	20	298	20	274	20								
DR. GAMBOA	189	19	185	17	187	16	124	10								
X-RAY	148	8	141	9	146	9	158	9								
MA VISITS	120	6	87	5	111	5	73	4								
CARE MANAGEMENT	37	2	37	2	35	2	34	2								
LABORATORY	209	12	211	12	254	12	243	15								
AMY UNDERWOOD, PA-C	154	19	206	19	275	18	189	16								
Francisca Bob	102	9	0	0												
WHC																
MARIA SCHELL, NP	339	16	345	18	243	11	287	14								
DR. CHANDLER	53	6	0	0	59	10	135	23								
Hossian (MD)	21	3	42	21	19	5	0									
DR. AGUILERA	58	6	0	0	16	5	0									
ULTRA SOUND	104	7	90	9	88	7	74	7								
MAMMOGRAPHY	57	6	41	14	34	7	50	13								
JULIA SNELL,RD	70	3	60	3	95	4	76	4								
CPSP	118	7	115	10	159	11	136	10								
DR. DE RANIERI	59	7	18	18	0		37	19								
Dr. Barnes	69	8	94	19	38		53	18								
DR. NGUYEN	47	6	18	18	19	5	46	23								
DR. ESTEVA	-	-	81	20	101	14	68	23								
Dr. Wright	55	6	51	26	138	17	21	21								
NST Nurse	27	2	14	4	20	2	33	5								
Dr. Kublan																
Dr. Uphoff/Millner																
COVID																
VACCINES	0	0	34	9	13	2	12									
TOTAL VISITS	3,294	266	2,980	360	3,502	264	3,072	340	-	-	-	-	-	-	-	-

2022 PATIENT VISIT COUNTS

STAFF	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC
SMC												
DR. GIRON	347	310	335	326	382	287	373	416	400	427	358	190
DR. BELTRAN	220	240	248	256	265	223	187	278	263	237	188	287
DR. ROD	169	109	114	109	132	84	119	159	122	113	154	81
DR. JACKSON	394	391	386	456	462	440	205					
DR. SPENCER							166	409	295			
DR. PEÑA	182	174	254	266	266	236	282	306	284	236	286	341
OSKAR LIZARAGGA DAVIS PA-C	324	268	319	287	366	349	189	305	345	272	280	308
X-RAY	94	75	129	84	220	148	129	203	195	154	160	142
MA VISITS	126	56	62	92	97	81	89	96	177	172	182	165
CARE MANAGEMENT	58	33	71	43	41	61	53	49	43	30	33	28
LABORATORY	236	277	249	298	275	208	272	304	285	296	231	230
AMY UNDERWOOD, PA-C	206	182	172	189	149	217	202	226	220	175	206	178
JEANETTE DOLMETSCH, PA-C									75	421	466	355
DR. GAMBOA										189	224	131
Francisca Bob												34
WHC												
MARIA SCHELL, NP	229	310	340	373	380	333	409	397	287	358	306	356
DR. CHANDLER	17	70	111	54	0	0		0	56	59	0	0
DR. ESTEVA	52	65	69	77	100	38	16	53	63	57	45	43
DR. NGUYEN									6	33	34	
DR. AGUILERA	49	37	14	50	76	95	41	48	42	64	97	24
ULTRA SOUND	63	74	109	86	90	93	88	116	108	119	91	44
MAMMOGRAPHY	25	58	44	48	43	25	46	61	50	52	59	50
NST										13	4	12
JULIA SNELL,RD	78	72	85	86	89	28	66	79	83	75	67	104
CPSP	134	137	129	153	131	115	121	136	122	116	102	113
DR. DE RANIERI							33	93	80	46	20	21
Dr. Barnes											2	40
Dr. Kublan	70	83	90	69	106	67	34					
Dr. Uphoff/Millner	35	0	0	0	0	0						
Dr. Wright	42	77	33	79	47	67	114	36	76	59	66	
Hossian (MD)	50	21	61	48	59	40	107	136	81	55	18	45
COVID												
VACCINES	928	468	280	173	100	116	209	135	120	97	148	83
TESTING	566	179	50	80	126	146	246	238	55	43	10	
TOTAL VISITS	4,694	3,766	3,754	3,782	4,002	3,497	3,796	4,279	3,933	3,968	3,837	3,405

Soledad Community

HEALTH CARE DISTRICT

612 Main Street, Soledad, CA 93960

(831) 678-2462 • Fax: (831) 678-1539

RESOLUTION NO. 2023-03

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
SOLEDAD COMMUNITY HEALTH CARE DISTRICT
TO TERMINATE 403(b) PLAN**

WHEREAS, the Board of Directors (“Board”) of Soledad Community Health Care District sponsors and maintains the Soledad Community Health Care District 403(b) Retirement Plan (“403(b) Plan”), the Soledad Community Health Care District 457(b) Plan (“457(b) Plan”), and the Soledad Community Health Care District 401(a) Plan (“401(a) Plan”), collectively referred to as the “Plans”;

WHEREAS, the Board was previously advised of a significant compliance issue with respect to the 403(b) Plan requiring the correction of the problem under the IRS’s Voluntary Compliance Program (“VCP”);

WHEREAS, the Board, upon advice of special outside employee benefits counsel (“Counsel”), adopted Resolution 2021-04, which froze the 403(b) Plan and authorized its submission and correction under VCP;

WHEREAS, the District recently was advised by the IRS that its VCP application with respect to the 403(b) Plan had been accepted and approved, and that the 403(b) Plan as frozen remains a tax-qualified plan;

WHEREAS, District management and Counsel have discussed and analyzed the options available to the District with respect to the frozen 403(b) Plan and have concluded that it would be best interests of the District and the plan’s participants to “terminate” the frozen 403(b) Plan giving all participants the option to make tax-free rollovers of their account balances (either to the District’s 457(b) Plan or to an individual IRA), or to take a taxable distribution of their plan accounts;

WHEREAS, the termination of the 403(b) Plan and the corresponding rollover of participants’ accounts, on a voluntary basis, will simplify the administration of the Plans and save on the costs paid by participants to service the Plans, by decreasing the number of Plans from three to two;

NOW THEREFORE, IT IS HEREBY ORDERED AND DIRECTED AS FOLLOWS:

1. The Board approves the termination of the 403(b) Plan; and

2. The Board authorizes and directs the District's staff to work with the plan administrators to take all such actions deemed necessary or appropriate to implement this resolution.

This Resolution of the Board of Directors of the Soledad Community Health Care District was passed by the following vote of the members of the Board of Directors at a regular meeting on May 25, 2023.

AYES:

NOES:

ABSTENTIONS:

Graig Stephens, Board President
Soledad Community Health Care District



EMPLOYEE HANDBOOK

Updated
June 2023

OUR MISSION

To anticipate and provide services to meet the health care needs of the people we serve

OUR VISION

To provide comprehensive community based health care to meet your family's needs now and in the future

OUR CORE VALUES

Caring | Concerned | Responsive
Respectful | Collaborative
Honesty | Community-Owned



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ABOUT SOLEDAD COMMUNITY HEALTH CARE DISTRICT

It is my pleasure to welcome you as an employee of Soledad Community Health Care District (hereinafter referred to as "the District"). You have become part of an organization that has a long-standing commitment to the Soledad community and takes great pride in its continued development and expanding success.

Established in 1948, Soledad Community Health Care District is the vision of a group of highly dedicated and committed citizens who were intent upon filling the medical needs of their local community. That vision continues today as the District's medical facilities and services continue to grow with expansion plans well into the distant future.

**"We've
Always Been
a Neighbor"**

As employees of the District, we have inherited and share common goals, values and commitment. We are committed to serving the needs of our local residents and we take pride in the quality of the service we provide. We are professional, courteous and caring. We serve with pride and we serve together, embracing the mission, vision and core values of our District.

OUR MISSION

To anticipate and provide services to meet the health care needs of the people we serve.

OUR VISION

To provide comprehensive community-based health care to meet your family's needs now and in the future.

OUR CORE VALUES

- | | |
|--------------|-------------------|
| ❖ Caring | ❖ Collaborative |
| ❖ Responsive | ❖ Honesty |
| ❖ Respectful | ❖ Community Owned |
| ❖ Concerned | ❖ Sustainable |

The district feels a very strong commitment to you as an employee. We want you to feel good about a job well done and we will do our best to give you the tools, training, direction and support necessary to enable you to be successful. Soledad Community Health Care District is a great place to work and we hope you will always feel like a valued and contributing member of our team. If there is anything you need as we strive to meet the needs of our residents and patients, please contact your supervisor or myself.

Congratulations on becoming part of our Team!

Sincerely,

Ida Lopez Chan

*Ida Lopez Chan
Chief Executive Officer*

INTRODUCTION

One of our objectives is to provide a work environment that is conducive to both personal and professional growth. This handbook is designed to acquaint you with Soledad Community Health Care District and to provide you with information about working conditions, your benefits and some of the policies affecting your employment. The policies contained in this Employee Handbook apply to all employees and supersede and replace all previously communicated policies both in written and verbal form. This handbook does not create a contract, expressed or implied.

You should read, seek necessary clarification, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed to benefit you.

No employee handbook can anticipate every circumstance or question about policy. As we continue to grow, the need may arise to change policies described in the handbook. Soledad Community Health Care District therefore reserves the right to revise, supplement, or rescind any policies or portion of the handbook, other than the policy of at-will employment, from time to time as is deemed appropriate. Employees will be notified of revisions/updates to these policies.

Understandably, you will have questions throughout the course of your employment. We encourage you to first ask these questions of your immediate supervisor. If your supervisor is unable to answer your questions, or you do not feel appropriate asking such questions of him/her, you should speak with Human Resources or the CEO.

RESIDENT SERVICE POLICY

For those who serve residents at Soledad Community Health Care District, our goal is to leave a positive, lasting impression with the Residents who choose to do business with us. We accomplish this through caring and professional employees who strive to provide exceptional Resident service by not only meeting but *exceeding* our Residents' expectations in every way possible. By providing excellent quality Resident service, many of our Residents will choose Soledad Community Health Care District again and again and will recommend us to others.

What we say to our Residents and *how* we say it are the basic building blocks to exceptional Resident service. All of us should constantly look for opportunities to enhance the satisfaction of our Residents. This requires a committed, team approach. We are all expected to accommodate Resident requests and needs as they arise. The primary tools in accomplishing this are *knowledge* of your job, the products and services we provide our Residents, and your *attitude* when delivering that knowledge, service or product. Remember to always interact with our Residents in the most pleasant and efficient manner.

DISCUSSING SOLEDAD COMMUNITY HEALTH CARE BUSINESS

Whenever you are on duty, your focus should be on providing courteous, prompt service and Soledad Community Health Care District products, not excuses or complaints from any of us. Our primary concern at all times should be Resident satisfaction. Our Residents neither want nor need to learn of our internal affairs. If problems or difficulties arise or if you have any concerns about any aspect of your employment, communicate directly with management, who will work with you to resolve them.

EMPLOYMENT POLICIES- 1.0

1.1-NATURE OF EMPLOYMENT

Employment is at-will; neither employees nor Soledad Community Health Care District are bound to continue the employment relationship if either chooses, at its will, to end the relationship at any time, with or without advance notice and with or without cause. Additionally, other terms and conditions of employment such as compensation, benefits, title, and duties may be modified at the discretion of Soledad Community Health Care District. The District can also take disciplinary action in its discretion. The policy of at-will employment may be modified only in writing signed by both the CEO and the employee, which specifically cites that it is a modification to the at-will policy.

1.2-EQUAL EMPLOYMENT OPPORTUNITY POLICY

Soledad Community Health Care District is an equal opportunity employer. In accordance with applicable law, we prohibit discrimination and harassment against employees, applicants for employment, individuals providing services in the workplace pursuant to a contract, unpaid interns and volunteers based on their actual or perceived: race (including hairstyles and hair texture traditionally associated with race), religious creed, color, national origin, ancestry, physical or mental disability, medical condition, genetic information or characteristics, marital status (including registered domestic partnership status), sex and gender (including pregnancy, childbirth, lactation and related medical conditions), gender identity and gender expression (including transgender individuals who are transitioning, have transitioned, or are perceived to be transitioning to the gender with which they identify), age (40 and over), sexual orientation, Civil Air Patrol status, military and veteran status and any other consideration protected by federal, state or local law (collectively referred to as "protected characteristics").

For purposes of this policy, discrimination on the basis of "national origin" also includes discrimination against an individual because that person holds or presents the California driver's license issued to those who cannot document their lawful presence in the United States. An employee's or applicant for employment's immigration status will not be considered for any employment purpose except as necessary to comply with federal, state or local law. Our commitment to equal opportunity employment applies to all persons involved in our operations and prohibits unlawful discrimination and harassment by any employee, including supervisors and co-workers.

Soledad Community Health Care District allows employees to self-identify their preferred gender, name and/or pronoun, including gender-neutral pronouns. Soledad Community Health Care District will use an employee's gender or legal name as indicated on a government-issued identification document, only as necessary to meet an obligation mandated by law. Otherwise, Soledad Community Health Care District will identify the employee in accordance with the employee's current gender identity and preferred name.

SOLEDAD COMMUNITY HEALTH CARE DISTRICT WILL NOT TOLERATE DISCRIMINATION OR HARASSMENT BASED UPON THESE CHARACTERISTICS OR ANY OTHER CHARACTERISTIC PROTECTED BY APPLICABLE FEDERAL, STATE OR LOCAL LAW. SOLEDAD COMMUNITY HEALTH CARE DISTRICT ALSO DOES NOT RETALIATE OR OTHERWISE DISCRIMINATE AGAINST APPLICANTS OR EMPLOYEES WHO REQUEST A REASONABLE ACCOMMODATION FOR REASONS RELATED TO DISABILITY OR RELIGION. 1.2-REASONABLE ACCOMMODATION POLICY

To comply with applicable laws ensuring equal employment opportunities to individuals with disabilities, Soledad Community Health Care District will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee (unless undue hardship would result).

Any applicant or employee who requires an accommodation to perform the essential functions of the job should contact Human Resources and request such an accommodation. The applicant or employee should specify what accommodation he or she needs to perform the job. Soledad Community Health Care District then will engage in an interactive process with the applicant/employee to investigate and identify the barriers that interfere with the ability to perform essential functions. Soledad Community Health Care District may request supporting information from the employee's/applicant's medical provider (and will maintain appropriate confidentiality and keep all information obtained in a confidential medical file).

With the applicant's/employee's input, Soledad Community Health Care District will identify possible accommodations, if any, that will enable performance of essential functions. If the requested accommodation is necessary, reasonable and will not impose an undue hardship, Soledad Community Health Care District will make the accommodation. Soledad Community Health Care District retains the ultimate discretion as to what, if any, reasonable accommodation to provide.

1.2-DISCRIMINATION, HARASSMENT AND RETALIATION PREVENTION POLICY

1.2(B)-Prohibited Harassment

Soledad Community Health Care District is committed to providing a work environment that is free of unlawful harassment based on any protected characteristics. As a result, Soledad Community Health Care District maintains a strict policy prohibiting sexual harassment and harassment based on any legally-protected basis, including, but not limited to, actual or perceived race (including hairstyles and hair texture traditionally associated with race), religious creed, color, national origin, ancestry, physical or mental disability, medical condition, genetic information or characteristics, marital status (including registered domestic partnership status), sex and gender (including pregnancy, childbirth, lactation and related medical conditions), gender identity and gender expression (including transgender individuals who are transitioning, have transitioned, or are perceived to be transitioning to the gender with which they identify), age (40 or over), sexual orientation, Civil Air Patrol status, military and veteran status, immigration status or any other consideration protected by federal, state or local law. For purposes of this policy, discrimination on the basis of "national origin" also includes harassment against an individual because that person holds or presents the California driver's license issued to those who cannot document their lawful presence in the United States. All such harassment is prohibited.

