

**TEHACHAPI VALLEY HEALTHCARE DISTRICT  
BOARD OF DIRECTORS MEETING  
Date: November 19, 2024, 10:00am  
Place: Tehachapi Valley Healthcare District Office  
116 W F Street  
Tehachapi, CA 93561**

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Meeting ID: 236 729 275 449

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**AGENDA**

**I. CALL TO ORDER**

**II. FLAG SALUTE**

**III. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

This time is reserved for persons to address the Board of Directors on matters not on the agenda over which the District has jurisdiction. Time is limited to 3 minutes per speaker. The Board of Directors can take no action on your presentation. Any person desiring to speak on an item on the agenda will be given an opportunity to do so prior to the Board of Directors acting on the item.

**IV. BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

**V. CONSENT AGENDA**

The following items are considered routine and non-controversial by District Staff and may be approved by one motion. If a member of the Board or audience wishes to comment or ask questions on an item, it will be moved to New Business or Reports.

Approval of Minutes

- |   |       |
|---|-------|
| 1. BOD Meeting Minutes 10/15/24                           | Tab 1 |
| 2. Receive and File, Finance Committee Minutes 10/09/24   | Tab 2 |
| 3. Receive and File, Strategic Committee Minutes 10/10/24 | Tab 3 |

**VI. OLD BUSINESS**

A. None

**VII. NEW BUSINESS**

- |  |       |
|--|-------|
| A. Funding of Imaging Walkway Hospital                               | Tab 4 |
| B. Nursing Home/Assisted Living Facility – Old Hospital Site         | Tab 5 |
| C. Approval of Director Gehricke to attend City Connection – Stipend | Tab 6 |
| D. Committee Appointment Discussion                                  | Tab 7 |
| E. Generator Storage   | Tab 8 |

**VIII. REPORTS**

- A. Adventist Health Tehachapi Valley Update (Jenny Lavers)
- B. TVHD CEO Report

Tab 9

**IX. ADJOURNMENT**

<b><u>NOTICE TO THE PUBLIC</u></b>
<b><u>PUBLIC COMMENT PERIOD FOR REGULAR MEETINGS</u></b> Members of the public may comment on any item on the agenda before the Board takes action on it. The public may also comment on items of interest to the public that is within the subject matter jurisdiction of the Board; provided, however, the Board may not take action on any item not appearing on the agenda unless the action is otherwise authorized by law. Any person addressing the Board will be limited to a maximum of three (3) minutes so that all interested parties have an opportunity to speak.
<b><u>COPIES OF PUBLIC RECORDS</u></b> All writings, materials, and information provided to the Board for their consideration relating to any open session agenda item of the meeting are available for public inspection and copying during regular business hours at the Administration Office of the District at 116 W E St., Tehachapi, California.
<b><u>COMPLIANCE WITH ADA</u></b> This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (Cal. Gov't Cod. § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting, should contact the Executive Office during regular business hours by phone at 661-750-4848, or in person at the District's Administrative Office at 116 W E St., Tehachapi, California.

**TEHACHAPI VALLEY HEALTHCARE DISTRICT  
MINUTES OF THE BOARD OF DIRECTORS MEETING  
October 15, 2024, 10:00am  
116 West F Street, Tehachapi, CA 93561**

**I. CALL TO ORDER**

President Nixon called the meeting to order at 10:00am.

**Directors Present:** Lydia Chaney, Carl Gehricke, Mike Nixon, Christine Sherrill, BreAnne Patterson

**Directors Absent:** None

**Others Present:** Peggy Mendiburu, CEO; Scott Nave, Legal Counsel; Pat Doody, The Loop, Julia Pence, Contractor

**II. FLAG SALUTE**

President Nixon led the flag salute.

**III. BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

No comments

**IV. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

No comments.

**V. CONSENT AGENDA**

A. Approval of Minutes

1. Board Meeting Minutes 09/17/24
2. Receive and File Finance Committee Minutes 09/10/24
3. Receive and File Strategic Planning Minutes 09/11/24

**Consent agenda items approved. MSA: Sherrill/Gehricke; 5-0**

**V. OLD BUSINESS**

A. Imaging Pavilion Walkway

CEO Mendiburu provided project budget for wall construction, which is \$1,016,943.75.

Discussion of Adventist projects and where the wall is at timewise. Peggy to reach out to Jenny Lavers, Adventist Health to discuss. Director Gehricke commented that the wall needs to be built now with winter approaching.

**VI. NEW BUSINESS**

A. Appraisal of E and F Street Properties

Appraisal is in packet for board review. Value of all properties combined is \$1.4M. There are several improvements that need to be address that Adventist is leasing. Peggy to provide a list to present to Adventist.

B. Notice of Intent (NOI) to adopt Mitigated Negative Declaration - City

The City provided notice of intent to adopt MND declaration regarding water. The Board had no issues with the MND.

**VII. REPORTS**

A. Adventist Health Tehachapi Valley Update (Jenny Lavers)

Jenny Lavers shared that Adventist (AH) is in final stages of bringing neuro services to Tehachapi; tele-stroke and EEG abilities will avoid patient transfer. AH is continuing to ensure specialty services

and primary care physicians; Received grant for the residency program and will be moving forward with Bakersfield and Tehachapi for next year; Austin Barnett is Tehachapi's Director of Nursing; AH received two awards this month: one for clean energy and the other Top Care Award.

- B. TVHD Report (Peggy Mendiburu)  
Attached.

**VIII. CLOSED SESSION**

A. Real Property Negotiations:

- 116 West E Street, Tehachapi, CA 93561
- Negotiators: CEO/Legal Counsel – Parties: TVHD, Ruiz Trust
- Under negotiation: Purchase

B. Real Property Negotiations:

- APN 223-560-25-00-01; APN 223-560-13-00-6; Magellan Drive, Tehachapi, CA 93561
- Negotiators: CEO/Legal Counsel – Parties: TVHD, Pierce Prop LP
- Under negotiations: Purchase

C. Real property Negotiations:

- 115 West E Street, Tehachapi, CA 93561
- Negotiators: CEO/Legal Counsel – Parties: TVHD, The City of Tehachapi
- Under negotiation: Purchase

**X. CLOSED SESSION REPORT**

Counsel Nave reported that in closed session, development of a nursing home was discussed. The CEO updated the board on real property and the Board gave the CEO direction to notify the City that TVHD is not interested in selling the West E and F parcels. No action was taken and no other items were discussed.

**XI. ADJOURNMENT**

President Nixon adjourned the meeting at 10:44am

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Lydia Chaney, Secretary  
November 19, 2024

TEHACHAPI VALLEY HEALTHCARE DISTRICT  
FINANCE COMMITTEE MINUTES SPECIAL  
October 9, 2024, 3:00pm  
116 W F Street  
Tehachapi, CA 93561

**Board Members Present:** Mike Nixon, Breanne Patterson

**Staff Present:** Peggy Mendiburu, CEO; Julia Pence, Contractor

**Transcribed by:** Peggy Mendiburu

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

**I. CALL TO ORDER**

Director Nixon called the Finance Committee Meeting to order at 3:00pm

**II. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

None

**III. APPROVAL OF MINUTES**

September 12, 2024 Finance Minutes were approved with no corrections/revisions.

**MSA: Patterson/Mendiburu**

**IV. REPORTS**

A. Finance Reports

September finance reports reviewed. Funds in was \$101,295.00 and funds out \$28,804. There are questions regarding the IGT funds. Peggy does not believe these funds exist.

B. American Express

Committee reviewed American Express report with no comments.

C. Petty Cash

None.

**V. OLD BUSINESS**

A. None

**VI. NEW BUSINESS**

B. None

**VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA**

**VIII. ADJOURNMENT**

Meeting adjourned at 3:15pm



**TEHACHAPI VALLEY HEALTHCARE DISTRICT**  
**Strategic Planning Committee - Special**  
**October 10, 2024**  
**116 West F Street**  
**Tehachapi, CA 93561**  
**12:30pm**

**Board Members Present:** Lydia Chaney, Christine Sherrill

**Staff Present:** Peggy Mendiburu, CEO

**Guests:** None

**Transcribed by:** Peggy Mendiburu

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

**I. CALL TO ORDER**

Director Chaney called the meeting to order at 12:30pm

**II. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

None

**III. APPROVAL OF MINUTES**

Approved 09/12/24 Strategic minutes: **MSA: Sherrill/Chaney**

**IV. NEW BUSINESS**

**A. Property Appraisal E and F Street**

- CEO Mendiburu provided appraisal for properties on E and F Street. Total for all properties is \$1.4M. The parking lot and plot where the former hospital was is worth \$346k combined. Property will be discussed at this month's board meeting under closed session.
- The appraisal showed a lot of damage to properties Adventist is leasing. Peggy to provide a list to present to Adventist in the future.
- Discussion of parking lot and the public utilizing. The Chamber recently asked if they could utilize for handicap parking. They provided their insurance certificate; however, Director Chaney voiced concerns of the parking lot being unsafe. **Peggy to bring parking lot project to board in November.** An RFP would be needed as project would probably exceed \$25K.
- Discussion of utilizing the shed behind the clinic for the generators, so they are more accessible to the community should an emergency occur. **Peggy to provide measurements and find out if they have been serviced.**

**V. OLD BUSINESS**

**A. Business Planning**

CEO Mendiburu provided updates to Business Plan:

- Peggy to get quotes for asphalt of parking lots.
- Electrical for the Guild is Adventist's responsibility per contract.
- Directors agreed to \$1K for each non-profit: Have a Heart, Marley's Mutts, and Fixing Feline Ferals.

