MARIN HEALTHCARE DISTRICT

100-B Drake's Landing Road, Suite 250, Greenbrae, CA 94904 **Telephone: 415-464-2090** **Fax: 415-464-2094**
www.marinhealthcare.org info@marinhealthcare.org

TUESDAY, AUGUST 12, 2025
BOARD OF DIRECTORS
5:30 PM: REGULAR OPEN MEETING

Board of Directors:
Chair: Edward Alfrey, MD (Div. 5)
Vice Chair: Ann Sparkman, RN/BSN, JD (Div. 2)
Secretary: Jennifer Rienks, PhD (Div. 4)
Directors: Brian Su, MD (Div. 3)
Samantha Ramirez, BSW (Div. 1)

Staff:
David Klein, MD, MBA, CEO
Eric Brettner, CFO
Colin Leary, General Counsel
Tricia Lee, Executive Assistant

Location:
MarinHealth Medical Center
Conference Center
250 Bon Air Road, Greenbrae CA

Public option: Zoom video:
https://mymarinhealth.zoom.us/join
Meeting ID: **987 7245 6255**
Passcode: **156223**
Or via Zoom telephone: 1-669-900-9128

AGENDA

	Presenter	Tab #
5:30 PM: REGULAR OPEN MEETING		
1. Call to Order and Roll Call	*Alfrey*	
2. General Public Comment *Any member of the audience may make statements regarding any items NOT on the agenda.* *Statements are limited to a maximum of three (3) minutes.* *Please state and spell your name if you wish it to be recorded in the minutes.*	*Alfrey*	
3. Approve Agenda (action)	*Alfrey*	
4. Approve Minutes of the Regular Meeting of July 8, 2025 (action)	*Alfrey*	#1
5. Approval of Q1 2025 Report of MHMC Performance Metrics and Core Services (action)	*Klein/ Seaver-Forsey*	#2
6. Parcel Tax Survey Results	*Klein*	*#3*
7. Review and Approve Marin Healthcare District FY 2026 Operating Budget As Recommended by the Finance & Audit Committee (action)	*Klein / Brettner*	#4
8. Plan for Potential Seismic Relocation of General Acute Care Services	*Klein*	*#5*
9. Department of Transportation SS4A Grant Application	*Alfrey*	
10. Healthcare Advocacy and Emerging Challenges and Trends	*Klein*	

The agenda for the meeting will be posted and distributed at least 72 hours prior to the meeting.
In compliance with the Americans with Disabilities Act, if you require accommodations to participate in a District meeting please contact the District office at 415-464-2090 (voice) or 415-464-2094 (fax) at least 48 hours prior to the meeting.
Meetings open to the public are recorded and the recordings are posted on the District web site.

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TUESDAY, AUGUST 12, 2025
BOARD OF DIRECTORS
5:30 PM: REGULAR OPEN MEETING

11. Committee Reports		
A. Finance & Audit Committee	*Su*	
1) Approve Marin Healthcare District 2024 Report of Independent Auditors & Financial Statements (action)		#6
B. Lease, Building, Education & Outreach Committee	*Rienks*	
12. Reports		
A. District CEO's Report	*Klein*	
B. Hospital CEO's Report	*Klein*	
C. Primary Care Task Force Report	Rienks/Sparkman	
D. Chair's and Board Members' Reports	*All*	
13. Agenda Suggestions for Future Meetings	*All*	
14. Adjournment of Regular Meeting	*Alfrey*	

Next Regular Meeting: Tuesday, September 9, 2025 @ 5:30 p.m.

The agenda for the meeting will be posted and distributed at least 72 hours prior to the meeting.
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Tab 1

MARIN HEALTHCARE DISTRICT
BOARD OF DIRECTORS

REGULAR MEETING

Tuesday, July 8, 2025
MarinHealth Medical Center
Conference Center

MINUTES

1. **Call to Order and Roll Call**
   Chair Alfrey called the Regular Meeting to order at 5:30 pm.

   Board members present: Chair Edward Alfrey, MD; Vice Chair Ann Sparkman, RN/BSN, JD; Sectary Jennifer Rienks, PhD; Brian Su, MD; Samantha Ramirez, BSW
   Staff present: David Klein, MD, CEO; Eric Brettner, CFO (Zoom); Colin Leary, General Counsel; Jill Kinney, VP, Marketing & Communications; Tricia Lee, EA

2. **General Public Comment**
   There was no public comment.

3. **Approve Agenda**
   Director Rienks moved to approve the agenda as presented. Director Sparkman seconded.
   Vote: all ayes.

4. **Approve Minutes of the Regular Meeting of June 10, 2025**
   Director Rienks moved to approve the minutes with a revision to refer to all board members consistently as "Director,". Director Su seconded.
   Vote: all ayes.

5. **Department of Transportation SSA Grant Application**
   Chair Alfrey reported that he submitted an application on behalf of the District to the U.S. Department of Transportation for the Safe Streets for All (SS4A) Grant. The opportunity was announced by the Biden Administration and is now in its fourth year, with $5 billion allocated for local roadway safety initiatives. Chair Alfrey explained that although the grant generally funds infrastructure-related traffic safety improvements, he identified an opportunity to link it to trauma and e-bike safety efforts at the District level.

   The grant request is just under $500,000, with a required 20% match (approximately $96,000). The proposal includes funding for 1.5 FTE nursing-level personnel to conduct data work and for supplies. The grant was submitted shortly before the deadline and has already received a request for revisions, which Chair Alfrey noted as a positive indication of interest.

Chair Alfrey shared if awarded, the grant would require the District to serve as the employer of record, prompting discussion among Directors regarding employment infrastructure, such as payroll systems and workers' compensation coverage.

Directors discussed data sources, including possible collaborations. While external data can be difficult to obtain, MarinHealth's trauma center provides a rich internal data set for grant purposes. The Board expressed interest in the project's potential and agreed to revisit logistics if the grant is approved.

6. **Establishment of Primary Care Access Task Force ad hoc Committee and Appointment of Initial Members Pursuant to Article V, Section 5 of the Bylaws of the Marin Health Care District**

Chair Alfrey introduced the item to formally establish an ad hoc Primary Care Access Task Force. He announced that Directors Rienks and Sparkman have agreed to serve as co-chairs. Director Su moved to approve the creation of the task force and the appointment of Directors Rienks and Sparkman as co-chairs. Director Ramirez seconded.
Vote: all ayes.

7. **Marin Civil Grand Jury Report: Marin County First Responders: Supporting Those Who Support Us**

Chair Alfrey summarized the Civil Grand Jury report, which focuses on the challenges faced by first responders and includes a recommendation to establish bi-directional electronic data exchange between EMS and Marin's three hospitals. Jason Wood, Chief Information Officer, provided an update confirming that agreements have been signed and implementation is underway. He stated that MarinHealth has initiated project planning with UCSF, and updates can be provided regularly as the project progresses.

The Grand Jury recommends quarterly public updates on data exchange progress, and the District is expected to report back within 90 days

8. **Healthcare Advocacy and Emerging Challenges and Trends**

Dr. Klein reported on recent legislative developments at the federal, state, and local levels impacting healthcare. He noted that California is facing a significant budget deficit, with potential cuts to hospital funding and the likely redirection of Medicare tax revenues to Medicaid.

Assembly Bill 1778 took effect in Marin County on July 1, with an initial 60-day warning period followed by a $25 penalty for certain violations involving minors. Enforcement is expected to be limited, and discussions continue on strengthening the measure.

Dr. Klein reported at the federal level, HR1, signed into law on July 4, is primarily a tax bill with substantial healthcare impacts. Projected effects include $1 trillion in nationwide Medicaid/Medi-Cal cuts over ten years, loss of coverage for approximately 11.8 million Californians, reductions to provider taxes, potential freezes on federal MCO tax matching

grants, work requirements for eligibility, and restrictions on ACA premium tax credits. The bill also allocates $50 billion for rural healthcare over five years and removes a proposed ban on Medicaid/CHIP funding for gender transition procedures.

Dr. Klein reported additional challenges include seismic upgrade requirements, rising reimbursement costs, potential supply chain disruptions and price increases from tariffs, and continued workforce shortages. While MarinHealth remains in a stable financial position relative to many hospitals, ongoing monitoring, advocacy, and strategic planning will be essential to maintain services and patient care.

9. Committee Reports

A. *Finance & Audit Committee (did not meet)*
The committee did not meet. No report was given.

B. *Lease, Building, Education and Outreach Committee (met July 7)*
Director Rienks reported that the committee met and discussed rescheduling a health seminar with a Master Gardener, now likely be focused on winter gardening.

Director Rienks also reported the committee discussed how changes in Medi-Cal eligibility may impact immigrant and underserved communities. The committee is considering alternative outreach methods, including smaller, less publicized health events.

10. Reports

A. *Hospital and District CEO's Report:*
Dr. Klein noted that the organization is evaluating how to proceed with its planned expansion and will be discussing this further. Expansion efforts include enhancements to cardiac rehabilitation, heart surgery services, and other specialty areas.

Dr. Klein reported in June 2025, 11 new providers joined the organization: 1 pediatrician, 6 primary care providers, and 6 advanced practice providers. Recruitment efforts remain active, with approximately 11 physicians currently in the pipeline.

Dr. Klein reported patient access improvements are ongoing, with early signs of reduced appointment wait times.

Dr. Klein commented on a recent insurance contract termination with Meritage and its potential impact on Marin and Sonoma Counties.

Dr. Klein shared the implementation of Syntec Rounding, a new digital platform integrating patient experience, environmental care, quality oversight, infection prevention and leadership rounds into one unified system. The platform supports real-time issue routing to appropriate departments, mobile-device tracking, centralized monitoring and resolution follow-up, reinforcing patient safety and satisfaction.

Dr. Klein shared AHRQ-benchmarked pediatric quality outcomes for 2023, highlighting zero incidents of accidental punctures or lacerations, neonatal bloodstream infections, postoperative sepsis, and central venous catheter infections. These results underscore the organization's clinical excellence and quality commitment.

Dr. Klein reported on facility and security updates:

- Improvements in peri-operative areas: room renovations, lighting, cooling, and video integration.
- Installation of telemetry in the Oak Pavilion.
- Master fire alarm upgrades in all buildings, targeted for completion in September.
- Planning underway for 2030/2033 seismic compliance requirements.
- The Bloom Energy project is underway to reduce the organization's carbon footprint.
- Plans are in place to add vending and café options in the Cypress area to provide after-hours food and beverage access.
- The replacement MRI scanner on South Eliseo has been completed.
- Pharmacy compounding suite is underway with completion by end of year.
- New weapons detection system installed at ER has been implemented.
- Visitor badging system will provide direct access for District and Operating Board members without check-in.

Dr. Klein announce the upcoming ACHD Annual Meeting in San Diego, September 24–26, inviting Board Members to attend.

B. *Chair's and Board Members' Reports:*
Director Rienks reported on a recent article from the Pacific Sun regarding the use of a specific restraint device ("the wrap") by law enforcement agencies on individuals experiencing mental health crises.

The article referenced a recent Marin County Civil Grand Jury report indicating that law enforcement officers receive only 15 hours of mental health training as part of their certification. Director Rienks expressed concern that such limited training may contribute to situations resulting in harm, citing a recent case in which an individual died while being restrained in this manner.

Director Rienks suggested that the District consider hosting an educational seminar for first responders on best practices in responding to individuals with mental illness, potentially increasing training exposure beyond the required minimum.

The Board discussed the feasibility of providing such training. They also noted sustainability challenges for existing crisis intervention programs, many of which are grant-funded and facing potential funding shortfalls.

Director Rienks will research the matter further, including obtaining and circulating the Pacific Sun article, and will report back to the Board with potential options for moving forward.

Director Sparkman noted the passing of William Bagley, former Marin legislator. She recognized his reputation for working collaboratively across party lines and described him as a great man whose contributions were widely respected.

10. Agenda Suggestions for Future Meetings

No new agenda topics were proposed.

11. Adjournment of Regular Meeting

Chair Alfrey adjourned the meeting at 6:50 pm.

Tab 2

MarinHealth Medical Center

Performance Metrics
and
Core Services Report

Q1 2025

August 5, 2025

250 Bon Air Road, Greenbrae, CA 94904 | O 1-415-925-7000

www.mymarinhealth.org

MarinHealth Medical Center (Marin General Hospital)

Performance Metrics and Core Services Report: **Q1 2025**

TIER 1 PERFORMANCE METRICS

In accordance with Tier 1 Performance Metrics requirements, the MGH Board is required to meet each of the following minimum level requirements:

		Frequency	Status	Notes
(A) Quality, Safety and Compliance	1. MGH Board must maintain MGH's Joint Commission accreditation, or if deficiencies are found, correct them within six months.	Quarterly	In Compliance	Joint Commission granted MGH an "Accredited" decision with an effective date of May 25, 2022 for a duration of 36 months.
	2. MGH Board must maintain MGH's Medicare certification for quality of care and reimbursement eligibility.	Quarterly	In Compliance	MGH maintains its Medicare Certification.
	3. MGH Board must maintain MGH's California Department of Public Health Acute Care License	Quarterly	In Compliance	MGH maintains its license with the State of California.
	4. MGH Board must maintain MGH's plan for compliance with SB 1953.	Quarterly	In Compliance	MGH remains in compliance with SB 1953 (California Hospital Seismic Retrofit Program).
	5. MGH Board must report on all Tier 2 Metrics at least annually.	Annually	In Compliance	4Q 2024 (Annual Report) was presented to MGH Board and to MHD Board in June 2025.
	6. MGH Board must implement a Biennial Quality Performance Improvement Plan for MGH.	Annually	In Compliance	MGH Performance Improvement Plan for 2025 was presented for approval to the MGH Board in February 2025.
	7. MGH Board must include quality improvement metrics as part of the CEO and Senior Executive Bonus Structure for MGH.	Annually	In Compliance	CEO and Senior Executive Bonus Structure includes quality improvement metrics.
(B) Patient Satisfaction and Services	MGH Board will report on MGH's HCAHPS Results Quarterly.	Quarterly	In Compliance	**Schedule 1**
(C) Community Commitment	1. In coordination with the General Member, the MGH Board must publish the results of its biennial community assessment to assess MGH's performance at meeting community health care needs.	Annually	In Compliance	Reported in Q4 2024
	2. MGH Board must provide community care benefits at a sufficient level to maintain MGH's non-profit tax exempt status.	Quarterly	In Compliance	MGH continues to provide community care and has maintained its tax exempt status.
(D) Physicians and Employees	MGH Board must report on all Tier 1 "Physician and Employee" Metrics at least annually.	Annually	In Compliance	Reported in Q4 2024
(E) Volumes and Service Array	1. MGH Board must maintain MGH's Scope of Acute Care Services as reported to OSHPD.	Quarterly	In Compliance	All services have been maintained.
	2. MGH Board must maintain MGH's services required by Exhibit G to the Loan Agreement between the General Member and Marin County, dated October 2008, as long as the Exhibit commitments are in effect.	Quarterly	In Compliance	All services have been maintained.
(F) Finances	1. MGH Board must maintain a positive operating cash-flow (operating EBITDA) for MGH after an initial phase in period of two fiscal years, and then effective as a performance metric after July 1, 2012, with performance during the phase in period monitored as if a Tier 2 metric.	Quarterly	In Compliance	**Schedule 2**
	2. MGH Board must maintain revenue covenants related to any financing agreements or arrangements applicable to the financial operations of MGH.	Quarterly	In Compliance	**Schedule 2**

MarinHealth Medical Center (Marin General Hospital)

Performance Metrics and Core Services Report: **Q1 2025**

TIER 2 PERFORMANCE METRICS

In accordance with Tier 2 Performance Metrics requirements, the General Member shall monitor and the MGH Board shall provide necessary reports to the General Member on the following metrics:

		Frequency	Status	Notes
(A) Quality, Safety and Compliance	MGH Board will report on efforts to advance clinical quality efforts, including performance metrics in areas of primary organizational focus in MGH's Performance Improvement Plan (including Clinical Quality Reporting metrics and Service Line Quality Improvement Goals as developed, e.g., readmission rates, patient falls, "never events," process of care measures, adverse drug effects, CLABSI, preventive care programs).	Quarterly	In Compliance	**Schedule 3**
(B) Patient Satisfaction and Services	1. MGH Board will report on ten HCAHPS survey rating metrics to the General Member, including overall rating, recommendation willingness, nurse and physician communication, responsiveness of staff, pain management, medication explanations, cleanliness, room quietness, post-discharge instruction.	Quarterly	In Compliance	**Schedule 1**
	2. MGH Board will report external awards and recognition.	Annually	In Compliance	Reported in Q4 2024
(C) Community Commitment	1. MGH Board will report all of MGH's cash and in-kind contributions to other organizations.	Quarterly	In Compliance	**Schedule 4**
	2. MGH Board will report on MGH's Charity Care.	Quarterly	In Compliance	**Schedule 4**
	3. MGH Board will maintain a Community Health Improvement Activities Summary to provide the General Member, providing a summary of programs and participation in community health and education activities.	Annually	In Compliance	Reported in Q4 2024
	4. MGH Board will report the level of reinvestment in MGH, covering investment in excess operating margin at MGH in community services, and covering funding of facility upgrades and seismic compliance.	Annually	In Compliance	Reported in Q4 2024
	5. MGH Board will report on the facility's "green building" status based on generally accepted industry environmental impact factors.	Annually	In Compliance	Reported in Q4 2024
(D) Physicians and Employees	1. MGH Board will provide a report on new recruited physicians by specialty and active number of physicians on staff at MGH.	Annually	In Compliance	Reported in Q4 2024
	2. MGH Board will provide a summary of the results of the Annual Physician and Employee Survey at MGH.	Annually	In Compliance	Reported in Q4 2024
	3. MGH Board will analyze and provide information regarding nursing turnover rate, nursing vacancy rate, and net nursing staff change at MGH.	Quarterly	In Compliance	**Schedule 5**
(E) Volumes and Service Array	1. MGH Board will develop a strategic plan for MGH and review the plan and its performance with the General Member.	Annually	In Compliance	The updated MGH Strategic Plan was presented to the MGH Board on October 26, 2024 and to the MHD Board on February 21, 2025.
	2. MGH Board will report on the status of MGH's market share and Management responses.	Annually	In Compliance	MGH's market share and management responses report was presented to the MGH Board on October 26, 2024 and the MHD Board on February 21, 2025.
	3. MGH Board will report on key patient and service volume metrics, including admissions, patient days, inpatient and outpatient surgeries, emergency visits.	Quarterly	In Compliance	**Schedule 2**
	4. MGH Board will report on current Emergency services diversion statistics.	Quarterly	In Compliance	**Schedule 6**
(F) Finances	1. MGH Board will provide the audited financial statements.	Annually	In Compliance	The MGH 2024 Independent Audit was completed on April 24, 2025.
	2. MGH Board will report on its performance with regard to industry standard bond rating metrics, e.g., current ratio, leverage ratios, days cash on hand, reserve funding.	Quarterly	In Compliance	**Schedule 2**
	3. MGH Board will provide copies of MGH's annual tax return (Form 990) upon completion to General Member.	Annually	In Compliance	The MGH 2023 Form 990 was filed on November 15, 2024.

MHMC Performance Metrics and Core Services Report
Q1 2025

EXECUTIVE SUMMARY
Q1 2025 HCAHPS

Time Period

Q1 2025 HCAHPS Survey with Press Ganey Benchmarks (n=325)

Accomplishments

Overall Hospital Rating & Likelihood to Recommend sustained above the 75th percentile

MD Communications improved and > 50th national Press Ganey percentile

Improved Questions within Domains:

- Medication Side Effects, Help After Discharge, Able to Rest >50thp

Areas for Monitoring

Nurse Communication- Staff education and patient rounding actions,

Responsiveness- HCAHPS question edits impact TBD

Hospital Environment- HCAHPS changes impact TBD

Communication About Medications- Staff/Physician education, patient/family signage

Discharge Information- Staff/Physician education, Rounding actions

Care Coordination & Care Transitions- Staff/Physician education, Geographic Rounding actions

Symptoms Information- HCAHPS changes impact TBD

Data Summary

2025 has updated questions (see report):

- Responsiveness questions- slight wording change
- Quietness moved from Hospital Environment to NEW-Restful Domain
- Care Transitions to Care Coordination Domain
- NEW- Information about Symptoms as own Domain

Reporting HCAHPS Press Ganey percentile rank among all PG database (Natl) and PG California Hospitals (CA)

Barriers or Limitations

True CMS comparison report not available at this time.