The individuals covered by this policy include employees (whether coworkers, supervisors, or managers), temporary workers, applicants for employment, interns, volunteers, and any contractors ("workers"). This Policy prohibits prohibited harassing or discriminatory conduct by any worker or third party doing business with Soledad Community Health Care District. If such harassment or discrimination occurs on Soledad Community Health Care District's premises or is directed toward any worker, the procedures in this policy should be followed.

1.2(C)-Sexual Harassment Defined

Sexual harassment includes unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made a term or condition of employment; or
- Submission to, or rejection of, such conduct is used as a basis for employment decisions affecting the individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive working environment.
- Sexual harassment also includes various forms of offensive behavior based on sex and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list:
- Unwanted sexual advances.

- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct: leering; making sexual gestures; displaying sexually suggestive objects or pictures, cartoons, posters, websites, emails or text messages.
- Verbal conduct: making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about an employee's body or dress.
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature; graphic verbal commentary about an individual's body; sexually degrading words to describe an individual; suggestive or obscene letters, notes or invitations.
- Physical conduct: touching, assault, impeding or blocking movements.
- Retaliation for reporting harassment or threatening to report sexual harassment.

An employee may be liable for harassment based on sex even if the alleged harassing conduct was not motivated by sexual desire. An employee who engages in unlawful harassment may be **personally liable** for harassment even if Soledad Community Health Care District had no knowledge of such conduct.

1.2(D)-Other Types of Harassment

Harassment on the basis of any legally protected classification is prohibited, including harassment based on any of the protected characteristics identified above. This includes conduct such as:

- Verbal conduct including threats, epithets, derogatory comments or slurs based on an individual's protected classification;
- Visual conduct, including derogatory posters, photographs, cartoons, drawings or gestures based on protected classification; and
- Physical conduct, including assault, unwanted touching or blocking normal movement because of an individual's protected status.

1.2(F)-Protection Against Retaliation

Retaliation is prohibited against any **worker** by another employee or by Soledad Community Health Care District for using the complaint procedure, reporting proscribed discrimination or harassment or filing, testifying, assisting or participating in any manner in any investigation or proceeding conducted by the District or by a governmental enforcement agency. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit.

1.2(F)-Harassment involving the Public

The District strictly prohibits harassment of any member of the public by any person conducting District business or otherwise representing the District. While workers are expected to interface with the public as their duties dictate, sometimes in difficult or even volatile situations, workers are not expected to endure actual harassment by members of the public. If a worker feels that he or she is being subject to harassment by a member of the public, the worker should report such harassment, following the procedures set forth below, for investigation and appropriate action.

1.2(G)-DISCRIMINATION, HARASSMENT, AND RETALIATION COMPLAINT PROCEDURE

It is the responsibility of all workers to contribute to a work environment that is free of unlawful bias, discrimination, harassment, and retaliation. Failure to bring forth a complaint prevents the District from having the opportunity to correct the situation. All employees are required to abide by the following procedures. Any employee who believes that he or she has been harassed, discriminated against, or subjected to retaliation in violation of the foregoing policies, or who is aware of such behavior against any other worker, should immediately provide a written or verbal report to your immediate supervisor, Human Resources or to the CEO of Soledad Community Health Care District.

Supervisors and managers who receive complaints under this policy must immediately report such complaints to Human Resources or the CEO. Human Resources must immediately inform the CEO of all harassment complaints (unless the complaint concerns the CEO, in which case Human Resources must inform the Chair of the Board).

1.2(G)-DISTRICT RESPONSE

When a complaint is received, Soledad Community Health Care District will ensure that a fair, timely, thorough and objective investigation is conducted. The scope and nature of the investigation will vary depending on the nature of the underlying allegations. In the District's discretion, the investigation will either be conducted in-house or by an outside investigator. Soledad Community Health Care District expects all employees to fully cooperate with any investigation conducted by Soledad Community Health Care District into a complaint of alleged harassment, discrimination or retaliation. Soledad Community Health Care District will maintain confidentiality surrounding the investigation to the extent possible and to the extent permitted under applicable federal and state law. Complete confidentiality cannot occur, however, due to the need to investigate fully and to take effective remedial action.

Upon completion of the investigation, Soledad Community Health Care District will communicate the confidential findings only (i.e., sustained, not sustained, or inconclusive) to the complainant, the target of the complaint, and others in the work environment with a legitimate need to know. If Soledad Community Health Care District determines that this policy has been violated, remedial action will be taken, commensurate with the severity of the offense, up to and including termination of employment. Appropriate action will also be taken to deter any such conduct in the future.

1.2(G)-EXTERNAL COMPLAINT PROCEDURE

Affected employees may also direct their complaints of harassment, discrimination, or retaliation to the U.S. Equal Employment Opportunity Commission (EEOC) or the California Civil Rights Department (CRD). Both the EEOC and the CRD provide additional information regarding the legal remedies and complaint process available through government agencies.

If a worker thinks he or she has been harassed, discriminated against, or retaliated against for complaining, that person may file a complaint or obtain additional from the following:

California Civil Rights Department

1-888-884-1684

<http://www.crd.ca.gov>

Equal Employment Opportunity Commission

1-800-669-4000

<http://www.eeoc.gov>

1.2(H)-TRAINING

In keeping with our commitment to a harassment free environment, Soledad Community Health Care District will comply with all applicable rules and regulations regarding the training of employees. Pursuant to applicable law, the District provides at least two hours of sexual harassment avoidance training to supervisory employees and at least one hour of sexual harassment training to all non-supervisory employees. Training will be provided

within six months of the supervisor's or employee's assumption of the position and once every two years thereafter. While the District will provide the training program, employees can also access training materials from the California Civil Rights Department's website at <https://calcivilrights.ca.gov/shpt/>.

1.2-ABUSIVE CONDUCT PREVENTION POLICY

It is expected that Soledad Community Health Care District and persons in the workplace perform their jobs productively as assigned, and in a manner that meets all of managements' expectations, during work times, and that they refrain from any malicious, patently offensive or abusive conduct including but not limited to conduct that a reasonable person would find offensive based on any of the protected characteristics described above. Examples of abusive conduct include repeated infliction of verbal abuse, such as the use of malicious, derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the intentional sabotage or undermining of a person's work performance.

1.3-IMMIGRATION LAW COMPLIANCE

We are committed to full compliance with federal immigration laws and will not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act of 1986:

New employees, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Required documentation must be presented within 72 hours of a new employee's first report to work. Failure to present documentation within 72 hours will preclude the employee from returning to work without the required documentation.

Existing employees whose I-9 requires recertification, reverification or update are required to provide documentation in a timely manner; failure to do so has disciplinary consequences, up to separation of employment.

Former employees who are rehired must also complete the form if they have not completed an I-9 with Soledad Community Health Care District within the past three years, or if their previous I-9 is no longer retained or valid.

Employees may raise questions or complaints about immigration law compliance without fear of reprisal by Soledad Community Health Care District.

1.4-EMPLOYEE RELATIONS

This employee handbook outlines our expectations of you as an employee. We also want you to know what you can expect of us. We strongly believe that the working conditions, wages and benefits we offer to you are competitive with those offered by other employers in this industry. If you have concerns about working conditions or compensation, you are encouraged to voice these concerns openly and directly with your immediate supervisor, Human Resources, or the CEO.

Our experience has shown that when employees deal openly and directly with one another, the work environment can be excellent, communications can be clear, and attitudes can be positive. Open communication is a "two-way street," so speak with us if you have any concerns or need questions answered.

1.5-EMPLOYMENT APPLICATIONS

All applicants for employment with the District are required to fully complete Soledad Community Health Care District's electronic Employment Application. We rely upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout

the hiring process and employment. Any misrepresentations, falsifications or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination from employment.

1.6-EMPLOYMENT CATEGORIES

There are employment classifications that determine your employment status and benefits eligibility, though these classifications do not guarantee employment for any specified period of time. Your position is designated as either non-exempt or exempt from federal and state wage and hour laws. Employees in non-exempt positions are entitled to overtime pay as specified by applicable federal and state law. Employees in exempt positions are excluded from overtime and other specific provisions of federal and state wage and hour laws.

“Comp” time is not provided in lieu of pay for employees in either exempt or non-exempt positions. You will be advised of the exempt or non-exempt status of your position upon hire.

In addition to the above classifications, each employee will belong to one of the following employment categories:

1.6(A)-INTRODUCTORY

The initial 90 days (3 months) of employment for newly hired, promoted or transferred employees is when the employee will satisfy waiting periods for certain benefits. It is also a time that both management and the new employee can determine whether the employee’s skills and abilities are a good fit for the position. See Introductory Period below for more detailed information.

1.6(B)-REGULAR

Full-Time

Regular full-time employees are those who are not in a temporary or introductory status and who are regularly scheduled to work at least 32 hours per week. Eligibility for benefits will be listed in each benefit policy later in this handbook.

Part-Time

Part-time employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work more than 20 but less than 32 hours per week. Eligibility for benefits will be listed in each benefit policy later in this handbook.

1.6(C)-TEMPORARY

Temporary employees are those who are hired on a part-time or full-time basis: to provide an interim replacement during a leave of absence; to temporarily supplement the work force (i.e.: peak season); or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration and though a temporary position has an established length of time, there is no guarantee that if an employee is hired to perform a temporary position, the employee will be retained throughout the entire period of the assignment. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change. Eligibility for benefits will be listed in each benefit policy later in this handbook.

1.6(D)-ON-CALL/PER DIEM

Employees who are not scheduled, and who work only as needed and as called in. On-Call employees must provide a minimum of 3-5 shifts per month to maintain their employment status. Eligibility for benefits will be listed in each benefit policy later in this handbook.

1.7-INTRODUCTORY PERIOD

All new and rehired employees work on an introductory basis for the first 90 days (3 months) after hire. The introductory period is intended to give you, as a new employee, the opportunity to complete waiting periods for certain benefits. During this time, you will also have an opportunity to demonstrate your ability to achieve a satisfactory level of performance and to determine whether the

new position meets your expectations. Successful completion of the introductory period does not guarantee continued employment. Either you or Soledad Community Health Care District may end the employment relationship at will, at any time during or after the introductory period, with or without cause or advance notice.

1.8-PERFORMANCE EVALUATIONS

We all strive for a common goal of excellence, therefore the informal evaluation (and possible discussion) of your performance is an ongoing process. In addition, formal performance reviews are conducted on a regular basis. The purpose of these appraisals, or evaluations, is to let you know those areas in which you have performed well, in addition to areas where improvement is needed to meet the established standards.

We will endeavor to conduct a written appraisal of your performance on or about the completion of your introductory period and annually after that with an appraisal period of July 1st to June 30th every year thereafter. Performance reviews may also be conducted at other appropriate times during your employment at Soledad Community Health Care District. It is important to note that while raises based on performance may occur, satisfactory performance reviews do not guarantee increases in salary, promotions or continued employment. Any merit-based increases will be effective October 1st of every year.

Evaluations will be reviewed in a private meeting between you and management. You will see the evaluation, have the opportunity to make your written comments, sign the evaluation and receive a copy. You are welcome to discuss your evaluation further with your supervisor, if you wish.

This formal review is not necessarily the only time job performance is discussed. If you have any questions about how you are doing, or what you can do to improve your performance, please ask us to discuss this with you in private. We attempt to maintain an "open door" policy with regard to personnel matters and welcome your comments anytime.

1.9-WORK SCHEDULES

Office hours are from 8:00 a.m. to 5:00 p.m. Monday through Friday, but the facility is open 24 hours a day, 7 days a week. As a result, work schedules for employees vary throughout our organization. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week. Your supervisor will notify you of your work schedule. You are expected to be in attendance and on time for all of your scheduled shifts.

ACCESS TO PERSONNEL FILES-1.10

Personnel files are the property of Soledad Community Health Care District and access to the information they contain is restricted. Generally only human resources and members of administration who have a legitimate reason to review information in a personnel file, are allowed to do so. If you wish to review your own personnel file, you may do so with reasonable advance notice, and in the presence of a member of the human resources team.

INFORMATION CHANGES-1.11

It is your responsibility to promptly notify us of any changes in important information such as: name, address, telephone number and person(s) to be notified in case of an emergency. Other information such as changes in marital status or dependents may affect the number of exemptions claimed for income tax withholding purposes and/or benefits.

MEDICAL EXAMINATIONS AND ANNUAL HEALTH SCREENINGS-1.12

Pre-employment, post-offer medical examinations and TB screenings may be required in order to be hired into certain designated job categories, as required

by state and federal regulations. These exams/screenings are performed within 7 days of the date of the conditional offer at the expense of the District and by a health care professional chosen by the District. The offer of employment is contingent upon satisfactory completion of the exam/screening. At the applicant's request, the District may accept a copy of a physical exam performed within 90 days immediately prior to the offer of employment. The expense of such an exam will not be covered by the District.

Additionally, current employees will be required to undergo an annual physical examination and TB test in accordance with applicable regulations. Such exams/screenings will be scheduled with a provider selected by the District, at reasonable times, and paid for by the District. The employee may also choose his or her own doctor to perform the exam or testing, at the employee's expense.

State regulations may prohibit certain employment at the District if you have a communicable disease. If you feel you have contracted a communicable disease, you need to report that information to Human Resources immediately. A doctor's certificate documenting that you are free of communicable disease will be required in order to report back to work.

Failure to complete a required physical exam or TB screening within the required time frame will result in removal from the schedule. Non-compliance may result in disciplinary action, up to and including termination.

Medical information and doctor's releases are treated as highly confidential documents and are maintained separately from the employee file. Access to this information is strictly limited to those who have a legitimate need to know.

LICENSE VERIFICATIONS AND BACKGROUND CHECKS-1.13

Pre-employment, post-offer license and background checks required by state and federal regulations for medical facilities that serve vulnerable populations will also be conducted. Potential employees subject to these requirements will be expected to facilitate both types of checks by completing and signing appropriate releases to conduct these checks.

Failure to possess and maintain the correct licensing in good standing or failing mandated background checks will result in suspension and/or termination.

SECURITY INSPECTIONS-1.14

It is our policy to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, the possession, transfer, sale, or use of such materials on Soledad Community Health Care District premises is strictly prohibited. We ask for the cooperation of all employees in administering this policy. Desks, lockers or other storage devices may be provided for the convenience of employees but remain the sole property of Soledad Community Health Care District. Accordingly, they, as well as any articles found within them, can be inspected by any agent or authorized representative of Soledad Community Health Care District at any time, either with or without prior notice. Employees should not have any expectation of privacy in any storage devices provided for their convenience on District premises.