**B. Grants**

- Director Chaney would like to assist students that are utilizing the nursing program or other medical careers locally with Cerro Coso to promote keeping them in our community. She will reach out to director on information.

10/10/24 - Strategic Minutes

P. Mendiburu

**VI. CEO Report**

No update.

**VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA**

None.

**VIII. ADJOURNMENT**

Meeting adjourned at 1:12pm





**Project Budget**  
*Office of Design & Construction*

Facility: AHTV  
Project Name: Canopy Enclosure

Prepared Date: February 16, 2024  
Square Footage: 612

<b>Description</b>	<b>Scheduled Value</b>	<b>Comments</b>
Construction Costs	\$724,947.90	
Contingency	\$165,160.18	
Testing and Inspections	\$50,746.35	
Security, all	\$17,500.00	
Tech/Comm, Fire Alarm	\$20,000.00	
Project Management Fees	\$41,038.44	
OSHPD Fees/Costs	\$12,606.63	
Capitalized Interest	\$35,000.00	
<i>TOTAL SOFT COSTS</i>	<i>\$342,051.60</i>	
Residual Project Contingency	<i>-\$50,055.75</i>	
<b>TOTAL PROJECT BUDGET</b>	<b>\$1,016,943.75</b>	

*Requestor Reviewed:* \_\_\_\_\_

*Date:* \_\_\_\_\_



### Comparison of California Health Facility License Requirements

	<b>Hospice (Existing Law)</b>	<b>General Acute Care Hospital</b>	<b>Skilled Nursing Facilities (SNFs) aka Nursing Homes</b>	<b>Congregate Living Health Facilities (CLHFs)</b>	<b>Residential Care Facilities for the Chronically III (RCF-CIs)  for HIV+, AIDS, or Terminally III Patients</b>	<b>Intermediate Care Facilities for the Developmentally Disabled – Nursing (ICF/DD-Ns)</b>	<b>AB 950: Hospice Facilities (As Proposed)</b>
<b>Responsible State Agency</b>	Dept of Public Health	Dept of Public Health	Dept of Public Health	Dept of Public Health	Dept of Social Services	Dept of Public Health & Dept of Developmental Services	Dept of Public Health
<b># of Facilities/ Programs (Approx.)</b>	200	425	1286	51	20	404	Unspecified in the bill
<b>Population Served (Approx.)</b>	88,000	3,700,000	110,000	Up to 3,000	Up to 1,000 (est. current # = <250)	Up to 6,100	Unspecified in the bill
<b>Maximum Capacity/ Bed Limit</b>	No bed limit if services are provided at home, in a hospital or a SNF.  See CLHF bed limits for services provided there.	No bed limit	No bed limit	<u>Maximum # of beds:</u> <u>12 beds:</u> counties with population < 500,000 <u>25 beds:</u> counties with population 500,000+ <u>59 beds:</u> if owned and operated by a city or county, but only 25 beds can be for terminally ill patients.	50 beds	4-15 beds	No bed limit
<b>Licensing and Certification Inspection Frequency</b>	Every 6 years	Once every 3 years	Once every 2 years	Once every 2 years	Once every year	Once every 2 years	Unspecified in the bill
<b>Annual Licensing Fees</b>	\$1,875.41 per program	\$257.76 per bed	\$287.00 per bed	\$287.00 per bed	Depends on # of beds: <u>1-6:</u> \$275 + \$10/bed <u>7-15:</u> \$344 + \$10/bed <u>16-25:</u> \$413 + \$10/bed <u>26+:</u> \$482 + \$10/bed	\$938.01 per bed	\$287.00 per bed
<b>Staff Background Checks</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes

	Hospice (Existing Law)	General Acute Care Hospital	Skilled Nursing Facilities (SNFs) aka Nursing Homes	Congregate Living Health Facilities (CLHFs)	Residential Care Facilities for the Chronically III (RCF-CIs) for HIV+, AIDS, or Terminally III Patients	Intermediate Care Facilities for the Developmentally Disabled – Nursing (ICF/DD-Ns)	AB 950: Hospice Facilities (As Proposed)
<b>Nurse Staffing, including Registered Nurse (RN), Licensed Vocational Nurse (LVN), and Certified Nurse Assistant (CNA) level</b>	<p>No specific nurse-to-patient ratio, since:</p> <p>1) Residential-based hospice services do not require ratios.</p> <p>2) Currently, hospice facilities are licensed as Specialty Hospitals/Hospice, SNFs, or CLHFs.</p> <p><u>Nurse Requirement</u> Skilled nursing services provided by or under the supervision of a registered nurse (RN) under a plan of care developed by the interdisciplinary team and the patient's physician.</p> <p>Skilled nursing services shall be available on a 24-hour on-call basis.</p>	<p><u>Nurse Requirement</u></p> <p>Each patient care unit shall have an RN in the unit on each shift.</p> <p><u>Nurse-to-Patient Ratios:</u> <i>Medical/Surgical unit:</i> 1:5</p> <p><i>Critical Care unit:</i> 1:2</p> <p>Nursing services shall be provide by licensed nurses (RN or LVN) within the scope of their licensure</p> <p>Existing law also requires additional staff to be assigned depending on the severity of the patient's illness, the need for specialized equipment and technology, the complexity of clinical judgment needed to design, implement, and evaluate the patient care plan, the ability for self-care, and the licensure of the personnel required for care.</p>	<p>No specific nurse-to-patient ratio.</p> <p><u>Nurse Requirement</u> 3.2 hours of nursing per patient per day (in aggregate) by either a RN, licensed vocational nurse (LVN) or certified nurse assistant (CNA).</p> <p>Director of Nursing (DON) shall be an RN and shall be employed 8 hours/day, 5 days/week.</p> <p><u>&lt;60 beds:</u> RN or LVN awake and on duty at all times.</p> <p><u>60-99 beds:</u> RN or LVN awake and on duty at all times, plus DON req't (see above).</p> <p><u>100+ beds:</u> RN awake and on duty at all times, plus DON req't (see above).</p>	<p><u>Nurse Requirement</u></p> <p><i>6 beds or less:</i> Registered nurse (RN) provides 2 hours per resident, 2 times per week.</p> <p><i>More than 6 beds:</i> At least one RN be awake and on duty 8 hours per day, 5 days per week, and either an RN or LVN awake and on duty at all times.</p> <p><u>Ratio of Certified Nurse Assistants (or persons with similar training and experience)-to-patients:</u></p> <p><i>6 beds or less:</i> one CNA per shift (1:6 ratio)</p> <p><i>7-12 beds:</i> two CNAs per shift (1:6 ratio)</p> <p><i>13-25 beds:</i> --three CNAs per day and evening shifts --two CNAs per nocturnal shift (Approx. 1:5 – 1:13 ratio depending on facility size and time of day)</p>	<p>No Nurse Requirement.</p> <p><u>Administrator</u> must have a human services or nursing background and have 40 hours of training in resident-related health conditions, death and dying, etc.</p> <p><u>Facility personnel</u> shall be competent to provide the services necessary to meet resident needs and shall, at all times, be employed in numbers necessary to meet such needs.</p>	<p>No specific nurse-to-patient ratio.</p> <p><u>Nurse Requirement</u> 24 hour personal care and <b>nursing supervision</b> for persons with developmental disabilities who have intermittent recurring skilled nursing needs, but have been certified by a physician as not requiring continuous skilled nursing care.</p> <p><u>Note: nursing supervision</u> does not necessarily mean on site, awake &amp; on duty.</p>	<p><u>Nurse Requirement</u></p> <p>Same as CLHFs (see CLHFs column) plus a "direct care staff"-to-patient ratio as follows:</p> <p><u>1:6 ratio</u> One direct care staff (RN, LVN, CNA, or Home Health Aide with CNA license) to every six patients.</p> <p>RN required awake and on duty at all times if at least one patient needs and receives the highest level of care – General In Patient (GIP) level of care (This is a federal req't.).</p>