Next Steps

Ongoing Patient Satisfaction and Experience initiatives; Geographic MD Assignments, Hourly rounding on Medical/Surgical units, Physician bedside rounding and feedback sessions.

MHMC Performance Metrics and Core Services Report
Q1 2025

Schedule 1: HCAHPS

(Hospital Consumer Assessment of Healthcare Providers & Systems)

- **Tier 1, Patient Satisfaction and Services**
  The MHMC Board will report on MHMC's HCAHPS Results Quarterly.
- **Tier 2, Patient Satisfaction and Services**
  The MHMC Board will report on ten HCAHPS survey rating metrics to the General Member, including overall rating, recommendation willingness, nurse and physician communication, responsiveness of staff, pain management, medication explanations, cleanliness, room quietness, post-discharge instruction.

HCAHPS Dashboard

Q1 2025 Board Report

	Q2 2024			Q3 2024			Q4 2024			Q1 2025		
	Top Box	Nat. Rank	CA Rank	Top Box	Nat. Rank	CA Rank	Top Box	Nat. Rank	CA Rank	Top Box	Nat. Rank	CA Rank
Rate Hospital 0-10	**82.17%**	88	87	**80.15%**	84	83	**79.45%**	82	79	**78.97%**	84	81
Recommend the Hospital	**81.25%**	85	74	**79.77%**	80	77	**80.60%**	83	74	**82.04%**	87	78
Communication with Nurses	**77.31%**	31	39	**75.71%**	22	25	**77.18%**	28	30	**76.65%**	31	40
Responsiveness of Hospital Staff**	**72.37%**	83	89	**65.12%**	57	71	**66.72%**	62	68	**62.61%**	54	58
Communication with Doctors	**81.66%**	64	70	**77.90%**	35	39	**79.54%**	44	46	**80.33%**	58	70
Hospital Environment ***	**67.96%**	58	76	**63.63%**	36	48	**64.31%**	39	52	**70.22%**	41	35
Communication about Medications	**60.68%**	49	36	**55.56%**	18	13	**59.96%**	38	27	**58.92%**	33	22
Discharge Information	**90.31%**	80	76	**87.05%**	50	44	**89.07%**	69	65	**85.96%**	45	37
Care Transitions	**51.48%**	42	26	**50.23%**	36	29	**51.68%**	39	28			
Restful Hospital Environment										**55.08%**	37	34
Care Coordination										**68.68%**	30	27
Information About Symptoms										**68.20%**	35	32
"n"	*281*			*286*			*398*			325		

Green = Above the 50th percentile
Red = Below the 50th percentile
Black = New Questions/Domains in 2025
(rankings may continue to change)

Data is Mode Adjusted (to account for use of phone vs. mail-in surveys)

National Benchmark = 2388 hospitals (as of Q1 2025)
CA Benchmark = 124 hospitals (as of Q1 2025)

Only includes CMS reportable/eligible surveys

* New (overarching) changes to the HCAHPS survey in 2025 include:
  (1) Response window increased from 42 to 49 days
  (2) Proxy/loved one can take the survey on behalf of a patient
  (3) Limit on supplemental questions to 12 maximum
  (4) Reduced language spoken at home to only 4 options – English, Spanish, Chinese, Another Language
  (5) Replaced: "Were you admitted through the Emergency Department?" with "Was this hospital stay planning in advance?" (Yes Definitely, Yes Somewhat, No)
  (6) Removed the "Care Transitions" Domain
  (7) Added "Care Coordination" Domain:
    (a) During this hospital stay, how often were doctors, nurses and other hospital staff informed and up-to date about your care?
    (b) During this hospital stay, how often did doctors, nurses and other hospital staff work well together to care for you?
    (c) Did doctors, nurses or other hospital staff work with you and your family or caregiver in making plans for your care after you left the hospital?
  (8) Added "Restfulness Domain":
    (a) During this hospital stay, how often was the area around your room quiet at night? (pre-existing question)
    (b) During this hospital stay, how often were you able to get the rest you needed?
    (c) During this hospital stay, did doctors, nurses and other hospital staff help you to rest and recover?
  (9) Added "Info About Symptoms" question:
    (a) Did doctors, nurses or other hospital staff give your family or caregiver enough information about what symptoms or health problems to watch for after you left the hospital?
  (10) Total increase from 29 to 32 questions
  Note: Due to these HCAHPS question changes, per Press Ganey, scores / ranks may continue to adjust.

** Wording change to 1 of the 2 Questions in the "Responsiveness" Domain in 2025 (Press Ganey is seeing lower domain scores across the nation)

*** Environment Domain now *only* includes the Cleanliness question. Quiet at Night moved out of Environment Domain into new "Restful" Domain in 2025.

MHMC Performance Metrics and Core Services Report
Q1 2025

Schedule 2: Finances

- **Tier 1, Finances**
  The MHMC Board must maintain a positive operating cash-flow (operating EBIDA) for MHMC after an initial phase in period of two fiscal years, and then effective as a performance metric after July 1, 2012, with performance during the phase in period monitored as if a Tier 2 metric. The MHMC Board must maintain revenue covenants related to any financing agreements or arrangements applicable to the financial operations of MHMC.
- **Tier 2, Volumes and Service Array**
  The MHMC Board will report on key patient and service volume metrics, including admissions, patient days, inpatient and outpatient surgeries, emergency visits.

Financial Measure	**Final 2024**	**Q1 2025**	**Q2 2025**	**Q3 2025**	**Q4 2025**	
EBIDA $ (in thousands)	$65,850	$15,736				
EBIDA %	10.09%	9.00%				
Loan Ratios						
Annual Debt Service Coverage	2.48	2.06				
Maximum Annual Debt Service Coverage	2.48	2.06				
Debt to Capitalization	57.0%	52.2%				
Key Service Volumes	**Total 2024**	**Q1 2025**	**Q2 2025**	**Q3 2025**	**Q4 2025**	**Total 2025**
Acute discharges	10,322	2,682				2,682
Acute patient days	50,356	13,802				13,802
Average length of stay	4.88	5.15				5.15
Emergency Department visits	44,412	10,953				10,953
Inpatient surgeries	1,759	461				461
Outpatient surgeries	6,373	1,483				1,483
Newborns	1,279	315				315

MHMC Performance Metrics and Core Services Report
Q1 2025

Schedule 3: Clinical Quality Reporting Metrics

- **Tier 2, Quality, Safety and Compliance**
  The MHMC Board will report on efforts to advance clinical quality efforts, including performance metrics in areas of primary organizational focus in MHMC's Performance Improvement Plan (including Clinical Quality Reporting metrics and Service Line Quality Improvement Goals as developed, e.g., readmission rates, patient falls, "never events," process of care measures, adverse drug effects, CLABSI, preventive care programs).

CLINICAL QUALITY METRICS DASHBOARD

Metrics are publicly reported on

CalHospital Compare (www.calhospitalcompare.org)

and

Centers for Medicare & Medicaid Services (CMS)
Hospital Compare (www.medicare.gov/care-compare/)

MHMC Performance Metrics and Core Services Report
Q1 2025

EXECUTIVE SUMMARY

Q1 2025 Quality Management Dashboard
(Organization Targets Based on Natl Metrics)

Accomplishments

- All-Cause Mortality rate- lower than expected given patient risk factors
- Readmission Rates:
    - AMI
    - Knee
    - Sepsis, Pneumonia improved
- Length Of Stay:
    - All Cause
    - Hip
    - Knee
    - Stroke, Sepsis improved
- Catheter Assoc Urinary Tract Infection-CAUTI
- Sepsis care bundle completion
- Injury due to HAPI (pressure-related skin injury), Falls with Injury rate
- PSI -90 Surgical Complications- fewer than expected given risk factors
- NEW- Social Determinants of Health (SDOH) Screening Rate >90%

Areas for Monitoring

- Hip, Stroke mortality: reviewed, care appropriate
- Readmission rates
- Deep SSI- monitor trend

Data Summary

- Social Determinants of Health Screening- new CMS reported metric (from APeX)
- Benchmark: Midas Datavision™ benchmark reports for same size/type hospitals (n~400)
- Report contains: Mortality Observed to Expected Ratios, Readmission rates, Length of Stay means, and selected HAI (Healthcare Associated Infections) and Harm events.
- See core measures dashboard for specialty and process metrics.

Barriers or Limitations

Next Steps:

- Ongoing support for PI continues
- Trend SDOH over time

MHMC Performance Metrics and Core Services Report
Q1 2025

Quality Managment Dashboard
Period: Q1 2025

Legend
Value > Target
Value > 2024 <Target
Value < Target <2024

Metrics: Adult Medical/Surgical High Volume DRGs	Reporting	Target*	2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Mortality-All Cause (Risk Adjusted O:E)	O:E Ratio	<1.0	0.73	0.71	0.66	0.65	0.64
Mortality-Acute Myocardial Infarction	O:E Ratio		0.78	1.60	0.00	0.46	0.00
Mortality-Heart Failure	O:E Ratio		0.72	0.91	0.97	0.26	0.41
Mortality- Hip	O:E Ratio		1.11	0.00	0.00	0.00	4.54
Mortality- Knee	O:E Ratio		0.00	0.00	0.00	0.00	0.00
Mortality- Stroke	O:E Ratio		0.94	0.56	1.35	1.54	1.43
Mortality- Sepsis	O:E Ratio		0.77	0.78	0.75	0.68	0.40
Mortality- Pneumonia	O:E Ratio		0.37	0.00	0.49	0.47	0.26
Readmission- All (Rate)	Rate	<15.5%	11.54	11.71	11.66	12.05	12.92
Readmission-Acute Myocardial Infarction	Rate		7.29	9.61	4.91	5.41	4.62
Readmission-Heart Failure	Rate		16.81	15.58	18.57	15.56	25.26
Readmission- Hip	Rate		17.14	16.67	30.77	0.00	10.00
Readmission- Knee	Rate		7.98	8.33	10.00	0.00	0.00
Readmission- Stroke	Rate		8.91	15.56	8.11	6.25	19.35
Readmission- Sepsis	Rate		17.31	16.81	21.85	17.20	16.54
Readmission- Pneumonia	Rate		13.82	13.68	12.73	17.95	16.54
LOS-All Cause	Mean	4.90	4.78	4.62	4.72	4.91	4.90
LOS-Acute Myocardial Infarction	Mean		3.92	3.27	3.94	4.09	4.47
LOS-Heart Failure	Mean		5.54	5.81	5.47	5.21	5.84
LOS- Hip	Mean		4.53	4.67	5.07	3.50	4.00
LOS- Knee	Mean		4.05	3.75	4.80	4.38	3.63
LOS- Stroke	Mean		6.01	6.13	4.67	7.58	6.86
LOS- Sepsis	Mean		8.72	9.10	8.65	9.04	7.96
LOS- Pneumonia	Mean		6.16	6.34	7.58	5.79	5.87

Metrics: HAIs, Sepsis, Harm Events	Reporting	Target**		Q2 2024	Q3 2024	Q4 2024	Q1 2025
CAUTI (SIR)	SIR	<1.0	0.92	1.37	0.00	0.71	0.00
Hospital Acquired C-Diff (CDI)	SIR	<1.0	0.29	0.00	0.88	0.00	0.71
Surgical Site Infection (Superficial)	# Infections		9	2	3	3	1
Surgical Site Infection (Deep, Organ Space and Joint)	# Infections		15	6	7	6	5
SSI	SIR	<1.0 SIR	0.64	<1.0	<1.0	<1.0	TBD
Sepsis Bundle Compliance	% Compliance	63%^	67%	67%	61%	64%	66%
Hospital Acquired Pressure Injury (HAPI)	# HAPI	<=1	1	0	1	0	0
Patient Falls with Injury	# Falls	<=1.0	1	0	0	1	0
PSI 90 / Healthcare Acquired Conditions	Ratio	<1.0	1.65	1.60	1.07	2.40	0.41
Serious Safety Events	# Events	<=1	2	0	1	1	1
Metrics: Health Equity	**Reporting**	**Target****	**2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**Q1 2025**
Social Determinants of Health Screening Rates	% Screened	TBD	60.00	53.40	87.90	90.20	91.50
Domain Positive Rates							
Food Insecurity			5.70	5.70	5.70	5.80	5.40
Housing Insecurity			6.70	6.80	6.60	7.30	6.70
Transportation Risk			5.40	2.40	3.10	2.60	2.30
Utility Risk			2.70	6.00	5.30	5.30	5.40
Interpersonal Safety			0.60	0.50	0.70	0.70	0.40

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* Targets are <1.0 for ratios or Midas Datavision Median

** Target <1.0 SIR (Ratio) or Number needed to achieve Natl Benchmark Ratio/Rate

^ Target = California Median rate

Quick Reference Guide	
Mortality	Death rates show how often patients die, for any reason, within 30 days of admission to a hospital
Readmissions	Anyone readmitted within 30 days of discharge (except for elective procedures/admits).
Length of Stay(LOS)	The average number of days that patients spend in hospital
CAUTI (SIR)	Catheter Associated Urinary Tract Infection
Hospital Acquired C-Diff (CDI)	Clostridium difficile (bacteria) positive test ≥ 4 days after admission
Surgical Site Infections	An infection that occurs after surgery in the part of the body where the surgery took place
Sepsis Bundle Compliance	Compliance with a group of best-practice required measures to prevent sepsis
Hospital Aquired Pressure Injury	Stage III or IV pressure ulcers (not present on admission) in patients hospitalized 4 or more days
Patient Falls with Injury	A fall that resulted in harm that required intervention by medical staff (and reportable to CMS)
PSI 90 / Healthcare Aquired Conditions	PSI = Patient Safety Indicators. # of patients with avoidable Pressure Ulcer, Iatrogenic Pneumothorax, Hospital Fall,w/ Hip Fracture, Periop Hemorrahage or Hematoma, Post-op Acute Kidney Injury, Post-op Respiratory Failure, Periop Pulminary Embolism or DVT, Post-op Sepsis, Post-op Wound Dehiscense, Accidental Laceration/Puncture
MRSA Blood Stream Infections	A positive test for a bacteria blood stream infection ≥ 4 days after admission
Patient Falls with Injury	A fall that resulted in harm that required intervention by medical staff (and reportable to CMS)
Serious Safety Events (patients)	A gap in care that reached the patient, causing a significant level of harm
Social Determinants of Health Screening Rates	SDOH screening is a process where healthcare providers ask patients about their non-medical factors that affect their health and well-being
Other Abbreviations	
SIR	Standardize Infection Ratio (Observed/Expected)

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EXECUTIVE SUMMARY
Q1 2025 Core Measures Dashboard
CMS Hospital IQR (Inpatient Quality Reporting) Program

Time Period

Q1 2025- publicly reported metrics (contributing to Star Rating)

Accomplishments

- STK-4 Thrombolytic Therapy: 100%
- Sepsis care bundle (SEP) improved
- Perinatal measures: PC-01 Elective Delivery 0%, Caesarian Section Rate 15% (lower is better)
- Behavioral Health: high screening rates with low restraint, seclusion rates
- ED Outpatient Median Time: improved compared to 2024 and national rate
- Actual to Expected Infection Rates (better than expected given risk factors):
    - Central Line Infection (CLABSI)
    - Urinary Catheter Infection (CAUTI)
    - C-difficile Infection
    - Methicillin Resistant Staph Aureus Bacteremia (MRSA)
- Surgical Complications Composite Measure (PSI-90): fewer than expected given risk factors
- Mortality Rates: improved from prior years

Areas for Monitoring

- Exclusive breast milk feeding
- ED admit Decision Time
- Stroke Mortality Rate
- Readmission rates
-

Data Summary

- Pg. 1 contains 2022 data by quarter with YTD sizes
- Pg. 2-4 publicly reported data published by CMS (dates vary by measure)

Barriers or Limitations: Competing Priorities

Next Steps: Continue PI Projects

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Hospital Inpatient Quality Reporting Program Measures

	METRIC	CMS**	2024	Q1 -2025	Q2 -2025	Q3 -2025	Q4-2025	Q4-2025 Num/Den	Rolling 2025 YTD	2025 YTD Num/Den
	◆ Stroke Measures									
STK-4	Thrombolytic Therapy	100%	100%	100%				2/2	100%	2/2
	◆ Sepsis Measure									
SEP-01	Severe Sepsis and Septic Shock: Management Bundle (Composite Measure)	61%	67%	65%				118/181	65%	118/181
	◆ Perinatal Care Measure									
PC-01	Elective Delivery +	2%	3%	0%				0/22	0%	0/22
PC-02	Cesarean Section +	TJC	20%	15%				22/150	15%	22/150
PC-05	Exclusive Breast Milk Feeding	TJC	78%	71%				57/80	71%	57/80
	◆ ED Inpatient Measures									
ED-2	Admit Decision Time to ED Departure Time for Admitted Patients +	99	103.00	**107.00**				213--Cases	**107.00**	213--Cases
	♦ Psychiatric (HBIPS) Measures									
IPF-HBIPS-2	Hours of Physical Restraint Use +	0.32	0.02	0.00				0.00	0.00	N/A
IPF-HBIPS-3	Hours of Seclusion Use +	0.35	0.00	0.00				0.00	0.00	N/A
	◆ Substance Use Measures									
SUB-2	2-Alcohol Use Brief Intervention Provided or offered	60%	88%	71%				5/7	71%	5/7
SUB-2a	Alcohol Use Brief Intervention	77%	91%	71%				5/7	71%	5/7
SUB-3a	Alc/Oth Drug Use Tx Provide/Offer at Disch		75%	50%				2/4	50%	2/4
	◆ Tobacco Use Measures									
TOB-3	3-Tobacco Use Treatment Provided or Offered at Discharge	71%	25%	**0%**				3/12	**0%**	3/12
TOB-3a	3a-Tobacco Use Treatment at Discharge	40%	17%	**17%**				2/12	**17%**	2/12
	METRIC	CMS**	2024	Q1 -2025	Q2 -2025	Q3 -2025	Q4-2025	Q4-2025 Num/Den	Rolling 2025 YTD	2025 YTD Num/Den
	♦ Transition Record Measures									
TRSE	Transition Record with Specified Elements Received by Discharged Patients	62%	88%	95%				82/86	95%	82/86
	♦ Metabolic Disorders Measure									
SMD	Screening for Metabolic Disorders	Benchmark To Be Established	88%	97%				53/0	97%	53/55
	METRIC	CMS**		2020	2021	2022	2023	2024	2025	Rolling Num/Den
IPF-IMM-2	Influenza Immunization	77%		92%	96%	96%	97%	97%	95%	188/198
	METRIC	CMS**	2024	Q1 -2025	Q2 -2025	Q3 -2025	Q4-2025	Q4-2025 Num/Den	Rolling 2025 YTD	2025 YTD Num/Den
	♦ ED Outpatient Measures									
OP-18b	Average (median) time patients spent in the emergency department before leaving from the visit	170.00	183.00	165.00				119--Cases	**165.00**	119--Cases
	♦ Outpatient Stroke Measure									
OP-23	Head CT/MRI Results for STK Pts w/in 45 Min of Arrival	69%	94%	N/A				0/0	N/A	/
	♦ Endoscopy Measures									
OP-29	Endoscopy/Polyp Surveillance: Appropriate Follow-up Interval for Normal Colonoscopy in Average Risk Patients	92%	95%	98%				51/52	98%	51/52

****CMS National Average + Lower Number is better**

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♦ Healthcare Personnel Influenza Vaccination

	METRIC	CMS National Average	Oct 2018 - Mar 2019	Oct 2020 - Mar 2021	Oct 2021 - Mar 2022	Oct 2022 - Mar 2023
	COVID Healthcare Personnel Vaccination	88%			96%	99%
IMM-3	Healthcare Personnel Influenza Vaccination	80%	97%	94%	96%	93%

♦ Surgical Site Infection +

	METRIC	National Standardized Infection Ratio (SIR)	Apr 2022 - Mar 2023	July 2022 - June 2023	Jan 2023 - Dec 2023	July 2023 - June 2024
HAI-SSI-Colon	Surgical Site Infection - Colon Surgery	1	0.00	0.00	0.00	0.53
HAI-SSI-Hyst	Surgical Site Infection - Abdominal Hysterectomy +	1	not published**	not published**	not published**	not published**