EMPLOYMENT SEPARATION-1.15

We hope you find your employment relationship with Soledad Community Health Care District rewarding and satisfying. However, separation of

employment is an inevitable part of the personnel activity within any organization. Upon separation, all District property, including keys, pagers, uniforms, handbooks, manuals, and other District items and documents, must be returned. Management may schedule an Exit Interview as part of your separation from Soledad Community Health Care District. This interview will allow you to communicate your views on the work experience with our District including the job requirements, general operations, and training needs. All District-owned property, including walkie talkies, keys, cell phones, computer hardware/software, ipads, access cards, parking permits, and identification badges must be returned immediately upon termination of employment.

Below are examples of the more common circumstances under which employment is separated:

Resignation — employment separation initiated by an employee who chooses to leave Soledad Community Health Care District voluntarily. Resigning employees must submit a written Notice of Resignation (available from your supervisor) and are asked to voluntarily provide no less than 2 weeks written notice. Managers and employees in key positions are asked to voluntarily provide 4 weeks written notice of their intention to resign employment. This advance notice is not required, but allows for an effective transition of work.

Circumstances may exist where Soledad Community Health Care District, in its sole and absolute discretion, may exercise its right to accept a resignation immediately or to accelerate the final date of employment. Whether the date designated by the employee or a date selected by Soledad Community Health Care District becomes the employee's last day of work, the employee's personnel records will normally reflect a voluntary resignation.

Employees who fail to report to work for over three (3) consecutive work shifts without proper notification will be considered to have abandoned their job and to have voluntarily resigned from Soledad Community Health Care District.

Involuntary Termination — employment separation initiated by Soledad Community Health Care District.

Layoff / Reduction in Force — involuntary employment separation initiated by Soledad Community Health Care District. Under some circumstances, Soledad Community Health Care District may need to restructure or reduce its workforce. If it becomes necessary to restructure our operations or reduce the number of employees, we will attempt to provide advance notice, if possible, so as to minimize the impact on those affected. If possible, employees subject to restructure or reductions will be informed of the nature and the foreseeable duration of the restructure or reduction, whether short-term, long-term or permanent.

In determining which employees will be subject to a restructure or reduction, we will take into account, among other things, operational requirements, the skills, productivity, ability and past performance of those involved and also, where feasible, the employee's length of service.

Retirement — employee initiated voluntary retirement from active employment. Employees who would like to discuss retirement are encouraged to do so with management. Retiring employees are asked to voluntarily provide as much advance notice as possible.

EMPLOYMENT REFERENCE CHECKS-1.16

We are extremely concerned about the accuracy of information provided to individuals outside Soledad Community Health Care District regarding current or former employees. The District discloses only the dates of employment and last position held. The District will release salary information only with a signed release. Any inquiries, which are received either by telephone or in writing regarding a present or past employee, are to be referred to Human Resources for proper handling. No other employees of Soledad Community Health Care District may provide (either on or off-the-record) any information regarding current or former employees.

REHIRE POLICY- 1.17

If you voluntarily leave the employment of Soledad Community Health Care District in good standing, and with advance notice, you are encouraged to re-apply for employment at a future date. Re-employment is not guaranteed, rather, management may, at its sole discretion, evaluate and determine whether an offer of re-employment is appropriate. Employees who are involuntarily terminated, whose work record is unsatisfactory, or who do not provide advance notice will generally not be considered eligible for rehire for any position within *Soledad Community Health Care District*.

EMPLOYEE CONDUCT AND WORK RULES- 2.0

CODE OF CONDUCT- 2.1

To assure orderly operations and provide the best possible work environment, we expect all employees to follow the rules of conduct listed below, that will protect the interests and safety of you, your co-workers, residents and patients and Soledad Community Health Care District. It is, of course, not feasible to list all the forms of behavior that are considered unacceptable in the workplace. Accordingly, conduct that is unacceptable in Soledad Community Health Care District's opinion, whether specifically listed below or not, may result in corrective action up to and including termination.

- Theft or inappropriate removal or possession of District property
- Falsification of employment records, employment information, timekeeping records or other District records
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage or destruction of District-owned or resident and patient-owned property
- Insubordination or other disrespectful conduct in the workplace
- Using abusive language at any time when on District premises or while performing work
- Violation of safety or health rules
- Sexual or other unlawful harassment
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- Excessive absenteeism or any absence without notice
- Unauthorized absence from work station during the workday
- Failure to provide physician or medical certification when requested or required to do so
- Sleeping or malingering while on-duty
- Unauthorized use of telephones, fax machines, mail system, copiers, computers, or other District-owned equipment, time, materials, or facilities
- Making or accepting excessive personal calls during working hours, except in cases of emergency or extreme circumstances
- Working overtime without authorization or refusing to work assigned overtime
- Unauthorized disclosure of confidential information
- Committing a fraudulent act or a breach of trust under any

circumstances

- Violation of personnel policies or unsatisfactory performance or conduct
- Engaging in criminal conduct

CORRECTIVE ACTION-2.2

Soledad Community Health Care District will ordinarily give notice of problems with conduct or performance in order to provide an opportunity to correct those problems. This may include verbal counseling, written counseling, suspension or demotion as appropriate for the specific situation. The District is not obligated to adhere to any system of progressive discipline. As mentioned earlier throughout this handbook, your employment with Soledad Community Health Care District is always at will, and either you or Soledad Community Health Care District may terminate the employment relationship without notice or warning. Certain conduct or performance problems may result in termination even for the first offense.

ATTENDANCE AND PUNCTUALITY-2.3

To maintain a safe and productive work environment, Soledad Community Health Care District expects all employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on working operations. In the event that you become aware of an anticipated tardiness or absence you must personally call your *supervisor directly* as soon as possible, and no later than two hours prior to the beginning of your scheduled shift. If it is after normal working hours or the supervisor is busy, you should leave a message with a return number. **Notification by text is not allowed.** You are considered tardy if you are late to work and did not notify your department manager.

Excessive absenteeism (three unexpected absences in three months) and excessive tardiness (three tardies in three months), or a combination of absences and tardies (a combined total of three occurrences in three months) may result in counseling or corrective action up to and including termination of employment. Each situation of excessive absenteeism and/or tardiness shall be evaluated on a case-by-case basis. Absences protected by applicable state or federal law do not count as a violation of this policy. Paid sick time protected under California law does not count as a violation of this policy.

Employees who fail to report for work without any notification to management for a period of more three (3) consecutive work shifts will be considered to have abandoned his/her employment and have voluntarily resigned.

WORKPLACE ETIQUETTE- 2.4

Soledad Community Health Care District strives to maintain a positive work environment where employees treat each other with respect and courtesy. Sometimes issues arise when employees are unaware that their behavior in the workplace may be disruptive or annoying to others. Many of these day-to-day issues can be addressed by politely talking with a co-worker to bring the perceived problem to his or her attention. In most cases, common sense will dictate an appropriate resolution. Soledad Community Health Care District encourages all employees to keep an open mind and graciously accept constructive feedback or a request to change behavior that may be affecting another employee's ability to concentrate and be productive.

The following workplace etiquette guidelines are not necessarily intended to be hard and fast work rules with corrective action consequences. They are simply suggestions for appropriate workplace behavior to help everyone be more conscientious and considerate of co-workers and the work environment. Please contact the HR Representative if you have comments, concerns, or suggestions regarding these workplace etiquette guidelines.

- Replace paper in the copy machine and printer paper trays when they are empty.
- Retrieve print jobs in a timely manner and be sure to collect all your pages.
- Keep the area around the copy machine and printers orderly and picked up.
- Be careful not to take or discard others' print jobs or faxes when collecting your own.
- Avoid public accusations or criticisms of other employees. Address such issues privately with those involved or your supervisor.
- Communicate in the most efficient and effective manner possible.
- Be conscious of how your voice travels and try to lower the volume of your voice when talking on the phone or to others in open areas.
- Keep socializing to a minimum and try to conduct conversations in areas where the noise will not be distracting to others.
- Refrain from using inappropriate language (swearing) in the workplace.
- Avoid discussions of your personal life/issues in public conversations that can be easily overheard.
- Clean up after yourself and do not leave waste or discarded papers behind.

EXCHANGING SHIFTS- 2.5

Understandably there will be times when personal conflicts may arise with your scheduled work shift. Management will work with you, whenever possible, to help resolve the problem. If you would like to exchange shifts, first find a replacement (making sure that this will not result in overtime for the other employee) then contact your Supervisor for approval and to arrange for appropriate coverage. Authorization to exchange shifts will depend on many factors including the frequency of request, interference with District operations, and overtime considerations. Note that you are not required to exchange shifts or find replacement coverage if you need to take leave for a reason that qualifies under California's sick leave law.

PERSONAL APPEARANCE- 2.6

Work attire and grooming standards should complement an environment that reflects an efficient, orderly operated business. Acceptable attire will depend greatly on your position and your contact with our residents and patients.

We expect that you will use appropriate discretion regarding your attire. You are to dress in good taste and in accordance with the requirements of your position. Clothing must be neat, clean and pressed. Extreme styles that are revealing or distracting and do not conform to our acceptable dress codes are not permitted. If you have questions or need guidance about dress and appearance standards, please speak with management.

Non Clinical personnel are not allowed to wear open-toed shoes. Authorized medical personnel are expected to wear scrubs that are clean, fitted and pressed and may also choose (but are not required) to wear lab coats/scrub jackets.

PIERCINGS/TATTOOS

The image we portray to our residents and patients is paramount to our success, and while we anticipate that employees will dress appropriately, please note that (with the exception of the conservative use of ear piercings) visible body piercings and facial tattoos are not permitted. Employees may be required to remove the facial/body jewelry, or to cover the tattoos while working. We also reserve the right to request that any visible tattoos on the body that may reasonably be perceived as offensive or against district standards be covered during work time.

JEWELRY

Jewelry (for non-nursing staff) must be moderate and cannot create a potential safety hazard for employees, residents, or patients. Large rings, dangling earrings and other potentially hazardous items are not to be worn.

Failure to meet appearance standards as outlined above may result in disciplinary action up to and including separation of employment.

Exceptions for religious or other reasons must be approved by Soledad Community Health Care District and documentation may be required explaining the justification for the accommodation, with such documentation retained in the employee's personnel file.

UNIFORMS- 2.7

Soledad Community Health Care District has established uniform standards for all medical staff employees. Uniforms must be worn every day you are working. If you come to work without the uniform on, or if the uniform is not in an acceptable appearance, the Soledad Community Health Care District reserves the right to send any employee home who is not in conformance with these uniform guidelines. Non-exempt employees will not be paid for any work time missed due to non-compliance with this policy. The uniform is washable and you will be required to launder and maintain the uniform in good wearing condition. You are responsible for the safekeeping of your uniform. No adornments--such as pins--are authorized as part of the uniform.

NAME BADGES- 2.8

If your job requires you to wear a name badge as a standard part of the uniform or other dress, you will be supplied with a name badge. Badges must be worn during work hours. No decorations or other adornments are permitted on the name badge. A replacement fee may be charged for lost or damaged name badges. Questions regarding name badges should be directed to your supervisor.

REQUEST FOR PERSONAL INFORMATION- 2.9

Pursuant to its policies and legal obligations, Soledad Community Health Care District strives to protect the privacy of personal information about its employees, including their physical and e-mail addresses and telephone numbers, to the maximum extent consistent with law. Personnel information will be kept confidential, except where required by law (i.e., in response to a subpoena, a Court order, or a statutory obligation).



USE OF EQUIPMENT- 2.10

Equipment essential in accomplishing job duties is often expensive and may be difficult to replace. When using Soledad Community Health Care District property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify your manager if any equipment, machines, or tools appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs can prevent deterioration of equipment and possible injury to employees or others. Your manager can answer any questions about an employee's responsibility for maintenance and care of equipment used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in corrective action, up to and including termination of employment.

VEHICLE OPERATION- 2.11

The following policy applies to all employees operating a Soledad Community Health Care District or personally owned vehicle used for District business. Due to the potential seriousness of vehicle infractions/accidents, please understand that failure to comply with the below requirements may result in immediate termination of employment, even for the first offense.

All employees who drive on District business must comply with all traffic laws at all times and maintain a current, valid driver's license that is submitted upon initial employment and may be subject to subsequent annual review. Employees are also required to provide a DMV printout before beginning employment; this information will be provided to the Soledad Community Health Care District's insurance company who will then make a determination as to the approval for driving while on duty. Excessive accidents and/or violations or un-insurability, except at premiums higher than the majority of other District drivers, may result in corrective action up to and including termination of employment if driving is an essential function of that individual's position.

Employees who drive in connection with their work for the District have an affirmative obligation to promptly notify their supervisor or HR Representative of any moving violation, or other violations of motor vehicle laws which may affect their driver's license, insurability or restriction or suspension of their driver's license. Seat belts/shoulder harnesses are to be worn at all times by such employees and being impaired by alcohol, drugs or other substances while operating a vehicle for Soledad Community Health Care District business is not allowed.

DMV Pull-Notice: Additionally, employees who drive in connection with their employment should be aware that the Soledad Community Health Care District participates in the DMV notification process, wherein DMV will notify the Soledad Community Health Care District of any such violations that affect the employees license status (including infractions in personally owned vehicles).

DISTRICT PROPERTY- 2.12

Employees are responsible for all District property, materials, or written information issued to them or in their possession or control. All District property, including desks, storage areas, work areas, lockers, file cabinets, computer systems, office telephones, modems, facsimile machines, copy machines and District vehicles must be kept clean and neat and maintained in good working order. All District property may be used only for business purposes. Employees who willfully lose, misuse or misappropriate District property may be personally liable for replacing or fixing the item and may be subject to corrective action, up to and including termination of employment. You must return all District property immediately upon request or upon separation of employment. Soledad Community Health Care District may take all action deemed appropriate to recover or protect its property.

CONFIDENTIALITY- 2.13

The protection of confidential District information and patient confidentiality is vital to our success and professional integrity. Additionally, there are numerous requirements in the health care field that require the Practice to follow strict regulations around confidentiality and patient care – one such set of regulations, HIPAA, will be discussed in detail separate from this employee handbook. Such confidential information includes, but is not limited to, the following examples:

- Protected Health Information (PHI) as defined by HIPAA
- Personnel information of District employees
- Resident, Patient and Guest Lists
- Resident and patient information, including financial information

Any employee who discloses, without authorization, confidential District information will be subject to corrective action, up to and including possible termination of employment, even if he or she does not actually benefit from the disclosed information.

All resident and patient information is to be held in the strictest confidence. As further detailed in the District's HIPAA guidelines (which you are required to separately acknowledge), medical records and information regarding resident and patient care may be read, shared or discussed only within the following guidelines.

- For reasons specific to the plan of care of the resident and patient.
- Involve only those individuals delivering or assessing the care of the resident and patient.
- Conversations must be discreet and private.
- Records may be copied only in accordance with District policy and established procedures.

All employees will be required to sign an acknowledgment of confidentiality obligations as a condition of employment.

GUEST/CUSTOMER RELATIONS/PRIVACY- 2.14

Our guests expect, and must receive, privacy during their visit with us. Specific care must be taken not to divulge information such as names or addresses, room number of patient, etc. This includes refraining from using names via the 2-way radio communication system. It is mandatory that you refrain from discussing your observations of our guests either within or outside the Soledad Community Health Care District.

HIPAA PRIVACY POLICY- 2.14A

In accordance with the Health Insurance Privacy Accountability Act (HIPAA), it is the policy of our practice that all physicians and staff preserve the integrity and the confidentiality of protected health information (PHI) pertaining to our patients. The purpose of this policy is to ensure that our practice and its physicians and staff have the necessary information and PHI to provide the highest quality medical care possible. To that end, our practice and its physicians and staff will adhere to the standards set forth in a separate document entitled, *Notice of Privacy Practices*.