	<b>Hospice (Existing Law)</b>	<b>General Acute Care Hospital</b>	<b>Skilled Nursing Facilities (SNFs) aka Nursing Homes</b>	<b>Congregate Living Health Facilities (CLHFs)</b>	<b>Residential Care Facilities for the Chronically III (RCF-CIs)  for HIV+, AIDS, or Terminally III Patients</b>	<b>Intermediate Care Facilities for the Developmentally Disabled – Nursing (ICF/DD-Ns)</b>	<b>AB 950: Hospice Facilities (As Proposed)</b>
<b>Building Code Standards</b>	N/A if provided in patient's home.  If provided in a hospital, SNF, CLHF, or RCF, then that facility's standards apply.	Construction and renovation must conform to OSHPD "Level 1" standards.  OSHPD must review and approve building plans.	Construction and renovation must conform to OSHPD "Level 2" standards if the facility is a single story building of wood or light steel frame construction; otherwise must conform to OSHPD Level 1 standards.  OSHPD must review and approve building plans.	Construction and renovations must conform to local building code standards.  OSHPD does not review or approve building plans; approval and enforcement is done at local level.	Construction and renovations must conform to local building code standards.  OSHPD does not review or approve building plans; approval and enforcement is done at local level.	Construction and renovations must conform to local building code standards.  OSHPD does not review or approve building plans; approval and enforcement is done at local level.	Construction and renovations must conform to local building code standards.  OSHPD does not review or approve building plans; approval and enforcement is done at local level.

	<b>Hospice (Existing Law)</b>	<b>General Acute Care Hospital</b>	<b>Skilled Nursing Facilities (SNFs) aka Nursing Homes</b>	<b>Congregate Living Health Facilities (CLHFs)</b>	<b>Residential Care Facilities for the Chronically III (RCF-CIs)  for HIV+, AIDS, or Terminally III Patients</b>	<b>Intermediate Care Facilities for the Developmentally Disabled – Nursing (ICF/DD-Ns)</b>	<b>AB 950: Hospice Facilities (As Proposed)</b>
<b>Specific Seismic Safety Require- ments</b>	N/A if provided in patient's home.  If provided in a hospital, SNF, CLHF, or RCF, then that facility's standards apply.	Must comply with Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983.  Hospital buildings that pose a risk of collapse must be retrofitted or replaced prior to January 1, 2008 (extended to January 1, 2013 for most buildings), or taken out of service. Hospital buildings must, by January 1, 2030, be capable of remaining operational following an earthquake.	Multi-story buildings must meet building standards applicable to hospitals; single story buildings of wood or light steel frame construction must meet local building code life safety requirements, which require buildings to be designed to withstand a specified level of earthquake without collapsing.	Buildings must meet local building code life safety requirements, which require buildings to be designed to withstand a specified level of earthquake without collapsing.	Buildings must meet local building code life safety requirements, which require buildings to be designed to withstand a specified level of earthquake without collapsing.	Buildings must meet local building code life safety requirements, which require buildings to be designed to withstand a specified level of earthquake without collapsing.	Buildings must meet local building code life safety requirements, which require buildings to be designed to withstand a specified level of earthquake without collapsing.
<b>Fire Life Safety Standards</b>	National Fire Protection Association	State Fire Marshal and National Fire Protection Association	State Fire Marshal and National Fire Protection Association	State Fire Marshal	State Fire Marshal	State Fire Marshal and National Fire Protection Association	National Fire Protection Association

	<b>Hospice (Existing Law)</b>	<b>General Acute Care Hospital</b>	<b>Skilled Nursing Facilities (SNFs) aka Nursing Homes</b>	<b>Congregate Living Health Facilities (CLHFs)</b>	<b>Residential Care Facilities for the Chronically III (RCF-CIs)  for HIV+, AIDS, or Terminally III Patients</b>	<b>Intermediate Care Facilities for the Developmentally Disabled – Nursing (ICF/DD-Ns)</b>	<b>AB 950: Hospice Facilities (As Proposed)</b>
<b>Fines for Medical Privacy Breaches</b>	<ul style="list-style-type: none"> <li>• \$25,000 for the first violation</li> <li>• \$17,500 for each subsequent violation</li> <li>• \$100/day, to a maximum of \$250,000, for not reporting the violation to DPH</li> </ul> (SB 541, Alquist, 2008)	<ul style="list-style-type: none"> <li>• \$25,000 for the first violation</li> <li>• \$17,500 for each subsequent violation</li> <li>• \$100/day, to a maximum of \$250,000, for not reporting the violation to DPH</li> </ul> (SB 541, Alquist, 2008)	<ul style="list-style-type: none"> <li>• \$25,000 for the first violation</li> <li>• \$17,500 for each subsequent violation</li> </ul> \$100/day, to a maximum of \$250,000, for not reporting the violation to DPH (SB 541, Alquist, 2008)	<ul style="list-style-type: none"> <li>• \$25,000 for the first violation</li> <li>• \$17,500 for each subsequent violation</li> <li>• \$100/day, to a maximum of \$250,000, for not reporting the violation to DPH</li> </ul> (SB 541, Alquist, 2008)	Unknown	<ul style="list-style-type: none"> <li>• \$25,000 for the first violation</li> <li>• \$17,500 for each subsequent violation</li> <li>• \$100/day, to a maximum of \$250,000, for not reporting the violation to DPH</li> </ul> (SB 541, Alquist, 2008)	Unspecified in the bill

	Hospice (Existing Law)	General Acute Care Hospital	Skilled Nursing Facilities (SNFs) aka Nursing Homes	Congregate Living Health Facilities (CLHFs)	Residential Care Facilities for the Chronically III (RCF-CIs)  for HIV+, AIDS, or Terminally III Patients	Intermediate Care Facilities for the Developmentally Disabled – Nursing (ICF/DD-Ns)	AB 950: Hospice Facilities (As Proposed)
<b>Fines for Injury or Death Due to an Adverse Event</b>	Not specified	<ul style="list-style-type: none"> <li>• \$50,000 for the first violation leading to death or serious injury</li> <li>• \$75,000 for the second violation leading to death or serious injury</li> <li>• \$100,000 for the third or subsequent violation leading to death or serious injury</li> <li>• \$100/day for not reporting the violation to DPH</li> </ul> <p>(SB 541, Alquist, 2008 and SB 1312, Alquist, 2006)</p>	<ul style="list-style-type: none"> <li>• \$25,000 to \$100,000 for a death (Class AA violation)</li> <li>• \$2,000 to \$20,000 for violation that poses imminent danger or serious harm (Class A violation )</li> </ul> <p>\$100 to \$1,000 for a Class B injury, safety, or security violation</p>	<p>\$5,000 to \$25,000 for a death (Class AA violation)</p> <p>\$1,000 to \$10,000 for violation that poses imminent danger of death or serious harm (Class A violation)</p> <p>\$100 to \$1,000 for a Class B injury, safety, or security violation</p>	<ul style="list-style-type: none"> <li>• \$50/day/violation up to a maximum of \$150/day for the first violation that is a serious deficiency</li> <li>• \$150/day/violation for the first day followed by \$50/day for the second violation that is a serious deficiency within 12 months</li> <li>• \$1,000/day/violation for the first day followed by \$100/day for the third violation that is a serious deficiency within 12 months</li> </ul>	<ul style="list-style-type: none"> <li>• \$1,000-\$5,000 for the first Class A violation that could lead to death or serious injury</li> <li>• \$3,000-\$15,000 for a second and each subsequent Class A violation within 12 months</li> <li>• \$50-\$250 for the first Class B injury, safety, or security violation</li> <li>• \$150-\$750 for a second and each subsequent Class B violation within 12 months</li> </ul>	Unspecified in the bill



# How to Open a Nursing Home: what you need to know

Last Updated November 16, 2023 by Craig Fukushima, NHA, MBA



Contrary to popular notion, there are no “simple” steps to opening a nursing home. However, there are specific, essential elements that you must address. I’ve been a licensed nursing home administrator for over 40 years and the thought of opening a nursing home can still keep me up at night! In my career, I’ve had the opportunity to open several skilled nursing facilities and each one has presented its own set of challenges. In this post, I’d like to share with you some of the lessons I’ve learned over the years.

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## In this Article ...