♦ Healthcare Associated Device Related Infections

	METRIC	National Standardized Infection Ratio (SIR)	April 2022 - Mar 2023	July 2022 - June 2023	Jan 2023 - Dec 2023	July 2023 - June 2024
HAI-CLABSI	Central Line Associated Blood Stream Infection (CLABSI)	1	0.00	0.43	0.44	0.50
HAI-CAUTI	Catheter Associated Urinary Tract Infection (CAUTI)	1	0.62	**1.07**	0.35	0.70
	METRIC	**2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**Q1 2025**
	Central Line Associated Blood Stream Infection (CLABSI)	0.73	2.30	**0.00**	0.78	0.00
	Catheter Associated Urinary Tract Infection (CAUTI)	0.92	**1.37**	**0.00**	0.71	0.98

♦ Healthcare Associated Infections +.71

	METRIC	National Standardized Infection Ratio (SIR)	Apr 2022 - Mar 2023	July 2022 - June 2023	Jan 2023 - Dec 2023	July 2023 - June 2024
HAI-C-Diff	Clostridium Difficile	1	0.58	0.43	0.36	0.38
HAI-MRSA	Methicillin Resistant Staph Aureus Bacteremia	1	0.00	0.00	0.46	0.41
	METRIC	**2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**Q1 2025**
HAI-C-Diff	Clostridium Difficile	0.30	0	0.88	0.00	0.71
HAI-MRSA	Methicillin Resistant Staph Aureus Bacteremia	0.00	0.00	0.00	0.00	0.00

♦ Agency for Healthcare Research and Quality Measures (AHRQ-Patient Safety Indicators) +

	METRIC	Centers for Medicare & Medicaid Services (CMS) National Average	July 2017 - June 2019	July 2018 - Dec 2019	July 2019 - June 2021	July 2020 - June 2022
PSI-90 (Composite)	Complication / Patient Safety Indicators PSI 90 (Composite)	1	No different than the National Rate	No different than the National Rate	No different than the National Rate	No different than the National Rate
	METRIC		**2022**	**2023**	**2024**	**2025**
PSI-90 (Composite)	Complication / Patient safety Indicators PSI 90 (Composite)		1.38	1.85	1.65	0.41
PSI-3	Pressure Ulcer		0.79	1.52	0.17	0.64
PSI-6	Iatrogenic Pneumothorax		0.00	0.57	0.52	0.00
PSI-8	Inhospital Fall with Hip Fracture		0.13	0.28	0.00	0.49
PSI-9	Perioperative Hemorrhage or Hematoma		2.08	3.42	3.54	0.00
PSI-10	Postop Acute Kidney Injury Requiring Dialysis		0.00	0.00	0.00	6.71
PSI-11	Postoperative Respiratory Failure		1.88	12..01	4.41	0.00
PSI-12	Peri Operative Pulmonary Embolism (PE) or Deep Vein Thrombosis (DVT)		6.59	7.97	7.91	0.00
PSI-13	Postoperative Sepsis		3.93	1.57	0.00	0.00
PSI-14	Post operative Wound Dehiscence		0.00	0.00	0.00	0.00
PSI-15	Unrecognized Abdominopelvic Accidental Laceration/Puncture Rate		0.00	1.52	0.00	0.00

***** National Average + Lower Number is better**

	METRIC	Centers for Medicare & Medicaid Services (CMS) National Average	July 2017 - June 2019	July 2018 - Dec 2019	July 2019 June 2021	July 2020 June 2022
PSI-4	Death Among Surgical Patients with Serious Complications +	136.48 per 1,000 patient discharges	No different then National Average	No different then National Average	not published**	No different then National Average

♦ Surgical Complications +

		Centers for Medicare & Medicaid Services (CMS) National Average	April 2017 - Oct 2019	April 2018 - March 2021	April 2019 - March 2022	April 2019 - March 2022
Surgical Complication	Hip/Knee Complication: Hospital-level Risk- Standardized Complication Rate (RSCR) following Elective Primary Total Hip/Knee Arthroplasty +	3.5%	**2.6%**	**2.5%**	**3.6%**	**4.3%**

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♦ Mortality Measures - 30 Day +

	METRIC	Centers for Medicare & Medicaid Services (CMS) National Average	July 2016 - June 2019	July 2017 - Dec 2019	July 2019 - June 2021	July 2020 - June 2023
MORT-30-AMI	Acute Myocardial Infarction Mortality Rate	12.6%	10.90%	10.70%	**10.00%**	10.00%
MORT-30-HF	Heart Failure Mortality Rate	11.9%	8.00%	8.60%	10.30%	9.30%
MORT-30-PN	Pneumonia Mortality Rate	17.9%	14.20%	13.90%	not published**	13.80%
MORT-30-COPD	COPD Mortality Rate	9.40%	**9.20%**	**8.60%**	**10.00%**	7.30%
MORT-30-STK	Stroke Mortality Rate	13.90%	13.60%	13.40%	13.50%	12.50%
CABG MORT-30	CABG 30-day Mortality Rate	2.80%	3.00%	2.50%	**3.00%**	2.30%

♦ Mortality Measures - 30 Day (Medicare Only - Midas DataVision) +

	METRIC		2022	2023	2024	2025
MORT-30-AMI	Acute Myocardial Infarction Mortality Rate		3.39%	2.13%	4.81%	0.00%
MORT-30-HF	Heart Failure Mortality Rate		1.20%	3.05%	4.69%	1.49%
MORT-30-PN	Pneumonia Mortality Rate		7.09%	4.46%	2.21%	1.35%
MORT-30-COPD	COPD Mortality Rate		7.14%	3.13%	7.84%	0.00%
MORT-30-STK	Stroke Mortality Rate		4.90%	3.64%	5.50%	11.75%
CABG MORT-30	CABG Mortality Rate		0.00%	0.00%	0.00%	0.00%

♦ Acute Care Readmissions - 30 Day Risk Standardized +

	METRIC	Centers for Medicare & Medicaid Services (CMS) National Average	July 2017 - Dec 2019	July 2018 - June 2021	July 2019 - June 2022	July 2020 - June 2023
READM-30-AMI	Acute Myocardial Infarction Readmission Rate	14.60%	**15.50%**	14.70%	13.40%	13.90%
READM-30-HF	Heart Failure Readmission Rate	19.80%	21.20%	19.50%	18.40%	17.80%
READM-30-PN	Pneumonia Readmission Rate	16.40%	14.50%	not published**	14.70%	13.90%
READM-30-COPD	COPD Readmission Rate	18.50%	19.30%	19.50%		**19.10%**
READM-30-THA/TKA	Total Hip Arthroplasty and Total Knee Arthroplasty Readmission Rate	4.50%	**4.20%**	**4.90%**	4.20%	4.10%
READM-30-CABG	Coronary Artery Bypass Graft Surgery (CABG)	10.70%	12.20%	11.60%	10.80%	10.50%
	METRIC	**Centers for Medicare & Medicaid Services (CMS) National Average**	**July 2019- Dec 2019**	**July 2018- June 2021**	**July 2019- June 2022**	**July 2020- June 2023**
HWR Readmission	Hospital-Wide All-Cause Unplanned Readmission (HWR) +	14.6%	14.9%	14.0%	13.2%	13.9%

♦ Acute Care Readmissions 30 Day (Medicare Only - Midas DataVision) +

	METRIC		2022	2023	2024	2025
	Hospital-Wide All-Cause Unplanned Readmission		9.89%	9.83%	10.93%	14.67%
	Acute Myocardial Infarction Readmission Rate		8.75%	7.60%	8.80%	5.88%
	Heart Failure Readmission Rate		11.36%	18.18%	16.50%	28.13%
	Pneumonia (PN) 30 Day Readmission Rate		11.94%	11.84%	13.22%	15.49%
	Chronic Obstructive Pulmonary Disease (COPD) 30 Day Readmission Rate		9.68%	9.09%	20.00%	28.57%
	Total Hip Arthroplasty and Total Knee Arthroplasty 30 Day Readmission Rate		0.00%	0.00%	8.33%	0.00%
	30-day Risk Standardized Readmission following Coronary Artery Bypass Graft		14.29%	7.69%	7.14%	25.00%

♦ Cost Efficiency +

	METRIC	Centers for Medicare & Medicaid Services (CMS) National Average	Jan 2020 - Dec 2020	Jan 2021 - Dec 2021	Jan 2022 - Dec 2022	Jan 2023 - Dec 2023
MSPB-1	Medicare Spending Per Beneficiary (All)	0.99	0.98	0.98	0.98	0.99
			July 2017- Dec 2019	**July 2018- June 2021**	**July 2019- June 2022**	**July 2012- June 2023**
PAY-AMI	Acute Myocardial Infarction (AMI) Payment Per Episode of Care	$28,355	**$28,746**	**$27,962**	$26,768	$27,013
PAY-HF	Heart Failure (HF) Payment Per Episode of Care	$19,602	$18,180	$17,734	$18,109	$19,654
PAY-PN	Pneumonia (PN) Payment Per Episode of Care	$20,362	$17,517	$18,236	$19,640	$19,640
	METRIC	**Centers for Medicare & Medicaid Services (CMS) National Average**	**April 2017 - Oct 2019**	**April 2018 - Mar 2021**	**April 2019 - Mar 2022**	**July 2020 June 2023**
PAY-Knee	Hip and Knee Replacement	$22,530	$19,869	$19,578	$20,848	$20,848

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♦ Outpatient Measures (Claims Data) +

	METRIC	Centers for Medicare & Medicaid Services (CMS) National Average	July 2018 - June 2019	July 2019 - Dec 2019	July 2020- June 2021	July 2022- June 2023
OP-10	Outpatient CT Scans of the Abdomen that were "Combination" (Double) Scans	5.80%	6.10%	2.70%	**7.00%**	**7.60%**
OP-13	Outpatients who got Cardiac Imaging Stress Tests Before Low-Risk Outpatient Surgery	2.90%	3.20%	3.70%	3.00%	**3.70%**

	METRIC	Centers for Medicare & Medicaid Services (CMS) National Average	Jan 2015 - Dec 2015	Jan 2016 - Dec 2016	Jan 2018 - Dec 2018	Jan 2022 Dec 2022
OP-22	Patient Left Emergency Department before Being Seen	3.00%	1.00%	2.00%	3.00%	1.00%

+ Lower Number is better

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Schedule 4: Community Benefit Summary

- **Tier 2, Community Commitment**
  The Board will report all of MHMC's cash and in-kind contributions to other organizations.
  The Board will report on MHMC's Charity Care.

Cash & In-Kind Donations (these figures are not final and are subject to change)					
	Q1 2025	**Q2 2025**	**Q3 2025**	**Q4 2025**	**Total 2025**
Buckelew	$ 28,750				$ 28,750
Canal Alliance	$ 17,250				$ 17,250
Ceres Community Project	$ 17,250				$ 17,250
Community Action Marin	$ 11,500				$ 11,500
Community Institute for Psychotherapy	$ 11,500				$ 11,500
Homeward Bound	$ 23,000				$ 23,000
Huckleberry Youth Programs	$ 172,500				$ 172,500
Jewish Family and Children's Services	$ 11,500				$ 11,500
Kids Cooking for Life	$ 11,500				$ 11,500
Marin Center for Independent Living	$ 5,750				$ 5,750
Marin City Health and Wellness	$ 28,750				$ 28,750
Marin Community Clinics	$ 9,200				$ 9,200
Marin Mommies	$ 57,500				$ 57,500
MHD 1206B Clinics	$ 10,010,230				$ 10,010,230
NAMI Marin	$ 11,500				$ 11,500
North Marin Community Services	$ 13,800				$ 13,800
Ritter Center	$ 11,500				$ 11,500
RotaCare Bay Area Inc.	$ 17,250				$ 17,250
San Geronimo Valley Community Center	$ 11,500				$ 11,500
St. Vincent de Paul Society of Marin	$ 11,500				$ 11,500
West Marin Senior Services	$ 11,500				$ 11,500
Whistlestop	$ 11,500				$ 11,500
Total Cash Donations	**$ 10,516,230**	**$ -**	**$ -**	**$ -**	**$ 10,516,230**
Clothes Closet					$ -
Compassionate discharge medications					$ -
Meeting room use by community-based organizations for community-health related purposes.					$ -
Healthy Marin Partnership	$ 1,222				$ 1,222
Food donations	$ 16,890				$ 16,890
SMILE Cart					$ -
Total In-Kind Donations	**$ 18,112**	**$ -**	**$ -**	**$ -**	**$ 18,112**
Total Cash & In-Kind Donations	**$ 10,534,342**	**$ -**	**$ -**	**$ -**	**$ 10,534,342**

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Schedule 4, continued

Community Benefit Summary (These numbers are subject to change.)					
	1Q 2025	**2Q 2025**	**3Q 2025**	**4Q 2025**	**Total 2025**
Community Health Improvement Services	$ 94,837				$ 94,837
Health Professions Education	$ 48,360				$ 48,360
Cash and In-Kind Contributions	$ 10,534,342				$ 10,534,342
Community Benefit Operations	$ 2,106				$ 2,106
Community Building Activities	$ 1,685				$ 1,685
Traditional Charity Care **Operation Access total is included in Charity Care*	$ 47,471				$ 47,471
Government Sponsored Health Care *(includes Medi-Cal & Means-Tested Government Programs)*	$ 15,246,728				$ 15,246,728
Community Benefit Subtotal (amount reported annually to state & IRS)	**$ 25,975,529**	**$ -**	**$ -**	**$ -**	**$ 25,975,529**
Unpaid Cost of Medicare	$ 40,249,044				$ 40,249,044
Bad Debt	$ 508,771				$ 508,771
Community Benefit, Community Building, Unpaid Cost of Medicare and Bad Debt Total	**$ 66,733,344**	**$ -**	**$ -**	**$ -**	**$ 66,733,344**

Operation Access

Though not a Community Benefit requirement, MHMC has been participating with Operation Access since 2000. Operation Access brings together medical professionals and hospitals to provide donated outpatient surgical and specialty care for the uninsured and underserved.

	Q1 2025	**Q2 2025**	**Q3 2025**	**Q4 2025**	**Total 2025**
*Operation Access charity care provided by MGH (waived hospital charges)	$46,444				$46,444

MHMC Performance Metrics and Core Services Report
Q1 2025

Schedule 5: Nursing Turnover, Vacancies, Net Changes

- **Tier 2, Physicians and Employees**
  The MHMC Board will analyze and provide information regarding nursing turnover rate, nursing vacancy rate, and net nursing staff change at MHMC.

Turnover Rate				
Period	Number of Clinical RNs	Separated		Rate
		Voluntary	Involuntary	
Q1 2024	649	18	5	3.54%
Q2 2024	654	19	5	3.67%
Q3 2024	661	13	2	2.27%
Q4 2024	653	19	1	3.06%
Q1 2025	**662**	**14**	**1**	**2.27%**

Vacancy Rate							
Period	Open Per Diem Positions	Open Benefitted Positions	Filled Positions	Total Positions	Total Vacancy Rate	Benefitted Vacancy Rate of Total Positions	Per Diem Vacancy Rate of Total Positions
Q1 2024	4	42	649	695	6.62%	6.04%	0.58%
Q2 2024	0	30	654	684	4.39%	4.39%	0.00%
Q3 2024	1	36	661	698	5.30%	5.16%	0.14%
Q4 2024	0	29	653	682	4.25%	4.25%	0.00%
Q1 2025	**7**	**49**	**662**	**718**	**7.80%**	**6.82%**	**0.97%**

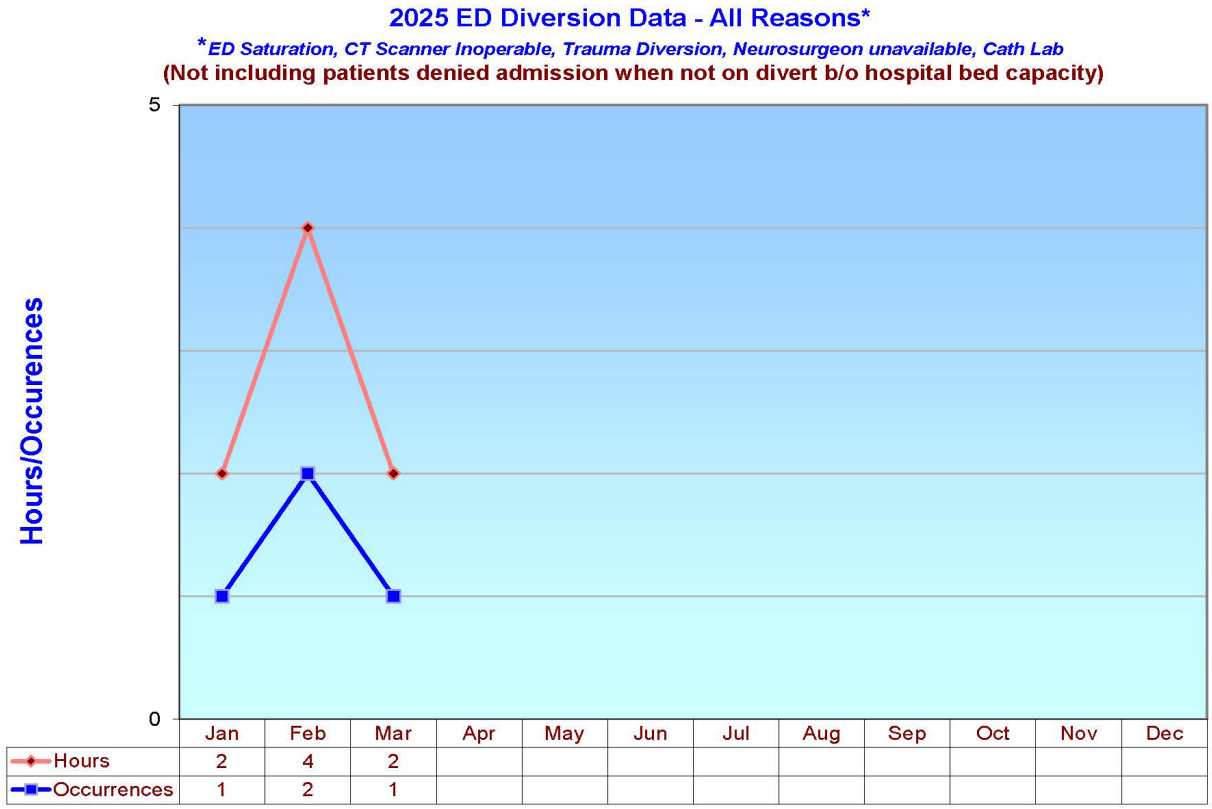
Hired, Termed, Net Change			
Period	Hired	Termed	Net Change
Q1 2024	39	23	16
Q2 2024	27	24	3
Q3 2024	22	15	7
Q4 2024	12	20	(8)
Q1 2025	**25**	**15**	**10**

MHMC Performance Metrics and Core Services Report
Q1 2025

Schedule 6: Ambulance Diversion

- **Tier 2, Volumes and Service Array**
  The MHMC Board will report on current Emergency services diversion statistics.

Quarter	Date	Time	Diversion Duration	Reason	Waiting Room Census	ED Admitted Patient Census
Q1 2025	01/31/25	22:15	2'00"	ED	12	9
	02/03/25	01:23	2'00"	ED	9	6
	02/18/25	15:21	2'00"	ED	12	10
	03/24/25	18:39	2'00"	ED	20	6



Tab 3

Parcel Tax Feasibility Survey Results

Marin Healthcare District Board Meeting
August 12, 2025

Polling Results: Ballot Question

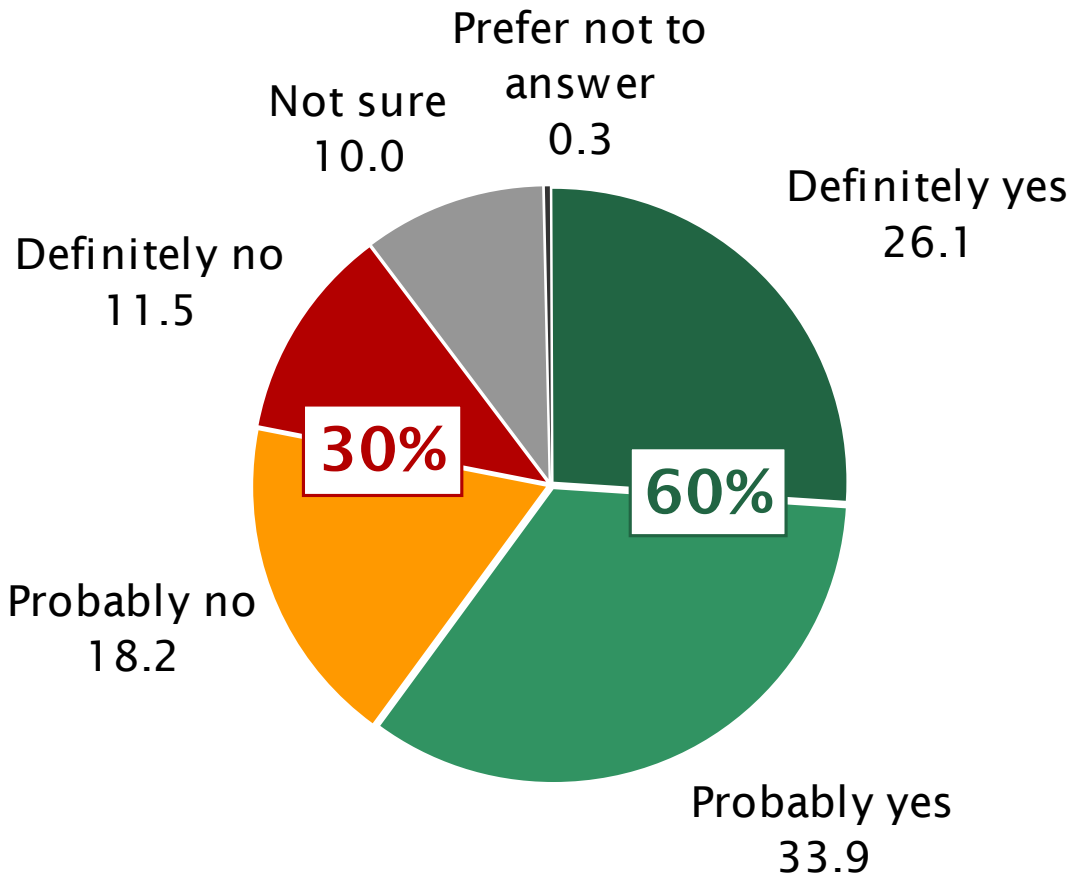
Marin Healthcare District - Emergency Healthcare Funding Measure.