All physicians and staff must adhere to this policy. Our practice will not tolerate violations of this policy. Violation of this policy is grounds for corrective action, up to and including termination of employment. Violation of the District's privacy practices could also subject you to criminal or professional sanctions by appropriate authorities in accordance with applicable law.

CONFLICTS OF INTEREST- 2.15

All Soledad Community Health Care District employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. Transactions with outside firms must be conducted within a framework established and controlled by the CEO. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in personal gain for that employee or for a relative as a result of Soledad Community Health Care District's business dealings. For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with an employee is similar to that of persons related by blood or marriage.

If you have any influence on transactions involving purchases, contracts, or leases, it is imperative that you disclose to the CEO as soon as possible the existence of any actual or potential conflicts of interest so that safeguards can be established to protect all parties.

The materials, products, designs, plans, ideas, and data of Soledad Community Health Care District are the property of Soledad Community Health Care District and should never be given to an outside firm or individual except through normal channels and with appropriate authorization. Any improper transfer of materials or disclosure of information, even though it is not apparent that you have personally gained by such action, constitutes unacceptable conduct. Employees who participate in such a practice will be subject to corrective action, up to and including possible termination of employment.

GIFTS AND FAVORS- 2.16

In accordance with professional and ethical standards in the care-giving field, employees will refrain from either encouraging personal gift-giving or accepting gifts from the patients, residents, vendors or suppliers. Should an inquiry be made about giving a gift or favor, we recommend that you request the resident, patient or family make a donation to the Health Care District Foundation, in the employee's name. If a gift is provided, the employee must contact the CEO as to the disposition of the items given.

SMOKE-FREE WORKPLACE- 2.17

In compliance with CA regulations, smoking (including e-cigarettes and vaping devices) of tobacco (including nicotine or other vaporized liquids) is not permitted in Soledad Community Health Care District buildings or on District property (including parking lots) or in District vehicles. Employees who wish to smoke or use other tobacco related products (including chew or snuff) may do so on designated breaks in designated outside locations (provided no Soledad Community Health Care District's residents are present).

DRUG AND ALCOHOL USE- 2.18

Soledad Community Health Care District is committed to providing a drug-free, healthful, and safe workplace. To promote this goal, all employees are required to report to work fit to perform their jobs in a satisfactory manner. While on Soledad Community Health Care District premises and while conducting business-related activities off Soledad Community Health Care District premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs or otherwise engage in the unlawful manufacture, sale, purchase, distribution, dispensation, possession, or use of illegal drugs.

Violations of this policy may lead to corrective action, up to and including immediate termination of employment.

The District will reasonably accommodate an employee with alcohol or drug dependencies to enable the employee to seek treatment and/or rehabilitation. Employees desiring such assistance should request a treatment or rehabilitation leave. The District is not obligated to overlook any misconduct nor to continue to employ any person whose job performance is impaired due to drug or alcohol use. Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation but fail to successfully overcome their dependency problem will not automatically be given a second opportunity to seek treatment.

The legal use of prescribed drugs is permitted on the job only if it does not impair the employee's ability to perform the essential functions of his/her job effectively and in a safe manner that does not endanger other individuals in the workplace.

Marijuana/Cannabis: The use of marijuana violates Soledad Community Health Care District's drug policy when the employee uses marijuana during work hours or is impaired by marijuana during work hours. Being under the influence of marijuana may impair an employee's ability to safely perform their job or may affect the safety or well-being of others. Neither the issuance of a medical marijuana card nor allowable recreational use of marijuana under California law excuses the employee for violating Soledad Community Health Care District's drug policy. CA employers are not required to allow marijuana use while working and can also take corrective measures with employees who are impaired by marijuana while at work.

INFORMATION/COMMUNICATION SYSTEMS- 2.19

2.19a-Monitoring & Access of Soledad Community Health Care District Systems/Devices Soledad Community Health Care District's computer, phone, and other electronic systems/devices are important assets and have been provided to facilitate business communications. Although employees may be able to use codes to restrict access to information left on systems/devices, it must be remembered that these systems/devices are intended for business use and are the property of *Soledad Community Health Care District*. In keeping with this intention, we maintain the ability to access and monitor any information on the systems/devices.

Because we reserve the right to obtain access to all information on our systems/devices, including voice-mail, computer files, e-mail, text messages, Internet sites visited, etc., employees should not assume that such information is confidential or that access by Soledad Community Health Care District or its designated representatives will not occur. Access

to these systems/devices may be conducted before, during, or after working hours, and in the presence or absence of the employee. Employees should have no expectation of privacy with respect to any information placed on or transmitted by this systems.

Employees are asked to always receive prior authorization before changing any access codes that may be available. In addition, employees are prohibited from unauthorized use of access codes of other employees to gain access to voicemail or computer systems/devices.

2.19b-Computer, E-mail, Internet, & Voicemail Use — some employees are provided access to *Soledad Community Health Care District's* information and communication systems for business reasons. Incidental personal use of the computer systems, e-mail, and the Internet are to be kept to an absolute minimum. Use of these systems for non-business purposes should be done only during breaks or meal periods.

At *Soledad Community Health Care District*, we strive to maintain a work environment that is friendly and relaxed yet highly professional. The use of an e-mail and Voicemail system can sometimes lead to inappropriate business demeanor and inappropriately casual communication. Please make sure that conversations and electronic communications are appropriate in a work setting, and do not cross the line into areas that could offend anyone. Of course, employees are not allowed to use *Soledad Community Health Care District's* information systems in any way that may be disruptive or offensive to others, including the transmission of anything that may be construed as harassment or disparaging of others. Inappropriate use of *Soledad Community Health Care District's* information systems will result in corrective action up to and including termination.

2.19c-Telephone Use — Incoming phone calls are an important and essential part of our business. If your job requires you to answer the phone, remember that the caller's entire impression of *Soledad Community Health Care District* will be based on how you sound. Be courteous and friendly, and whenever possible refer to the caller by name.

Personal phone calls placed or received should be kept to a minimum to ensure that our Residents can effectively communicate with us. Necessary phone calls should be made during breaks or meal periods whenever possible. If it is necessary to make a personal, long distance telephone call, please keep them to a minimum and charge any toll calls to a personal calling card. Messages of an emergency nature will be delivered promptly and our telephones are always available for use on an emergency basis.

2.19d-Cell Phones While Driving – While driving for *Soledad Community Health Care District*

business and/or *Soledad Community Health Care District* time, attention to the road and safety should always take precedence over using the phone, therefore, the personal or business use of cell phones while driving is prohibited and calls should be made/received with the vehicle parked in a safe location. In the event that a driver feels they must make/receive calls while operating a vehicle, CA law must be followed, and such calls must be made in a "hands free" mode via a headset or speaker. Additionally, texting is not allowed while driving per state law and *Soledad Community Health Care District* policy. Any citations received for violation of CA law will be the responsibility of the employee.

Failure to comply may result in immediate termination of employment, even for the first offense.

2.19e-Personal Cell Phones and Communication Devices – The use of personal cell phones, wearing of ear buds, texting, surfing the Internet, etc. can be a problem while working. Such use is distracting and can portray a negative image to any individual (management, coworkers, Residents, vendors and guests) who may see employees using such devices while at work. You are asked to minimize the personal use of such devices while at work so that business needs are not compromised. If such devices are used during non-work time (breaks/meals) please do so in a way that does not interfere with coworkers and other business needs.

2.19f-Social Media – While we understand that many of our employees may interact using various social media sites, e.g. Facebook, Linked-In, Instagram, Twitter, etc., it is important that employees keep their personal postings entirely personal. Please remember that some of these sites allow individuals you might not want to interact with to see your postings and therefore you should use care in your interactions.

Employees should never suggest anything they do or say when using any internet resource represents the opinion or attitude of Soledad Community Health Care District.

Where Soledad Community Health Care District has decided to create accounts exclusively for business purposes, only employees expressly authorized are permitted to post information on the District's behalf and modify the site. Such accounts are as important to the organization as the official website and as such, extreme care is needed in portraying the desired information on the site.

2.19g-Mail & Postage Use — Please do not have any personal mail sent to Soledad Community Health Care District. The use of Soledad Community Health Care District-paid postage for personal mail is not permitted.

SUPPLEMENTAL EMPLOYMENT-2.20

We have no objection to you holding another job providing you can effectively meet the performance standards for your position with us, that such employment does not result in overtime obligations, and that the additional position does not conflict with the interests of Soledad Community Health Care District or reflect adversely upon it. To ensure that these requirements are met, if you intend to obtain supplemental employment, we ask that you inform management to discuss the appropriateness of such employment and obtain approval. Even if approval is provided, all employees will be held to the same standards of performance and scheduling demands. Exceptions cannot be made for employees who choose to maintain supplemental employment.

OPEN DOOR AND PROBLEM SOLVING-2.21

In any workplace, there are bound to be problems that arise in the course of employment.

Such problems may concern working conditions, the interpretation or application of policies and procedures or any other matter related to your employment. You are encouraged to bring differences and complaints directly to your supervisor, so that a complete and fair understanding can be reached.

All employees have access to these problem-solving procedures. We want

to encourage employees to address and attempt to resolve problems as quickly as possible. There are two main steps in the problem-solving procedure.

1. Informally discuss problems or complaints with your immediate supervisor* with a serious attempt to resolve the situation at that level. If after discussion, the problem or complaint is not resolved, and you wish further review,
2. Submit a written statement of the problem to your immediate supervisor* for further review, discussion and attempt to solve the problem or complaint. (A form for this purpose is available from Human Resources.)

If the problem or complaint is not resolved upon formal notification to your supervisor, Human Resources may get involved to work with you and the supervisor to resolve the conflict or problem. In the event that the problem is not resolved through this problem-solving process, the CEO will consider the matter and make a decision. This decision will be binding and final.

Under no circumstances should a problem or complaint be discussed with a Resident, guest, visitor, or vendor. In the event that the problem or complaint involves one of the above individuals, your supervisor should be immediately advised.

The problem-solving procedure outlined above is intended to encourage open communication and improve working conditions. This procedure, which we believe is beneficial for both you and the District, cannot guarantee that every problem will be resolved to your satisfaction. However, the District values your observations, and you should feel free to raise issues of concern without the fear of retaliation.

** Soledad Community Health Care District encourages all problems to be handled according to the above policy, but recognizes that there may be times when the employee is not comfortable talking with his or her immediate supervisor. If at any time, you feel uncomfortable discussing a problem or complaint with your immediate supervisor, please understand that you are able to address these concerns or problems with Human Resources or the CEO.*

EMPLOYEE BENEFITS-3.0

EMPLOYEE USE OF MEDICAL CLINIC SERVICES-3.1

District employee use of the medical clinic is regulated by Federal Rules for a Rural Health Clinic. In keeping with such regulations, it is mandatory that employees with health care coverage who use the health services of the medical clinic pay their co-pay each time they visit the clinic for personal as well as family care. Employees of the District who do not have health care coverage must pay the full fee at the time of treatment. In such cases, the employee may submit a request for a waiver of the fees to the CEO of the District.

GENERAL-3.2

There are many benefits to working for Soledad Community Health Care District. Some apply to all employees, and others have specific eligibility requirements that are outlined in each policy. Human Resources can assist you in determining which benefits you are eligible for and can also provide further information regarding these benefits.

HEALTH INSURANCE-3.3

We provide and pay for **employee only premiums** of a select health and welfare plan, which includes medical, life, and AD&D coverage. Additional vision and dental coverages, are available for employees at their own expense. All insurance benefits are available to employees who are regularly scheduled for 32 or more hours each week in regular (non-temporary) positions. Health Insurance coverage for eligible spouse/dependents/domestic partners is available with the premium paid at the employee's expense. Payroll deduction is available to accommodate this request. Eligibility for health benefits begins after 60 days of employment in a 32 or more hour per week position.

Specifics of the plan are contained in official plan documents, which will be forwarded to employees as they become eligible for coverage under these plans. These documents control all aspects of the plan and are subject to change in Soledad Community Health Care District's discretion. Additional information can also be requested from Human Resources.

BENEFITS CONTINUATION (COBRA) – 3.4

The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Soledad Community Health Care District's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, separation of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under Cal/COBRA, the eligible employee or beneficiary pays the full cost of coverage at Soledad Community Health Care District's group rates plus an administration fee.

Soledad Community Health Care District provides each eligible employee with a written notice describing rights granted under Cal/COBRA when the employee becomes eligible for coverage under our health insurance plan. The notice contains important information about the employee's rights and obligations.

UNPAID TIME-OFF- 3.5

It is understandable if you occasionally request time-off without pay. To request time-off, you must make your request to your manager at the earliest convenience. All requests for time off require approval by management and will be reviewed based on a number of factors, including business needs, seniority, staffing requirements, and the reason for leave. If employees have available PTO/Sick, such time must be used before requesting unpaid time off.

PAID TIME OFF (PTO) – 3.6

Paid Time Off (PTO) is available to regular, full-time (regularly scheduled to work 32 hours a week) employees to provide opportunities for rest, relaxation and personal pursuits as described in this policy, and also meets all the provisions of CA's Paid Sick Leave requirements. These days can be used for such things as vacation, sick time, healthcare appointments, to care for an ill/injured family member, if the employee is a victim of domestic assault, sexual violence or stalking, etc. Part-time, temporary, contract employees and interns are not eligible for PTO, but are eligible for paid sick leave and, where appropriate, unpaid time off (see Paid Sick Leave and Unpaid Time-Off policies for more information).

If eligible, you begin PTO accrual upon employment, however accrued PTO is not available for your use until the 91st day of employment. Thereafter, you may request use of accrued and available PTO benefits as they are earned. If employees have available PTO, such time must be used before requesting, or taking, time off without pay (see Unpaid Time Off).

The amount of paid PTO time you earn each year increases with the length of your employment as shown in the following schedule:

PAID TIME OFF (PTO) – EARNING SCHEDULE

Years of Eligible Service	PTO Hours Being Earned Each Regular Pay Period	PTO Hours/Days Being Earned Each Year*	Maximum Days Earned (PTO Cap)
0-5	5 hours	120 Hours (15 Days)	210 Hours (26.25 Days)
6-9	5.5 hours	132 Hours (16.5 Days)	231 Hours (28.875 Days)
10-14	6 hours	144 Hours (18 Days)	252 Hours (31.5 Days)
15-19	6.5 hours	156 Hours (19.5 Days)	273 hours (34.125 Days)
20+	7 hours	168 Hours (21 Days)	294 hours (36.75 Days)

PTO time can be used in minimum increments of one (1) hour for non-exempt employees. To take PTO, you should request approval from your supervisor using the Paid Time Off Request feature in ADP. When ADP is not available to request online, you may use the paper version. For a planned absence, your request must be as far in advance as possible and no less than two days' notice. All requests will be reviewed based on a

number of factors, including business needs and staffing requirements. Unless otherwise required by law, PTO is paid at your base pay rate at the time of PTO; it does not include overtime or any special forms of compensation. PTO time may not be taken in advance of accrual.

PTO accrual rates are subject to change at Soledad Community Health Care District's discretion.

