

BEFORE THE  
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION  
STATE OF CALIFORNIA

In the Matter of the Penalty Issued to:

**DAMERON HOSPITAL**

Appellant.

HCAI No. 25-011-HSD

PROPOSED DECISION

This matter was heard before Michelle Church-Reeves, Hearing Officer, Department of Health Care Access and Information (“HCAI”), State of California, beginning on Wednesday, September 10, 2025, at 1:40 PM PDT.

Respondent HCAI was represented by Alma Lopez, Staff Services Manager, Hospital Disclosure and Compliance Unit.

Dameron Hospital Association, owner and operator of Dameron Hospital,<sup>1</sup> collectively, “Appellant,” was represented by Sanjeev Kumar, Chief Financial Officer.

Both documentary and testamentary evidence were received. The matter was submitted for decision and the record was closed on September 10, 2025, at 2:09 PM PDT.

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<sup>1</sup> Department of Public Health, Cal Health Find Database  
<https://www.cdph.ca.gov/Programs/CHCQ/LCP/CalHealthFind/Pages/FacilityDetail.aspx?facid=100000022> [as of September 6, 2025].

## PROCEDURAL FINDINGS

1. On July 23, 2025, Respondent assessed a penalty against Appellant in the amount of \$100 for the late extension request for its Hospital Supplier Diversity Plan.<sup>2</sup>
2. Appellant appealed the penalty by submitting a Request for Administrative Hearing form dated July 30, 2025, and received by the HCAI Hearing Office on July 31, 2025.
3. Appellant submitted its appeal within the required thirty days from the date of the penalty letter.<sup>3</sup>
4. Respondent submitted written exhibits to the Hearing Office and Appellant in advance of the hearing in a timely manner. Exhibits 1 through 12 were found to be authentic and relevant and were admitted to the record.
5. Appellant submitted a letter of explanation to the Hearing Office and Respondent at the time of appeal. This letter was found to be authentic and relevant and admitted to the record.<sup>4</sup>

## FACTUAL FINDINGS

1. Appellant was required under Health and Safety Code section 1339.87 to file or request an extension for its Hospital Supplier Diversity Plan for the Report Period Ended (“RPE”) date of December 31, 2024 by Tuesday, July 1, 2025.<sup>5</sup>
2. On Saturday, June 21, 2025, Respondent emailed the registered primary contact for Appellant with an automated reminder of the due date.<sup>6</sup> The automated emails all indicate that user guides and additional resources are available on our HCAI Supplier Diversity webpage and include the web address.<sup>7</sup>

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<sup>2</sup> Health & Saf. Code, § 1339.87. *See also* exhibit 12.

<sup>3</sup> Health & Saf. Code, § 1339.87. *See also* Cal. Code Regs. Tit. 22, § 95009.

<sup>4</sup> Exhibit A.

<sup>5</sup> Health & Saf. Code, § 1339.87. *See also* Cal. Code Regs. Tit. 22, §§ 95004 and 95005.

<sup>6</sup> Exhibit 2.

<sup>7</sup> Exhibits 2, 4 and 11. *See also* Department of Health Care Access and Information, Hospital Supplier Diversity Reporting Program <https://hcai.ca.gov/data/cost-transparency/hospital-supplier-diversity/#reporting-resources> [as of November 1, 2025].

3. On Friday, June 27, 2025, Respondent called Appellant and was informed that Appellant's primary contact had changed to Mr. Kumar, so Respondent left Mr. Kumar a voicemail reminding Appellant of the due date, applicable penalties, and availability of an extension.<sup>8</sup>
4. On Friday, June 27, 2025, at 5:37 PM, Respondent received a request from Mr. Kumar to become a registered user for Appellant.<sup>9</sup> As it was after business hours, this transaction was processed on Monday, June 30, 2025 at 6:53 AM.<sup>10</sup>
5. On Monday, June 30, 2025, Respondent left Appellant a voicemail reminding him of the due date, applicable penalties, and the availability of an extension.<sup>11</sup> On Tuesday, July 1, 2025, Respondent contacted Appellant by voicemail and email with a third manual reminder.
6. On Wednesday, July 2, 2025, Respondent spoke with Appellant's representative and assisted Mr. Kumar with requesting an extension on Respondent's website.<sup>12</sup>
7. Following the late extension, which was requested and granted on Wednesday, July 2, 2025, Appellant's Plan was due on August 1, 2025. Appellant reported its Plan to Respondent on July 23, 2025, prior to the expiration of the extension.<sup>13</sup> Respondent reviewed the Plan on July 23, 2025 and notified Appellant that Respondent accepted its Plan.<sup>14</sup>
8. Penalties accrued from Tuesday, July 1, 2025 until Wednesday, July 2, 2025 when the extension was requested.<sup>15</sup>
9. In accordance with Health and Safety Code section 1339.87, subsection (c), Respondent assessed penalties in the amount of \$100 per day for one day, resulting in a penalty amount of

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<sup>8</sup> Exhibit 1. *See also* Cal. Code Regs. Tit. 22, § 95001 which requires hospitals to update their primary contact with HCAI within 15 business days.

<sup>9</sup> Exhibit 3.

<sup>10</sup> Exhibit 5 mistakenly shows the approval of Mr. Kumar's access for Community Benefit Plans which was approved on Tuesday, July 1, 2025 at 8:42 AM. Ms. Lopez did submit the proper email at the time of the hearing. *See* recording at 8:40. Appellant did not object to its inclusion, *see also* recording at 20:52.

