Antelope Valley Medical Center

MEETING MINUTES

ANTELOPE VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING – PUBLIC SESSION

Community Resource Center – Auditorium
44151 15th Street West, Lancaster, CA 93534

SEPTEMBER 30, 2026

DIRECTORS PRESENT: Kristina Hong, NP, Chair Don Parazo, MD, 1st Vice-Chair Steven Hofbauer, 2nd Vice-Chair Doddanna Krishna, MD, Secretary **DIRECTORS ABSENT:** Abdallah Farrukh, MD, Treasurer	**OTHERS PRESENT:** Edward Mirzabegian, Chief Executive Officer Troy Schell, General Counsel Vanessa Alcala, Executive Secretary & AVHD BOD Liaison **OTHERS ABSENT:** Satya Dandamudi, MD, CMO

START TIME: 6:38PM

I. **REPORTABLE ACTIONS TAKEN IN EXECUTIVE (CLOSED) SESSION** – Kristina Hong, NP, Chair
- Report on Actions on Claims Filed with the District **(REPORT)**
- Medical Staff Recommendations **(REPORT)**

Ms. Hong reported on the action on claims filed with AVHD.
- Rejected Claims: AVHD-16326-174, AVHD- 176 and 17281-177
- Denied Application to Present Late Claim: AVHD-175

Ms. Hong also reported on the Medical Staff Recommendations.

II. **CONSENT CALENDAR – THE CONSENT CALENDAR, AGENDA ITEMS MAY BE ACTED UPON WITH ONE MOTION, A SECOND AND THE VOTE** – Kristina Hong, NP, Chair
- Approval of Board of Directors Public Session Meeting Minutes of August 26, 2026 **(ACTION)**
- Approval of Finance Committee Meeting Minutes of August 26, 2026 **(ACTION)**
- Approval of Human Resources Committee Minutes of August 6, 2026 **(ACTION)**
- Approval of Retirement Advisory Committee Minutes of August 10, 2026 **(ACTION)**
- Approval of AVMC Emergency Management Policy & Procedure Manual's Emergency Operations Plan **(ACTION)**
- Approval of Pay Increase for Non-Bargaining Employees **(ACTION)**

MOTION: Dr. Krishna made a motion to approve the consent calendar; Seconded by Mr. Hofabuer. The motion passed unanimously.

III. COMMITTEE REPORTS & RECOMMENDATIONS

A. Finance Committee – Doddanna Krishna, MD, Chair

1. Approval of August 2026 - Financial Report **(ACTION)** – Nathan Dean, CFO

Statement of Income – August 2026
Total Operating Revenue – Actual: $56.0| Budget: $50.6| LY: $45.5| 20.4% Variance from LY
Total Operating Expenses – Actual: $51.9 | Budget: $47.32 | LY: $45.6 | 13.7% Variance from LY
EBIDA – Actual: $4.0 | Budget: $3.4 | LY: $837 | 389.3% Variance from LY
Net Income – Actual: $1.5 | Budget: $913 | LY: $-1.9 | 180.6% Variance from LY

Mr. Dean informed the Board of Directors of an increased net patient revenue and total revenue driven by a significant increase in census and a very modest increase in staffing.

Statement of Income – Year to Date: Reviewed & Discussed
Total Operating Revenue – Actual: $110.8 | Budget: $103.3 | LY: $93.5| 18.5% Variance from LY
Total Operating Expenses – Actual: $104.6 | Budget: $96.3 | LY: $92.5 | 13.1% Variance from LY
EBIDA – Actual: $6.2 | Budget: $6.9 | LY: $1.0 | 505.9% Variance from LY
Net Income – Actual: $1.6 | Budget: $1.8 | LY: $-4.8 | 133.7% Variance from LY

Mr. Dean noted a 5% increased Medicare payer mix over Medi-Cal. He added that the richer payor mix and more efficient staffing culminated a favorable EBIDA.

12-Month Trend – Reviewed for August 2025 – August 2026

Payor Mix Graph – Reviewed
Medicare: 41.9% | Medi-Cal: 36.4% | Commercial: 19.4% | Other: 1.9% | Self-Pay: 0.4%

Admission Trends – Reviewed Data for Aug 2024 – Aug 2026

Volumes – August 2026
TOTAL SURGERIES: 714 | Budget: 665 | LY: 622 | 14.8% Variance from LY
TOTAL GI PROCEDURES: 292 | Budget: 362 | LY: 378 | -22.8% Variance from LY
TOTAL CC/IR/EP PROCEDURES: 238 | Budget: 214 | LY: 210 | 13.3% Variance from LY

Trauma Cases: 181 | Budget: 151 | LY: 172 | 5.2% Variance from LY
ER Visits: 9,446 | ER Admits: 1,213 | ER Conversion to I/P: 12.8%
Deliveries: 283 | Budget: 287 | LY: 303

