

Tulare Local Health Care District

Agenda Item

Board Meeting Date:

March 27, 2019

Title to Appear on Agenda:

March, 2019 Internal Financial Statements – (to be distributed) Balance Sheets and Statements of Revenue and Expenses

Brief Description:

The District prepares internal monthly financial statements to monitor the ongoing financial position of the District. Note: There may be a delay in the delivery of this March report due to bereavement time off for the Interim Controller and vacation absence for the Assistant Controller

Background and Details:

These Internal Statements were prepared based on the following facts:

The financial audits of the Tulare Local Health Care District dba Tulare Regional Medical Center's accounting books and records for the FYE June 30, 2017 and FYE June 30, 2018 were completed on February 21, 2019. This has provided a more meaningful "foundation" upon which these interim statements are prepared.

It should be noted that settlements of claims related to the bankruptcy or other related settlements that occur during the FYE June 30, 2019 will be booked collectively on the internal June financial statements and in conjunction with the upcoming year- end audited financial statements.

Exhibits:

To be delivered at the meeting (pending completion)

Recommended Action:

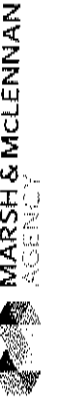
To review and accept the Statements as presented at the meeting

TULARE LOCAL HEALTH CARE DISTRICT

SCHEDULE OF INSURANCE 2018 - 2019

COVERAGE	LIMITS	DEDUCTIBLES	CARRIER	POLICY NO.	POLICY TERM	ANNUAL PREMIUM 2018-2019	POLICY FORM	COMMENTS
Property								
Policy Limit	\$ 218,809,239	\$ 10,000	Alliased FM	SS310	07/01/18-07/01/19	\$ 152,939	Occurrence	The District is required to keep the property policy in place per the master lease agreement. Policy limit can be adjusted including business income limit to factor in the new structure of the District acting as the landlord only.
Flood	\$ 85,000,000	Flood \$ 100,000						
Business Interruption Extra Expense	\$ 2,500,000							
Aspiral Professional Liability (PL) & General Liability (GL)								
Per Occurrence Limit	\$ 10,000,000	Indemnity Only \$ 100,000	Beta Risk Management Authority	HGL18351	07/01/18-07/01/19	\$ 810,555	PL - Claims Made GL - Occurrence	The annual premium consists of two parts, active contribution (\$127,803) and tail contribution (\$682,750). The active contribution consists of the hospital's exposure from 7/1/2018 going forward. The tail contribution portion is the cost for the hospital's exposure from 7/1/1985 (Retro date) to 7/1/2019. BETA will provide an additional tail quote for active portion 7/1/18 thru 7/1/19 or their confirmation of the effective date of the change in ownership. Once the change in ownership has taken effect, the District will purchase General Liability only due to their new role as the Landlord and not a healthcare provider.
Aggregate Limit	\$ 20,000,000							
Retroactive Date: 7/1/1985								
Auto Liability								
Per Accident/Combined Single Limit	\$ 5,000,000	Comprehensive \$ 250	Beta Risk Management Authority	AL18351	07/01/18-07/01/19	\$ 6,703	Occurrence	Vehicles will be deleted as necessary from this policy. If no vehicles belong to the District, the District should continue to purchase Hired & Non-Owned coverage coverage.
Medical Payments	\$ 5,000	Collision \$ 500						
Uninsured/Underinsured Motorist Liability	\$ 1,000,000							
Directors & Officers Liability/Employment Practices Liability								
Each Claim & Aggregate-D&O/EPL	\$ 5,000,000	D&O \$ 10,000 EPL \$ 100,000	Beta Risk Management Authority	DO18351	07/01/18-07/01/19	\$ 145,672	Claims Made	BETA will provide a tail quote for the hospital's exposure from 7/1/1985 (Retro date) to confirmed effective date of the change in ownership. BETA will underwrite a new policy based on the new structure of the District and it's Board.
Retroactive Date: 7/1/1985								
Workers Compensation								
Statutory - CA		None	Beta Risk Management Authority	BETA-WC	07/01/18-07/01/19	\$ 438,328	Occurrence	Renewal Premium will be based on the new and adjusted payroll for the 2018 - 2020 policy term.
Employer's Liability	\$ 2,000,000							
Fire/Burglary Liability								
Each Claim & Aggregate	\$ 1,000,000	\$ 10,000	Exotic Specialty / Hudson	SFD0121224	10/12/18-10/12/19	\$ 5,000	Claims Made	The District should maintain this policy as it relates to it's Employee Benefit Plans. Liability for those accused of wrongdoing in their capacity as a fiduciary, related to ERISA plans.
Voluntary Compliance Program Expenditures	\$ 100,000							
Pending or Prior Proceeding Date: 10/12/2018								
Continuity Date: 10/12/2018								
Cyber Liability								
Each Claim & Aggregate	\$ 3,000,000	\$ 25,000	RMS / Lloyd's	1112107	10/01/18-10/01/19	\$ 22,047	Claims Made	First and Third party coverage for theft of personal information and/or security breaches.
Cyber Crime	\$ 1,000,000							
Retroactive Date: None, Unknown Prior Acis Coverage								
Collision								
Aggregate Limit	\$ 2,000,000							
Each Incident	\$ 1,000,000							
Retroactive Date: 10/12/2018								
Accession								
Accidental Death & Dismemberment	\$ 500,000	None	Acc Ins. Co.	SRPO004519054	11/22/18-11/22/19	\$ 750	Occurrence	Coverage for volunteers
Prenatal Inured	\$ 25,000							

