

**BOARD OF DIRECTORS MEETING
HOSPITAL REDWOODS ROOM
THURSDAY, JANUARY 25, 2018
MINUTES**

The Board of Directors of the Mendocino Coast Health Care District met in CLOSED session at 4:30 pm in the Redwoods Room, Steve Lund, Chair presiding

PRESENT: Mr. Lund, Dr. Glusker, Ms. Bruning, Dr. Miller
Mr. John Ruprecht, Legal Counsel
Mr. Bob Edwards, CEO
Mr. John Parigi, Interim CFO
Gayl Moon, Executive Assistant

ABSENT: Dr. Campos

1. CALL TO ORDER:

OPEN Session of the Board of Directors of the Mendocino Coast Health Care District convened at 6:00 p.m. in the Redwoods Room, Steve Lund, Chair presiding

2. ROLL CALL:

PRESENT: Ms. Kathleen Bruning, Dr. Kevin Miller, Dr. Peter Glusker, Mr. Steve Lund
Board Members

BOARD MEMBERS ABSENT: Dr. Luke Campos

ALSO PRESENT:

Mr. John Ruprecht, Legal Counsel
Mr. Bob Edwards, Chief Executive Officer
Mr. John Parigi, Interim Chief Financial Officer
Ms. Gayl Moon, Executive Assistant

3. CLOSED SESSION MATTERS:

The Board of Directors reviewed the following items in closed session:

- **INFORMATION/ACTION:** Pursuant to §32155 of the Health and Safety Code December Quality Management and Improvement Council Report
 - The Board received an update. A scorecard report is being developed by the departments that will provide some baseline data in March.
 - The Board approved the December Quality Management and Improvement Council Report
- **INFORMATION/ACTION:** Public Employment: To review and approve Professional Services Agreement for Dr. Kenneth Susman Government Code §54954.5 & 54957
 - The Board approved the Professional Services Agreement for Dr. Kenneth Susman
- **INFORMATION/ACTION:** Hardin v. Mendocino Coast District Hospital, U.S. District Court for the Northern District of California, et al., Case No. 3:17-CV-05554, conference with legal counsel. Government Code §54956.9
 - The Board received an update on this issue.
- **INFORMATION/ACTION:** Safeway 340B Pharmacy claim against MCDH, conference with legal counsel. Government Code §54956.9.

- The Board gave direction to counsel regarding the 340B Pharmacy claim.
 - **INFORMATION/ACTION:** Conference with legal counsel regarding the claim of Margaret Demarinis Evidence Code §1157; Government Code §54956.9.
 - The Board received an update regarding the claim of Margaret Demarinis.
 - **INFORMATION/ACTION:** Pursuant to California Government Code §54954.5 and §32155 of the Health and Safety Code Medical Staff Credentials and Privileges Review Government Code §54956.9.
 - This will be dealt with in open session.
 - **PUBLIC COMMENTS**
 - Community members spoke on matters regarding MCDH.
 - The Foundation gave the Hospital \$118,000 for a new ambulance, and \$188,384.93 for 18 additional beds. Three (3) mini grants were awarded this year.
4. **REVIEW OF THE AGENDA**
- There were no changes to the agenda.
5. **BOARD COMMENTS**
- There were no Board comments.
6. **ACTION: APPROVAL OF CONSENT CALENDAR: MR. STEVE LUND, PRESIDENT**
1. Minutes: Regular Session, December 7, 2017
 2. Minutes: Special Session, December 4, 2017
 3. Minutes: Special Session, January 15, 2018
 4. Jackson & Coker Addendum
 5. Alysoun Huntley Ford Fund Draw 3 patients for a total of \$2,794.64
- MOTION:** To approve the Consent Calendar
- Glusker moved
 - Bruning second
 - Motion carried
7. **ACTION/INFORMATION: REVISED 2016/2017 AUDIT REPORT: MR. JOHN PARIGI, INTERIM CFO**
- Mr. Parigi presented the Revised 2016/2017 Audit. Following are the revisions:
 - ✓ An MD&A was added to the Audit Report
 - ✓ The auditors changed the classification of a cash item to capital
- MOTION:** To approve the Revised 2016/2017 Audit
- Glusker moved
 - Bruning second
 - Roll call
 - Ayes: Bruning, Miller, Glusker, Lund
 - Noes: None
 - Absent: Campos
 - Abstain: None
 - Motion carried
8. **ACTION/INFORMATION: APPROVAL FOR THE FOUNDATION TO PURCHASE THE FUND-A-NEED BEDS IN THE AMOUNT OF \$188,384.93: MR. BOB EDWARDS, CEO**
- This will put in motion the purchase of the 18 beds, and the Hospital will be reimbursed by the Foundation; 12 beds in Med Surg, 3 beds in ICU and 3 beds in OB.