Acute Discharges – Actual: 1,600 | Budget: 1,602 | LY: 1,537
Acute Patient Days – Actual: 8,288 | Budget: 7,653 | LY: 7,027
Adjusted Patient Days – Actual: 11,587 | Budget: 10,964 | LY: 9,947

Observations (as patient days) – Actual: 109 | Budget: 62 | LY: 55
Avg Daily Census – Actual: 267 | Budget: 246 | LY: 227

General Acute LOS – Actual: 5.18 | Budget: 4.78 | LY: 4.57
General Acute CMI – Actual: 1.58 | Budget: 2.00 | LY: 1.53
Medicare Acute LOS – Actual: 5.83 | Budget: 5.71 | LY: 4.85
Medicare CMI – Actual: 2.02 | Budget: 2.00 | LY: 2.06

Mr. Dean informed the Board of Directors of an average daily census of 267. He added that total discharges are higher than last year, ER visits are slightly lower and trending down, although ER admissions are higher.

Volumes – Fiscal YTD
TOTAL SURGERIES: 1,413 | Budget: 1,331 | LY: 1,271 | 11.2% Variance from LY
TOTAL GI PROCEDURES: 637 | Budget: 724 | LY: 726 | -12.3% Variance from LY
TOTAL CC/IR/EP PROCEDURES: 459 | Budget: 428 | LY: 398 | 15.3% Variance from LY

Trauma Cases: 338 | Budget: 302 | LY: 334 | 1.2% Variance from LY
ER Visits: 18,877 | ER Admits: 2,417 | ER Conversion to I/P: 12.8%
Deliveries: 546 | Budget: 574 | LY: 580

Acute Discharges – Actual: 3,198 | Budget: 3,204 | LY: 3,084
Acute Patient Days – Actual: 16,154 | Budget: 15,306 | LY: 14,381
Adjusted Patient Days – Actual: 23,035 | Budget: 21,928 | LY: 20,360

Observations (as patient days) – Actual: 208 | Budget: 124 | LY: 102
Avg Daily Census – Actual: 261 | Budget: 246 | LY: 232

General Acute LOS – Actual: 5.05 | Budget: 4.78 | LY: 4.66
General Acute CMI – Actual: 1.57 | Budget: 2.00 | LY: 1.66
Medicare Acute LOS – Actual: 6.03 | Budget: 5.71 | LY: 4.76
Medicare CMI – Actual: 2.11 | Budget: 2.00 | LY: 2.06

13-Month Trended Volumes – Reviewed for August 2025 – August 2026

Labor Metrics –August 2026 & Fiscal YTD Data Reviewed
Mr. Dean informed the Board of Directors of a 4% increase in FTEs compared to significantly higher census and procedure volumes. The increased efficiency and better payor mix give the medical center a strong bottom line.

Collection & Debt Service Coverage Requirements – August 2026
Bond Covenant Requirements - Days Cash on Hand: 73.1
Debt Service Coverage: 2.33

Mr. Dean informed the Board of Directors of major contributions to supplemental funding programs, which will lead to a high point in cash in January 2027, when the reimbursement is anticipated.

MOTION: Dr. Krishna made a motion to approve the August 2026 Financial Report; Seconded by Mr. Hofabuer. The motion passed unanimously.

IV. NEW BUSINESS – Kristina Hong, NP, Chair

V. CHIEF EXECUTIVE OFFICER'S REPORT (INFORMATION ONLY) – Edward Mirzabegian, CEO

Mr. Mirzabegian provided the following updates:

- Capital for the replacement hospital is on schedule. A feasibility study is the next step. Three companies are being interviewed to perform the study. When the study is complete, a loan application will be submitted.
- The Emergency Management Policy & Procedure Manual's Emergency Operations Plan has been updated. No changes to the language.
- The Board of Directors Financial Committee approved 5% pay increases for non-union employees. The pay increase will become effective between October and December.
- AVHD participated in a lawsuit challenging the federal government's wage index. The judgement ruled in California Hospitals' favor and a legal reward will be distributed to all participating claimants.
- Governor Newsome signed a state law, allowing District Hospitals to hire physicians directly. Historically, AVHD has always contracted physicians. Mr. Mirzabegian will review more details for consideration.
- A self-insured health plan is being formed to reduce expenses and control costs. Kaiser Permanente will be offered as an alternative option.
- Bids are being taken for the Emergency Department Waiting Room Expansion Project.
- Lancaster and Palmdale sales tax is increasing to 11.75% as of 10/1/26.

VI. BOARD OF DIRECTORS UPDATES (INFORMATION ONLY) - Kristina Hong, NP, Chair

Mr. Hofbauer provided the following updates:

- The annual ACHD meeting is scheduled for next week.
- Physician employment is a win. New doctors are looking for a new model of employment. This may be favorable to District hospitals.

VII. PUBLIC COMMENT ON NON-AGENDA ITEMS

- No public comment

VIII. ADJOURNMENT: 6:48PM

X _____

Kristina Hong, NP, Chair