SCHEDULING PTO – 3.7

As discussed, all absences should be reported as far in advance as possible. Regardless of the type or duration of the absence, you must notify your supervisor and obtain authorization in advance.

The maximum accrued benefit that you may have at any one time is noted in the column of the above schedule. If the earned but unused PTO benefits reach this maximum, additional benefits will be "capped" and will not accrue until unused benefits are used or otherwise reduced as provided in this policy. When you use paid PTO and bring the available amount below the cap, PTO accrual will begin again.

When PTO is used for illness or injury, the following provisions apply:

- Employees may use accumulated PTO for their own health condition; a family member's (child, spouse, registered domestic partner, parent, grandparent, grandchild, sibling, and a designated person identified by the employee at the time the employee requests paid sick leave) health condition; and if the employee is a victim of domestic assault, sexual violence or stalking.
- Employees may use accumulated PTO for an actual health condition or for preventative care; and
- A healthcare provider's certificate may be required as documentation of need for absence of four (4) or more consecutive work shifts and/or to medically release you to return to work; and
- Failure to follow reporting procedures outlined in the Attendance and Punctuality policy may result in an unexcused absence.
- PTO used for these purposes (as identified in California's sick leave law) is calculated and paid at the employee's "regular rate of pay."
- When PTO is used for sick leave, a "family member" now includes a "designated person," who can be specified by an employee at the time leave is taken. The employee has the ability to designate a new person every 12 months. This means PTO/PSL can be used to care for this individual or take them to preventative appointments.

Upon separation of employment, you will be paid for accrued, but unused PTO time earned through the last day of work.

Upon rehire, employees will begin to accrue PTO according to the above schedule with no carry-over of previous years of eligible service, unless the employee is rehired within 6 months in which case, previous years of employment will be credited towards the years of service amount.

PTO CASH OUT POLICY – 3.8

Soledad Community Healthcare District encourages employees to take time off away from work for rest, relaxation and personal pursuits as described in the Paid Time Off (PTO) policy. The District provides employees with a limited ability to elect to cash-out a portion of PTO that will be accrued. These elections are governed by the following terms:

For the purpose of this policy, eligible employees are those who have at least (64) sixty-four hours of accrued PTO available at the time the election is made.

The employee must make an election in writing to Human Resources between December 1 and December 15 each calendar year, to cash-out PTO that will be accrued during the following calendar year (i.e., an employee can make the election on December 10 to cash-out 60 hours of PTO the employee will earn in the calendar year 2020).

Eligible employees are limited to one request per calendar year. PTO cash-out requests must be in (8) eight-hour increments with a minimum cash-out amount of (24) twenty-four hours per request or a maximum of (80) eighty hours per request.

Employees must retain a minimum of (40) forty hours PTO in the employee's PTO bank at the time the payout is made. If the employee does not have sufficient PTO to meet this requirement, PTO will be cashed out to the extent available (while maintaining the necessary 40 hours in the employee's PTO bank).

Cash out amounts will be paid at the employee's rate of pay in effect at the time the cash-out is provided but will not count as 'paid' hours toward accruing additional PTO hours.

The election is non-revocable.

The payout will be processed on the first pay date in January of the year following the calendar year in which the hours were earned (in other words, if an employee elects on December 10, 2023, to cash-out 60 hours of PTO that will accrue between January 1, 2024 and December 31, 2024, those hours will be paid to employee in the first pay period in January 2025).

Should the employee use all or part of the PTO elected for cash-out prior to the payout date, the remaining portion of the election shall be cashed-out on the payout date. Similarly, should the employee not earn all of the vacation elected for cash-out (i.e., due to separation from employment or unpaid leave), the amount of the election actually earned shall be cashed-out on the pay-out date.

REQUEST FOR PTO CASH OUT- 3.9

All requests for PTO cash outs must be in writing, and submitted to Human Resources between December 1 and December 15 each calendar year.

DONATION OF PAID TIME OFF- 3.10

Soledad Community Healthcare District provides a Voluntary PTO Donation Program to allow staff to donate time to fellow staff who have exhausted their time off because of catastrophic illness or injury to themselves or an

eligible family member. Eligible employees may receive donated time from fellow employees due to the personal serious health condition of the employee or an eligible family member (as defined by IRS definition of dependent) must be diagnosed with a catastrophic medical event which requires the staff member to be out of work that will result in a substantial loss of income to the employee. A "catastrophic medical event" is one that requires in-patient care in a hospital or other medical care facility, or continuing treatment or supervision by a health care provider. This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences.

An employee must be on an approved leave of absence (See Leaves of Absence policies) and have exhausted all of their earned PTO or sick leave before they will be eligible to receive any donated PTO hours. Employees must submit in writing a request to receive donation of PTO. An employee seeking donated leave must provide the District with written verification of the catastrophic medical event. Approval is determined on a case-by-case basis by the management team.

Upon approval, management will notify employees of the opportunity to donate PTO hours to an anonymous employee towards an employer-managed PTO bank. The employee who is to receive the donated PTO hours (the recipient employee) is prohibited from soliciting PTO hours from employees. All donations must be voluntary and are irrevocable. A form is available from Human Resources.

The employee donating the leave (the donor employee) may designate up to 50% of their earned PTO hours to be donated in increments of 8 hours, so long as the donor employee maintains, after the donation, a PTO balance of at least 40 hours. If an employee does not use the entire amount of donated leave prior to returning to work or separating from employment, the remaining donated leave will be returned to the employer-managed PTO bank (and will remain there for future use by an eligible employee) and not retained by the employee.

The recipient employee will receive PTO hours at their regular rate of pay at the time of the leave and will be considered wages. Any use of donated PTO will be administered in conjunction with Soledad Community Healthcare District PTO and Leave policies. The recipient employee may not receive a cash payout in lieu of paid time off.

Misrepresentation of the need for donated PTO hours or abuse of donated leave benefits may result corrective action up to and including termination.

PAID SICK LEAVE (PSL) – 3.11

The Soledad Community Health Care District, in accordance with state requirements will provide Paid Sick Leave (PSL) beginning July 1, 2015 to employees not eligible for the above PTO policy (**part-time and temporary**) by providing 24 hours, "up-front" each **calendar** year. Following are additional details:

- **Employees hired after 7/1/15** will receive a lump sum of 24 hours on their date of hire date and then then a new lump sum of 24 hours on January 1 every year thereafter (never more than 24 hours in the PSL bank at one time).

- Unused PSL at the end of the **calendar** year will not roll over. Rather, a new lump sum of 24 hours will be provided to each employee.
- PSL is credited upon hire and may be used after working 30 days in CA and being employed for 90 days.
- Employees may use accumulated PSL for their own health condition; a family member's (child, spouse, registered domestic partner, parent, grandparent, grandchild, sibling, and a designated person identified by the employee at the time the employee requests paid sick leave) health condition; and if the employee is a victim of domestic assault, sexual violence or stalking. Employees may designate one person as a "designated person" every 12 months, measured from the time any individual is designated.
- When PSL is used in full day increments, the employee will be paid for the number of hours that they would normally have worked that day. PSL can also be used in minimum increments of 2 hours.
- Employee will be paid at their regular rate of pay (in the event the employee has more than one rate of pay in the pay periods in the prior 90 days, it will be calculated into PSL payments).
- Soledad Community Health Care District will not discriminate or retaliate against an employee who requests/uses PSL.
- Failure to follow reporting procedures outlined in the Attendance and Punctuality policy may result in an unexcused absence. A healthcare provider's certificate may be required for absences of more than four or more consecutive work shifts and/or to medically release you to return to work.
- Unused PSL will ***not*** be paid upon separation of employment.
- Upon rehire, employees will have a new lump sum of 24 hours of PSL provided.

HOLIDAYS- 3.12

Soledad Community Health Care District recognizes the following holidays.

New Year's Day.....	January 1st
Presidents' Day	Third MONDAY in February
Memorial Day	Last MONDAY in May
Independence Day	July 4th
Labor Day.....	First MONDAY in September
Thanksgiving Day.....	Fourth THURSDAY in November
Christmas Day.....	December 25 th

3.10a- Clinic only: All holidays listed above will be observed on the day designated by federal proclamation, which means that if a holiday falls on a weekend, it will normally be observed on the Friday before or the Monday after the holiday.

3.10b- Eden Valley Only: Because our operations are open seven days a week, all holidays listed above will be observed on the actual date of the holiday, even if a holiday lands on a weekend.

All regular full-time, non-exempt employees who **do not work** on a designated holiday will receive holiday pay at one times their regular rate of pay (as of the date of the holiday) times the numbers of hours the employee would have otherwise worked on that day in the workweek.

All regular full-time, non-exempt employees who **work** on a designated holiday will receive holiday pay as described above, in addition to receiving their regular pay for all hours actually worked.

Part-time employees are not eligible for any holiday pay. Part-time employees will be paid for hours worked at their usual rate of pay for any hours worked on a holiday.

Employees must work the last scheduled day before a holiday and the first scheduled working day following the holiday to be eligible for holiday pay. If an employee has a pre-approved and/or excused absence on a holiday, Payroll may authorize providing holiday pay in lieu of reducing an employee's paid absence (e.g., PTO, sick time).

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

BEREAVEMENT POLICY- 3.13

An employee is eligible for bereavement leave once they have been employed for at least 30 days prior to the commencement of leave. Employees can take up to 5 days off for each death of a family member. Any time taken will not be paid. Employees can use PTO, sick leave, or take time unpaid. Eligible family members include spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law as defined in CFRA.. Time must be taken within three (3) months of the death and can be taken intermittently. At the discretion of your manager and human resources, this leave may be extended with or without pay in cases of great distance or severe emotional hardship.

With prior approval, time off without pay may be arranged for an employee who wishes to attend the funeral of other relatives or close friends or other person to whom you may be reasonably deemed to owe respect.

JURY DUTY POLICY- 3.14

The Soledad Community Health Care District encourages you to fulfill your civic responsibilities by serving on a jury or as a witness when required and allows all employees time off for these purposes. Jury duty and witness leave is provided on a paid basis for regular full-time and part-time employees for up to 1 week. If you receive notice to report for jury duty, please notify management immediately so arrangements can be made to accommodate your absence. You must present the Summons for Jury Duty to your supervisor prior to the beginning date of such duty. Also, you must bring a bailiff's note upon return to work documenting the time spent at the courthouse. Of course, you are expected to report for work whenever the court schedule permits.

RETIREMENT PLAN- 3.15

We currently provide a 457 Retirement Plan to all eligible employees. Upon eligibility, you will be provided further details by Human Resources.

WAGE REPLACEMENT INSURANCES- 3.16

3.16A-STATE DISABILITY INSURANCE (SDI) – EMPLOYEE’S OWN ILLNESS/INJURY

To help provide compensation for employees who miss work due to a non-work-related accident or illness, the law requires that a small percentage of your wages be deducted each pay period for State Disability Insurance (SDI). Please refer to the leaves of absence policies that are outlined later in this handbook for procedures on requesting a leave of absence for this purpose (FMLA/CFRA, Pregnancy Disability Leave, Medical Leave, and/or Personal Leave).

3.16B-PAID FAMILY LEAVE (PFL) INSURANCE – TO CARE FOR A FAMILY MEMBER

To help provide compensation for time taken off to care for a new child or to care for a family member’s (child, parent, spouse, domestic partner, grandparent, grandchild, sibling or parent-in-law) serious health condition, the law requires that a small percentage of your wages be deducted each pay period for Paid Family Leave (PFL) Insurance. Please refer to the leaves of absence policies that are outlined later in this handbook for procedures on requesting a leave of absence (FMLA/CFRA and/or Personal Leave).

3.16C-SOCIAL SECURITY INSURANCE

As an employee of Soledad Community Health Care District, you are covered under the provisions of the Federal Social Security Law (FICA). Social Security benefits can provide you some retirement income. There is a deduction from your wages for social security taxes as well as an employer contribution. The total contribution by you and Soledad Community Health Care District is credited toward your Social Security benefits, which may be available at the time you are eligible to retire. In addition, disability and survivors’ benefits are financed through Social Security deductions.

3.16D-UNEMPLOYMENT INSURANCE

If your employment separates with Soledad Community Health Care District, you may be eligible to receive Unemployment Insurance Benefits. This insurance is fully paid by Soledad Community Health Care District and is administered by the State. You must file a claim with the Employment Development Department in order to collect this benefit. Benefits are generally available to employees who are out of work through no fault of their own (including, in some cases, a reduction in regular workweek). Eligibility for benefits is determined by the Employment Development Department.

3.16E-WORKERS’ COMPENSATION INSURANCE

A comprehensive Workers’ Compensation Insurance program is provided at no cost to you. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, Workers’ Compensation Insurance provides benefits after a short waiting period or, if you are hospitalized, immediately. All employees are given a pamphlet explaining their benefits upon hire.

Employees who sustain work-related injuries or illnesses must inform a supervisor immediately.

No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible. You will be furnished an "Employee's

Claim Form" within one (1) business day of reporting the injury, which you must complete and return to your supervisor as soon as possible. Employees have the right to report any injury/illness and the employer will not discriminate against or discharge an employee for making such a report.

In the case of a one-time treatment of **minor** scratches, cuts, burns, splinters or other minor injuries, as long as there is no lost work time beyond the date of the injury, it will be treated as a first aid case. If additional care and treatment is needed, or if time is lost from work after the date of the injury, the claim will no longer be considered a "first aid" claim, but will be processed as a regular claim under Workers' Compensation Insurance.

If treatment is required, management will send (or arrange transportation, if necessary) you to the medical facility noted on the Workers' Compensation poster. You must receive medical attention from this facility unless you have notified Soledad Community Health Care District in writing of your personal healthcare provider before the injury. A written notice by the healthcare provider is required to authorize a return to work. Should the healthcare provider indicate physical limitations upon return to work, such limitations must be discussed with and approved by management.

All employees should be aware that anti-fraud laws state that any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying Workers' Compensation benefits or payments is guilty of a felony. Neither Soledad Community Health Care District nor the insurance carrier will be liable for the payment of Workers' Compensation benefits for injuries that occur during your voluntary participation in any off-duty recreational, social or athletic activity sponsored by Soledad Community Health Care District.

LEAVES OF ABSENCE- 4.0

WORKERS' COMPENSATION DISABILITY LEAVE-4.1

Soledad Community Health Care District will grant an unpaid workers' compensation disability leave in accordance with state law if you incur an occupational illness or injury. As an alternative, Soledad Community Health Care District may offer you modified work in accordance with state and federal law.

Workers' Compensation leaves will be classified as Family & Medical Leave Act (FMLA) / California Family Rights Act (CFRA) if the injured employee is otherwise qualified for FMLA/CFRA (see policy).

Subject to the terms, conditions, and limitations of the applicable plans, health insurance premiums (and dependent coverage as applicable) will continue to be paid by Soledad Community Health Care District to the same degree it was provided before the leave began.

Employees may choose to supplement temporary disability benefits with accrued PTO or PSL during the leave; and such payments will be coordinated with any temporary disability insurance payments. Benefits accrual such as PTO, PSL and holiday benefits, will be suspended during the leave and will resume upon return to active employment.

Upon submission of a medical certification that you are able to return to work, you will be reinstated in accordance with applicable law. Should the

healthcare provider indicate physical limitations upon return to work, the District will engage in an interactive process with you and provide any reasonable accommodation.