In order to:

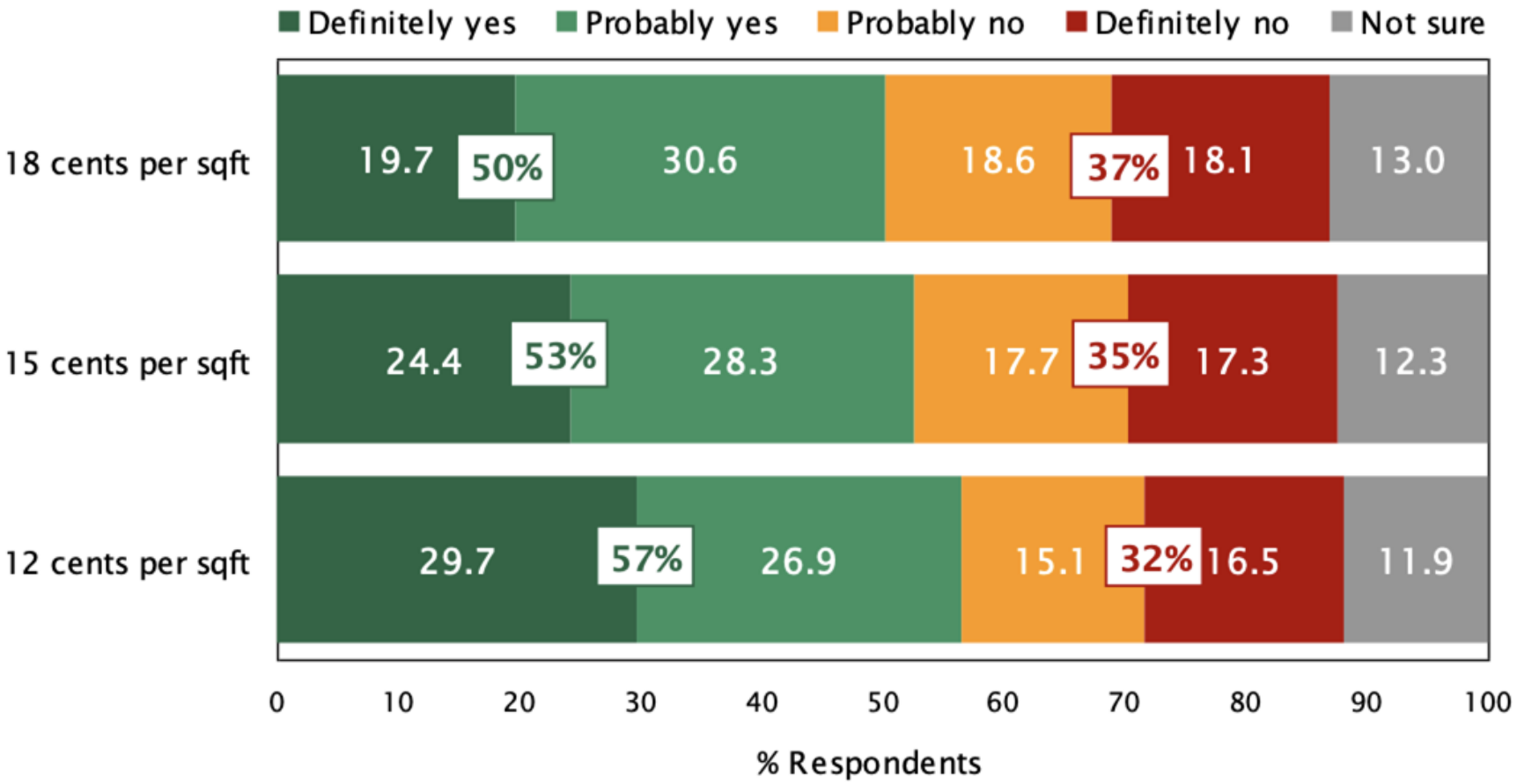
- Provide local access to advanced, life-saving emergency medical care for victims of accidents, heart attacks, stroke, and emergencies
- Expand and upgrade intensive care, trauma, triage, ER and medical facilities/technologies
- And attract/retain highly qualified doctors and nurses

shall the Marin Healthcare District Measure be adopted, levying a parcel tax of 18 cents per building square foot (raising 19 million dollars annually) for 30 years, with independent citizen oversight/audits? If the election were held today, would you vote yes or no on this measure?

Polling Results: Initial Ballot Test

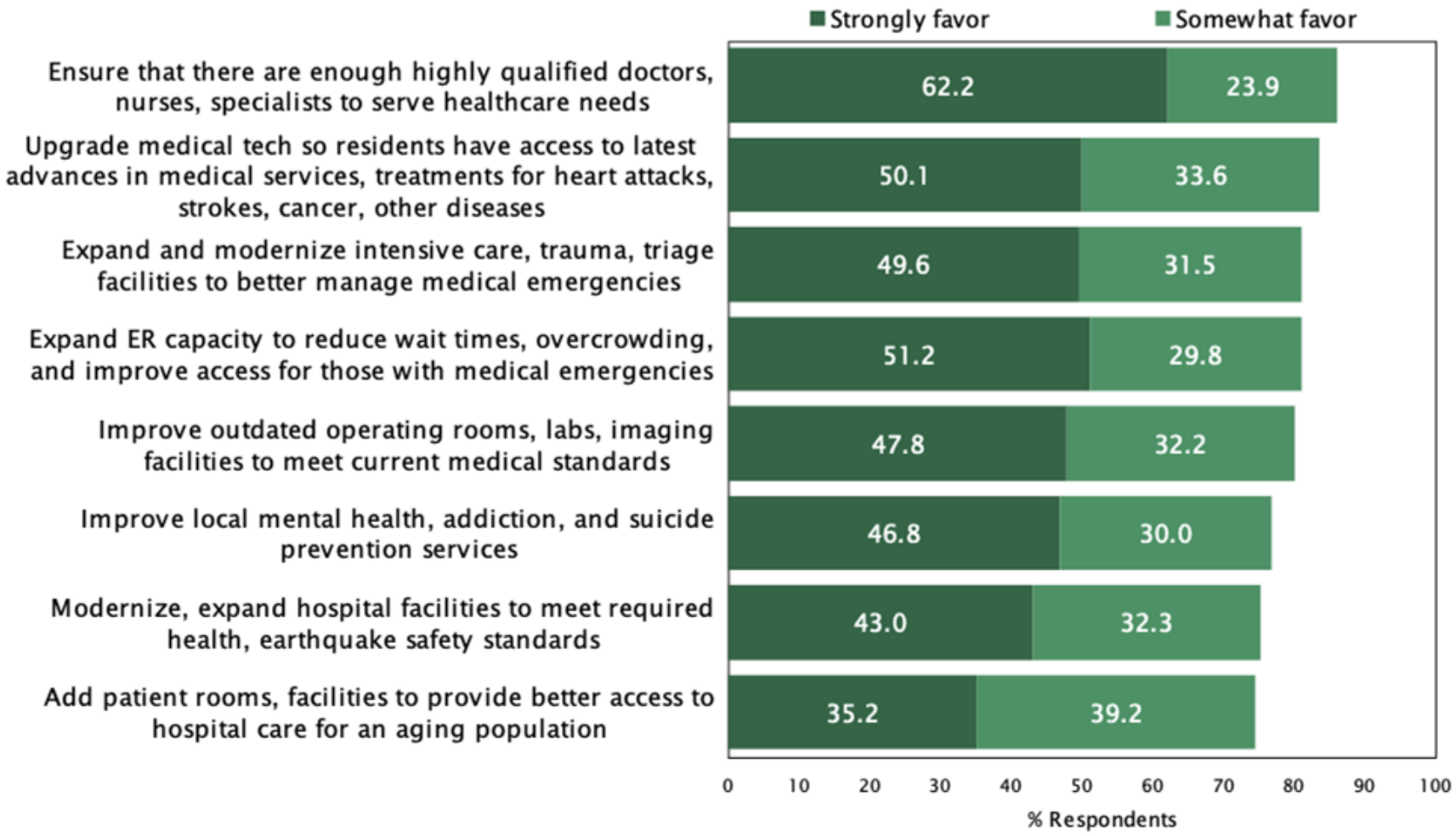


Polling Results: Tax Threshold



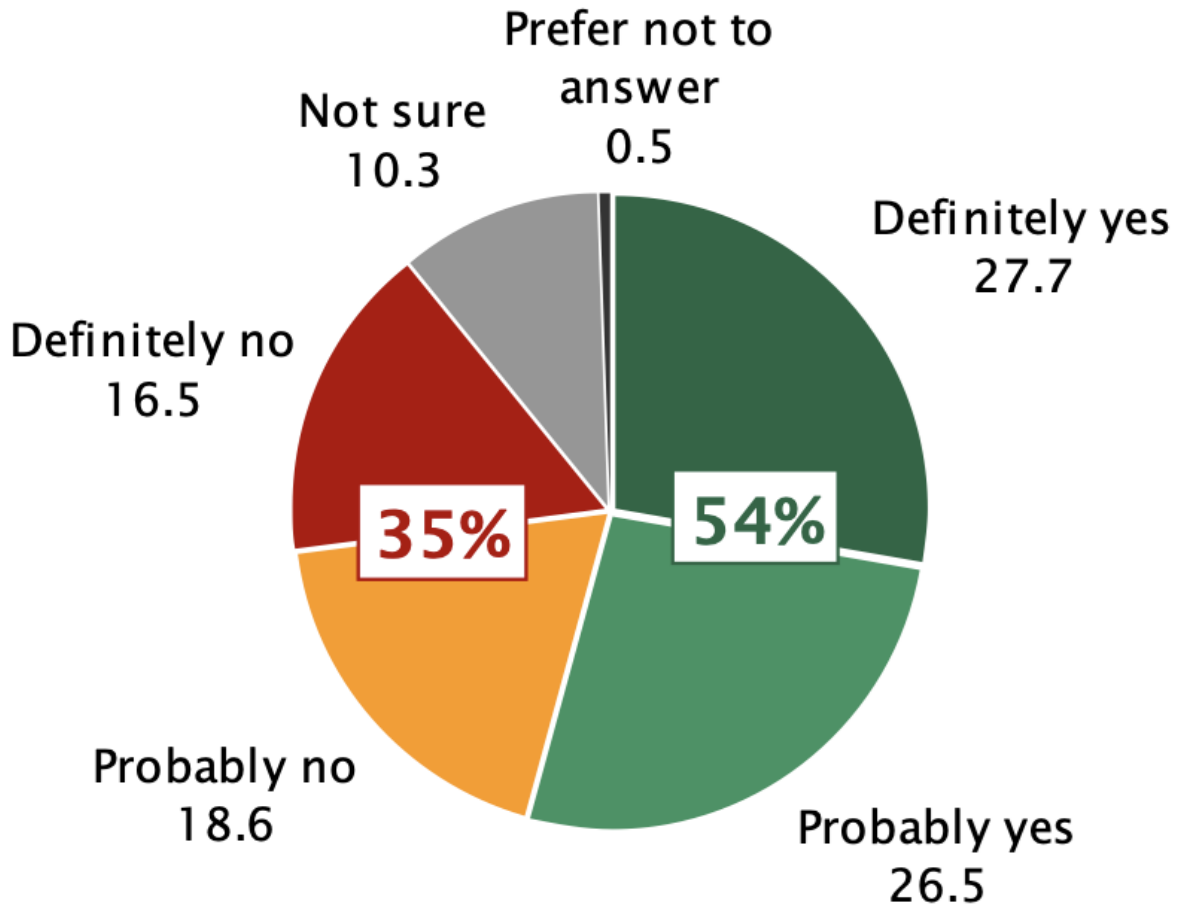
Survey data by True North Research

Polling Results: Projects and Improvements



Survey data by True North Research

Polling Results: Final Ballot Test



Survey data by True North Research

Polling Results: Key Conclusions

Positive Signs:

- Voters rank access to emergency healthcare and being prepared for disasters/emergencies as the *most* important issues facing the community
- Popular projects and services
- Strong positive arguments
- Support at ballot tests stays above 50% throughout survey, even after exposure to opposition arguments

Challenges

- Tax rate sensitivity
- Unknowns: trajectory of economy, inflation, other measures
- Electoral climate: Hyper-partisanship & statewide initiatives

Survey data by True North Research

Tab 4

marin healthcare district

2026 Operating Budget

Board of Directors – Regular Meeting

8/12/2025

FY 2026 Budget Assumptions - Receipts

- Rental Income
  - Increased 2.7% based on estimated 2025 CPI.
- Investment Earnings
  - Based on conservative expected return from investment advisor.
- Tax Revenue
  - In working with the County of Marin, we have calculated the amount to be $17.4M in total for the 2015 and 2017 Bond Funds.

FY 2026 Budget Assumptions - Expenses

- Legal Fees
  - Expected expenses in 2026 based on 3 years of historical data and input from internal legal counsel.
- Audit Fees
  - 0% increase to FY2025 actuals. Fees are split 50/50 with Hospital.
- Board Comp and Board Expenses
  - Compensation based on number of meetings and members.
  - $5K for conferences.
- Election Expense
  - Estimate based on past election costs. Actual can vary greatly for a variety of reasons.
- Charitable Contributions
  - $6K + additional $10.5K to be used at District Board's discretion.

FY 2026 Budget Assumptions – Expenses (continued)

- Community Communications, Education, and Advertising
  - Similar expenditures expected in 2026 as planned in 2025 + 3% inflation
  - $97.9K for events, $16.5K for reports, and $4K for Website – see slide 5 for detail.
- Depreciation
  - Based on current fixed assets related depreciation expenses.
- Mental Health Program Support
  - $200K continued support pending District Board approval.

FY 2026 Budget Assumptions – Community Education

- Community Education
  - Seminars – 3 seminars x $11K = $33K
  - Pop-up Events – 4 events x $1.45K = $5.8K
  - Eblasts – 3 eblasts x $3.1K = $9.3K
  - Annual Report deployed electronically - $7.3K
- Advertising
  - Seminars – 3 seminars x $13K = $39.2K
  - Pop-up Events – 4 events x $.8K = $3.3K
- Other Expenses
  - Website maintenance - $4.1K

FY 2026 Income Statement Budget

Marin Healthcare District
Budget
FYE: December 31, 2026

	GASB 87 Accounting Change	*1/1/25 through 5/31/25 (5 months)*			No accounting change	GASB 87 Accounting Change
	FY2025 Budget	**To Date - Budget**	**To Date - Actual**	**Variance**	**FY2026 Budget**	**FY2026 Budget**
Rental Revenue	$ 175,590	$ 72,205	$ 73,162	$ 957	$ 685,212	$ 173,392
Lease Interest Revenue	491,329	205,678	204,721	(957)	-	491,310
Investment Earnings	187,289	78,037	140,433	62,397	224,491	224,491
Total Income	**854,208**	**355,920**	**418,316**	**62,397**	**909,703**	**889,192**
Legal Fees	40,000	16,667	9,219	7,448	40,000	40,000
Accounting Fees	29,250	12,188	11,458	729	27,550	27,550
Board Compensation	12,000	5,000	3,491	1,509	12,000	12,000
Election Fees	-	-	-	-	200,000	200,000
Charitable Contributions	16,000	6,667	-	6,667	16,500	16,500
Community Education	88,864	37,027	27,780	9,247	55,400	55,400
Dues	12,000	5,000	9,023	(4,023)	16,500	16,500
Advertising	10,000	4,167	11,257	(7,091)	42,500	42,500
Other Expenses	12,000	5,000	13,997	(8,997)	11,130	11,130
MHMN Program Support	100,000	41,667	41,667	-	-	-
MGH Program Support	200,000	83,333	83,333	-	200,000	200,000
Total Expense	520,114	216,714	211,226	5,489	621,580	621,580
Net Operating Income/(Loss) before Depr & Bond-Related	**334,094**	**139,206**	**207,091**	**67,885**	**288,123**	**267,612**
Depreciation Expense	11,878,757	4,949,482	4,926,941	22,541	11,824,659	11,824,659
Net Operating Income/(Loss) before Bond-Related	**(11,544,663)**	**(4,810,276)**	**(4,719,851)**	**90,426**	**(11,536,536)**	**(11,557,047)**
Bond-Related Revenue (Expense)						
Tax Revenue	14,280,222	5,950,092	6,018,516	68,424	17,357,558	17,357,558
Bond Revenue	74,758	31,149	117,828	86,679	183,190	183,190
Bond Interest	(14,164,308)	(5,901,795)	(5,912,697)	(10,902)	(14,084,092)	(14,084,092)
Net Income/(Loss)	**$ (11,353,992)**	**$ (4,730,830)**	**$ (4,496,204)**	**$ 234,626**	**$ (8,079,880)**	**$ (8,100,391)**

FY 2026 Balance Sheet Budget

Marin Healthcare District
Balance Sheet

	12/31/2024	Expected 12/31/2025	Expected 12/31/2026
Current Assets			
Cash	1,198,857	128,201	152,276
Investment	3,849,775	5,401,079	5,612,821
Other Receivable	213,268		
Tax Revenues Receivable	7,499,401	8,666,941	9,431,329
Prepaid Expenses	5,794	6,000	6,000
Total Current Assets	**12,767,095**	**14,202,221**	**15,202,425**
Property, plant, and equipment, net	394,196,414	382,371,754	370,547,095
Assets Limited To Use - Sinking Funds	11,075,588	6,477,523	7,926,229
Lease Receivable	10,989,350	10,823,424	10,635,673
Deposits & Retainers	36,000	36,000	36,000
Total Non-Current Assets	**416,297,352**	**399,708,702**	**389,144,997**
Total Assets	**429,064,447**	**413,910,923**	**404,347,422**
Current Liabilities			
Accounts Payable	1,000	1,000	1,000
Interest Payable	6,319,542	6,293,375	5,944,656
Accrued Expenses	41,359	84,011	86,315
Other Current Liabilities	9,915,340	9,470,123	9,019,165
Related Party Payables	-	-	-
Current Bond Maturities	1,570,000	1,915,000	1,915,000
Total Current Liabilities	**17,847,240**	**17,763,509**	**16,966,135**
Bonds Payable	360,970,000	359,055,000	357,140,000
Bond Premium	20,654,363	19,677,936	18,701,510
Total Liabilities	**399,471,603**	**396,496,445**	**392,807,645**
Net Assets	38,694,891	29,592,844	17,414,478
Net (Loss)/Income	(9,102,047)	(12,178,365)	(5,874,701)
Total Net Assets	**29,592,844**	**17,414,478**	**11,539,777**

Questions?