- [Where do I start if I want to open a nursing home?](#)
- [Gain a greater understanding of the nursing home business](#)
- [Do a personal assessment of your needs](#)
- [Ok I’ve done my preparation, what’s next?](#)
- [Legal and business considerations when opening a nursing home](#)
- [How much does it cost to open a nursing home?](#)

- What must be done prior to opening?
  - Starting a nursing home – some final thoughts
- 

## Where do I start if I want to open a nursing home?

Assuming that you are unfamiliar with the nursing home business, the best place to begin is to gain some knowledge of the nursing home industry and how nursing homes are run.

## Gain a greater understanding of the nursing home business

Nursing homes or skilled nursing facilities (both are used commonly), operations are complex and highly regulated business entities. Based on both federal regulations and state regulations, a nursing home is required to be run by an individual with a nursing home administrator license. A skilled nursing facility is NOT an assisted living facility. Nursing home residents require full-time care by medical professionals, including certified nursing assistants and registered nurses. For the most part, a nursing home and an assisted living facility are governed by different sets of regulations and regulatory agencies.

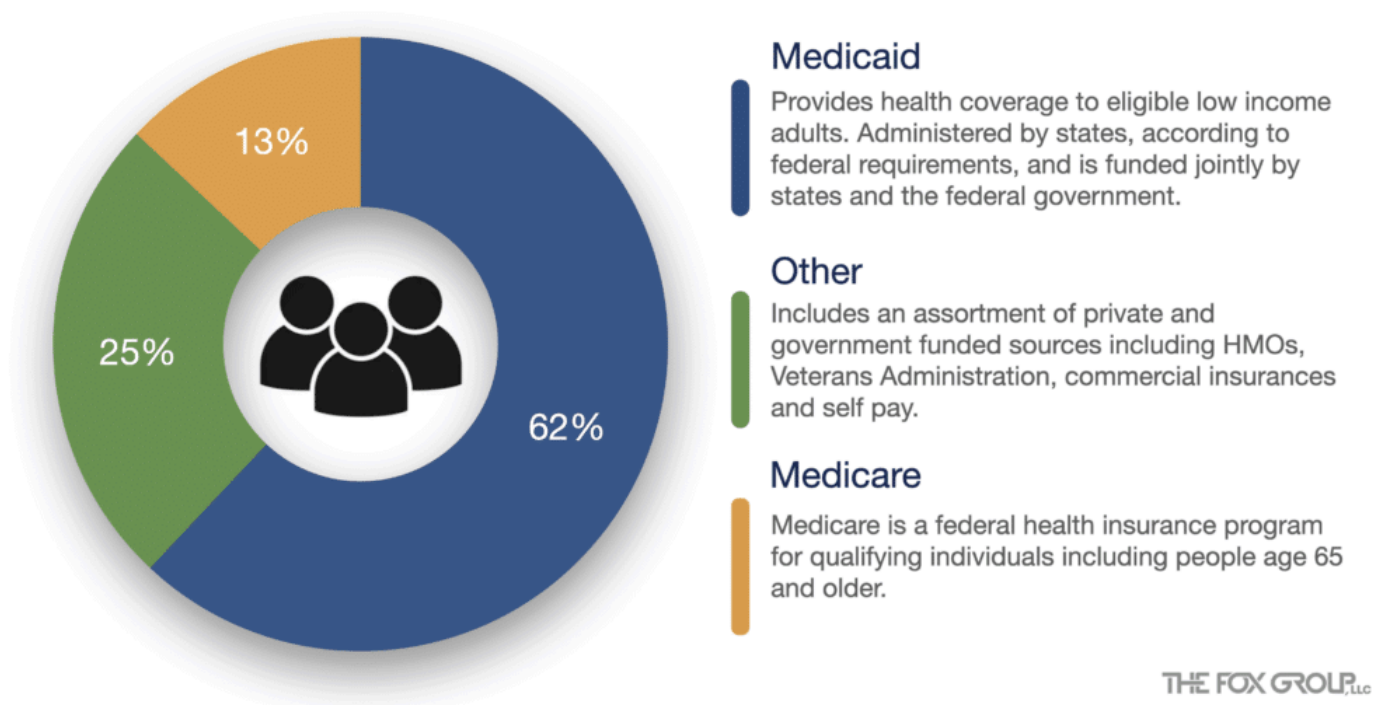
## How are nursing homes regulated?

The nursing home industry is governed by a lengthy set of both state and federal regulations. It is imperative that you have a deep understanding of these state and **federal regulations** as they govern the operations of all nursing homes. The state, not the local health department usually enforces these regulations.

## How are nursing homes paid?

Nursing home reimbursement is complex and requires highly specialized knowledge. For most nursing homes, the majority of their revenues are derived from governmental

## Distribution of Nursing Home Residents by Payer Source - 2022



Payer source figures courtesy Kaiser Family Foundation.

### Do a personal assessment of your needs

A nursing home project, whether it is building one, acquiring one, or adding on to one is challenging, even for the most experienced operators. Unless you have a good amount of experience operating a nursing home, **seek assistance from experienced professionals who can guide you through the process.**

### Do you have a team of experts to assist you?

I've already mentioned the essential nature of obtaining assistance to guide you through the process. But, you also need to consider bringing on board other team members-architects, general contractors, lenders and/or financing consultants, and potentially a nursing home operator, if you do not intend on running the nursing home yourself. And, it is vital that all of these team members have the proper background and professional experience involving skilled nursing facilities.

your nursing home project. Be realistic when it comes to projecting the funds you'll need to carry out your endeavor. Lean heavily on your experienced team to help you come up with these estimates. For the most part, small business loans probably won't provide the funding you will need, so get prepared to deal with larger lenders. Be mindful that lenders will want you to have "skin in the game" so be prepared to come in with your own personal assets, whether it is cash or other assets such as property to contribute to the venture.

### Assess your risk tolerance

Opening a nursing home is a difficult undertaking. It requires many steps and a whole lot of work. Even if you do surround yourself with an experienced team of professionals, there are plenty of risks ahead. Be frank with yourself-even if your risk tolerance is high, a nursing home project will be challenging.

### Ok, I've done my preparation, what's next?

The preparation of a **solid business plan** is a good place to start. And the logical first step in that process is **performing a market study**. For the most part, lenders strongly prefer that you not conduct market research on your own project. Their preference is for you to engage a **third-party expert** to assess the market and render a recommendation on the viability of the project.

A market study is ultimately designed to answer the question, "I want to open a nursing home, does it make sense and can it be successful?" There are several key components to a market study. I'll overview some of the key sections in the table below ...

<b>Primary market</b>	The primary and secondary markets identify the geographic area from which you will draw the majority of your patients.
<b>Competitive analysis</b>	A thorough review/analysis of all your competitors in the market.

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<b>Penetration rates</b>	Calculation of both market and project penetration rates.
<b>Demand analysis</b>	Formulation and calculation of a demand analysis demonstrating bed surplus or shortage.

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### Perform a financial feasibility analysis

Once your market study is complete and assuming that the results confirm the viability of the project, the next step is to formulate financial projections. These financial projections should cover all your startup costs, revenues, and operating costs. If you already have an operating partner, they can do these financial projections. If not, consider engaging the expert which conducted the market research to do this step also. Also, be aware that most bank loans (or any type of loan for that matter) will likely require this component.

### Add some additional components to your business plan

There is plenty of information out there on writing a business plan. But, an oft-neglected component of a business plan is the marketing plan. Don't forget to include a solid plan on how you will fill up your nursing home after opening and how you will maintain stabilized occupancy once it is filled up. Doing so will give your reader confidence that you have a well-conceived marketing strategy.

Also, it is important to highlight the background and professional experience of the team that you have surrounded yourself with. Highlight their knowledge of the nursing home business so that the business plan reader knows you have the expertise required to make your nursing home venture a success.

Keep in mind that a well-written business plan can form the foundation of solid nursing home operations. For example, if you've done your financial projections properly, you already have your operating budget. Also, if you've done your marketing plan properly, you have a guide for your marketing personnel to follow.

require. And, remember that if your nursing home decides to participate in the Medicare and Medicaid programs (and most nursing homes do), then you'll need to obtain a provider number. Organizations often consider adding a limited liability company to their business structure to provide "administrative services" to the operating company, services such as payroll administration, accounting, billing, and other support services. You should consult with your legal counsel and business consultant when planning the legal entity that encompasses your nursing home operations.

Nursing homes require a myriad of additional business considerations. These include:

- Policies and procedures
- Insurances
- Job descriptions
- Business license
- Provider agreements
- Banking relationships

There are many other business considerations for your nursing home which your team can advise you on.

## How much does it cost to open a nursing home?

The costs are significant and as you might imagine highly variable. The most significant cost (and this applies to when you are building a new facility) relates to the construction of a nursing home. Costs are dependent on factors such as geographic location, type of funding (governmental funding may require prevailing wage which has the potential of significantly increasing your construction costs), and design components. Other substantial cost components include:

- Design fees
- Entitlement costs

- Startup costs (Pre-opening)

It's essential that you, with the assistance of your team, perform a full value engineering of the entire project before embarking full speed on your endeavor. Of course, your funding source will want this also.