FAMILY AND MEDICAL LEAVE ACT (FMLA) & CALIFORNIA FAMILY RIGHTS ACT (CFRA)-4.2

4.2a-Entitlement to Leave

It is the policy of Soledad Community Health Care District to grant or designate an unpaid leave of up to 12 weeks of Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA) during any 12-month period to eligible employees; though, under FMLA, employees may also take an additional 14 weeks when the leave of absence qualifies under the Servicemember Family leave provisions. An employee may take leave in consecutive weeks, may use the leave intermittently (periodically, as needed), or may use the leave to reduce the workweek or workday, resulting in a reduced work schedule.

Soledad Community Health Care District will not interfere with, restrain, or deny the exercise of any right provided by this law, or discharge or discriminate against any employee because of involvement in any proceeding related to FMLA and/or CFRA. All FMLA and/or CFRA leaves of absence will be administered in accordance with applicable federal and state laws.

4.2b-Eligibility

In order to qualify to take FMLA and/or CFRA under this policy, the employee must meet ALL of the following conditions:

- The employee must have worked for Soledad Community Health Care District at least 12 months, or 52 weeks. The 12 months, or 52 weeks, need not have been consecutive.
- The employee must have worked at least 1250 hours during the 12-month period immediately before the date when the leave would begin.
- For FMLA leave, the employee must work in an office or worksite where 50 or more employees are employed within 75 miles of that office or worksite.

Employee must have given notice of need for FMLA and/or CFRA leave at least 30 days in advance or as many days as reasonably possible prior to the beginning of the leave.

4.2c-Qualifying Reasons for Leave

Leave under FMLA/CFRA may be taken for any one or more of the following reasons:

There are several qualifying reasons for leave under FMLA and CFRA. Eligible employees may take leave for any of the following reasons:

Under FMLA/CFRA:

1. To care for or bond with a newborn child or newly placed foster or adopted child of the employee;
2. To care for a child (under 18 or over 18 if incapable of self-care), parent, or spouse of the employee with a serious health condition;
3. For an employee's own serious health condition which makes the employee unable to perform the functions of the employee's position (under FMLA [but not CFRA], this includes pregnancy and related medical condition);
4. Due to a qualifying exigency related to active military duty of an

employee's spouse, child, or parent in the United States Armed Forces;

Additional reason under FMLA:

5. To provide care for a spouse, son, daughter, parent, or "next of kin" who is a member of the United States Armed Forces and who has incurred a serious injury or illness in the line of duty;

Additional reasons under CFRA:

6. To care for or bond with a newborn child or newly placed foster or adopted child of the employee's domestic partner (in this policy, "domestic partner" shall have the same meaning as provided in sections 297 and 299.2 of the California Family Code);
7. To care for a child of any age, grandparent, grandchild, sibling, domestic partner, or domestic partner's child of any age who has a serious health condition;
8. To care for a "designated person" who has a serious health condition; for purposes of this policy, "designated person" means any individual related by blood or whose association with the employee is the equivalent of a family relationship. An employee may identify the designated person at the time the employee requests leave. the District limits an employee to one designated person per 12-month period for family care and medical leave; or
9. Due to a qualifying exigency related to active military duty of an employee's domestic partner.

In most cases, the reasons for leave under FMLA and CFRA track each other, and the leave time will run concurrently. However, because FMLA and CFRA define terms differently and sometimes provide different leave rights, leave is sometimes available under one law but not the other. In those cases, leave will not run concurrently.

4.2D-"SERIOUS HEALTH CONDITION" SPECIFICS

A "serious health condition" is one that requires in-patient care in a hospital or other medical care facility, or continuing treatment or supervision by a healthcare provider. This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Employees with questions about what illnesses/health conditions are covered under FMLA and/or CFRA or under Soledad Community Health Care District's sick leave policy are encouraged to consult with Human Resources.

4.2E-PREGNANCY DISABILITY LEAVE (PDL) SPECIFICS:

Time off from work because of a female employee's medical disability due to pregnancy, childbirth or related medical condition (including breastfeeding) is separate and distinct from her right to bond with the child under California's CFRA leave. An employee disabled due to pregnancy, childbirth, or a related medical condition, as certified by her healthcare provider, may take up to a maximum of four months (the time normally worked in one-third of the year, equivalent to 17 and a third weeks) of unpaid leave under Pregnancy Disability Leave (PDL). Thus, a female employee is eligible for PDL while disabled by pregnancy as certified by her healthcare provider and then also entitled up to an additional 12 workweeks of CFRA family leave to spend with her newborn child, Leave Type 2, "Bonding", so long as CFRA is completed within one year of the birth of the child and the woman has met the qualifications for CFRA leave. See Pregnancy Disability Leave (PDL) policy for more details.

4.2F-SERVICEMEMBER LEAVE (FMLA ONLY) SPECIFICS:

Eligible employees whose spouse, child, parent or next of kin is a covered servicemember may take up to **26 weeks of FMLA** to care for that covered servicemember with a "serious injury or illness" during a single 12-month period. A covered servicemember is: 1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or 2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

4.2G-Duration of Leave

Unless otherwise noted above, an eligible employee can take up to 12 weeks of FMLA and/or CFRA leave during any 12-month period (and the 14-month extension in cases of Servicemember Family Leave). Soledad Community Health Care District will measure the 12-month period as a rolling 12-month period measured backward from the date an employee uses any leave under this policy.

Leave can be taken in a single block of time, intermittently, or by reducing the normal work schedule, if the leave is for the serious health condition of the employee or the employee's family member and if such intermittent leave is medically necessary. The smallest increment of time that can be used for such leave is one-half hour.

If leave is requested to bond with a new child, leave must be taken in two-week increments. An employee shall be granted a request for a FMLA/CFRA bonding leave of less than two weeks' duration on any two occasions.

Employees who are both eligible employees of Soledad Community Health Care District for Servicemember Family leave for the same family member are entitled to a combined total of 26 weeks of such a leave. Servicemember Family leave time per injury will be measured up to 26 weeks forward from the first day taken off for the maximum of 12 months

Employees whose 1) medical leave exceeds 12 weeks (26 weeks in the case of Servicemember Disability leave), 2) who do not have another Soledad Community Health Care District-approved leave, or 3) who do not return to work on the first work day following an approved FMLA/CFRA leave will be deemed to have voluntarily resigned their employment from Soledad Community Health Care District.

4.2H-Health Insurance During Leave

While an employee is on FMLA and/or CFRA, Soledad Community Health Care District will continue the employee's health benefits (and dependent coverage as applicable) during the leave period at the same level and under the same conditions as if the employee had continued to work.

Any share of health insurance premiums which are paid by the employee prior to FMLA and/or CFRA (including dependent premiums) must continue to be paid by the employee during the leave or insurance benefits may be discontinued. An employee who fails to make any payment of his or her premiums as required must reimburse Soledad Community Health Care District for any of those payments that may have been made by Soledad

Community Health Care District.

For leaves related to pregnancy and childbirth, the obligation to continue to pay health insurance premiums (and dependent coverage as applicable) will continue to be paid for the duration of the Pregnancy Disability Leave (see PDL policy) in addition to up to 12 weeks of CFRA to bond with the newborn child.

If the employee's leave lasts longer than the time benefits are continued per policy, the employee may continue her group health insurance coverage through Soledad Community Health Care District in conjunction with Cal/COBRA.

4.2I-Compensation and Other Benefits During Leave

Employees have the option of using accrued PTO or PSL during FMLA/CFRA leave. Any family and medical leave, whether paid or unpaid, will be counted towards the employee's FMLA/CFRA entitlement.

Fringe benefits (such as PTO, PSL and holidays) are not earned during unpaid leave. However, upon return from FMLA, CFRA and/or PDL, the employee will resume the accrual schedule at the same level and under the same conditions as if he or she had continued to work.

When available, employee benefit plans, such as ADD, life, short-term or long-term disability insurance, pension and retirement plans and supplemental unemployment benefit plans are provided under the same conditions as apply to unpaid leave taken for purposes other than FMLA and/or CFRA.

With respect to retirement plans, including any pension plans, any period of unpaid FMLA and/or CFRA shall not be treated as or counted toward a break in service, but will not be treated as credited service for purposes of benefit accrual, vesting and eligibility to participate. Also, if the plan requires an employee to be employed on a specific date in order to be credited with a year of service for vesting, contributions or participation purposes, an employee on unpaid FMLA and/or CFRA on that date shall be deemed to have been employed on that date.

4.2J-Certification of the Serious Health Condition

An employee seeking FMLA and/or CFRA for the employee's own serious health condition or because of the "serious health condition" of a family member (or "serious injury or illness" for Servicemember Family leave requests) as defined above must provide Soledad Community Health Care District with a medical certification from his or her healthcare provider establishing the need for the leave. The employee should respond to such a request as soon as possible and at least within 15 calendar days of the request, or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of leave. Medical certification must be provided by using the *Certification of Healthcare Provider* form.

Certification of the serious health condition must include: 1) the date when the condition began; and, 2) its expected duration. For medical leave for the employee's own medical condition, the certification must also include a statement that the employee is unable to perform work of any kind, or a statement that the employee is unable to perform the essential functions of the employee's position. For a seriously ill family member, the certification must include a statement that the patient requires assistance, and that the employee's presence would be beneficial or desirable.

If the employee plans to take intermittent leave or work a reduced schedule, the certification must also include dates and the duration of treatment, and a statement of medical necessity for taking intermittent leave or working a reduced schedule.

Soledad Community Health Care District has the right to ask for a second opinion, (for employees, not family members) if Soledad Community Health Care District has reason to doubt the certification. Soledad Community Health Care District will pay for the employee to get a certification from a second healthcare provider, which Soledad Community Health Care District will select. In case of a conflict between the original certification and the second opinion, Soledad Community Health Care District may require the opinion of a third healthcare provider. Soledad Community Health Care District and the employee will jointly select the third healthcare provider, and Soledad Community Health Care District will pay for the opinion. This third opinion will be considered final.

Prior to returning from FMLA and/or CFRA for an employee's own serious health condition including pregnancy disability, the employee will be required to provide Soledad Community Health Care District with an *Authorization to Return to Work* form completed by the employee's healthcare provider releasing him or her to return to work and/or listing any specific limitations.

4.2K-Qualifying Military Exigency Leave:

Eligible employees with a spouse, child, or parent on active duty or called to active duty in the United States Armed Forces can take FMLA/CFRA leave (and an eligible employee with a domestic partner on or called to active duty can take CFRA leave) for the following qualifying exigencies:

- short-notice deployment (seven or less calendar days before deployment);
- military events and related activities (such as official ceremonies programs, events, or informational briefings related to the member's deployment);
- childcare and school activities (such as arranging for alternative childcare, providing childcare on an urgent basis, and enrolling in or transferring a child to a new school or day care facility);
- parental care (such as arranging for alternative care and attending meetings at a care facility when the military member's parent is incapable of self-care);
- financial and legal arrangements (such as preparing and executing powers of attorney, enrolling for military health care, or preparing a will or living trust);
- counseling (for the employee, the military member, or a child of the military member);
- rest and recuperation of the military member (the employee can take up to 15 calendar days of leave for each occurrence to spend time with a military member who is on short-term, temporary rest and recuperation leave during deployment);
- post-deployment activities (such as to attend ceremonies, briefings, and other events within 90 days of the end of the military member's active duty); and
- any other agreed-upon qualifying exigencies.

Up to twelve (12) weeks of qualifying exigency leave is available in any twelve (12) month period, as measured by the same method that governs measurement of other forms of leave within this policy.

An employee seeking FMLA for Qualifying Military Exigency Leave as

defined above must provide Soledad Community Health Care District with a certification establishing the need for the leave. The employee should respond to such a request as soon as possible and at least within 15 calendar days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of leave. Exigent Circumstances certification must be provided by using the *Certification of Need for Exigent Circumstances* form. Upon return to work from FMLA Qualifying Military Exigency Leave, the employee will be required to provide Soledad Community Health Care District with appropriate documentation of attendance or completion of required item which will include information allowing the employer to identify the actual time dedicated to such circumstances.

4.2L-Reinstatement after Leave

An employee who takes leave under and meets the requirements of this policy will be able to return to the same job or a job with equivalent status, pay, benefits and other employment terms. The position will be the same or one that entails substantially equivalent skill, effort, responsibility and authority.

Upon completion of the leave when leave was taken for an employee's serious health condition, a written notice by the healthcare provider is required to authorize a return to work. Should the healthcare provider indicate physical limitations upon return to work, Human Resources will initiate an interactive process with the employee to determine whether the employee is eligible for reasonable accommodation. We are committed to engaging our employees in ongoing, meaningful dialogue regarding modifications at work.

4.2M-Procedure for Requesting Leave

Except where leave is not foreseeable, all employees requesting leave under this policy must submit the request in writing to their immediate supervisor, with copy to Human Resources. When an employee plans to take leave under this policy, the employee must give 30 days' notice. If it is not possible to give 30 days' notice, the employee must give as much notice as is practicable. An employee undergoing planned medical treatment is required to make a reasonable effort to schedule the treatment to minimize disruptions Soledad Community Health Care District's operations.

If an employee fails to provide 30 days' notice for foreseeable leave with no reasonable excuse for the delay, the leave request may be denied until at least 30 days from the date Soledad Community Health Care District receives notice. While on leave, employees are requested to report periodically to Human Resources regarding the status of the return to work date, and his or her intent to return to work.

In cases where Soledad Community Health Care District is aware that time off may qualify for FMLA and/or CFRA, Soledad Community Health Care District may preliminarily designate the leave as FMLA and/or CFRA, pending completion of any required documentation.

The provisions for leaves under this policy can be confusing. Employees are encouraged to seek additional information from Human Resources.

4.3 PREGNANCY DISABILITY LEAVE (PDL)

4.3a-Entitlement to Leave

Soledad Community Health Care District provides and grants to pregnant employees the right to take a Pregnancy Disability Leave (PDL) during the period of time that a healthcare provider determines the employee is actually disabled by pregnancy or a related medical condition (including breastfeeding) and is unable to perform the essential functions of her job or perform her duties without undue risk to herself or other persons for **up to** four months (the time normally work in one-third of the year, or 17 and a third weeks). Pregnancy disability leave may be taken intermittently, or on a reduced hours schedule, as medically advisable.

A pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less strenuous or hazardous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

4.3a-Duration of Leave

An employee is eligible for up to 17 1/3 weeks of leave (provided she remains disabled by pregnancy). The PDL does not need to be taken in one continuous period of time, but can be taken on an as-needed basis. Leave may be taken intermittently or on a reduced work schedule when determined medically advisable by the employee's health care provider. The smallest increment of time that can be used for such leave is **one-half hour**.

A woman who takes a PDL leave of up to four months may also be entitled to take an additional twelve weeks of CFRA leave to bond with the baby if she meets requirements for CFRA leave. If you are also eligible for a FMLA Leave, PDL and FMLA leave will run concurrently.

4.3b-Certification

Any request for a Pregnancy Disability Leave must be supported by medical certification from a healthcare provider, which shall provide the following information: (a) the date on which the employee became disabled due to pregnancy; (b) the probable duration of the period or periods of disability; and (c) an explanatory statement that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential functions of her position without undue risk to herself, her pregnancy, or to other persons.