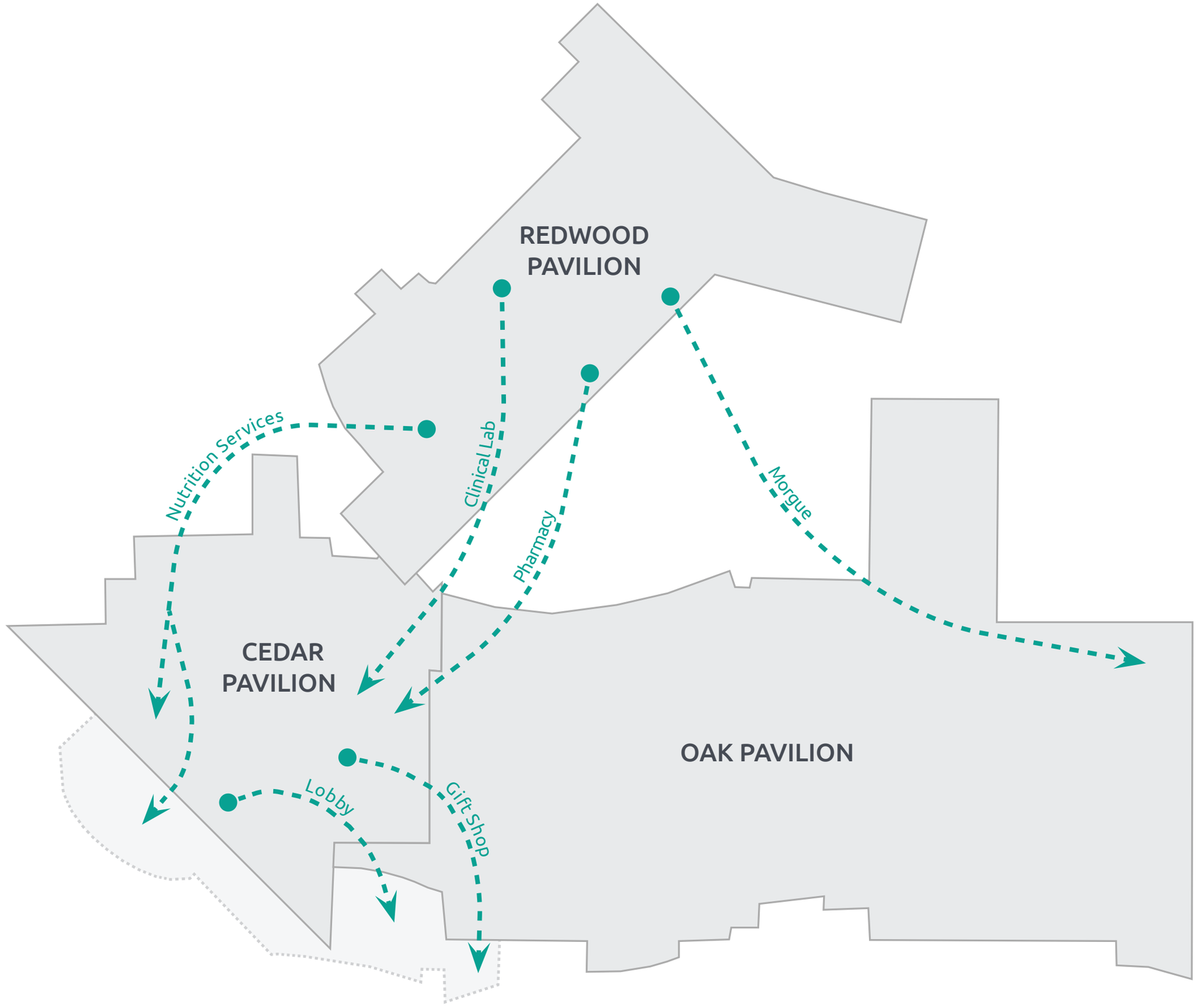
Tab 5

Marinhealth Medical Center

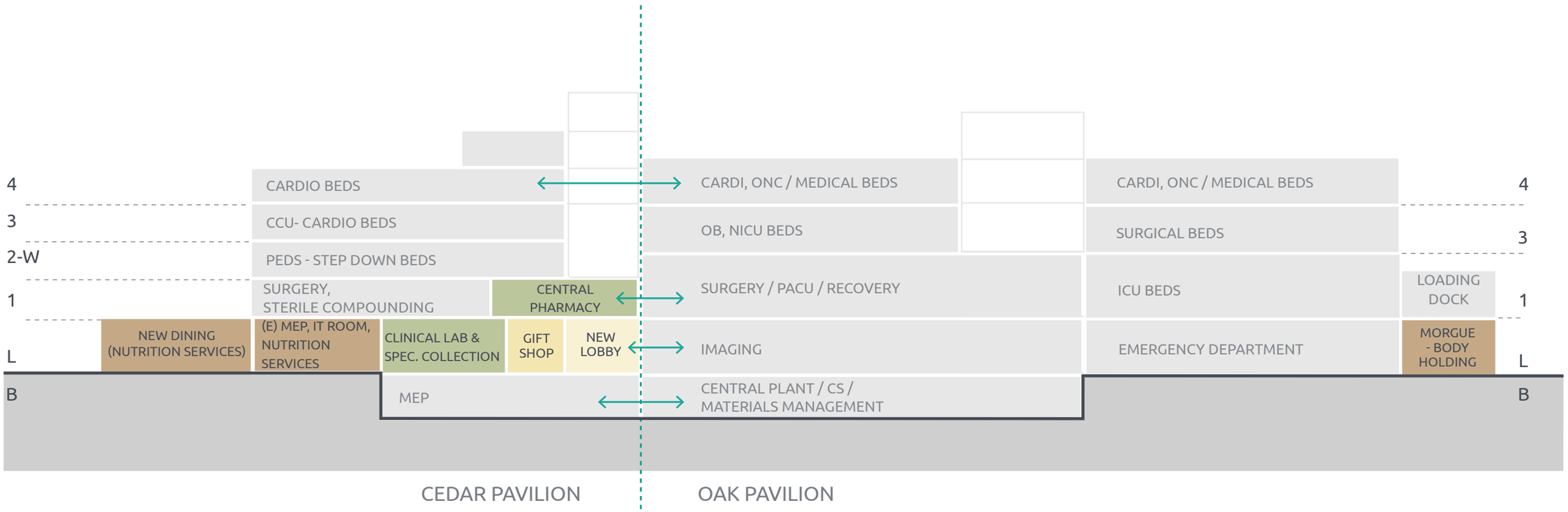
Seismic Relocation of General Acute Care Services

07.17. 2025
Executive Committee Meeting

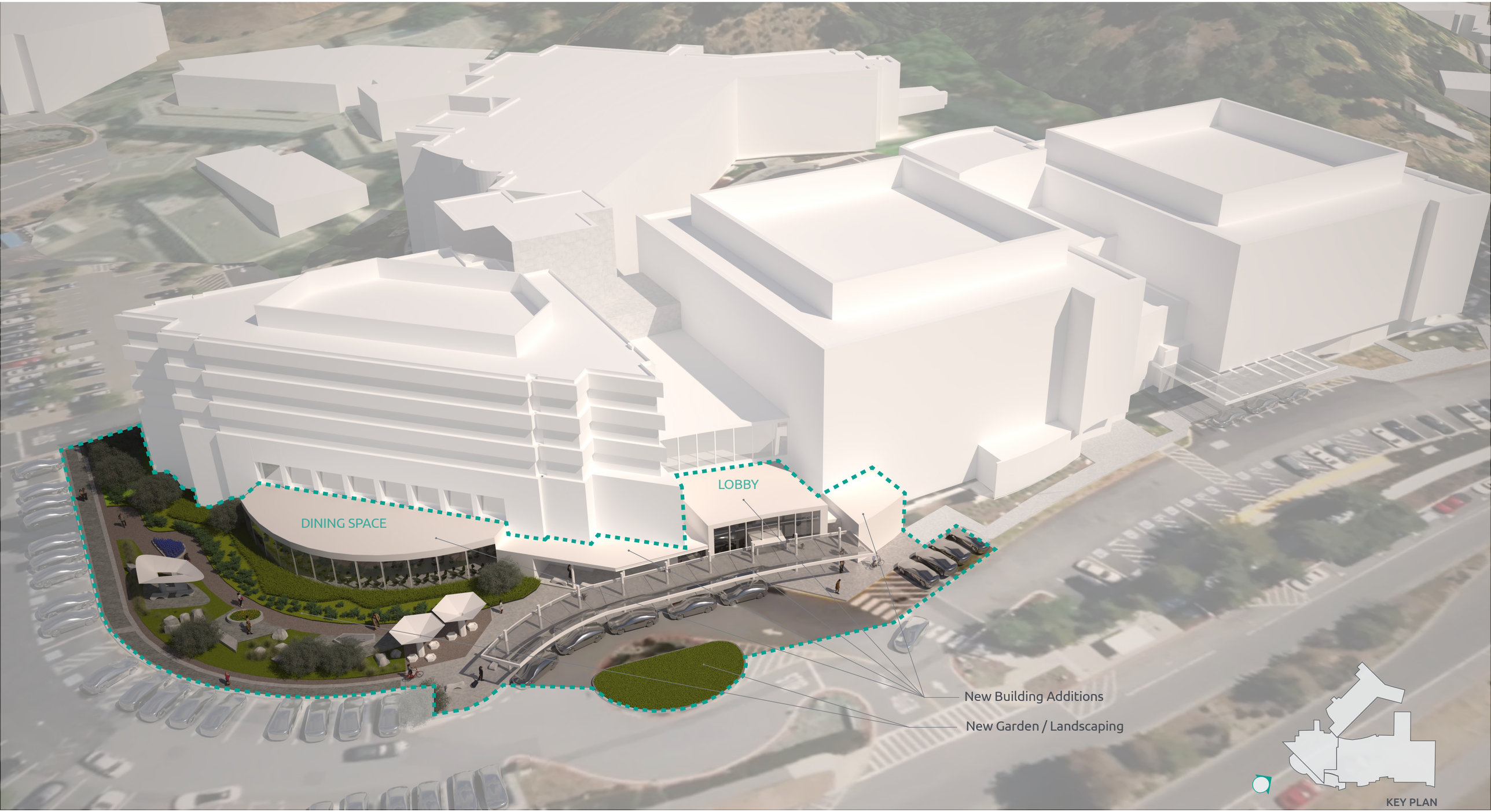
Overview - Program Relocation Diagram



Stacking Diagram



Landscape and Exterior Design

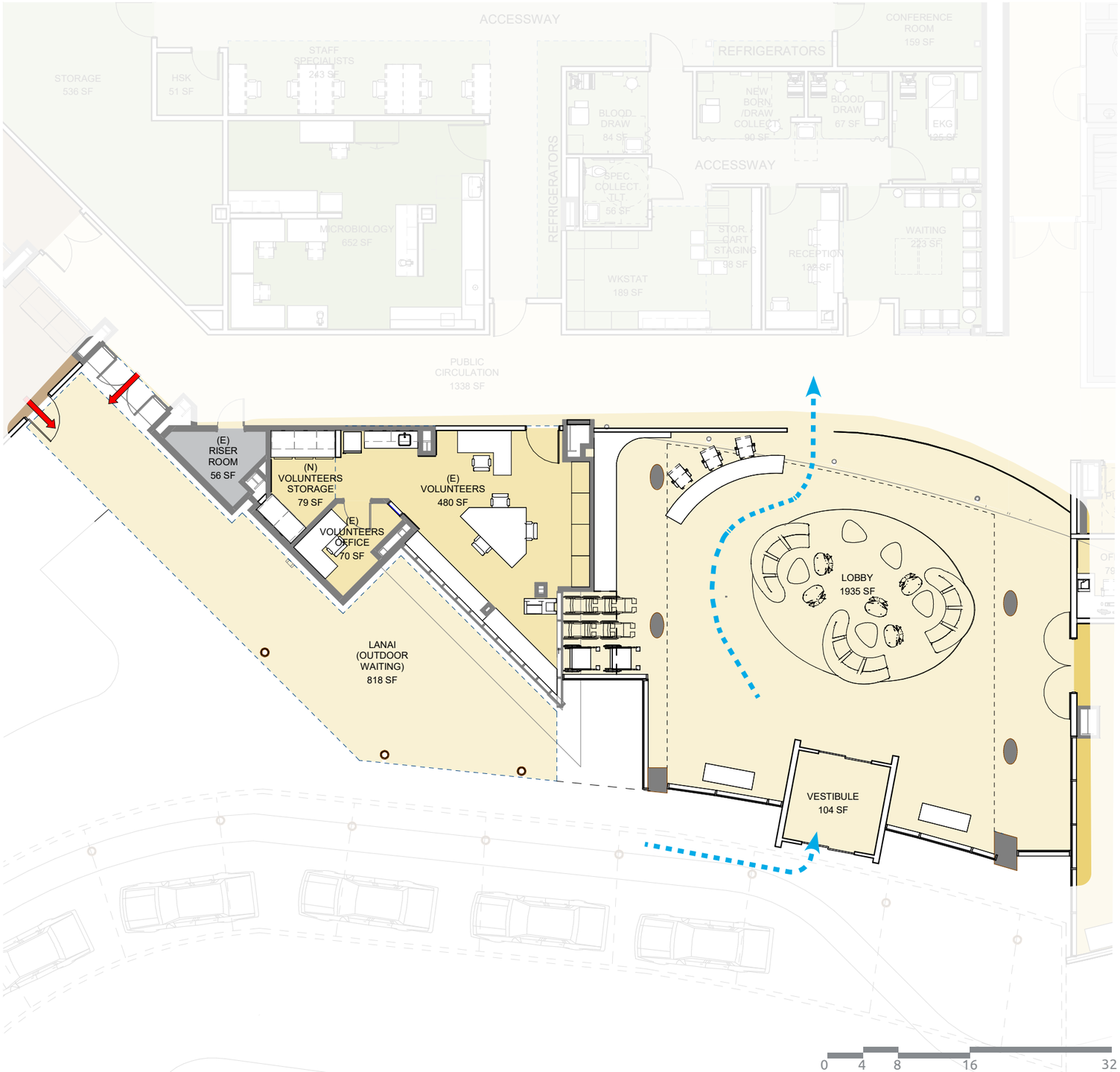


New Building Additions and Landscape Scope

Landscape and Exterior Design

New Canopy, Drop-off and Lobby Entrance

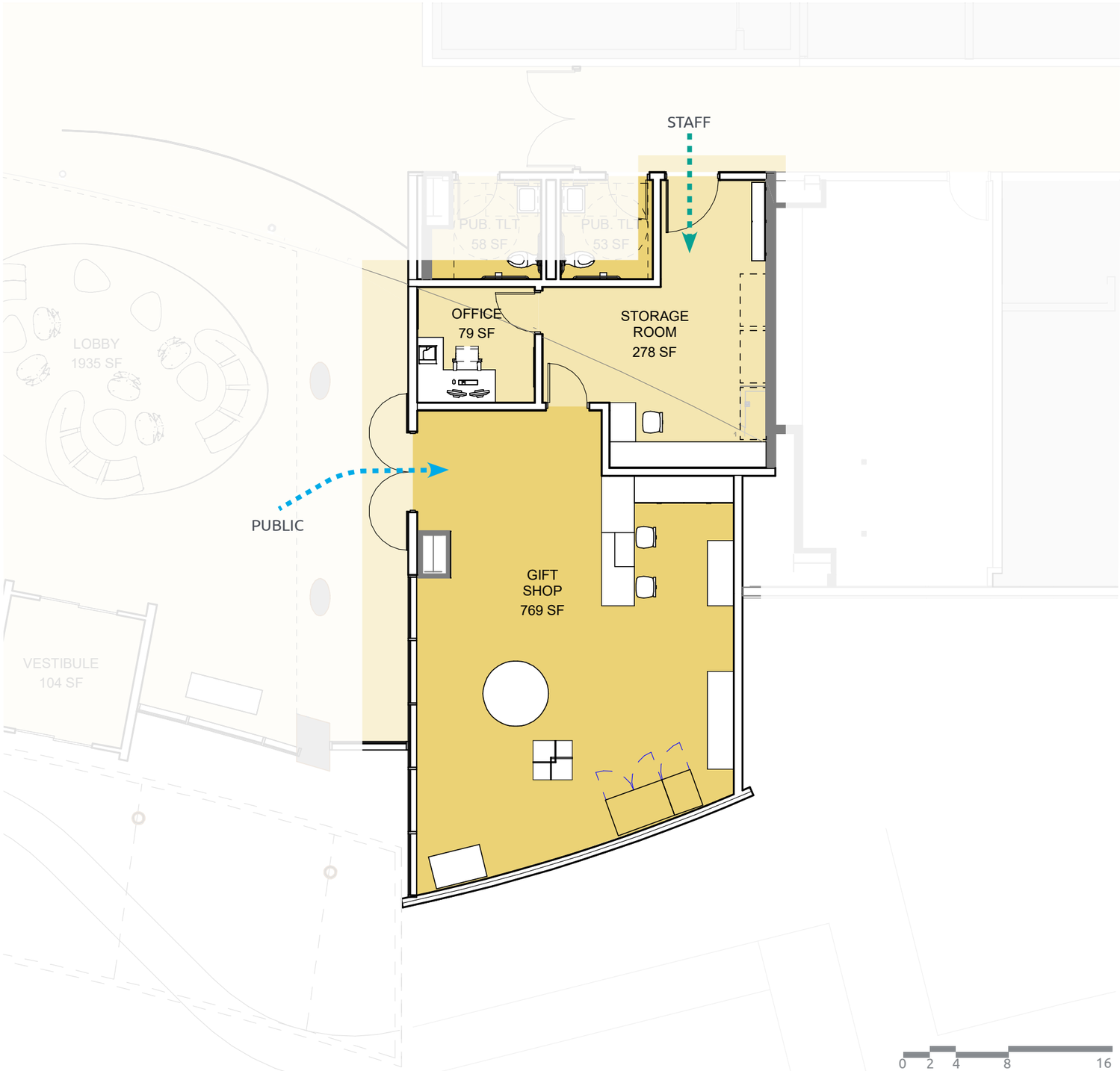
Department Plan - Lobby, Volunteers Space



LOBBY KEY OPPORTUNITIES AND CHALLENGES

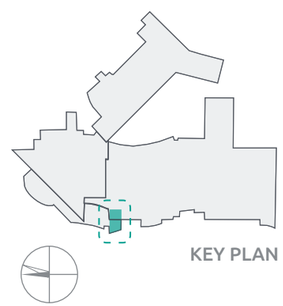
- **Location**: Optimal for public access and potential increase in retail exposure for Gift Shop and Café. Updated circulation can also connect to Oak Pavilion Emergency Services, eastern garden / lobby space and public elevators.
- **Deparment Area: 3271 sf.**
- **Sizing:** Increase in Lobby area optimal for handling somewhat larger groups, and limited seating. Minimal size increase for Gift Shop, primarily for storage.
- **Service approach:** Allow for optimal desk position to control flow / access into the hospital areas.
- **Infrastructure needs:**
    1. New vestibule proposed with walk-off mat for inclement weather.
    2. Security – potential added security cameras for each area.