This document is for informational purposes only. The precise coverage afforded is subject to the terms, conditions and exclusions of the policies as issued by Marsh & McLennan Insurance Agency, LLC. The policy may be amended or replaced, and the responsibility of the production, determination of the adequacy of the limits of protection is your responsibility. CA Insurance Code Section 1033.2(a)(4). TULARELOCALHEALTHCARE.COM



Tulare Local Health Care District

Agenda Item

Board Meeting Date: April 24, 2019

Title to Appear on Agenda:

Chief Financial Officer: Update re: Annual Renewal Process for District's Insurance Coverages

Brief Description:

Each fiscal year, i.e., July 1, most of the District's insurance coverages are up for renewal.

Background and Details:

Staff has requested the District's Insurance Broker, Marsh and McLennan Insurance Agency, LLC and specifically its' representative Jim Gonzalez to prepare an analysis of all of the District's coverages.

This analysis of the coverages will be consistent with the new relationship that the District has with Adventist Health. Jim is very familiar with this project, as over the past several months, he has worked closely with Ben Nicholson of McCormick Barstow, Dan Heckathorne, Interim CFO, and the Risk management team at Adventist Health as they have arranged for the requisite coverages consistent with the Management Services Agreement and the new Lease Agreement with AH.

In his role as Broker for the District, Jim oversees the coverage requirements, seeks competitive quotes for various products, and helps to assess and ensure that the District's needs are covered in the most comprehensive and competitive manner.

It is anticipated that these renewals will be brought to the Board for renewal at the June Board meeting. There is typically a narrow window of time between Jim's receiving the quotes and the time needed for approval and binding the coverage by July 1.

Exhibits:

See Attached Summary of the District's Insurance programs.

Recommended Action:

None at this time – Information Only.