<sup>11</sup> Exhibit 1.

<sup>12</sup> Exhibit 1.

<sup>13</sup> Exhibits 7 and 9.

<sup>14</sup> Exhibit 10.

<sup>15</sup> Respondent's Notice of Penalty.

\$100.<sup>16</sup> These facts were substantiated both by oral statements made under oath by Ms. Lopez at the hearing and written exhibits.

10. Appellant submitted exhibits with its appeal and made oral statements of facts it believes show good cause why the report at issue was not submitted in a timely manner.

11. In its written statement, Appellant stated that notifications were going to employees who don't work with Dameron Hospital due to change in management from Adventist Health to American Advanced Management in December of 2024.<sup>17</sup> Appellant further wrote that over the previous year, Dameron Hospital experienced a cyberattack in addition to its management disruptions. Mr. Kumar wrote that Dameron Hospital is a not-for-profit safety net hospital and primarily serves patients covered under Medi-Cal and Medicare.

12. Mr. Kumar testified that he did not have a login for Respondent's website to request the extension until Wednesday, July 2, 2025 and that he actually submitted his extension request from Toronto, Canada where he was completing his move as he was newly hired by Appellant in April due to the change in management. Mr. Kumar further stated that he was out of the country from July 1<sup>st</sup> for seven days.

13. In addition, Mr. Kumar testified that the emails which were sent to the previous contact at Adventist Health were not forwarded to himself or anyone who could act on them. He also stated that previous management planned to shut down the hospital, and that Appellant is an important community hospital which has been operating at a loss recently.

14. These facts were substantiated by oral statements made under oath by Mr. Kumar at the hearing as well as written exhibits.<sup>18</sup>

## **DISCUSSION AND LEGAL CONCLUSIONS**

1. The issue here is whether Appellant had good cause, as required by Health and Safety

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<sup>16</sup> Health & Saf. Code, § 128770. *See also* exhibit 12 and Respondent's Notice of Penalty.

<sup>17</sup> Exhibit A.

<sup>18</sup> Exhibit A.

Code section 128770, for failing to file its report or request an extension by Tuesday, July 1, 2025, and whether the penalty should be waived in whole or in part.

2. Under Health and Safety Code section 128770, subsection (c), a penalty may “be reviewed on appeal, and the penalty may be reduced or waived for good cause.” In *Waters v. Superior Court*, the California Supreme Court stated that, “good cause may be equated to a good reason for a party’s failure to perform that specific requirement from which he seeks to be excused.”<sup>19</sup> Good cause must be directly related to the specific legal requirement which the party failed to perform and should be outside the reasonable control of the party.<sup>20</sup> Good cause is sometimes defined as circumstances beyond the party’s control, and not related to the party’s own negligent act or failure to act. On an individual basis, courts and administrative bodies have often found that natural disaster, hospitalization, incapacitation, accident involvement, or loss or unavailability of records may constitute good cause.<sup>21</sup> The determination of good cause in a particular context should utilize common sense based on the totality of the circumstances, including the underlying purpose of the statutory scheme.<sup>22</sup>

3. A party’s diligence is a factor in determining good cause for an extension or a delay.<sup>23</sup> Here, Appellant failed to update its primary contact information with HCAI within the required 15 days.<sup>24</sup> The substantiated facts also show that Appellant was reminded of the upcoming due date because Respondent left Mr. Kumar multiple voicemails prior to the due date. In addition, Mr. Kumar’s user account was established by Respondent prior to the due date. Appellant was responsible for logging in and requesting the extension. Mr. Kumar indicated that he was unable

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<sup>19</sup> *Waters v. Super. Ct. of Los Angeles County* (1962) 58 Cal.2d 885, 893 (hereafter *Waters*).

<sup>20</sup> *Waters, supra*, 58 Cal.2d 885, 893 and Secretary of State, “Good Cause” Reasons for Waiving Late Campaign & Lobbying Filing Fees <https://www.sos.ca.gov/campaign-lobbying/good-cause-reasons-waiving-late-campaign-lobbying-filing-fees/> [as of December 4, 2019].

<sup>21</sup> Cal. Code Regs., tit. 22 § 1326-10(a)(5) and Fair Political Practices Commission, Guidelines for Waiving Late Fines (Oct. 2024) <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/FilingOfficer/700FO-Folder/Late%20Fine%20Guidelines.pdf> [as of October 7, 2025]. See also *Waters, supra*, 58 Cal.2d 885, 893.

<sup>22</sup> *Laraway v. Sutro & Co.* (2002) 96 Cal.App.4th 266, 274.

<sup>23</sup> *People v. Financial & Surety, Inc.* (2016) 2 Cal.5th 35, 47. See also *Wang v. Unemployment Ins. Appeals Bd.* (1990) 225 Cal.App.3d 412, 420.

<sup>24</sup> Exhibit 1. See also Cal. Code Regs. Tit. 22, § 95001.



**PROPOSED ORDER**

The assessed penalty of \$100 is upheld.

Dated: December 1, 2025

*//original signed//*

MICHELLE CHURCH-REEVES  
Hearing Officer  
Department of Health Care Access and Information

**DECISION**

Pursuant to Health and Safety Code section 128775, after due consideration of the record,  
the Proposed Decision is:

Accepted

Rejected

Dated: 1/23/2026

*//original signed//*

ELIZABETH A. LANDSBERG  
Director  
Department of Health Care Access and Information