## Proper nursing home design is a MUST!

Any discussion about starting a nursing home must include thoughts about **how to design a nursing home** facility. Unless you're experienced with nursing home design, it would be highly advantageous to work with an architect who has a deep background in designing nursing home facilities.

If you have a high-quality market study, use the input from that study to assist you and your design team in **formulating the layout of your nursing home**. For example, utilize the data and observations from the competitive analysis section of the report to understand the level of the competition. By understanding this level, you can more effectively design your facility to better compete with the market. Also, be mindful of the service specialties you desire to be included in your nursing home-this will also guide your design characteristics.

Keep in mind that excellent design contributes to the efficiency of the operations (which can reduce your operating costs and thus, your bottom line) and to the quality of nursing care you provide to your patients.

## The entitlement process is different for nursing homes!

Unlike most other projects, nursing homes usually require an additional step in the entitlement process than other types of businesses. While local approval is required, states often require an additional level of review and approval. (By the way, this additional step is usually not required for an assisted living facility.) For example, the state of California requires that you go through plan checking with the Office of

Consequently, make sure that your design team is familiar with this process and has experience with it.

It should be noted that the above process relates to a new facility project (or if you're adding on to an existing nursing home). If you're acquiring an existing nursing home, then the entitlement process is not applicable. However, you will want to check if a change of ownership process with the state licensing agency is applicable.

## What must be done prior to opening?

Ok, so your nursing home project is going well and you're beginning to think it's time to prepare to open a nursing home. Here are some considerations.

### Consider bringing aboard your key leadership team early

Four to six months prior to your anticipated opening, it's time to start interviewing nursing home administrators. In addition, you'll want to do the same with a director of nursing who is usually a registered nurse and ideally, one with experience in the role. Also, consider bringing aboard a marketing person. You'll want to have well-established relationships with the community as well as your key referral sources before you open your doors.

### Time to add the remaining leadership team

I would recommend that you allow your nursing home administrator to hire the remaining department heads. (And you might want to consider allowing your administrator to hire the director of nursing also!) Thus, the remaining department heads will likely come aboard two to three months prior to opening.

### Hiring the remaining staff members

Approximately 30 days prior to your anticipated opening, it's time to hire staff. By that, I mean to hire employees, including care providers, physical therapists, and other medical professionals, in all departments so, in essence, you're fully staffed. And yes, having your full leadership team and all other employees on payroll is expensive without any corresponding revenues to offset such an expense. However, you will need time to



## Medicare/Medicaid surveys

If you're intending on obtaining Medicare and Medicaid certification (and yes, you should seriously consider doing that), then you'll be undergoing certification surveys. These surveys require that you have a fully operational facility at the time of the survey. This means that your facility operations must comply with all federal and state regulations.

### The pre-opening period is expensive!

As you can see from some of the pre-opening activities that we've covered, a lot of funds will be expended before you even open your nursing home. As a result, your startup costs will be substantial. It's vital that you properly plan for this expense and for you to thoroughly plan these activities. The presence of an experienced consultant or an experienced operating partner can go a long way toward making your opening a successful one.

## Starting a nursing home-some final thoughts

As you can see, opening a nursing home is a challenging undertaking. There are many demands involved in operating a successful nursing home business, from staffing and reimbursement issues to regulations. There are also great rewards for having your own nursing home. You are providing much-needed care to our aging population.

But that said, the process of opening a nursing home is a complex one, even for those experienced nursing home operators out there. If you don't have the experience or knowledge necessary to navigate these challenges, it's best to seek help from someone who does. An experienced professional can help you understand all the steps involved in opening a nursing home and give you the best chance of success. Are you thinking of opening a nursing home? [Have you sought advice from an expert?](#) If not, perhaps you should.

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Mr. Craig T. Fukushima's health care experience spans more than 35 years with special expertise in the long term care sector, including implementation of innovative health care projects in domestic and international locations.

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## Skilled Nursing Facility (SNF) Initial Application Checklist

The following is a list of application forms and supporting documents required for a complete application packet. Failure to include each of the forms and documents will delay processing and may result in denial of the application.

Check all that apply:                       **Initial License**                       **Medicare**                       **Medi-Cal**

### CHECKLIST AND INSTRUCTIONS – *Please submit your documents in this order*

#### REQUIRED DOCUMENTS FOR AN INITIAL LICENSE

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions (Each form listed also has instructions on the form)</b>
	Cover Letter	<p><b>COVER LETTER</b></p> <p>Letter on company letterhead with the following information:</p> <ul style="list-style-type: none"> <li>• Facility name and address</li> <li>• Brief description of request</li> <li>• Contact information (name, title, phone number, and e-mail address)</li> <li>• Emergency Contact Information (name, email, alternate email, phone, fax, and phone number that will receive text messages). The Department will use this information to contact the provider in the event of an emergency using the California Health Alert Network (CAHAN). All information provided must allow CAHAN to contact the provider on a 24/7/365 basis for distribution of health alerts. For additional information: <a href="https://www.calhospitalprepare.org/cahan">CAHAN</a> (<a href="https://www.calhospitalprepare.org/cahan">https://www.calhospitalprepare.org/cahan</a>)</li> <li>• Contact Information for the Privacy Officer or Designee responsible for submitting and responding to medical breach incidents (name, title/position, mailing address, phone number, and email address)</li> <li>• Signature</li> </ul>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> <b>(Each form listed also has instructions on the form)</b>
	HS 200	<p><b>LICENSURE &amp; CERTIFICATION APPLICATION</b> <b>SNF:</b> Health and Safety Code (HSC) section 1265 and Title 22 California Code of Regulations (CCR) section 72201</p> <p><b>Tip</b></p> <ul style="list-style-type: none"> <li>• Page 6, Section B, item 6 — This parent company will have its own Employer Identification Number (EIN).</li> <li>• If applying for Med-Cal, applicant must complete the “Subcontractor Information and Significant Business Transactions” attachment</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• Page 7, section C, item 3 – The name of the proposed facility cannot have the word “Rehabilitation” in the facility name unless the facility has previously had a rehabilitation services which were separately surveyed and approved by the Department [Title 22 California Code of Regulations (CCR) Section 72509 (c)]</li> <li>• Page 10, Section C, item 6 – Submit evidence that the licensee has sufficient financial resourced to operate the facility for at least <b>90 Days</b> <b>Note:</b> The Provider will need to contact CAB to obtain the rate for Initials.</li> </ul>
	Supporting Documents	<p><b>A.11 – DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (HCAI) AND/ OR CERTIFICATE OF OCCUPANCY</b> <b>SNF:</b> HSC section 1276 and 1275 and 22 CCR section 72205 and 72601</p> <p><b>If this is a newly constructed and/or remodeled building, or if this is not a previously licensed facility (i.e., existing building with no construction or remodeling required)</b> applicant needs to contact the HCAI at the following website for Title 24 clearance: <a href="https://hcai.ca.gov/">https://hcai.ca.gov/</a> [22 CCR sections 72601 &amp; 73601]</p>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> <b>(Each form listed also has instructions on the form)</b>
	Supporting Documents	<p><b>B.3 - ORGANIZATIONAL CHART – OWNER TYPE</b></p> <p>Submit an organizational chart if the owner is a for-profit corporation, nonprofit corporation, limited liability company (LLC), or general partnership. The organizational chart needs to display the following:</p> <ul style="list-style-type: none"> <li>• Applicant’s owners, including ownership percentages, TAX IDs/EINs and all directors, board members, corporate officers, LLC members/managers, and/or partners <b>Note:</b> Submit the HS 215A form for each of these individuals</li> <li>• Parent company of applicant, if applicable, and all of the licensed agencies/facilities they are operating- see B.6</li> <li>• If part of a chain, a diagram indicating the relationship between the applicant and the persons or entities that are part of the chain and the name, address, and license number, if applicable, for each person or entity in the diagram. [HSC 1253.39(c)(10)(B)]</li> </ul>
	Supporting Documents	<p><b>IRS - INTERNAL REVENUE SERVICE DOCUMENTATION</b></p> <p>Submit <b>one</b> of the following IRS tax documents showing the entity’s legal name and Tax Identification Number:</p> <ul style="list-style-type: none"> <li>• Form 941 (Employer’s Quarterly Federal Tax Return)</li> <li>• Form 8109-C (FTD Address Change)</li> <li>• Letter 147-C (EIN Confirmation Notification)</li> <li>• Form SS-4 (Confirmation Notification)</li> </ul>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> <b>(Each form listed also has instructions on the form)</b>
	Supporting Documents	<p><b>C.1a and E.11 - MANAGEMENT COMPANY AGREEMENT</b> (If applicable) <b>SNF:</b> HSC section 1265</p> <p>Facilities operated under a management agreement between the licensee and a management company must complete and submit Attachment E-1 (Management Company Information) and submit a copy of the management agreement</p> <ul style="list-style-type: none"> <li>• The management agreement must state that the licensee is responsible for the skilled nursing facility</li> </ul>
	Supporting Documents	<p><b>D.1 - CONTROL OF PROPERTY</b> <b>SNF:</b> HSC section 1265(h)</p> <p>Submit a copy of the Grant Deed, Bill of Sale, Lease, Sublease, or Rental Agreement between the owner of the property and the proposed licensee</p> <ul style="list-style-type: none"> <li>• Must include name and address of any persons, organizations, or entities that own the real property on which the facility seeking licensure</li> </ul>
	Supporting Documents	<p><b>FLOOR PLAN</b></p> <p>Submit a floor plan that coincides with your office space</p>