In the case of a Pregnancy-Disability transfer, the medical certification shall provide the following information: (a) the date on which the need to transfer became medically advisable; (b) the probable duration of the period or periods of the need to transfer; and (c) an explanatory statement that, due to the employee's pregnancy, the transfer is medically advisable. Upon expiration of the time period for the leave or transfer estimated by the healthcare provider, Soledad Community Health Care District may require the employee to provide another medical certification if additional time is requested for leave or transfer.

4.3c-Notification

In instances of other than medical emergencies, the employee must provide thirty (30) days' notice in advance of the date the leave is to begin and the estimated date upon which the employee will return to work. If it is not practicable to give thirty (30) days advance notice of the need for leave or transfer, the employee must notify Soledad Community Health Care District as soon as practicable after she learns of the need for the pregnancy

disability leave or transfer.

4.3d-Benefits During Leave

Subject to the terms, conditions, and limitations of the applicable plans, health insurance premiums (and dependent coverage as applicable) will continue to be paid by Soledad Community Health Care District to the same degree it was provided before the leave began for the duration of the PDL, up to 4 months (or 17 1/3 weeks). Benefit continuation will be extended if the employee is eligible for baby bonding leave under CFRA. After the maximum benefit continuation, you will become responsible for the full costs of these benefits if you wish coverage to continue (see Cal/COBRA policy). When you return from the leave, benefits will again be provided by Soledad Community Health Care District according to the applicable plans.

Benefits accumulation such as PTO, PSL, or holiday benefits will be suspended during the leave and will resume upon return to active employment. An employee taking PDL may use available PTO or PSL for her leave and such use will be coordinated with any wage replacement payments that may be received from California's state disability insurance (SDI) or paid family leave (PFL) benefit programs (administered by EDD).

4.3e-Return to Duty

An employee who has taken a PDL must notify Soledad Community Health Care District at least five days before her scheduled return to work or, as applicable, transfer back to her former position. An employee who timely returns to work at the expiration of her PDL will be reinstated to her former position, or a comparable position, whenever possible and consistent with applicable laws.

Upon completion of the leave, a written notice by the healthcare provider is required to authorize a return to work. Should the healthcare provider indicate physical limitations upon return to work, such limitations must be discussed with and approved by management. We are committed to engaging our employees in ongoing, meaningful dialogue regarding modifications at work.

A woman who takes a PDL leave may also be entitled to take an additional twelve weeks of CFRA leave to bond with the baby if she meets requirements for CFRA leave, please see above FMLA/CFRA policy for more information.

4.3f-Lactation Accommodation

Soledad Community Health Care District will provide reasonable lactation accommodation and break time for employees who wish to express breast milk for their infant when they return to work. The break time shall, if possible, run concurrently with any break time already provided by Soledad Community Health Care District. Any additional time needed shall be unpaid. Employees must notify their supervisor of their need for additional break time.

Soledad Community Health Care District will provide a private place to express milk in close proximity to the employee's work area, or the employee's normal work area may be used if it allows privacy. A lactation room or location shall comply with all of the following requirements:

- Be safe, clean, and free of hazardous materials;
- Contain a surface to place a breast pump and personal items;
- Contain a place to sit;

- Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations needed to operate an electric or battery powered breast pump.

A sink with running water and a refrigerator suitable for storing milk (or another cooling device) shall be made available in close proximity to the employee's workspace.

The District has zero tolerance for any discrimination on any protected basis, including on the basis of gender. It is prohibited under this lactation accommodation policy to discharge, discriminate, or retaliate against an employee for exercising or attempting to exercise her right to lactation accommodation.

PERSONAL LEAVE-4.4

Soledad Community Health Care District may provide a leave of absence without pay to employees who wish to take time off from work duties to fulfill personal obligations. Regular full-time employees are eligible to request personal leave as described in this policy. You may request personal leave only after having completed 365 calendar days of service. As soon as you become aware of the need for a personal leave of absence, you should request a leave from your supervisor.

Requests for personal leave will be evaluated based on a number of factors, including amount of time requested, amount of time already taken, anticipated workload requirements and staffing considerations during the proposed period of absence. Personal leave may be granted for a period of up to 30 calendar days in any 12-month period. If this initial period of absence proves insufficient, consideration will be given to a written request for a single extension of no more than 30 calendar days.

With your supervisor's approval, you may take any available sick time (provided the time qualifies) or PTO leave as part of the approved period of leave. Benefits accrual such as PTO, PSL, or holiday benefits will be suspended during the leave and will resume upon return from leave.

Subject to the terms, conditions, and limitations of the applicable plans, health insurance premiums (and dependent coverage as applicable) will continue to be paid by Soledad Community Health Care District to the same degree it was provided before the leave began.

When a personal leave ends, every reasonable effort will be made to return you to the same position, if it is available, or to a similar available position for which you are qualified. However, Soledad Community Health Care District cannot guarantee reinstatement.

Employees who accept other employment during the approved leave (when that alternate employment is inconsistent with the terms of the leave granted by the District) and/or employees who fail to report to work promptly at the expiration of the approved leave period will be considered to have resigned from Soledad Community Health Care District.

4.4A-MEDICAL LEAVE

If an employee is requesting a Personal Leave of Absence due to the employee's own medical condition, a healthcare provider's statement must be provided verifying the need for a medical leave of absence and the beginning and expected ending dates. Any changes in this information must be promptly reported to management. At the conclusion of the leave, a

written notice by the healthcare provider is required to authorize a return to work. Should the healthcare provider indicate physical limitations upon return to work, Human Resources will engage in an interactive process with the employee to determine if the employee is eligible for any reasonable accommodation.

4.5-ORGAN AND BONE MARROW DONATION

Soledad Community Health Care District will provide a leave of absence for employees who have been employed by Soledad Community Health Care District for a minimum of 90 days in order for them to be able to donate organs and/or bone marrow as a medical necessity. The leaves are treated as followed:

Organ Donation – Paid leave up to 30 days. Employees must utilize 2 weeks of earned but unused PTO or PSL if available. If additional leave is needed, another thirty (30) days of unpaid leave will be provided.

Bone Marrow – Paid leave up to 5 days. Employees must utilize earned but unused PTO or PSL if available.

Common to both – multiple leaves may be allowed for organ and/or bone marrow donation in each 12-month period (measured backward from the date an employee uses any leave under this policy), but total amount of leave in either category may not exceed the maximum allowed during the period for that leave type. For example, an employee could take off twice during a 12-month period for Organ Donation leave as long as the total time taken did not exceed 60 days.

This time does not run concurrently with CFRA or FMLA. Employees requesting time under these programs may be required to have a healthcare provider certification prior to taking the leave stating that there is a medical necessity for the donation.

During the time the employee is off under either of these leave categories, Soledad Community Health Care District will continue to pay for group health insurance premiums at the same level as prior to the leave. In addition, the employee will continue to accrue any benefits, credits or other rewards provided at the same rate as before he/she took leave.

Upon completion of the leave, a written approval by the healthcare provider is required to authorize a return to work. Should the healthcare provider indicate physical limitations upon return to work, Human Resources will initiate an interactive process with the employee to determine if the employee is eligible for a reasonable accommodation. The District is committed to engaging our employees in ongoing, meaningful dialogue regarding modifications at work. An employee who timely returns to work at the expiration of such leaves will be reinstated to his/her former position, or a comparable position, whenever possible and consistent with applicable laws.

4.6-ADDITIONAL LEAVES

Soledad Community Health Care District also will make special consideration of an employee's need for the following types of leave. If the reason for your leave is one of the following, please contact your immediate supervisor or Human Resources to discuss eligibility requirements and

amount of time off available:

- Military Leave
- Military Reserves or National Guard
- Military Spouse Leave
- School Activities Leave
- School Discipline Leave
- Victims of: Domestic Violence, Sexual Assault and Stalking
- Crime Victims Leave
- Emergency Duty (Reserve Peace Officer, Rescue, Volunteer Fire Fighter and Disaster Medical Response); and Training
- Volunteer CA Wing of the Civil Air Patrol

4.7 MILITARY LEAVE

Soledad Community Health Care District provides Military Leave to eligible employees. All non-temporary employees inducted into the U.S. Armed Forces will be eligible for re-employment after completing military service, provided:

1. You show your orders to your supervisor as soon as you receive them.
2. You satisfactorily complete your active duty service.
3. You enter the military service directly from your employment with Soledad Community Health Care District.
4. You apply for and are available for re-employment within ninety (90) days after discharge from active duty. If you are returning from up to six (6) months of active duty for training, you must apply within thirty (30) days after discharge.
5. Subject to the terms, conditions, and limitations of the applicable plans, health insurance premiums (and dependent coverage as applicable) will continue to be paid by Soledad Community Health Care District to the same degree it was provided before the leave began.

4.8-MILITARY RESERVES OR NATIONAL GUARD LEAVE

Employees who serve in U. S. military organizations or state militia groups may take the necessary time off to fulfill this obligation and will retain all of their legal rights for continued employment under existing laws. These employees may apply accrued and unused PTO to the leave if they wish; however, they are not obliged to do so.

You are expected to notify your supervisor as soon as you are aware of the dates you will be on duty so that arrangements can be made for replacement during this absence.

4.8A-MILITARY SPOUSE LEAVE

Employees who are regularly scheduled to work at least 20 hours per week and whose spouse is a member of the Armed Forces, National Guard or Reserves who is deployed to an area designated as a combat theater or combat zone during a period of military conflict, may take up to ten unpaid days off to spend time with a spouse during his/her leave from deployment.

You are required to notify your supervisor within two days of receiving official notice your spouse will be on leave requesting time off from work. Soledad Community Health Care District may require the employee to provide a copy of the documentation certifying the spouse will be on leave from deployment. Employees may use PTO time during the leave. If an employee does not have PTO available, the employee may take unpaid leave.

4.9-PARENTS'/GUARDIANS' SCHOOL LEAVE

Any employee who is a parent or a guardian of a child, or grandparent who has custody of a grandchild in kindergarten through twelfth grade, or whose child or grandchild is attending a licensed day care facility, may take up to forty (40) hours of unpaid time off each calendar year, not exceeding eight (8) hours in any calendar month of the calendar year for the purpose of 1) participating in activities of the school or licensed day care facility, 2) finding a school or a licensed child care provider, 3) to enroll or re-enroll a child, and 4) time off to address child care provider or school emergencies. Prior to taking the time off, employees must give reasonable notice to Soledad Community Health Care District.

The employee does not have to be residing with the child to be entitled to this leave, however, the employee must have custody of the grandchild to be eligible for grandparent's leave. Employees may use PTO during parent's/guardian's leave. If an employee does not have PTO available, the employee may take unpaid leave.

4.10-SCHOOL DISCIPLINE LEAVE

Any employee who is the parent or guardian of a child and is actually living with the child, or grandparent who has custody of a grandchild is eligible for an unpaid school-discipline leave. The employee must have received a written notice from the principal of the school requesting his or her attendance at a conference to discuss the child's/grandchild's suspension from school. School-discipline leave is not available to employees who voluntarily consult with school administrators regarding a child's/grandchild's performance in school.

Soledad Community Health Care District may require the employee to provide a copy of the notice received from the school, prior to granting school-discipline leave, and may require documentation from the school as verification that the visit took place. Soledad Community Health Care District may ask the employee or the principal to briefly reschedule the conference if the employee's attendance at work is essential at the time originally scheduled. There is no limit to how frequently employees may be provided school-discipline leave. Employees may use PTO during school-discipline leave. If an employee does not have any PTO available, the employee may take unpaid leave.

4.11-DOMESTIC VIOLENCE, SEXUAL ASSAULT AND STALKING LEAVE

If an employee is the victim of domestic violence, sexual assault or stalking, time off may be necessary to seek judicial relief to help ensure the health, safety or welfare of the employee or a child. Unpaid leave will be given to any employee who needs time off to obtain a temporary restraining order, a restraining order, or other injunctive relief from a court, to serve on a jury or to appear in court. Unpaid leave may also be granted in conjunction with the need for victims of domestic violence, sexual assault or stalking to allow the employee to seek medical attention, to obtain services from a support program, shelter or rape crisis center, to obtain psychological counseling, or

to participate in safety planning.

If an employee needs time off from work for this purpose, reasonable advance notice must be provided to your supervisor in writing. If an unscheduled absence or emergency court appearance is required for the health, safety or welfare of the employee or a child, the employee must provide certification of the absence within a reasonable time after the court appearance. Certification shall be any of the following:

- A police report indicating that the employee was a victim of domestic violence or sexual assault;
- A court order or other evidence from the court or prosecuting attorney that the employee appeared in court; or
- Documentation from a medical professional, domestic violence or sexual assault advocate, healthcare provider, or counselor that the employee was undergoing treatment for injuries resulting from an act of domestic violence or sexual assault.

Soledad Community Health Care District will make reasonable efforts to maintain the confidentiality of an employee who requests Domestic Violence, Sexual Assault or Stalking Leave.

Employees may use PTO or PSL for this purpose or take unpaid leave.

4.12-TIME OFF FOR VICTIMS OF VIOLENT CRIMES

Soledad Community Health Care District will not discharge or discriminate against employees who are victims of crime if they take time off to appear in court to comply with a subpoena or other court order as a witness in any judicial proceeding. Affected employees must give Soledad Community Health Care District reasonable notice that they are required to appear in court, except for unscheduled or emergency court appearances. In such a case, Soledad Community Health Care District will take no action against affected employees if, within a reasonable time after the appearance, they provide Soledad Community Health Care District with evidence from the court or prosecuting attorney that they appeared in court. Such time off is provided on an unpaid basis, though available PTO may be used during this time. Employees may use PTO or PSL for this purpose or take unpaid leave.

4.13-EMERGENCY DUTY LEAVE

Soledad Community Health Care District will provide unpaid leave to volunteer firefighters, reserve peace officers, emergency rescue personnel and disaster medical response personnel when they are required to perform emergency duty. You are expected to notify your supervisor as soon as you are aware of the need to perform emergency duty. "Emergency rescue personnel" is defined as any person who is an officer, employee, or member of a fire department or fire protection or firefighting agency of the federal government, the State of California, a city, county, city and county, district, or other public or municipal corporation or political subdivision of California, or of a sheriff's department, police department, or a private fire department, whether that person is a volunteer or partly paid or fully paid, while he or she is actually engaged in providing emergency services.

4.14-VOLUNTEER FIREFIGHTER TRAINING LEAVE

Soledad Community Health Care District allows for an employee who is a volunteer firefighter to take temporary unpaid leaves of absence, up to a

total of 14 days per calendar year, to engage in fire or law enforcement training. You are expected to notify your supervisor as soon as you are aware of the dates you will be on leave for training.

4.15-VOLUNTEER CA WING OF THE CIVIL AIR PATROL

Soledad Community Health Care District allows for an employee who has worked at least 90 days to take up to 10 days of unpaid leave for volunteering in the CA Wing of the Civil Air Patrol (the civilian auxiliary of the US Air Force) to respond to emergency operational missions.

COMPENSATION-5.0

REST AND MEAL PERIODS-5.1

(Non-exempt positions)

5.1a-Rest Period (breaks): Employees are authorized and permitted to take one ten-minute rest period during each four-hour work period, or major fraction thereof. Rest periods are not provided if the total daily work schedule is less than 3½ hours. To the extent possible, rest periods are to be taken in the middle of work periods. Rest periods may not be combined or added to meal periods. Employees are not required to clock in and out for rest periods and since this time is counted and paid as time worked, you must not be absent from your workstation beyond the allotted time.