Department Plan - Gift Shop



GIFT SHOP KEY OPPORTUNITIES AND CHALLENGES

- **Location:** Optimal for public access and potential increase in retail exposure.
- **Department Area:** 1,142 sf.
- **Sizing:** Minimal size increase for Gift Shop, primarily for storage.
- **Service approach:** Maintain existing retail service with nominal increase in refrigerated goods for sale.
- **Infrastructure needs:**
    1. Security – potential added security cameras for each area



Lobby Interior Design

Lobby Interior Design

Lobby Interior Design

Landscape and Exterior Design

Exterior Rendering Showing the Dining Space Addition

Landscape and Exterior Design

Exterior Rendering Showing New Healing Garden

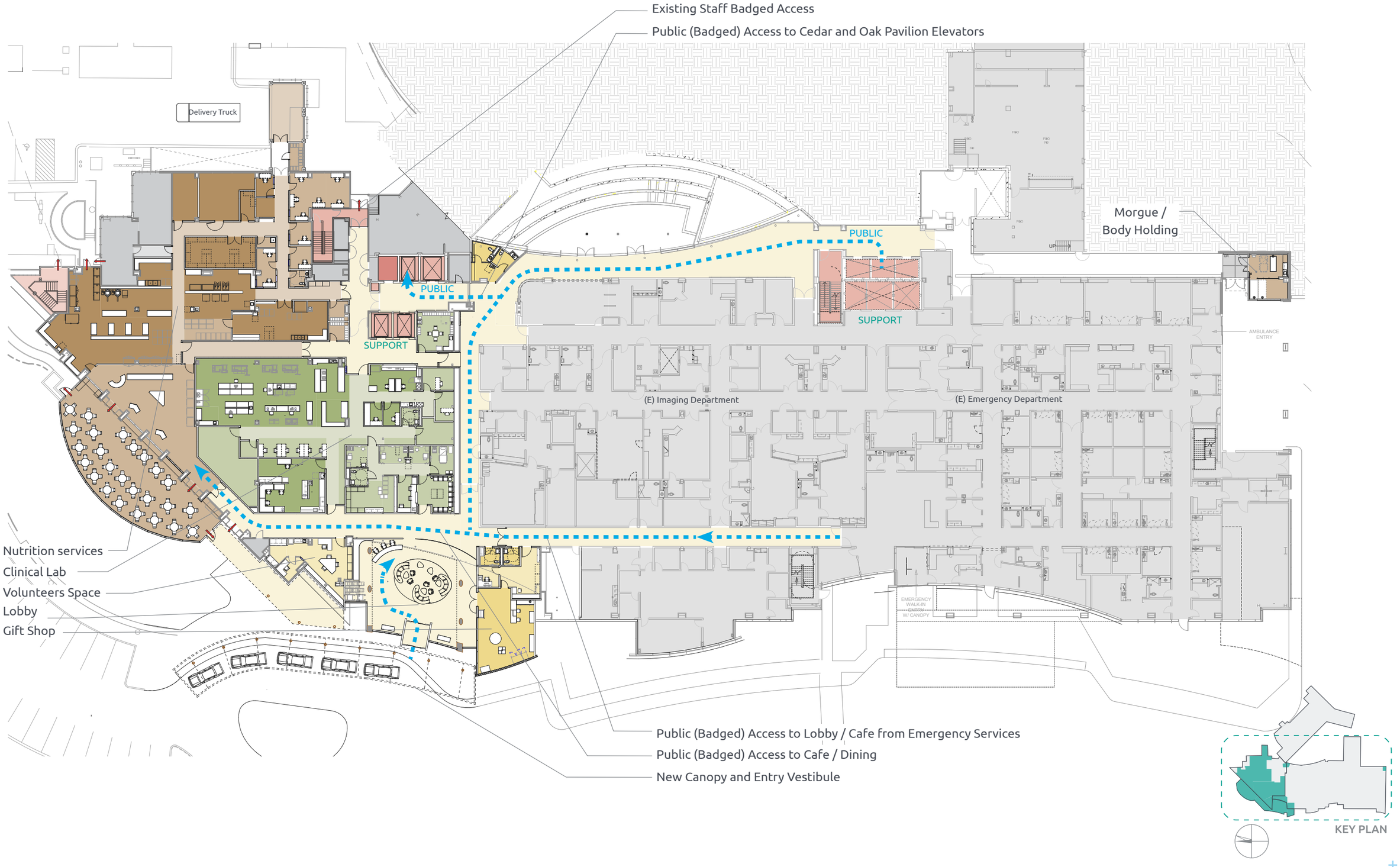
Landscape and Exterior Design

Exterior Rendering Showing New Healing Garden

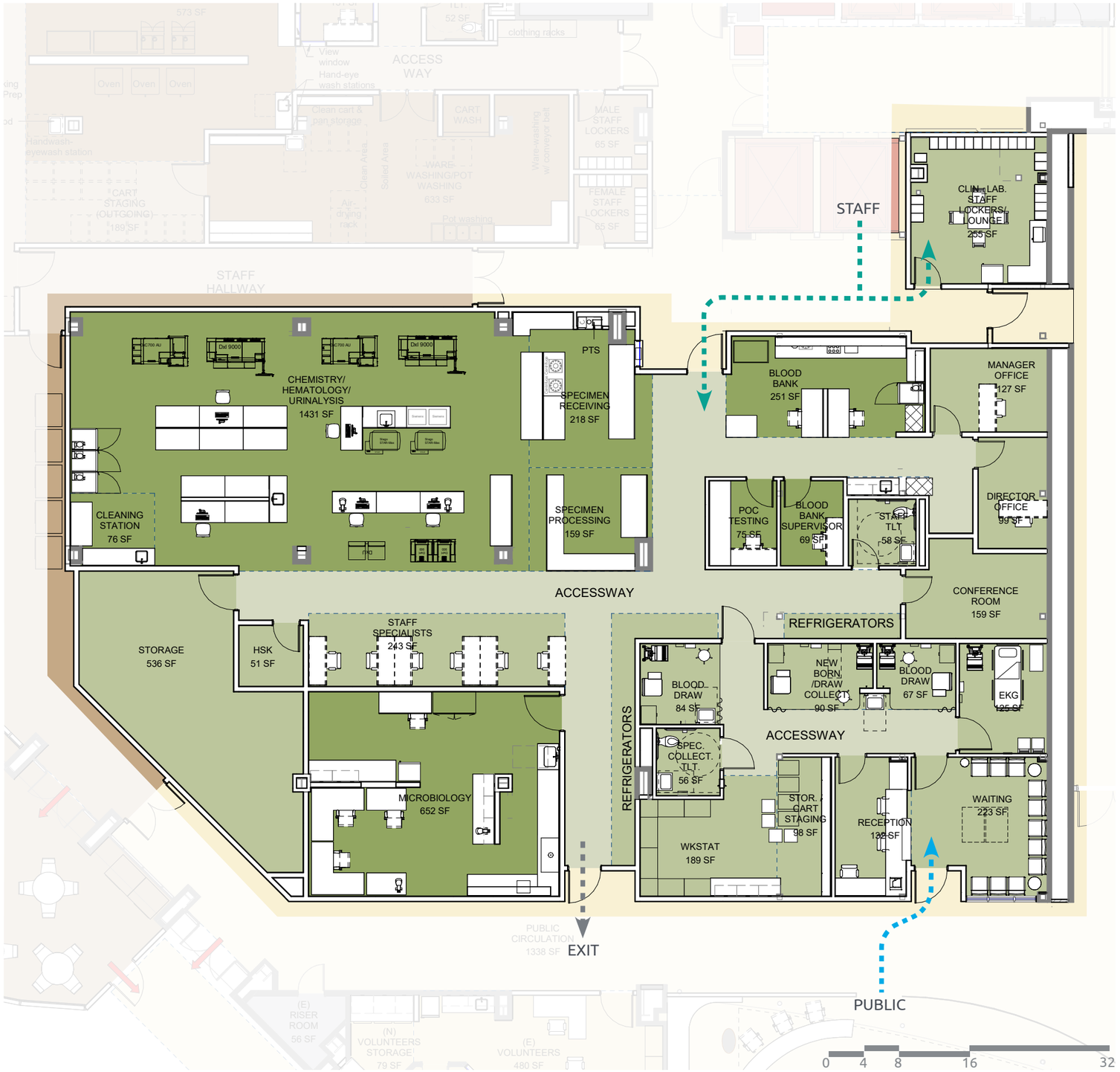
Landscape and Exterior Design

Exterior Rendering Showing New Healing Garden

Overall Proposed Floor Plan - Lobby Level , Public Circulation / Wayfinding

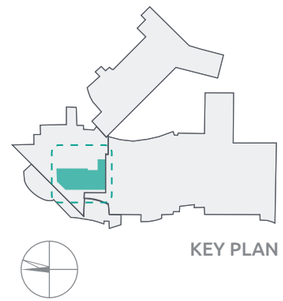


Department Plan - Clinical Lab & Specimen Collection



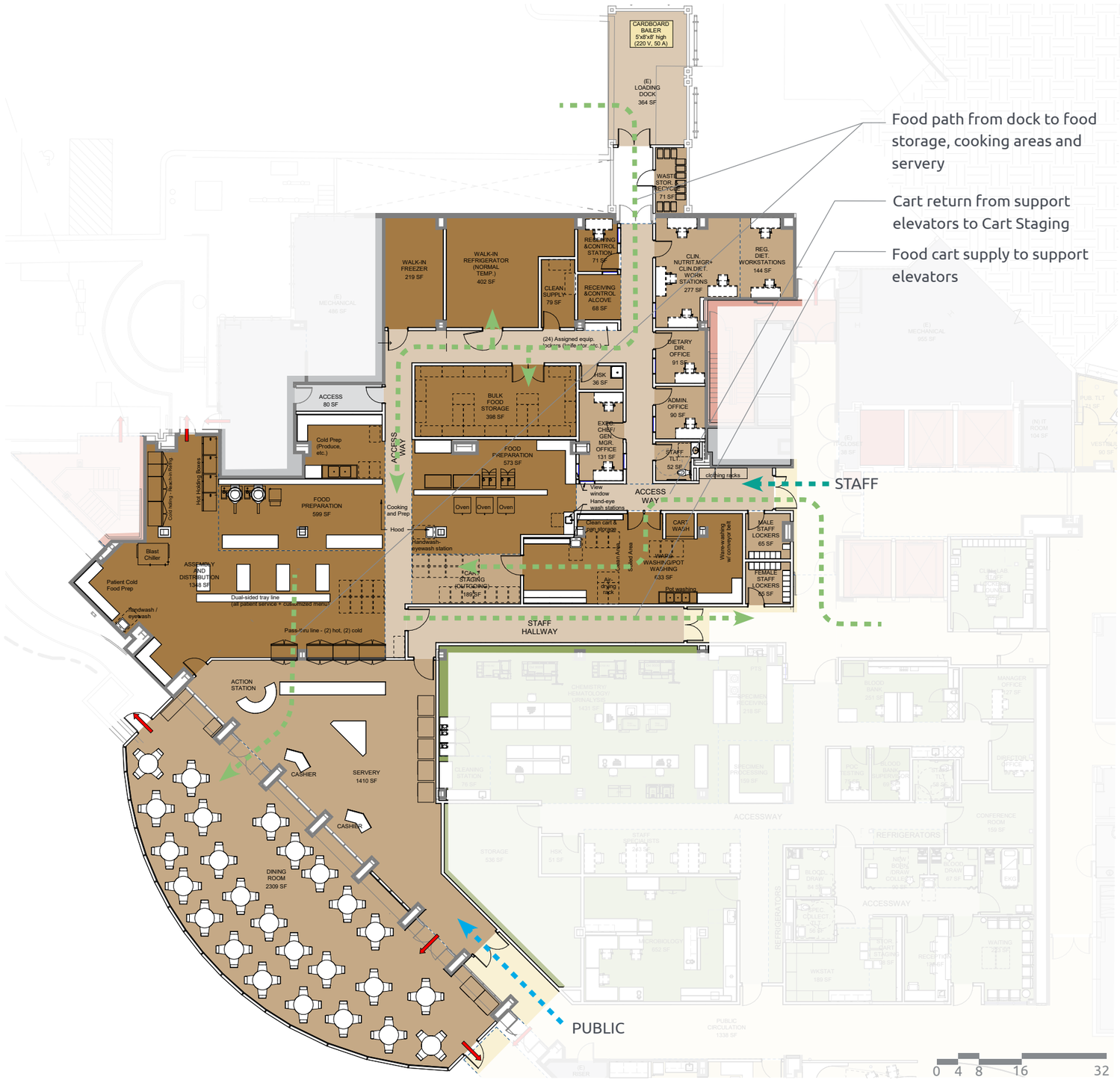
CLINICAL LAB & SPECIMEN COLLECTION - KEY POINTS

- **Location:** Optimal for receipt of material / access.
- **Department Area:** Clinical Lab - 5,755 sf
  Specimen Collection - 1,415 sf
- **Sizing:** Consider nominal off-loading of non-critical support areas from core lab functions (supply storage, administrative areas) as “duplicated services area” – potentially within the Oak or Redwood Pavilion.
- **Testing approach:**
  1. Maintain individual testing (no auto-lab).
  2. Generally all new equipment is anticipated (testing, refrigeration, centrifuges, Bio-safety hoods, etc.).
  3. Some manual testing will remain (staining stations, etc.).
- **Infrastructure Needs:** Deionized Water (centralize), Power, increased air changes for staff comfort.



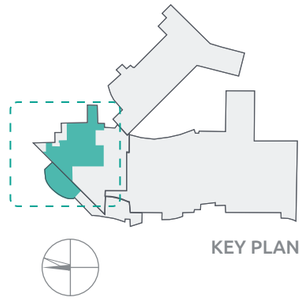
Clinical Lab & Specimen Collection - Blood Bank

Department Plan - Nutrition Services



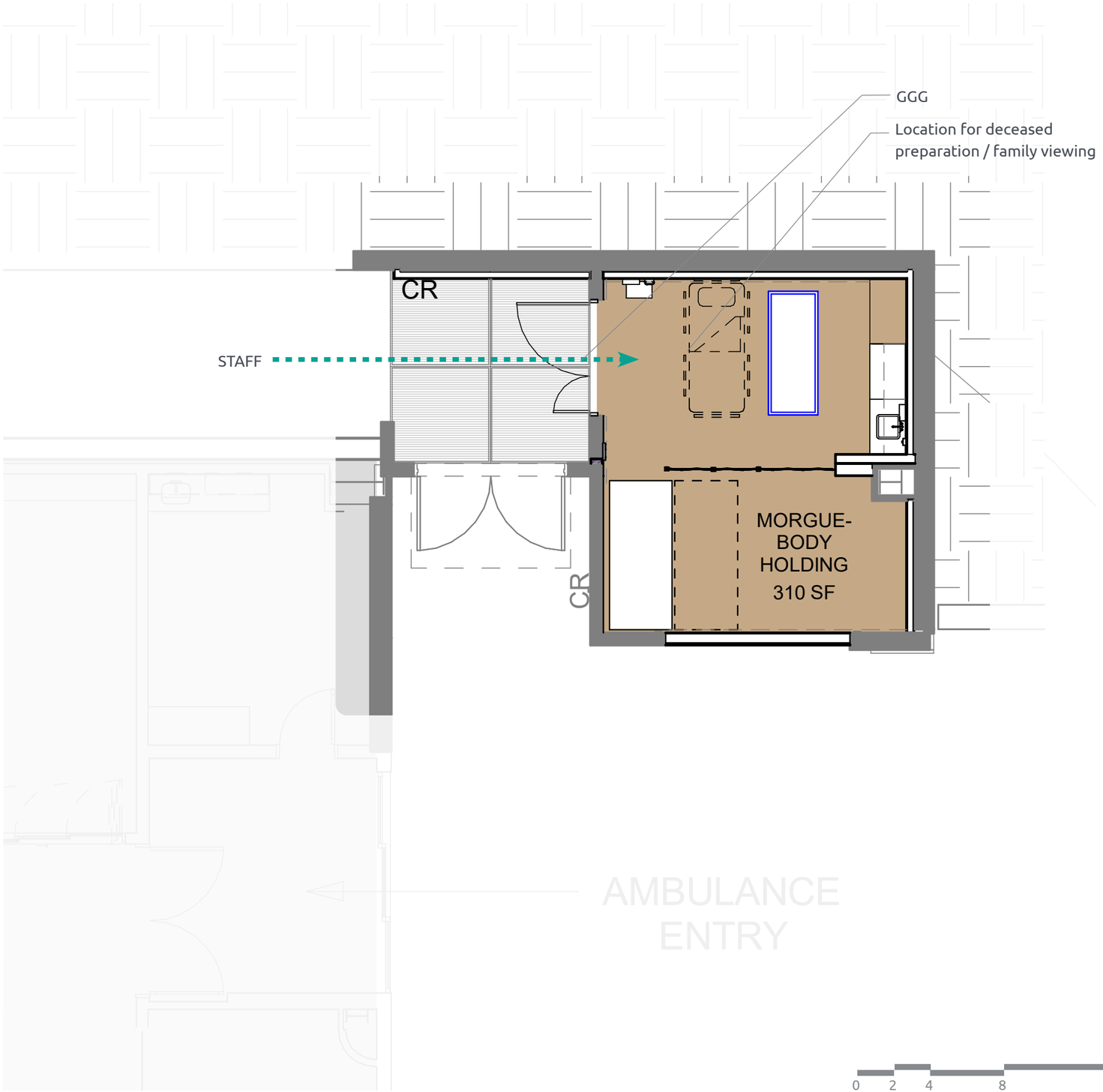
NUTRITION SERVICES - **KEY POINTS**

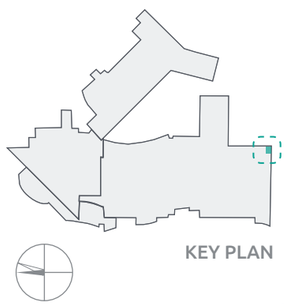
- **Location**: Optimal for receipt of material / access / delivery, Challenge for existing infrastructure on floor below. Potential increase in public retail because of increased visibility / access, and opportunity for view to Mt. Tamalpais / Bon Air Road.
- **Department Area:** 11,018 sf.
- **Sizing**: Nominal for function; Expansion west (in existing outdoor patio area) for main dining / cafe area. Service Approach – Maintain tray-line assembly with menu-based (room) service, yet also the ability personal meal / customization in the food prep area. Service will require increased cart distribution capability (loss of dumbwaiter).
- **Infrastructure Needs:** Grease exhaust, grease trap, drainage, adequate refrigeration. Delivery truck access – smaller truck deliveries are possible at existing dock, review larger tractor-trailer access and routing of food deliveries via southeast loading dock.



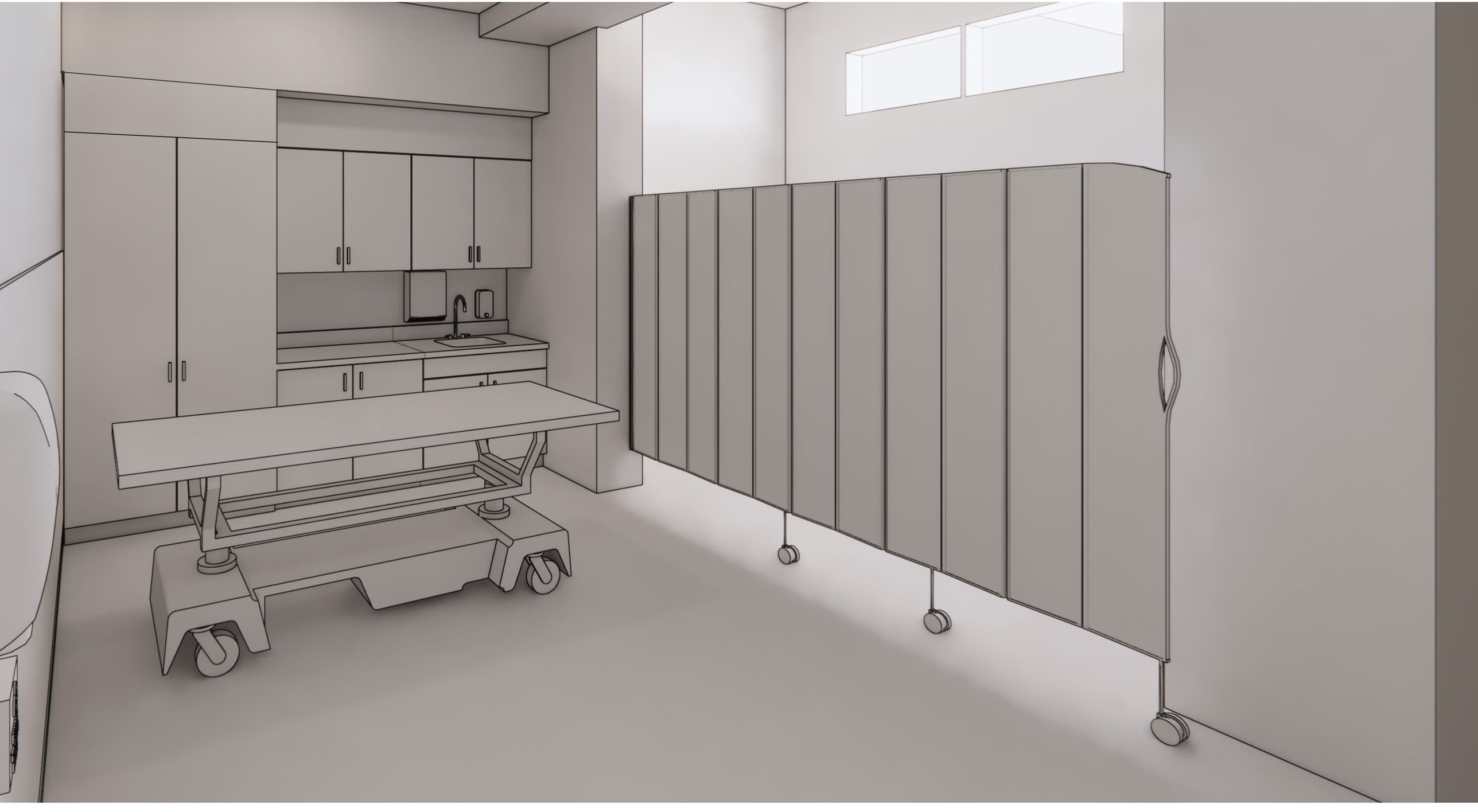
Nutrition Services - Dining Area

Department Plan - Morgue / Body Holding





Morgue / Body Holding



Overall Floor Plan - Level 1

(E) Surgery Department

(E) PACU/RECOVERY

(E) ICU

(E) LOADING DOCK

Non Sterile Compounding
(N.I.C)