<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions (Each form listed also has instructions on the form)</b>
	HS 215A	<p><b>APPLICANT INDIVIDUAL INFORMATION</b></p> <p>This form must be completed for the following individuals:</p> <ul style="list-style-type: none"> <li>• Administrator, Director of Nursing, and Medical Director of the facility</li> <li>• Owners, directors, board members, corporate officers, LLC members/managers, and partners of the applicant organization and/or Management Company</li> <li>• Each individual having a beneficial interest of five percent or more in the applicant organization and/or parent organization</li> </ul> <p><b>Tip</b></p> <ul style="list-style-type: none"> <li>• Page 2, Section A — The date of birth is an identifier, as several people may have the same name. This will ensure that each individual is associated with the correct facility or entity.</li> <li>• Page 4, Section D – Submit ten years of employment history, indicating the start and end dates of employment, job title, employer name and address. The applicant may submit a resume in lieu of completing section D; however, the resume must contain all required information included in section D</li> <li>• Page 5, Section E – If answering yes to any question in this section, complete and attach the facility information sheet</li> </ul>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> <b>(Each form listed also has instructions on the form)</b>
	Supporting Documents	<p><b>FACILITY INFORMATION SHEET</b></p> <p>Each individual that answered yes to any question on Page 5, Section E of the HS 215A, must complete and submit the Facility Information Sheet for each facility and/or agency with which the individual has a current or past relationship within the last three years. This sheet must also include any facilities licensed by the California Department of Social Services. The following must be completed for each facility and/or agency:</p> <ul style="list-style-type: none"> <li>• Facility name</li> <li>• Facility address</li> <li>• Type of facility</li> <li>• Type of business entity (include EIN Number)</li> <li>• Individual's nature of involvement</li> <li>• Individual's dates of involvement</li> </ul>
	Supporting Documents	<p><b>RESUME</b></p> <p><b>SNF:</b> HSC section 1261.4 and 22 CCR sections 72007 and 72327</p> <p>A resume is required for the Administrator(s), Director of Nursing (DON), and Medical Director</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• Administrator must be a licensed Nursing Home Administrator (NHA)</li> <li>• DON must be a licensed Registered Nurse</li> </ul>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> <b>(Each form listed also has instructions on the form)</b>
	Supporting Documents	<p><b>CERTIFICATE (MEDICAL DIRECTOR)</b> <b>SNF: HSC section 1261.4</b></p> <p>Copy of Certified Medical Director certificate issued by the American Board of Post-Acute and Long-Term Care Medicine (ABPLM)</p> <p><b>NOTE:</b> If Medical Director is not certified, provide proof of progress towards certification via:</p> <ol style="list-style-type: none"> <li>a. Copy of certification initiation letter issued by ABPLM that includes the Medical Directors expected date of certification.</li> </ol> <p><b>OR</b></p> <ol style="list-style-type: none"> <li>b. Attestation Letter – Signed by the applicant (Medical Director) affirming that they are aware and will comply with the requirements of Health and Safety Code section 1261.4.</li> </ol>
	HS 309 1 <sup>st</sup> Page	<p><b>ADMINISTRATIVE ORGANIZATION</b></p> <p>Along with the HS 309, the following supporting documents according to organizational type must be submitted:</p>
	Supporting Documents	<p><b>CORPORATION</b></p> <ul style="list-style-type: none"> <li>• Filing Statement from the Secretary of State</li> <li>• Articles of Incorporation</li> <li>• By-Laws</li> <li>• List of Board of Directors (only if additional space is needed to input all board of directors)</li> </ul> <p><b>Tip</b></p> <ul style="list-style-type: none"> <li>• Page 1, item 3 — The incorporation date is located in the top right corner of the applicant Articles of Incorporation</li> <li>• In addition to this page, corporations are required to complete item 5 on page 2</li> </ul>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> <b>(Each form listed also has instructions on the form)</b>
	Supporting Documents	<p><b>LIMITED LIABILITY COMPANY (LLC)</b></p> <ul style="list-style-type: none"> <li>• Filing Statement from the Secretary of State</li> <li>• Articles of Organization</li> <li>• LLC Operating Agreement</li> <li>• List of Managing Members (only if additional space is needed to input all managing members)</li> </ul> <p><b>Tip</b></p> <ul style="list-style-type: none"> <li>• Page 1, item 3 — The incorporation date is located in the top right corner of the Articles of Organization</li> <li>• Ensure the operating agreement identifies the Capital Contributions, which lists each individual and/or entity that is contributing to the LLC</li> </ul>
	HS 309 2 <sup>nd</sup> Page	<p><b>ORGANIZATIONAL STRUCTURE</b></p> <p>Only complete fields that are applicable to applicant's entity type</p> <p><b>Tip</b></p> <ul style="list-style-type: none"> <li>• Page 2, item 1 — Health care districts will fill in the circle for other</li> </ul>
	Supporting Documents	<p><b>PUBLIC AGENCY</b></p> <p>Copy of signed Resolution</p>
	Supporting Documents	<p><b>PARTNERSHIP</b></p> <p>Copy of signed Partnership Agreement</p>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> <b>(Each form listed also has instructions on the form)</b>
	HS 400	<p><b>AFFIDAVIT REGARDING PATIENT MONEY</b> <b>SNF:</b> HSC section 1318 and 22 CCR section 72217</p> <ul style="list-style-type: none"> <li>• Mark either A or B box. If B is checked, enter the amount of patient monies managed and submit the bond required on form HS 402</li> </ul> <p><b>Tip</b></p> <ul style="list-style-type: none"> <li>• If you are a sole proprietor, you would enter your legal name</li> <li>• If the money you are going to handle is outside the table, your bond should be \$1,000 more. For example, you will handle \$25,000, your required bond amount will be \$26,000</li> </ul>
	HS 402	<p><b>SURETY BOND VERIFICATION</b> <b>SNF:</b> HSC section 1318 and 22 CCR section 72217</p> <ul style="list-style-type: none"> <li>• Must be signed by the bonding agency</li> <li>• Provide a copy of the seal and copy of the bonding agency</li> <li>• Submit a copy of the bond or Power of Attorney form</li> </ul> <p><b>Tip</b></p> <ul style="list-style-type: none"> <li>• Please check the upper right-hand corner of this form to ensure you are submitting the CA Department Public Health form (not the Department of Social Services' form)</li> <li>• Licensee name dba facility name is acceptable</li> <li>• Submit the original form with the raised embossed seal on all documents</li> </ul>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> (Each form listed also has instructions on the form)
	HS 602	<p><b>TRANSFER AGREEMENT</b> <b>SNF:</b> HSC section 1760.4 and 22 CCR section 72519</p> <p>Copy of current written transfer agreement with a General Acute Care Hospital</p> <p><b>Tip</b></p> <ul style="list-style-type: none"> <li>• The Facility Administrator has the authority to sign this form</li> <li>• The facility may not have a Facility Provider Number yet, and may be left blank</li> </ul>
	CDPH 609	<p><b>BED OR SERVICE REQUEST</b> <b>SNF:</b> HSC section 1265 and 22 CCR section 72211, 72603, and 72201</p> <ul style="list-style-type: none"> <li>• Complete the columns marked “Requested Beds” and “Requested Services”</li> </ul>
	STD 850	<p><b>FIRE SAFETY INSPECTION REQUEST</b> <b>SNF:</b> 22 CCR section 72205</p> <p>The STD 850 form is required for initial applications or construction. The HCAI Fire Life &amp; Safety (FLS) Inspection approval does not replace this form.</p> <ul style="list-style-type: none"> <li>• The STD 850 form must be submitted or a similar form from the fire authority that contains equivalent information as the STD 850 form</li> </ul>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> (Each form listed also has instructions on the form)
	Supporting Documents	<p><b>APPLICATIONS FOR SUPPLEMENTAL SERVICES</b>  <b>SNF:</b> HSC sections 1252,1253,1265, and 1268 and 22 CCR sections 72401</p> <p><b>Include the forms corresponding with the type of service the SNF is requesting to add to the license</b></p> <ul style="list-style-type: none"> <li>• CDPH 242: Chronic Dialysis Service</li> <li>• CDPH 259: Rehabilitation Center (Outpatient Only)</li> <li>• CDPH 260: Occupational Therapy Service (Outpatient Only)</li> <li>• CDPH 261: Physical Therapy Service (Outpatient Only)</li> <li>• CDPH 262: Speech Pathology and/or Audiology Service (Outpatient Only)</li> <li>• CDPH 255: Social Work Service</li> </ul> <p><b>All the forms required for SNF additional services can also be requested for ICF except for the service requested below:</b></p> <ul style="list-style-type: none"> <li>• CDPH 609: Special Treatment Program Service (For SNF Only)</li> </ul>
	CLIA	<p><b>Clinical Laboratory Improvement Amendments (CLIA) Waiver</b></p> <p>Submit a copy of approved <a href="#">CLIA</a> waiver</p>