5.1b-Meal Periods: Employees in non-exempt positions who are scheduled for shifts in excess of five hours are provided one unpaid meal period of 30 minutes in length where the employee has the opportunity to be relieved of all active responsibilities and restrictions; this meal period is required to be started before the 5th hour of work is completed (for example, at 5 hours and 10 minutes is too late to start a meal period). Meal periods are unpaid and as such, employees are required to clock in and out for meal periods. Failure to take meal breaks prior to the 5th hour will result in a meal penalty equal to one hour of pay at employees' regular rate of pay. Repeated failure to take meal breaks can result in disciplinary action. Employees may voluntarily waive their meal periods only under the following conditions (waivers are available from the Human Resources):

1. If your work shift is completed within six hours, you may waive your meal period.
2. If you work a long shift of more than 10 hours, you may waive the second meal period, provided you took your first meal period and no more than 12 hours will complete the workday.

General to both:

- Each day you are unable to schedule own time to take your allotted break(s) or meal period(s), it is your responsibility to notify your supervisor at least two hours prior to the end of your shift.
- In the event you are denied the opportunity to take a meal break, you are required to note it on your timecard.

TIMEKEEPING-5.2

(Non-exempt positions)

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require Soledad Community Health Care District to keep an accurate record of time worked in order to calculate pay and benefits. Time worked is all the time actually spent on the job performing assigned duties. Please accurately record the time work begins

and ends, as well as the beginning and ending time of each meal period. Also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always have prior approval. Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in corrective action, up to and including termination of employment.

It is each employee's responsibility to clock in and out using our electronic timekeeping system (ADP) to certify the accuracy of all time recorded. In addition, if corrections or modifications are made to the time record, both the employee and management must verify the accuracy of the changes.

OVERTIME-5.3
(Non-exempt positions)

When operating requirements or other needs cannot be met during regular working hours, employees in non-exempt positions will be assigned or given the opportunity to volunteer for overtime work assignments. All overtime work must receive management's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees in non-exempt positions who are qualified to perform the required work.

As required by law, overtime pay is based on actual hours worked. Time off for PTO, PSL holiday pay or any leave of absence will not be considered hours worked for purposes of performing overtime calculations. Failure to work scheduled overtime or overtime worked without prior authorization (written or verbal) from management may result in corrective action, up to and including termination of employment.

Overtime is paid to employees in non-exempt positions according to state and federal regulations, which are subject to change. The current overtime rate is posted and can be requested from your supervisor. Currently, overtime is computed as outlined below:

Daily: Up to 8 hours – straight time
 Over 8 hours – time & one-half
 Over 12 hours – double time

Weekly: Up to 40 hours – straight time
 Over 40 hours – time & one-half

7th Day: Time and one-half for the first 8 hours worked and double time for hours worked in excess of 8 hours on the 7th consecutive day of work in a workweek.

The workweek at Soledad Community Health Care District is defined as Monday to Sunday, which means it ends and begins at midnight between Sunday and Monday of each week.

“OFF-THE CLOCK” WORK-5.4
(non-exempt positions)

We want to clarify work expectations at Soledad Community Health Care District, particularly since electronic devices have allowed "working" while not at work for some employees in some industries. As an hourly, non-exempt employee, you are scheduled specific work shifts. Please know that employees may never work "off the clock." That means that when you are logged-off/clocked-out of work during meal periods and at the end of your shift, no work can be performed. This includes checking and responding to emails and texts during non-work hours. Exceptions are

when the additional time worked has been authorized by your manager or if a manager is contacting your personal phone/device about scheduling changes. In the event you perform any work, you are required to note it on your timecard. In the event you have questions about this policy, please talk with Human Resources for clarification.

PAYDAYS-5.5

All employees are paid twice monthly. Pay periods cover the 1st through the 15th with the payday on the 25th of the month, and from the 16th through the last day of the month with the payday on the 10th. Your paycheck will include earnings for all work performed through the end of the payroll period. When paydays don't fall on a normal business day, they will be paid as follows:

- Weekend the prior business day will generally be the payday;
- Holiday that Soledad Community Health Care District is closed, the workday before the holiday will generally be the payday.

PAY DEDUCTIONS-5.6

Soledad Community Health Care District is required by law to make certain deductions from your paycheck. Among these are applicable federal and state taxes. We are also required to deduct Social Security taxes up to a specified limit. Soledad Community Health Care District matches the amount of Social Security taxes paid by each of our employees. If you have questions concerning why deductions were made from your paycheck or how they were calculated, management can assist in having your questions answered.

CORRECTIONS TO PAYCHECKS-5.7

Soledad Community Health Care District makes every effort to provide accurate paychecks on the posted pay days. If there is an error in a paycheck, whether in hours paid, rate of pay, deductions taken or not taken, or any other discrepancy, the employee must bring it to the attention of his/her supervisor immediately for review and/or correction. Should the immediate supervisor not be available, any other management person can be contacted or Human Resources. Failure to report the discrepancy may result in a delay of payment.

BONUSES-5.8

Any bonuses that are discretionarily provided to employees are done so on a year-to-year basis and at the complete subjective discretion of Soledad Community Health Care District. Employees should realize that bonuses are not guaranteed, and the amount does not necessarily increase yearly. Bonuses, if provided, should be considered a one-time payment of additional compensation, not as guaranteed yearly payment.

HEALTH AND SAFETY-6.0

Soledad Community Health Care District is committed to providing a work environment that is safe and healthful. We have established an Illness and Injury Prevention Program (IIPP), to support our safety efforts by identifying and correcting workplace safety issues and educating our employees. Soledad Community Health Care District's Safety Program Coordinator is the Staff Developer.

WORKPLACE VIOLENCE-6.1

Soledad Community Health Care District is committed to providing a safe, violence-free workplace and strictly prohibits employees, Residents, visitors or anyone else on Soledad Community Health Care District premises or engaging in Soledad Community Health Care District-related activity from behaving in a violent or threatening manner. As part of this policy, Soledad Community Health Care District seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence even prior to any violent behavior occurring. Soledad Community Health Care District 's policy provides "zero tolerance" for actual or threatened violence against co-workers, visitors, or any other persons on Soledad Community Health Care District premises or attending Soledad Community Health Care District business-related activities. Employees are required to report to their supervisor any incident involving a threat of violence or act of violence, or any violation of this policy, immediately.

Workplace violence includes:

1. Threats of any kind (*including those that are meant as "humorous" or a "joke"*);
2. Threatening or violent behavior, such as intimidation of or attempts to instill fear in others;
3. Other behavior that suggests a propensity toward violence. This can include belligerent speech, excessive arguing or swearing, theft or sabotage of Soledad Community Health Care District property, or a demonstrated pattern of refusal to follow Soledad Community Health Care District policies and procedures;
4. Defacing Soledad Community Health Care District property or effecting physical damage to the facilities; or
5. Bringing weapons or firearms of any kind on Soledad Community Health Care District premises, in Soledad Community Health Care District parking lots, or while conducting Soledad Community Health Care District business.

If any employee observes or becomes aware of such actions or behavior by an employee, Residents, visitor, or anyone else, they are required to notify their supervisor immediately, and/or call the Police or 911 as appropriate. Further, an employee should notify Human Resources if any restraining order is in effect, or if a potentially violent non-work-related situation exists which could result in violence in the workplace. This is to ensure that the District is aware of and takes appropriate actions to safeguard the workplace and employee safety.

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, Soledad Community Health Care District will inform the reporting individual of the results of the investigation. To the extent possible, Soledad Community Health Care District will maintain the confidentiality of the reporting employee and of the investigation but may need to disclose results in appropriate circumstances in order to protect individual safety. Soledad Community Health Care District will not tolerate retaliation against any employee who reports workplace violence.

If Soledad Community Health Care District determines that workplace violence has occurred, Soledad Community Health Care District will take appropriate corrective action. The appropriate corrective action will depend on the particular facts but may include written or oral warnings, probation,

reassignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, Soledad Community Health Care District will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

SAFETY RULES-6.2

Soledad Community Health Care District is concerned with the health and safety of every employee and Resident. **SAFETY IS EVERYONE'S RESPONSIBILITY!** All employees are required to be alert to potential hazards, be well informed about specific safety requirements of their job, and to adhere to established Safety Rules.

For our safety program to be successful, every employee must participate and comply fully with the standards and practices of Soledad Community Health Care District to promote safety in the workplace.

If injuries occur on the job, no matter how slight, report them immediately to your supervisor. If you see unsafe conditions in any Soledad Community Health Care District location, please report them IMMEDIATELY to management so they can be corrected. Employees who report unsafe work conditions or practices may do so without fear of reprisal. In addition, follow these safety guidelines which are based on the experience and suggestions of past and current employees in many industries which can be used at work, home or at any time they can be of benefit.

1. Whether anyone is hurt or not, immediately report all accidents to management. In case of injury, seek first aid at once.
2. A good worker is a safe worker. Be sure to know the safe way to perform any job given to you. If you have any doubt about the safety of a practice or procedure, talk to management.
3. Horseplay and practical jokes are dangerous and against the rules at Soledad Community Health Care District.
4. Lift properly. Keep your back straight, then squat down at the knees to reach the object being lifted. Do not twist your body when lifting. If it is necessary to turn, shift your feet. Do not attempt to lift heavy objects alone. Get help!
5. Prevent slips and falls. Watch for spills or loose objects on floors. Clean up spills and pick up debris immediately.
6. Electrical cords are hazards. Do not allow cords to extend across doorways, aisles or other walkways. When removing plugs from receptacles, grasp the plugs, not the cords.
7. Use special safety equipment wherever provided . . . do not take a chance "just this once." That is usually when an accident happens.

SECURITY-6.3

As an employee of Soledad Community Health Care District, one of your primary responsibilities is the protection of our HI, their property, and the assets of Soledad Community Health Care District. This effort requires each employee's full dedication.

The following information provides a number of ideas about what you can do to assist in the security of our grounds and buildings. While no one expects you to be an expert in security, your awareness and assistance will be a tremendous asset to this effort.

What You Should Do

1. If you notice anyone that appears to be acting suspiciously, report them to management immediately. Suspicious activity includes someone waiting or loitering in an area not designed for that purpose, i.e.: a Resident area, parking lot, or other public or restricted area. If you come upon an individual who looks surprised or nervous to see you, report them. Also, if you see a non-employee in an area designed for employees only, they should be reported.
2. If you hear any loud or unusual noises, report them. This would include mechanical noises, alarms, loud yelling, etc.
3. If you are ever confronted by a thief, don't try to be a hero! Give that person everything he/she wants. You and your safety are more important to us than anything the thief may get away with.

EMERGENCY PROCEDURES-6.4

FIRE-6.4A

In case of a fire, the employees should follow this procedure:

1. Relocate Residents or visitors in immediate danger to safety.
2. **CALL 911.**
3. Close all windows and doors, shut off all fans, etc., to prevent drafts and fire from spreading. Keep fire doors closed.
4. Station people at the entrance to the area or building to guide the fire department to the fire's location.
5. Check the door to the room in which the fire is burning. If the door is warm, DO NOT OPEN THE DOOR. Wait for the fire department to deal with the fire.
6. Follow instructions as calmly as possible
7. If you have any questions regarding this procedure, seek clarification through management.

EARTHQUAKE-6.4B

In the event an earthquake strikes and affects any of Soledad Community Health Care District's property, the safety of Residents, visitors and employees is of paramount importance. The following guidelines should be followed:

During an Earthquake

1. If you're indoors, get under a table or desk, or brace yourself in a hallway. Hang on! Watch out for falling, flying, and sliding objects. Stay away from windows.
2. If you're outdoors, move to an open area away from buildings, power poles, and brick or block walls that could fall.
3. If you're in an automobile, stop and stay in it until the shaking stops. Avoid stopping near trees and power lines, on or under overpasses.
4. If elevators are available, do not use them; use stairs. Wait for instructions from building authorities.
5. Do not dash for the exit. Choose your exit carefully.

After an Earthquake-6.4c

1. Put on heavy shoes immediately to avoid injury from stepping on glass

and other debris. Look out for falling or ready-to-fall objects.

2. Check for injuries and give first aid, as you feel qualified.
3. Check emergency supplies.
4. Check for fires and fire hazards. Sniff for gas leaks. If you smell gas or suspect a leak, open windows and carefully leave the area. Do not turn lights on or off or light matches or do anything that makes a spark.
5. Go to your designated area and report on injuries and conditions. Wait for instructions.
6. Do not touch downed power lines or objects touched by downed wires.
7. Stay in undamaged areas.
8. Do not use the phone.
9. Do not go sightseeing.
10. Cooperate with public safety officials. Be prepared to evacuate when necessary.

Employees should inform their supervisors if they require assistance or accommodation in complying with the Emergency Procedures or any aspect of Soledad Community Health Care District's safety plan.



ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK

Effective June 1, 2023

This is to acknowledge that I have received a copy of the Employee Handbook and understand that it contains important information on many of Soledad Community Health Care District's general personnel policies and on my privileges and obligations as an employee. The policies contained in this Employee Handbook dated June 2023 apply to all employees and supersede and replace all previously communicated policies both in written and verbal form. I acknowledge that I am expected to read, understand, and adhere to these policies and will familiarize myself with the material in the handbook. Additionally, I agree to abide by any new or revised policy. I have been given an opportunity to ask questions about policies I do not understand.

I understand that I am governed by the contents of the handbook and that other than the policy of at-will employment, Soledad Community Health Care District may change, rescind or add to any policies, benefits or practices described in the handbook from time to time in its sole and absolute discretion with or without prior notice. Soledad Community Health Care District will advise employees of material changes within a reasonable time. I also understand that, because Soledad Community Health Care District cannot anticipate every issue that may arise during my employment, if I have any questions regarding any of Soledad Community Health Care District's policies or procedures, I should contact my supervisor or Human Resources.

I further acknowledge and agree that employment with Soledad Community Health Care District is at-will and may be terminated by either Soledad Community Health Care District or me at any time without cause or notice. Additionally, other terms and conditions of employment such as compensation, benefits, title, duties, and corrective action may be modified at the discretion of Soledad Community Health Care District. The terms of this Acknowledgment may not be modified or superseded except by a written agreement signed by me and the CEO with a statement that it is a modification to this Acknowledgment and at-will employment.

I understand it is my responsibility to read, understand, and comply with the provisions contained in Soledad Community Health Care District Employee Handbook, including the policies on Equal Employment Opportunity and Prohibited Harassment. If I am unable to understand any part of the handbook, I will arrange to have it translated or explained to me. I further understand that if I am unable to arrange such help, I will immediately notify my supervisor who will make arrangements for needed assistance.

Employee Signature

Date

Print or Type Name



Harvest Food Rx Program

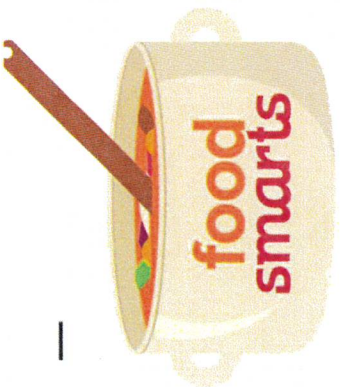
Healthy Food Access grant from CCAH
June 1, 2022-June 30, 2023











Food Box Delivery

33 Families Currently Receiving boxes

93 Families Completed Box Distribution

**Total 126 families for a total of 617 persons
provided food boxes**