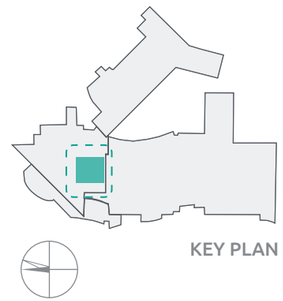
Pharmacy

KEY PLAN

Department Plan - Central Pharmacy

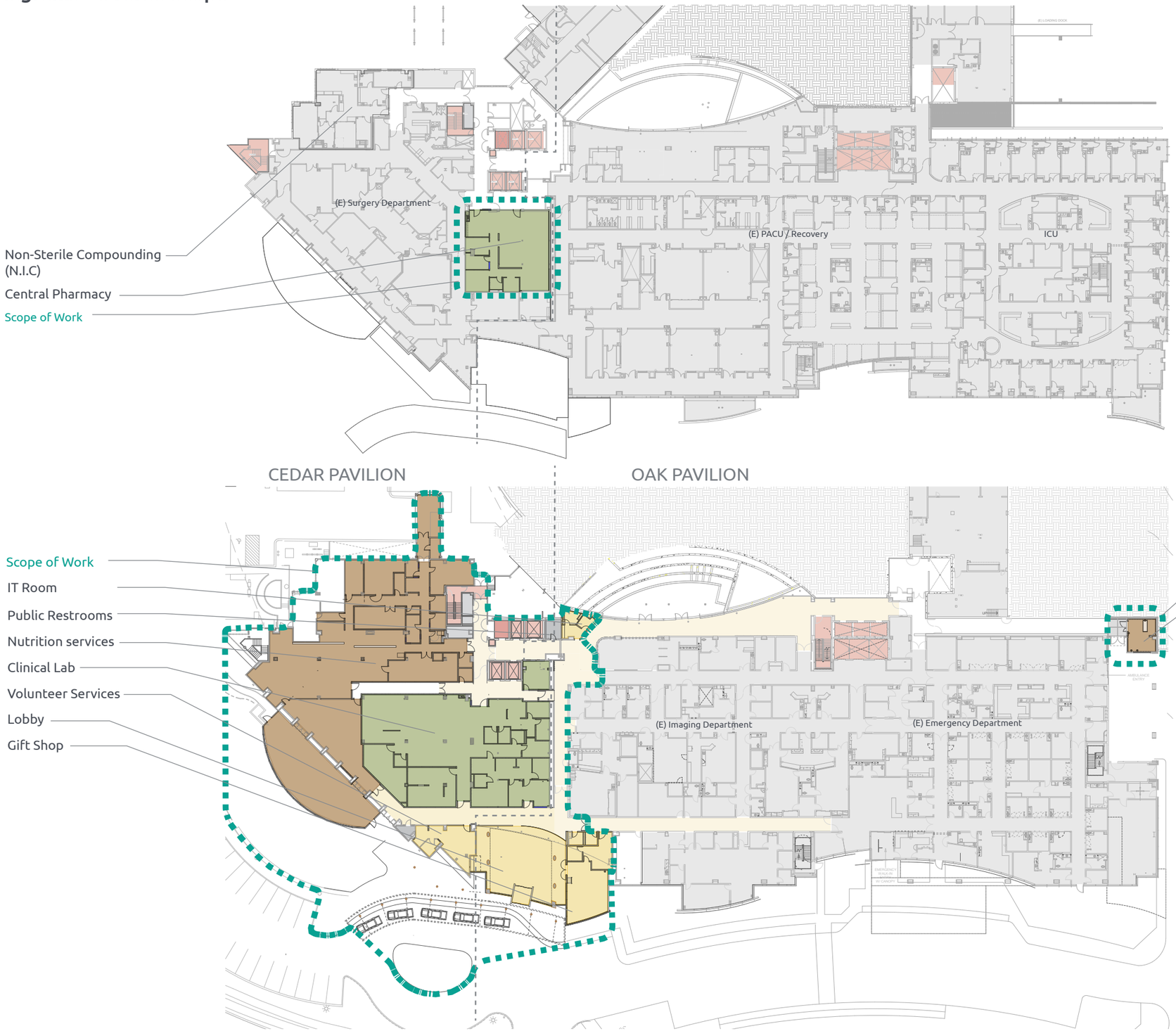
CENTRAL PHARMACY - KEY **POINTS**

- **Location:** Level 1 location is optimal for receipt of material / access to Surgical Services, Post-Anesthesia Care, ICU and elevator access to / from other floors.
- **Department Area:** 2,327 sf.
- **Sizing:** Consider off-loading of support areas from core Pharmacy functions (supply storage / non-sterile compounding storage, administrative areas).
- **Production and Distribution approach:** potential for automated system (Swisslogic or similar). Use of pneumatic tube and carts.
- **Infrastructure Needs:** Air filtration, Power, Pneumatic tube.



Central Pharmacy - Active Work Stations & Receiving / Storage

Plan Diagrams - Overall Scope



Thank you!

07.17. 2025
Executive Committee Meeting

Tab 6

Report of Independent Auditors and
Financial Statements

Marin Healthcare District

December 31, 2024 and 2023

bakertilly

Table of Contents

Management's Discussion and Analysis

Marin Healthcare District
Management's Discussion and Analysis
Years Ended December 31, 2024 and 2023

This section of the financial statements for Marin Healthcare District (the District) presents management's discussion and analysis of the financial activities of the District for fiscal years ended December 31, 2024 and 2023. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

Introduction to the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's audited financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The required financial statements include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. The notes to financial statements, and this summary, provide support to these statements. All information must be considered together to obtain a complete understanding of the financial picture of the District.

Statement of Net Position

This statement includes all assets and liabilities using the accrual basis of accounting as of the statement date. The difference between the two classifications is represented as "net position." This section of the statement identifies major categories of restrictions on these assets and reflects the overall financial position of the District as a whole.

Statement of Revenues, Expenses, and Changes in Net Position

This statement presents the revenues earned and the expenses incurred during the year using the accrual basis of accounting. Under the accrual basis, all increases or decreases in net position are reported as soon as the underlying event occurs, regardless of the timing of the cash flow. Consequently, revenues and/or expenditures reported during this fiscal year may result in changes to cash flows in a future period.

Statement of Cash Flows

This statement reflects inflows and outflows of cash, summarized by operating, capital and noncapital and related financing, and investing activities. The direct method was used to prepare this information, which means gross rather than net amounts were presented for the year's activities.

Notes to Financial Statements

This additional information is essential to a full understanding of the data reported in the financial statements. The District is a political subdivision of the State of California. It is the sole member of Marin General Hospital, dba MarinHealth Medical Center (MHMC), and is governed by a publicly elected Board of Directors.

Analytical Review

The statement of net position and statement of revenues, expenses, and changes in net position present a summary of the District's activities.

Condensed Statements of Net Position

	December 31,		
	2024	2023	2022
Assets			
Current and other assets	$ 34,040,063	$ 33,619,274	$ 32,125,493
Capital assets, net of accumulated depreciation	394,196,414	406,075,171	417,949,830
Total assets	$ 428,236,477	$ 439,694,445	$ 450,075,323
Liabilities			
Current portion of bond payable	$ 1,570,000	$ 1,250,000	$ 955,000
Other current liabilities	6,404,853	6,368,592	6,497,001
Bond payable, net of current portion	381,624,363	384,170,790	386,397,216
Total liabilities	389,599,216	391,789,382	393,849,217
Deferred inflows of resources			
Deferred inflows related to leases	9,464,643	9,915,340	10,366,037
Net position			
Net investment in capital assets	11,002,051	20,654,381	30,593,941
Restricted	11,075,587	11,946,664	10,518,468
Unrestricted	7,094,980	5,388,678	4,747,660
Total net position	29,172,618	37,989,723	45,860,069
Total liabilities, deferred inflows of resources, and net position	$ 428,236,477	$ 439,694,445	$ 450,075,323

Total assets decreased by 3% or $11,457,968 as of December 31, 2024, compared to December 31, 2023, primarily due to a decrease in capital assets as a result of depreciation expense. Total assets decreased by 2% or $10,380,878 as of December 31, 2023, compared to December 31, 2022, primarily due to a decrease in capital assets.

Liabilities decreased by 1% or $2,190,166 as of December 31, 2024, compared to December 31, 2023, primarily due to a reduction in bonds payable. Liabilities decreased by 1% or $2,059,835 as of December 31, 2023, compared to December 31, 2022, primarily due to a reduction in bonds payable.

The overall change to net position is a decrease of $8,817,105, resulting in a December 31, 2024, balance of $29,172,618. An unrestricted net position of $7,094,980 exists for the year ended December 31, 2024, as a result of resources in excess of net investments in capital assets.

Condensed Statement of Revenue, Expenses, and Changes in Net Position

	Years ended December 31, 2024	2023	2022
Operating revenues	$ 930,958	$ 929,596	$ 953,945
Operating expenses	12,322,871	12,295,086	12,471,684
Operating loss	(11,391,913)	(11,365,490)	(11,517,739)
Tax revenue	15,935,063	17,233,224	16,395,037
Interest and investment income (loss)	542,291	524,677	(449,822)
Grant revenue	317,094	-	-
Bond interest expense	(14,219,640)	(14,262,757)	(14,290,575)
Total nonoperating revenues, net	2,574,808	3,495,144	1,654,640
Decrease in net position	$ (8,817,105)	$ (7,870,346)	$ (9,863,099)

Operating Revenues and Expenses

For the years ended December 31, 2024, 2023, and 2022, operating losses were primarily due to the depreciation incurred by the District.

Nonoperating Revenues and Expenses

Tax revenue represents property tax assessments by Marin County on District property owners, which will be used to make bond interest and principal payments in the future. Property tax assessments are based upon expected debt service for the following year and vary depending on scheduled bond principal and interest payment amounts.

Economic Outlook and Major Initiatives

The Hospital Facilities Seismic Upgrade Act

The District has assumed responsibility for compliance with the Hospital Facilities Seismic Upgrade Act ("SB 1953"), classification SPC2, and through Hazus 2010. The District has received an extension to 2030.

Measure F

On November 5, 2013, the voters of the District passed Measure F, which authorized the District to issue $394,000,000 in bonds to improve the MHMC facility and related facilities with new construction, acquisitions, and renovations.

In November 2015, the District issued $170,000,000 of bonds, at a premium, resulting in total proceeds of $178,687,120. A portion of those proceeds were used to reimburse MHMC for the construction of a parking structure and for design and site improvements preparatory to the commencement of construction of the new Hospital Facility.

In September 2017, the District issued $224,000,000 of bonds, at a premium, resulting in total proceeds of $243,612,033. The proceeds continue to be used for the construction of the new Hospital Facility.

Budget Results

The Board of Directors approves the operating budget of the District. The budget remains in effect the entire period but is updated as needed for internal management use to reflect changes in activity and approved variances. A budget comparison and analysis for the year ended December 31, 2024, is presented below.

	Actual	Budget
Operating revenues	$ 930,958	$ 657,809
Operating expenses	12,322,871	12,680,274
Operating loss	(11,391,913)	(12,022,465)
Tax revenue	15,935,063	15,101,308
Interest and investment income	542,291	245,954
Grant revenue	317,094	-
Bond interest expense	(14,219,640)	(14,219,642)
Nonoperating revenues	2,574,808	1,127,620
Decrease in net position	$ (8,817,105)	$ (10,894,845)

The budget above is for the operations of the District, which includes bond-related revenue and expenses.

Operating revenues

The majority of the District's operating revenues are comprised of rental revenue earned from MHMC, with a trivial amount of other revenue, and were $273,149 in excess of budget.

Operating expenses

The District conducts programs such as community healthcare education and support for hospital programs. The District's operating expenses were $357,403 under budget, due to lower other expenses.

Tax revenue

The District earned tax revenue, which represents property tax assessments by Marin County on District property owners, which will be used to make bond interest and principal payments in the future.

Interest and investment income (loss)

The District earned interest and dividend income and incurred investment losses from the accounts in which the investment loss is held.

Capital Assets

As of December 31, 2024, the District had $394,196,414 invested in a variety of capital assets, as reflected in the following schedule, which represent a net decrease of $11,878,757 from December 31, 2023. The decrease as of December 31, 2024, is the result of an increase in accumulated depreciation due to annual depreciation expense.

	Balance at December 31, 2024	2023
Land	$ 865,701	$ 865,701
Hospital buildings and leasehold improvements	471,688,684	471,688,684
Equipment	18,784,416	18,784,416
Less accumulated depreciation	(97,142,387)	(85,263,630)
Capital assets, net of accumulated depreciation	$ 394,196,414	$ 406,075,171

Bonds Payable

During the year, the District's long-term debt activity continued to reflect the outstanding General Obligation Bonds authorized under Measure F, approved by voters on November 5, 2013. The bonds were issued in multiple series, including Series 2015A, Series 2015B, and Series 2017A, with total authorized principal of up to $394,000,000.

The Series 2015A Bonds, issued on November 10, 2015, totaled $157,385,000 and bear interest rates ranging from 2.00% to 5.00%. The Series 2015B Bonds, issued concurrently, totaled $12,615,000 with an interest rate of 0.40%. Interest on these bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1. Principal payments are due annually on August 1. The Series 2015A Bonds maturing on or after August 1, 2026, are subject to optional redemption beginning August 1, 2025, while the Series 2015B Bonds are not subject to redemption prior to maturity.

On September 7, 2017, the District issued $224,000,000 of Series 2017A Bonds with interest rates between 2.00% and 5.00%. Similar to prior series, interest is payable semiannually with principal due on August 1 annually. The Series 2017A Bonds maturing on or after August 1, 2028, are subject to optional redemption beginning August 1, 2027.

Proceeds from these bonds are designated for seismic upgrades to meet California earthquake standards, expansion and enhancement of emergency and other medical facilities, acquisition and renovation of facilities, and to cover associated legal, financial, and engineering costs.

The District incurred interest costs of approximately $14,219,640 and $14,262,757 for the years ended December 31, 2024 and 2023, respectively.

During the fiscal year ended December 31, 2024, there were no changes to the District's credit ratings. The District continues to maintain its current credit rating status, which supports its ability to access capital markets on favorable terms for financing planned facilities and services.

The bonds represent a general obligation of the District, with the County Board of Supervisors authorized and obligated to levy annual ad valorem taxes on all taxable property within the District to pay principal and interest when due.

Contacting the District's Financial Management

This financial report is intended to provide citizens, taxpayers, and creditors with a general overview of the District's finances. Questions about this report should be directed to Marin Healthcare District, attention: Chief Financial Officer or the Chair of the Finance and Audit Committee, at (415) 464-2090.

Report of Independent Auditors

The Board of Directors
Marin Healthcare District

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marin Healthcare District (the "District"), which comprise the statements of net position as of December 31, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and statements of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of December 31, 2024 and 2023, and the changes in its 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 (GAAS) and the California Code of Regulations, Title 2, Section 1131.2, State Controller's Minimum Audit Requirements for California Special Districts. 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 the 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 within twelve months beyond the financial statement date, including any 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 District'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 judgment, 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 a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1 through 5 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the 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, 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 financial statements, and other knowledge we obtained during our audit of the 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.

Baker Tilly US, LLP

Rancho Cordova, California
July 29, 2025

Financial Statements

Marin Healthcare District
Statements of Net Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,198,857	$ 867,657
Investments	3,849,775	3,690,043
Current portion of bond assets held in trust	7,889,542	7,590,375
Tax revenue receivable	6,795,179	6,089,560
Grant receivable	256,221	-
Current portion of lease receivable	187,787	166,698
Prepaid expenses	5,794	-
Total current assets	20,183,155	18,404,333
NONCURRENT ASSETS		
Deposits	36,000	36,000
Capital assets, net of accumulated depreciation	394,196,414	406,075,171
Bond assets held in trust, net of current portion	3,186,045	4,356,289
Lease receivable, net of current portion	10,634,863	10,822,652
Total noncurrent assets	408,053,322	421,290,112
Total assets	$ 428,236,477	$ 439,694,445
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses	$ 85,311	$ 28,217
Accrued interest expense	6,319,542	6,340,375
Current portion of bonds payable	1,570,000	1,250,000
Total current liabilities	7,974,853	7,618,592
NONCURRENT LIABILITIES		
Bonds payable, net of current portion	381,624,363	384,170,790
Total noncurrent liabilities	381,624,363	384,170,790
Total liabilities	389,599,216	391,789,382
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - lease	9,464,643	9,915,340
NET POSITION		
Net investment in capital assets	11,002,051	20,654,381
Restricted	11,075,587	11,946,664
Unrestricted	7,094,980	5,388,678
Total net position	29,172,618	37,989,723
Total liabilities, deferred inflows of resources, and net position	$ 428,236,477	$ 439,694,445

See accompanying notes

Marin Healthcare District
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Lease income	$ 439,848	$ 450,697
Interest income related to lease	491,110	478,899
Total operating revenues	930,958	929,596
OPERATING EXPENSES		
Purchased services	333,923	345,667
Depreciation and amortization	11,878,757	11,879,532
Other	110,191	69,887
Total operating expenses	12,322,871	12,295,086
Operating loss	(11,391,913)	(11,365,490)
NONOPERATING REVENUES (EXPENSES)		
Tax revenue	15,935,063	17,233,224
Grant revenue	317,094	-
Interest and investment income	542,291	524,677
Bond interest expense	(14,219,640)	(14,262,757)
Total nonoperating revenues, net	2,574,808	3,495,144
DECREASE IN NET POSITION	(8,817,105)	(7,870,346)
NET POSITION, beginning of year	37,989,723	45,860,069
NET POSITION, end of year	$ 29,172,618	$ 37,989,723

See accompanying notes

Marin Healthcare District
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from tenants	$ 646,961	$ 625,686
Payments to suppliers and others	(389,141)	(518,374)
Net cash provided by operating activities	257,820	107,312
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from grants for COVID-19 pandemic	60,873	-
Net cash provided by noncapital financing activities	60,873	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(3,673)	(8,546)
Principal payments on bonds payable	(1,250,000)	(955,000)
Interest payments on bonds payable	(15,216,900)	(15,255,099)
Tax revenue related to general obligation bonds	15,229,444	17,360,334
Net cash (used in) provided by capital and related financing activities	(1,241,129)	1,141,689
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of bond assets held in trust	(15,229,445)	(17,360,331)
Proceeds from sales and maturities of bond assets held in trust	16,466,900	16,218,644
Earnings on investments	16,181	11,671
Net cash from provided by (used in) investing activities	1,253,636	(1,130,016)
NET CHANGES IN CASH AND CASH EQUIVALENTS	331,200	118,985
CASH AND CASH EQUIVALENTS, beginning of year	867,657	748,672
CASH AND CASH EQUIVALENTS, end of year	$ 1,198,857	$ 867,657
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	$ (11,391,913)	$ (11,365,490)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	11,878,757	11,879,532
Changes in certain assets and liabilities:		
Prepaid expenses	(5,794)	6,000
Lease receivable	166,700	146,787
Accrued expenses	60,767	(108,820)
Deferred inflows of resources - lease	(450,697)	(450,697)
Net cash provided by operating activities	$ 257,820	$ 107,312

See accompanying notes

Note 1 – Basis of Presentation and Accounting Policies

Reporting entity – Marin Healthcare District (the District) is a political subdivision of the State of California. District directors are elected officials whose sole mission is to promote the health and welfare of the residents of the communities served by the District. The District operated the Marin General Hospital Facility (the Hospital Facility) until 1985, when it reorganized in compliance with local hospital district law of the State of California.

The District's principal asset is hospital property and equipment. The Hospital Facility is a general acute-care facility located in Marin County, California, and provides inpatient and outpatient healthcare services. Inpatient facilities consist of medical-surgical, pediatrics, maternity, nursery, intensive care, coronary, psychology, radiology, and laboratory services. The Hospital Facility is leased to Marin General Hospital, dba MarinHealth Medical Center ("MHMC"). The financial information of MHMC is not included in these financial statements.