**MEDI-CAL CERTIFICATION DOCUMENTS**

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> (Each form listed also has instructions on the form)
	HS 328	<p><b>NOTICE – EFFECTIVE DATE OF PROVIDER AGREEMENT</b></p> <p>If applying for both Medi-Cal and Medicare certification, only submit one copy of this form</p>

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> (Each form listed also has instructions on the form)
	DHCS 9098	<p><b>MEDI-CAL PROVIDER AGREEMENT</b></p> <ul style="list-style-type: none"> <li>Do not leave any questions blank. Enter “same” or “N/A” if not applicable</li> <li>The mailing address must be the same as reported on the HS 200 form, section C, Page 3, item 4</li> <li>Notarized signature page is required</li> <li>Submit the "Acknowledgement" page from the notary public</li> </ul>

**MEDICARE CERTIFICATION DOCUMENTS**

<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> (Each form listed also has instructions on the form)
	CMS 671	<p><b>Long Term Care Facility Application for Medicare &amp; Medicaid</b></p> <p><b>Note:</b> F14 – if a parent company was identified on the HS 200, B.6., enter the same name here</p>
	CMS 1561	<p><b>HEALTH INSURANCE BENEFITS AGREEMENT</b></p> <p>Submit two (2) signed forms with signatures:</p> <ul style="list-style-type: none"> <li>Sign the top signature block entitled “Accepted for the Provider of Services By”</li> </ul>
	HHS 690	<p><b>ASSURANCE OF COMPLIANCE</b></p> <ul style="list-style-type: none"> <li><b>The Office of Civil Rights (OCR) online portal is: <a href="https://ocrportal.hhs.gov/ocr/aoc/instruction.jsf">Office for Civil Rights</a></b> (<a href="https://ocrportal.hhs.gov/ocr/aoc/instruction.jsf">https://ocrportal.hhs.gov/ocr/aoc/instruction.jsf</a>)</li> <li>Once the online submission is completed, an electronic notification from OCR stating the <b>Assurance of Compliance</b> form was submitted successfully will be received by the applicant</li> <li><b>Submit a copy of this notification</b></li> </ul>



<i>Use this space to check if included</i>	<b>Forms and supporting documents</b>	<b>Additional Instructions</b> <b>(Each form listed also has instructions on the form)</b>
	CMS 855A	<p><b>MEDICARE GENERAL ENROLLMENT HEALTH CARE PROVIDER/SUPPLIER APPLICATION</b></p> <ul style="list-style-type: none"> <li>• This application is from the Federal Department of Health and Human Services</li> <li>• The completed application should be mailed directly to the appropriate fiscal intermediary</li> </ul>



TAB 6 – No supporting documents



TAB 7 – No supporting documents



TAB 8 – No supporting documents





**TVHD CEO REPORT**  
**Peggy Mendiburu**  
**November 19, 2024**

**District Finances October 2024**

- September 2024 financials attached. Funds in: \$105,313 and funds out: \$28,488. Finance report attached.
- Audit will be presented at the January 2025 Board meeting.
- Debt forgiveness letters were sent out. Two have reached out to say thank you to the district.

**District Administration Update**

- I will be providing \$1K checks to Have a Heart, Marley Mutts, and Fixing Feline Ferals in December.
- I will schedule a swearing in mid-December for Directors' Sherrill, Patterson, and Gehricke.
- I will be moving the committees as follows for January to keep Board in sync for 3<sup>rd</sup> Tuesdays: Outreach 01/14/24; Finance 01/15/24; Strategic Planning 01/16/24
- The Warrior Pantry sent a thank you to the District and the Village for the community garden produce.

# Finance Committee Report

TVHD

For the period ended October 31, 2024



Prepared by

**Peggy Mendiburu**

Prepared on

**November 5, 2024**

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# Balance Sheet

October 2024

ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
1001-011 Valley Strong	\$15,291.59
1002-011 Valley Strong Payroll	\$10,720.99
1004-011 Litigation Reserve Account (deleted)	--
1005-012 Valley Strong Money Mkt	\$4,424,129.07
1007-013 Petty Cash Change Fund	\$423.26
1008-011 Bank of Sierra Payroll - 8577 (deleted)	--
1008-012 LAIF	\$5,787,711.52
1008-013 Valley Strong Savings	\$8,693.56
1008-014 Bank of Sierra - 8569	\$224,572.89
1008-015 Wells Fargo (deleted)	--
1008-020 Bank of Sierra Prop Tax -5470 (deleted)	--
<b>Total for Bank Accounts</b>	<b>\$10,471,542.88</b>
Accounts Receivable	
1020-000 Patient / Insurance Receivables	--
<b>Total for Accounts Receivable</b>	<b>0</b>
Other Current Assets	
1041-000 Bad Debt - UNCOLL ALLOW	--
1064-000 Other Receivables - LAIF Interest Rcv	--
1064-222 Other Receivables - Property Tax	\$29,186.59
1064-300 Election Costs	--
1069-003 Receivable - IGT	\$568,538.57
1101-035 Prepaid Expense - Insurance	\$27,985.78
1108-039 Prepaid Dues	\$3,578.00
Payments to deposit	--
<b>Total for Other Current Assets</b>	<b>\$629,288.94</b>
<b>Total for Current Assets</b>	<b>\$11,100,831.82</b>
Fixed Assets	
1200-042 Land	\$101,926.63
1200-043 Land - New Hospital	\$2,125,484.88
1200-044 Land - F Street	\$52,800.00
1211-045 Land Improvements	\$163,939.14
1221-046 Building - Hospital	\$102,117,059.44
1221-050 Building - Valley Blvd	\$954,550.06
1225-049 Building Improvements - Equipment	\$1,005,951.74

ACCOUNT	TOTAL
1229-049 DE - Fixed Equipment	--
1240-000 Capitalized Software Cost	\$6,539.79
1241-050 MM Equipment - Telemed Grant	--
1241-051 Major Moveable Equipment	--
1242-051 Minor Equipment	\$391.05
1255-000 CIP - Old Hospital Renovations	--
1291-045 Accum Depr - Land Improvements	-\$103,792.64
1291-046 Accum Depr - Building	-\$13,922.36
1291-047 Accum Depr - Bldg Improv	-\$15,203,653.67
1291-048 Accum Depr - New IT System	-\$871.84
1291-510 Accum Depr - Maj Moveable Equip	--
<b>Total for Fixed Assets</b>	<b>\$91,206,402.22</b>
Other Assets	
1510-530 Bond C	\$55.83
1510-535 Bond C Cost	\$364,569.46
1510-550 Restricted Bond Fund	\$58,940.19
1510-576 Bond Funds 2009-Series 2013-42189	\$0.45
1510-586 Refunding Bond Fund 2013 Proj	\$906,640.33
1510-590 County Funds #42191 2006 Bond	\$131,034.89
1510-591 County Funds Bond Elec 2009, S2013	\$2,134,328.61
1600-001 Loss on 2013-2021 Refin	\$2,639,519.49
1610-001 Accumulated Amort - Loss 2013-2021 Ref	-\$190,687.72
County Funds Current Offset	-\$2,428,633.33
Reclass to Current	\$2,428,633.33
<b>Total for Other Assets</b>	<b>\$6,044,401.53</b>
<b>Total for Assets</b>	<b>\$108,351,635.57</b>
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
2021-590 Accounts Payable (A/P)	\$6,893.49
<b>Total for Accounts Payable</b>	<b>\$6,893.49</b>
Credit Cards	
2310-110 American Express	--
<b>Total for Credit Cards</b>	<b>0</b>
Other Current Liabilities	
2010-000 Payroll Clearing	\$3,909.25
2031-620 Accrued Compensation - Payroll	--
2032-630 Accrued PTO	\$7,132.32
2039-750 Accrued Supp Life Insurance	\$25.22