Tulare Local Health Care District
CASH RECEIPTS AND DISBURSEMENTS

	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12	4/19	Totals from 12/01/17
CASH IN												
Receipts	105,553	163,686	125,580	63,402	159,456	210,861	165,241	212,931	303,347	160,629	131,360	6,495,445
Receipts Received for AH	(176,968)	(97,064)	(225,400)	(124,618)	(63,453)	(148,080)	(111,853)	(115,133)	(252,533)	(309,799)	(270,661)	(3,125,747)
DSH Payment	0	0	131,698	0	0	0	0	0	0	0	0	(47,615)
Property Taxes	0	0	0	0	0	0	0	0	0	0	580,603	3,598,497
Property Rentals and Evolutions	11,841	27,759	0	5,579	8,184	14,190	14,765	0	56,209	5,672	0	693,939
Short Term Loans	0	0	0	0	0	0	0	0	0	0	0	(10,352)
Line of Credit - City of Tulare	0	0	4,861,885	0	1,138,115	0	0	0	0	300,000	0	6,300,000
Supplemental - AB 113 & 915	0	0	0	0	0	0	0	0	0	0	0	2,322,001
Paid by TLHCD To be Reimbursed by AH	0	3,089	9,785	(36,171)	(4,026)	69,699	33,750	1,293	17,097	39,361	0	363,569
Supplemental - HQAF, Etc.	0	0	(551,649)	0	0	0	0	0	0	0	0	3,248,087
Payments Excluded from AH LOC	0	0	0	0	0	0	0	0	0	0	0	(0)
Other Extraordinary Receipts	0	0	0	35,000	0	0	40,256	0	0	0	0	663,571
Adventist Health Line of Credit	0	0	0	0	0	0	0	0	0	0	0	9,627,814
Total Cash In	(59,575)	97,470	4,351,899	(56,807)	1,238,276	146,669	142,159	99,092	124,121	195,863	441,302	30,129,208

	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12	4/19	Totals from 12/01/17
EXPENSES												
Revenue Bonds	0	0	100,000	125,000	0	0	0	0	125,000	0	0	1,278,612
Payroll & Related Expenses	0	15,680	0	16,329	0	15,173	0	15,358	0	14,630	0	4,489,405
Insurance	26,607	0	0	82,538	0	0	0	0	78,699	16,519	0	2,187,093
Utilities/Phone/Internet	4,780	1,514	14,097	2,892	5,289	28,584	4,498	2,484	2,310	8,432	17,066	1,525,954
Legal/ Bankruptcy Counsel	0	85,406	54,442	0	0	177,170	269	0	51,592	116,312	40,240	2,998,092
Consulting & Purchased Services	13,830	0	2,375,358	114,223	4,655	5,926	229,569	394,787	0	9,220	9,137	6,841,758
Software Fees	0	0	0	0	0	0	0	0	0	0	0	139,437
Supplies - Medical	1,187	0	1,022	1,869	1,433	3,555	1,263	912	145	617	0	858,447
Leases and Rentals	6,081	85	504	6,526	310	0	2,022	118	5,287	8,687	540	282,354
IGT Advances	0	0	0	0	0	0	0	0	0	0	0	443,483
Third Party Payments	0	0	0	0	0	0	303,530	0	0	0	0	653,376
Other	26,955	505,680	1,810,203	10,978	19,364	15,611	8,230	20,835	27,493	164,124	6,535	4,815,546
Expense Catch-up After 09/30/17	0	0	0	0	0	0	0	0	0	0	0	245,461
Assumed Liabilities	0	0	100,000	0	0	0	0	0	0	0	0	149,935
Start-up Repairs (Gross) including I/T &	0	0	0	0	0	0	0	0	0	0	0	0
Misc. & Minor Repairs	6,000	9,656	9,324	0	0	4,903	1,426	0	4,224	0	0	2,391,858
Total Expense	85,440	618,021	4,464,950	360,355	31,051	250,923	550,806	434,495	294,749	338,540	73,518	29,300,810
Difference	(145,015)	(520,551)	(113,053)	(417,163)	1,207,225	(104,254)	(408,647)	(335,403)	(170,628)	(142,677)	367,784	828,398
Cash Balance Forward	1,465,762	945,211	832,160	414,997	1,622,222	1,517,969	1,109,322	773,918	603,291	460,613	828,398	

NOTE 1: \$784,664 of Build America Bonds funds were received by the District in February, 2018 and again in July, 2018, and another \$748,427.77 was received in January, 2019, and all were directly paid to the Tulare County Tax Assessor. These have been removed from this report as these are not District funds.

NOTE 2: Adventist Health will be reimbursing the District (via the Asset Purchase Agreement) for agreed up Start-Up Repairs and Valuation costs totalling \$151,363.

NOTE 3: Certain Re-Classes have been made from these accounts to more accurately reflect major expenditures below.