Effective June 30, 2010, the District became the sole member of MHMC and appointed its initial Board of Directors. The MHMC Board is responsible for oversight of the operations of MHMC and the District has certain ongoing reserve powers and governance oversight responsibilities.

The District is also a forum for discussion of local healthcare issues, promotes healthcare services within the community, and acts on behalf of the public as an advocate of high-quality, reasonably priced healthcare services.

Proprietary fund accounting – The activities of the District are accounted for as an Enterprise Fund. Enterprise Funds are accounted for on the flow-of-economic-resources measurement focus and use the accrual basis of accounting. Under the method, revenues are recorded when earned, and expenses are recorded at the time obligations are incurred. Tax revenue is recognized in the period in which the property tax is levied. Tax revenue is collected by the County for payment, when due, of the principal and interest on the bonds.

Accounting standards – Pursuant to Government Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989*, the Financial Accounting Standards Board (FASB), and the American Institute of Certified Public Accountants (AICPA) Pronouncements, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989, and the California Code of Regulations, Title 2, Section 1131.2*, State Controller's Minimum Audit Requirements for California Special Districts,* and the State Controller's Office prescribed reporting guidelines.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, property tax revenue, and investment earnings, result from nonexchange transactions or ancillary activities.

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net positions may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues, if necessary.

Use of estimates – The financial statements have been prepared in conformity with accounting principles generally accepted in the United States and, as such, include amounts based on informed estimates and judgments of management, with consideration given to materiality. Actual results could differ from those estimates.

Net position – Net position is the excess of all the District's assets over all its liabilities, regardless of fund. Net position is divided into three components. These captions apply only to net position, which is determined only at the government-wide level and are described below:

Net investment in capital assets – The portion of the net position that is represented by the current net book value of the District's capital less the outstanding balance of any debt issued to finance these assets.

Restricted – The portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions, which the District cannot unilaterally alter.

Unrestricted – The portion of net position that is not restricted to use.

Cash and cash equivalents – Cash and cash equivalents include cash in bank checking, money market funds, and investments in highly liquid debt instruments with a maturity of three months or less when purchased.

Investments – Investments consist of mutual funds and are stated at fair value. Realized gains and losses, unrealized gains and losses, and interest are included in the statements of revenues, expenses, and changes in net position as other revenue. Interest of $191,057 and $71,219, and realized and unrealized (losses) gains of ($15,145) and $166,949 for the years ended December 31, 2024 and 2023, respectively, are included in interest and investment income on the statements of revenues, expenses, and changes in net position.

Bond assets held in trust – The District reports all investments at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers. Interest of $366,379 and $286,509, and realized and unrealized losses of $0 are included in interest and investment income on the statements of revenues, expenses, and changes in net position for the years ended December 31, 2024 and 2023, respectively.

Lease receivable – Lease receivable is recognized at the net present value of the leased assets at a borrowing rate determined by the District, reduced by principal payments received.

Capital assets – Capital assets are recorded at cost. Depreciation is provided for on the straight-line basis over the estimated useful lives of the assets. The capitalization threshold is $5,000.

The estimated useful lives by major category are as follows:

Capital Asset Category	Useful Life (Years)
Hospital buildings	40
Equipment	3 - 20
Leasehold improvements	40

Capital assets are considered impaired when their service utility declines significantly and unexpectedly. An impairment loss is recognized for the difference between the carrying value of the asset and its fair value or adjusted depreciated value, depending on the nature of the impairment. There was no impairment recorded for the years ended December 31, 2024 and 2023.

Deferred inflows of resources – In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. Included in deferred inflows of resources of the District are deferred lease resources related to lessor arrangements.

Risk management – The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance.

Lease income – The District recognizes lease income and reimbursement of operating expenses when earned. The District derives all of its lease income from MHMC (see Note 5).

Operating revenues and expenses – The District's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from leasing the Hospital Facility to MHMC. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred in order to lease the Hospital Facility, including loss on impairment of capital assets.

Grants and contributions – The District may periodically receive grants and contributions from other governmental entities, individuals, or private organizations; revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

The COVID-19 pandemic marked the first time the Disaster Relief Fund (DRF) was used to respond to a nationwide public health emergency. The Federal Emergency Management Agency (FEMA), which manages the DRF, used the fund to provide pandemic assistance for COVID-19 related costs not funded by other sources. The disaster incident period is January 20, 2020 through May 11, 2023. For the years ended December 31, 2024 and 2023, the District recognized $317,094 and $0, respectively, which was reported as grant nonoperating revenue in the statements of revenues, expenses, and changes in net position.

Amortization of bond premiums – Premiums arising from the issuance of bonds are capitalized and amortized using the straight-line amortization method, which approximates the effective interest method.

Reclassification – Certain amounts reported in the 2023 financial statements have been reclassified to conform to the 2024 presentation. These reclassifications did not affect previously net positions or changes thereto.

Note 2 – Cash, Cash Equivalents, Investments, and Bond Assets Held in Trust

The District's cash, cash equivalents, investments, and bond assets held in trust as of December 31 were as follows:

	2024	2023
Cash in bank	$ 843,636	$ 528,134
State of California's Local Agency Investment Fund (LAIF)	355,221	339,523
Total cash and cash equivalents	1,198,857	867,657
Investments		
Mutual funds	2,770,406	2,355,390
Money market funds	-	7,179
U.S. fixed income commingled funds	1,079,369	1,327,474
Total investments	3,849,775	3,690,043
Bond assets held in trust		
Money market funds	11,075,587	11,946,664
Total bond assets held in trust	11,075,587	11,946,664
Total	$ 16,124,219	$ 16,504,364

Cash balances from all funds are combined and invested, to the extent possible, pursuant to the District Board's approved Investment Policy and Guidelines and Statement Government Code. The District's investments are carried at fair value.

Cash in bank – Cash in the bank represents amounts held in the District's general operating accounts.

Local Agency Investment Fund – The District places certain funds with the Local Agency Investment Fund (LAIF). The District is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The state Treasurer's office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in this pool is reported in the accompanying financial statements based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis. Funds are accessible and transferable to the master account with 24 hours' notice. Financial statements for LAIF can be obtained from the California State Treasurer's Office, 915 Capitol Mall, Suite 110, Sacramento, California, 95814.

The management of the State of California Pooled Money Investment Account has indicated to the District that as of December 31, 2024 and 2023, the estimated market value of the pool (including accrued interest) was $32,247,035 and $30,889,357, respectively. The District's proportionate share of that value is $355,221 and $339,523 as of December 31, 2024 and 2023, respectively.

Mutual funds and money market funds – The District's mutual funds and money market funds are primarily invested in government and corporate debt, asset-backed securities, U.S. Treasury securities, and global debt. The objective of these funds is to provide steady cash flow to investors.

U.S. fixed income commingled funds – This class includes investments in commingled funds that invest primarily in domestic equity or debt securities. The objective of these investments is to capture similar market returns in their respective indices. The funds' underlying positions are all marketable and priced regularly, but the majority of the funds themselves are priced monthly on a net asset value basis. U.S. fixed income commingled funds are accessible for full liquidity on a daily basis.

Bond assets held in trust – Investments from proceeds of bond issuances are restricted by applicable California law and the various bond resolutions associated with each issuance, generally, to certain types of investments. These investments include obligations of the United States of America, Federal Housing Administration debentures, obligations of government-sponsored agencies, unsecured certificates of deposits, demand deposits, time deposits and bankers' acceptances, deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation in banks, commercial paper, money market funds, state obligations, the Marin County Investment Pool, and LAIF.

The District's investments include amounts held in trust by the paying agent. The District currently invests in money market funds and U.S. Treasury obligations, and management regularly monitors the credit rating of the investment companies issuing the investments as part of monitoring the District's exposure to credit risk.

Investment risk factors – Many factors can affect the value of investments, such as credit risk, custodial credit risk, and concentration of credit risk.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Chief Executive Officer and Chief Financial Officer of the District shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, to safeguard the principal and maintain the liquidity needs of the District.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

California law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California law, this collateral is held in the District's name and places the District ahead of general creditors of the institution.

Concentration of credit risk – Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the District to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments. The securities the District is invested in as of December 31, 2024 and 2023, are subject to the quality, diversification, and other requirements of Rule 2a-7 under the Investment Company Act of 1940, as amended, and other rules of the Securities and Exchange Commission. The District will only purchase securities that present minimal 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.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an Amendment of GASB Statement No. 3*, requires the District to disclose the maturities of its investments (other than U.S. government obligations or obligations guaranteed by the U.S. government). A summary of scheduled maturities by investment type as of December 31, follows:

	2024			
	Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	More than 5
Money market funds	$ 11,075,587	$ 11,075,587	$ -	$ -
Mutual funds	2,770,406			
U.S. fixed income commingled funds	1,079,369			
Total maturities	$ 14,925,362			

	2023			
	Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	More than 5
Money market funds	$ 11,953,843	$ 11,953,843	$ -	$ -
Mutual funds	2,355,390			
U.S. fixed income commingled funds	1,327,474			
Total maturities	$ 15,636,707			

Note 3 – Fair Value of Measurements

GASB 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB 72 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices in active markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

The following tables present information about the District's assets measured at fair value on a recurring basis as of December 31:

	2024				
	Fair Value at Reporting Date Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Total
Money market funds	$ 11,075,587	$ -	$ -	$ -	$ 11,075,587
Mutual funds					
Corp/Pref-high yield	2,770,406	-	-	-	2,770,406
U.S. fixed income commingled funds*	-	-	-	1,079,369	1,079,369
Total investments	$ 13,845,993	$ -	$ -	$ 1,079,369	$ 14,925,362

	2023				
	Fair Value at Reporting Date Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Total
Money market funds	$ 11,953,843	$ -	$ -	$ -	$ 11,953,843
Mutual funds					
Govt/Corp intermediate	741,681	-	-	-	741,681
Corp/Pref-high yield	1,613,709	-	-	-	1,613,709
U.S. fixed income commingled funds*	-	-	-	1,327,474	1,327,474
Total investments	$ 14,309,233	$ -	$ -	$ 1,327,474	$ 15,636,707

*The amounts of marketable securities measured at net asset value ("NAV") presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net position.

During 2024 and 2023, there was no activity in Level 2 or 3 investments.

Commingled funds are reported at fair value as reported by the fund managers based on discounted cash flows, estimated market values, and other unobservable inputs. The commingled funds report fair value using a calculated NAV. There are no redemption limitations, except as noted below, or unfunded commitments at December 31, 2024 and 2023.

Commingled Fund	Redemption	Redemption Notice Period	Redemption Availability
U.S. fixed income commingled funds	Any business day of each month	2 business days prior to trade date	Within 2 business days after trade date (subject to liquidity limitations)

Note 4 – Capital Assets

The following is a summary of changes in capital assets during the years ended December 31, 2024 and 2023:

	Life (Years)	Balance January 1, 2024	Additions	Deletions	Transfers	Balance December 31, 2024
Non-depreciable						
Land	N/A	$ 865,701	$ -	$ -	$ -	$ 865,701
Total non-depreciable		865,701	-	-	-	865,701
Depreciable						
Hospital buildings	40	470,310,789	-	-	-	470,310,789
Equipment	20	18,784,416	-	-	-	18,784,416
Leasehold improvements	40	1,377,895	-	-	-	1,377,895
Total depreciable		490,473,100	-	-	-	490,473,100
Accumulated depreciation						
Hospital buildings	N/A	(65,101,319)	(11,878,757)	-	-	(76,980,076)
Equipment	N/A	(18,784,416)	-	-	-	(18,784,416)
Leasehold improvements	N/A	(1,377,895)	-	-	-	(1,377,895)
Total accumulated depreciation		(85,263,630)	(11,878,757)	-	-	(97,142,387)
Total depreciable, net		405,209,470	(11,878,757)	-	-	393,330,713
Total capital assets, net		$ 406,075,171	$ (11,878,757)	$ -	$ -	$ 394,196,414

	Life (Years)	Balance January 1, 2023	Additions	Deletions	Transfers	Balance December 31, 2023
Non-depreciable						
Land	N/A	$ 865,701	$ -	$ -	$ -	$ 865,701
Total non-depreciable		865,701	-	-	-	865,701
Depreciable						
Hospital buildings	40	470,305,916	4,873	-	-	470,310,789
Equipment	20	18,784,416	-	-	-	18,784,416
Leasehold improvements	40	1,377,895	-	-	-	1,377,895
Total depreciable		490,468,227	4,873	-	-	490,473,100
Accumulated depreciation						
Hospital buildings	N/A	(53,221,787)	(11,879,532)	-	-	(65,101,319)
Equipment	N/A	(18,784,416)	-	-	-	(18,784,416)
Leasehold improvements	N/A	(1,377,895)	-	-	-	(1,377,895)
Total accumulated depreciation		(73,384,098)	(11,879,532)	-	-	(85,263,630)
Total depreciable, net		417,084,129	(11,874,659)	-	-	405,209,470
Total capital assets, net		$ 417,949,830	$ (11,874,659)	$ -	$ -	$ 406,075,171

Depreciation expense of capital assets was $11,878,757 and $11,879,532 for the years ended December 31, 2024 and 2023, respectively.

Note 5 – Lease of Marin Healthcare District Facility

The District is a lessor for a noncancellable lease. Effective December 1, 1985, the District leased the Hospital Facility to MHMC for a term of 30 years pursuant to Section 32126 of the Local Hospital District Law. The lease matured on December 1, 2015, and a new lease was executed in August 2014 with an effective date of December 2, 2015, for a term of 30 years. The base rent is $500,000 annually, plus an annual Consumer Price Index ("CPI") increase. Additional rent is conditional on MHMC achieving certain financial benchmarks.

Lease receivable – The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon changes in CPI. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on an effective interest method basis over the term of the lease.

The future principal and interest lease receipts as of December 31, 2024, are as follows:

Years Ending December 31	Principal Payments	Interest Payments	Total
2025	$ 450,697	$ 483,178	$ 933,875
2026	450,697	474,270	924,967
2027	450,697	464,332	915,029
2028	450,697	453,302	903,999
2029	450,697	441,119	891,816
Thereafter	7,211,158	4,160,843	11,372,001
Total future receipts	$ 9,464,643	$ 6,477,044	$ 15,941,687

Note 6 – Bonds Payable

On November 10, 2015, the District issued $157,385,000 of Marin Healthcare District General Obligation Bonds, Election of 2013, Series 2015A, and $12,615,000 of Marin Healthcare District General Obligation Bonds, Election of 2013, Series 2015B. The 2015A and 2015B bonds bear interest at rates of 2.00% to 5.00% and 0.40%, respectively. Interest on the bonds will accrue from the date of delivery and is payable semiannually on February 1 and August 1 each year, commencing on February 1, 2016. Principal amounts will be paid on August 1.

On September 7, 2017, the District issued $224,000,000 of Marin Healthcare District General Obligation Bonds, Election of 2013, Series 2017A. The 2017A bonds bear interest at rates of 2.00% to 5.00%. Interest on the bonds will accrue from the date of delivery and is payable semiannually on February 1 and August 1 each year, commencing on February 1, 2018. Principal amounts will be paid on August 1.

The bonds were authorized at an election held in the District on November 5, 2013, at which more than two-thirds of the qualified electors voting on the proposition voted to authorize the issuance and sale of up to $394,000,000 principal amount of general obligation bonds of the District (Measure F). The bond proceeds are authorized to be used to make seismic upgrades to MHMC to meet stricter California earthquake standards; to expand and enhance emergency and other medical facilities; to provide the latest lifesaving medical facilities for treatment of heart, stroke, and other diseases; to reduce emergency room wait times; to improve MHMC and related facilities with new construction, acquisitions, and renovations; and to pay all necessary legal, financial, engineering, and contingent costs in connection therewith.

The Series 2015A Bonds maturing on or before August 1, 2025, are not subject to redemption prior to their respective stated maturity dates. The Series 2015A Bonds maturing on or after August 1, 2026, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, in whole or in part, on August 1, 2025, or on any date thereafter at par amount thereof, without premium, together with interest accrued thereon to the date of redemption. The Series 2015A Bonds maturing on August 1, 2040, and on August 1, 2045, shall be subject to redemption prior to maturity, without a redemption premium, in part by lot, from mandatory sinking fund payments, beginning August 1, 2036, and August 1, 2041, respectively. The Series 2015B Bonds are not subject to redemption prior to maturity.

The Series 2017A Bonds maturing on or before August 1, 2027, are not subject to redemption prior to their respective stated maturity dates. The Series 2017A Bonds maturing on or after August 1, 2028, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, in whole or in part, on August 1, 2027, or on any date thereafter at par amount thereof, without premium, together with interest accrued thereon to the date of redemption. The 2017A Bonds maturing on August 1, 2037, August 1, 2041, and August 1, 2047, shall be subject to redemption prior to maturity, without a redemption premium, in part by lot, from mandatory sinking fund payments, beginning August 1, 2035, August 1, 2038, and August 1, 2042, respectively.

The District incurred interest costs related to the General Obligation Bonds of $14,219,640 and $14,262,757 for the years ended December 31, 2024 and 2023, respectively.

The general obligation bonds represent the general obligation of the District. The Board of Supervisors of the County has the power and is obligated to cause annual ad valorem taxes to be levied upon all property within the District, subject to taxation by the District, and collected by the County for payment, when due, of the principal and interest on the bonds.

The activity for bonds payable for the years ended December 31, 2024 and 2023, was as follows:

	Outstanding January 1, 2024	Issued	Matured / Redeemed During Year	Outstanding December 31, 2024	Due Within One Year
General obligation bonds					
Series 2015 bonds	$ 152,485,000	$ -	$ (1,250,000)	$ 151,235,000	$ 1,570,000
Series 2017 bonds	211,305,000	-	-	211,305,000	-
Plus					
Series 2015 premium	6,277,462	-	(296,575)	5,980,887	-
Series 2017 premium	15,353,328	-	(679,852)	14,673,476	-
Total	$ 385,420,790	$ -	$ (2,226,427)	$ 383,194,363	$ 1,570,000

	Outstanding January 1, 2023	Issued	Matured / Redeemed During Year	Outstanding December 31, 2023	Due Within One Year
General obligation bonds					
Series 2015 bonds	$ 153,440,000	$ -	$ (955,000)	$ 152,485,000	$ 1,250,000
Series 2017 bonds	211,305,000	-	-	211,305,000	-
Plus					
Series 2015 premium	6,574,036	-	(296,574)	6,277,462	-
Series 2017 premium	16,033,180	-	(679,852)	15,353,328	-
Total	$ 387,352,216	$ -	$ (1,931,426)	$ 385,420,790	$ 1,250,000

A summary of debt service requirements for the next five years and to maturity as of December 31, 2024, is as follows:

Years Ending December 31,	Principal	Interest
2025	$ 1,570,000	$ 15,166,900
2026	2,210,000	15,104,100
2027	3,005,000	14,999,500
2028	3,855,000	14,870,550
2029	4,760,000	14,712,150
2030-2034	40,690,000	68,999,250
2035-2039	76,160,000	57,297,800
2040-2044	125,075,000	37,297,050
2045-2047	105,215,000	8,644,000
Total debt service requirements	$ 362,540,000	$ 247,091,300

Note 7 – Commitments and Contingencies

Compliance with the Hospital Facilities Seismic Upgrade Act – The District has assumed responsibility for compliance with the Hospital Facilities Seismic Upgrade Act ("SB 1953") classification SPC2 and through Hazus 2010. The District has received an extension to 2030.

Regulatory environment – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to periodic government review, interpretation, and audits, as well as regulatory actions unknown and unasserted at this time.

Litigation – The District is party to various claims and legal actions in the normal course of business. In the opinion of management, the District has substantial meritorious defenses to pending or threatened litigation and, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the District's financial statements.

Note 8 – Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on approximately October 1 based upon assessed property values as of January 1 of the preceding year. Assessed values are established by the county assessor at 100% of fair market value. Taxes are due in two equal installments on December 10 and April 10. Collections are distributed as collected to the District by the County Treasurer.

The District is permitted by law to levy up to 1% of assessed property values for general district purposes. The District may also levy taxes at a lower rate. Further amounts of tax need to be authorized by the vote of the people.

For 2024 and 2023, the District did not have a regular tax levy. There is a voter-approved tax levy for service of the general obligation bonds. For 2024 and 2023, the tax levy for bond service was $15,935,063 and $17,233,224, respectively.

Property taxes are recorded as receivables when levied. Because state law allows for sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.