ACCOUNT	TOTAL
2039-760 Accrued Retirement Plan	\$150.00
2041-780 Other Accrued Exp - Interest Payable	\$318,633.33
2041-781 Other Accrued Exp - Acc Interest Pay	\$2,943,726.95
2046-810 Other Accrued Exp - Audit Fees	\$34,999.92
2091-150 Inter Co Payable - Due to SJ/AH	\$20,778,398.00
2103-000 Deferred Income - Other	-\$3,349,468.49
2131-000 Deferred Interest	-\$665,477.00
2131-100 Deferred Amortization	\$606,030.00
2250-000 GO Bonds - 2004 Series A	\$374,987.70
2251-000 GO Bonds - 2006 Series B	\$1,009,990.75
2252-000 GO Bonds - 2009 Series C	\$685,000.00
2260-100 Less Current Rent	\$900,000.00
<b>Total for Other Current Liabilities</b>	<b>\$23,648,037.95</b>
<b>Total for Current Liabilities</b>	<b>\$23,654,931.44</b>
Long-term Liabilities	
1390-002 Bond Iss Costs - Bond Premium 2022	\$15,311.00
1390-003 Bond Premium - 2004	\$13,677.00
1390-005 Bond Premium - 2006	\$104,109.00
1390-007 Refunding Bond Premium 2013	\$39,925.00
2253-000 Refunding Bonds Payable 2013	\$2,645,000.00
2254-000 GO Bonds Payable - 2009, Series 2013	\$52,070,000.00
2259-000 Current Portion of Long Term Liability	\$2,110,000.00
<b>Total for Long-term Liabilities</b>	<b>\$56,998,022.00</b>
<b>Total for Liabilities</b>	<b>\$80,652,953.44</b>
Equity	
Retained Earnings	-\$11,782,539.88
Net Income	-\$2,908,892.92
Invested in Capital Assets	\$38,473,826.29
Opening balance equity	--
Restricted Net Position	\$3,916,288.64
<b>Total for Equity</b>	<b>\$27,698,682.13</b>
<b>Total for Liabilities and Equity</b>	<b>\$108,351,635.57</b>

# Profit and Loss

October 2024

ACCOUNT	TOTAL
Income	
5700-230 Rental Income	\$2,400.00
<b>Total for Income</b>	<b>\$2,400.00</b>
Cost of Goods Sold	--
<b>Gross Profit</b>	<b>\$2,400.00</b>
Expenses	
8610-100 Dir/Mgr/Sup	\$7,378.26
8610-160 FICA	\$562.50
8610-171 Payroll Billing	\$421.05
8610-175 Grp Health Ins	\$5,599.13
8610-176 Health Insurance - Active Dir	-\$149.99
8610-190 Workers Compensation	-\$353.00
8610-210 Consulting	\$1,160.00
8610-215 Legal	\$1,770.00
8610-230 Other Contracted	\$405.84
8610-345 Office Supplies	\$1,439.02
8610-380 IT	\$3,552.41
8610-390 Repairs & Maintenance	\$500.00
8610-400 Security	\$92.95
8610-550 Trustee Stipends	\$600.00
8610-602 Rent - Storage & Equip Lease	\$275.00
8610-700 Utilities	\$798.65
8610-735 Phone	\$127.17
8610-800 Insur - PLGL/DO	\$677.58
8610-805 Insurance - Other	\$3,498.23
8610-811 Fees	\$24.14
8610-815 Dues & Subscriptions	\$50.00
8610-822 Travel Meals/Entertainment	\$45.01
8610-900 Bank Fees	\$15.00
<b>Total for Expenses</b>	<b>\$28,488.95</b>
<b>Net Operating Income</b>	<b>-\$26,088.95</b>
Other Income	
9060-111 Interest Income	\$84,309.39
9160-069 Kern County Tax Rev Fund 42186	\$18,603.81
9400-089 Non-Oper Revenue Other	\$75,000.00
<b>Total for Other Income</b>	<b>\$177,913.20</b>

ACCOUNT	TOTAL
Other Expenses	
8811-900 New Hospital Depreciation	\$214,374.50
8811-901 DEPRECIATION W. VALLEY BLVD	\$1,988.91
8811-902 Depreciation - Land Improvements	\$412.97
8811-903 Depreciation Guild Roof	\$184.37
8811-904 Depreciation Flooring - F Street	\$46.11
8811-905 Depreciation - Community Garden	\$32.09
8811-906 Depreciation - IT Equipment	\$108.98
<b>Total for Other Expenses</b>	<b>\$217,147.93</b>
<b>Net Other Income</b>	<b>-\$39,234.73</b>
<b>Net Income</b>	<b>-\$65,323.68</b>



# Profit and Loss

Jul 1 - Oct 31 2024

ACCOUNT	TOTAL
Income	
5700-230 Rental Income	\$10,700.00
5790-100 Bad Debt Recovery	\$390.00
<b>Total for Income</b>	<b>\$11,090.00</b>
Cost of Goods Sold	--
<b>Gross Profit</b>	<b>\$11,090.00</b>
Expenses	
8610-100 Dir/Mgr/Sup	\$77,811.47
8610-110 Bond Financing Fees	\$750.00
8610-160 FICA	\$6,502.24
8610-171 Payroll Billing	\$2,025.26
8610-175 Grp Health Ins	\$15,607.11
8610-176 Health Insurance - Active Dir	\$299.98
8610-190 Workers Compensation	-\$353.00
8610-210 Consulting	\$15,320.00
8610-215 Legal	\$7,912.50
8610-220 Audit	\$6,300.00
8610-230 Other Contracted	\$405.84
8610-345 Office Supplies	\$3,338.65
8610-375 Postage	\$119.78
8610-380 IT	\$11,352.51
8610-386 Advertising	\$126.00
8610-390 Repairs & Maintenance	\$22,061.89
8610-400 Security	\$371.80
8610-507 Election Cost	\$793.00
8610-550 Trustee Stipends	\$2,800.00
8610-602 Rent - Storage & Equip Lease	\$2,050.00
8610-700 Utilities	\$4,589.56
8610-735 Phone	\$1,235.97
8610-800 Insur - PLGL/DO	\$2,032.74
8610-805 Insurance - Other	\$16,126.50
8610-811 Fees	\$35.69
8610-812 Licenses	\$27.00
8610-815 Dues & Subscriptions	\$201.44
8610-822 Travel Meals/Entertainment	\$45.01
8610-835 TVHD Comm Outreach	\$588.77
8610-900 Bank Fees	\$85.23

ACCOUNT	TOTAL
<b>Total for Expenses</b>	<b>\$200,562.94</b>
<b>Net Operating Income</b>	<b>-\$189,472.94</b>
Other Income	
9060-111 Interest Income	\$195,791.99
9160-069 Kern County Tax Rev Fund 42186	\$138,185.51
9400-089 Non-Oper Revenue Other	\$300,000.00
<b>Total for Other Income</b>	<b>\$633,977.50</b>
Other Expenses	
8811-900 New Hospital Depreciation	\$857,498.00
8811-901 DEPRECIATION W. VALLEY BLVD	\$7,955.64
8811-902 Depreciation - Land Improvements	\$1,492.95
8811-903 Depreciation Guild Roof	\$737.48
8811-904 Depreciation Flooring - F Street	\$184.44
8811-905 Depreciation - Community Garden	\$287.30
8811-906 Depreciation - IT Equipment	\$435.92
<b>Total for Other Expenses</b>	<b>\$868,591.73</b>
<b>Net Other Income</b>	<b>-\$234,614.23</b>
<b>Net Income</b>	<b>-\$424,087.17</b>

# A/P Aging Summary

As of October 31, 2024

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
AXION COMMUNICATIONS (AUTO PAY)	127.17					127.17
CA SPECIAL DISTRICT ASSOCIATION	3,578.00					3,578.00
DEX IMAGING LLC	340.98					340.98
GAS COMPANY (AUTO PAY)	42.13	-20.92	-64.92			-43.71
SO CAL EDISON (AUTO PAY)	270.40					270.40
UNITED HEALTHCARE (AUTO PAY)	2,620.65					2,620.65
<b>TOTAL</b>	<b>\$6,979.33</b>	<b>\$ -20.92</b>	<b>\$ -64.92</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,893.49</b>