MOTION: To approve the expenditure of \$188,384.93 for the purchase of 18 new beds for the hospital

- Bruning moved
- Glusker second
- Roll call
 - Ayes: Glusker, Bruning, Lund, Miller
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

9. **ACTION/INFORMATION: CONTRACT FOR BUSINESS OFFICE MANAGER: MR. DAN CAMP**

- Mr. Camp stated that is contract is for a Revenue Cycle Director, not a Business Office Manager.
- This contract has been reviewed and approved by legal counsel

MOTION: To approve the contract for Revenue Cycle Director

- Bruning moved
- Miller second

Dr. Glusker had 2 questions regarding the contract:

1. The contract has no term limits
 - ✓ Mr. Adams stated either party has the ability to terminate the contract with sixty (60) days notice
2. The arbitration should be in California.
 - ✓ Mr. Adams stated they have agreed to have arbitration in California.

Ms. Bruning amended the Motion as follows:

MOTION: To approve the contract for Revenue Cycle Director noting that there is a change to miscellaneous terms to Item #3 that any arbitration issues will take place in the State of California and the contract should be amended to reflect that

- Glusker moved
- Mr. Ruprecht stated there are a couple of other amendments that need to be added to the motion.
- Dr. Glusker withdrew the motion.
- Mr. Ruprecht stated the contract should be amended to reflect the following:
 1. that the company would provide her liability insurance finder
 2. that they will sign a copy of the Hospital's HIPAA BAA
 3. that they change venue to Mendocino County

MOTION: To approve the contract provided that they provide proof of liability insurance, they sign the HIPAA BAA, and agree to change the venue to Mendocino County in the case of any arbitration issues

- Glusker moved
- Bruning second
- Roll call
 - Ayes: Lund, Glusker, Bruning, Miller
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

10. ACTION/INFORMATION: ATS REPLACEMENT PROJECT CONSTRUCTION CONTRACT: MS. NANCY SCHMID

- The contract is signed.
- Interviews are in progress for a Construction Manager.
- The contract for the IOR (the Inspector of Record) has been signed.
- This item has already been approved by the Board and the contract is signed. No action is necessary.
- Mr. Adams stated the Board needs to approve Resolution 2018-1 authorizing the contract to be executed.
- Dr. Glusker asked for the definition of “substantial compliance” in the contract. Mr. Adams, legal counsel stated that the definition of “substantial compliance” in the contract is defined to mean “the stage in the progress of the work when the work is sufficiently complete in accordance with the contract documents as determined by the District so that the District can occupy and utilize the work for its intended use. The process that is talked about in Article 3 is the three (3) step process in where the contractor requests an inspection and provides a punch list for any work that needs to be done in that sixty (60) days. The District then inspects and then at the end of that provides a certificate of substantial completion.”

MOTION: To approve the construction contract between the District and the District’s contractor which is Fort Bragg Electric for construction of the Automatic Transfer Switch Replacement Project

- Bruning moved
- Glusker second
- Roll call
 - Ayes: Glusker, Miller, Bruning, Lund
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

11. ACTION/INFORMATION: ONE MONTH AGREEMENT FOR MR. JOHN PARIGI, INTERIM CFO

- Mr. Edwards signed a thirty (30) day extension for Mr. Parigi. Mr. Edwards requested the Board approve another one month extension; from February 4th to March 4th.

MOTION: To approve an extension of Mr. Parigi’s contract from February 4, 2018 to March 4, 2018

- Glusker moved
- Bruning second
- Roll call
 - Ayes: Miller, Bruning, Lund, Glusker
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

12. ACTION/INFORMATION: ESTABLISH DATE AND TIME FOR THE BOARD TO CONDUCT A CEO ANNUAL PERFORMANCE REVIEW: MR. STEVE LUND, CHAIR

- There will be a Special Board Meeting at 5:00 pm on February 15, 2018 to conduct the Annual Performance Review on Mr. Bob Edwards, CEO

13. INFORMATION: CEO REPORT: MR. BOB EDWARDS

- A phone and email survey of the community is now complete; however Bob does not yet know the results.

- The newly formed Community Advisory Committee would like to change their name to the Management Community Liaison Group. This group would want to exist without being a Board sub-committee, without being a Medical Staff sub-committee, without authority, without accountability, without minutes and without the ability to recommend anything. They want to meet monthly with the CEO. The group had one (1) meeting and Bob asked the members if they would approve of publicly releasing their names; the group decided “no”. Mr. Edwards explained there is a dilemma. A committee that wants to have no authority and just wants to talk to the CEO and tell him what they are hearing in the community. Several people spoke regarding this issue and they felt that those meetings should be open to the public. Discussion ensued.
- The Board Policies & Procedures and the Bylaws need to be reviewed prior to the Joint Commission visit. Ms. Bruning and Mr. Lund undertake review of the Bylaws as well as the Policies & Procedures.
- The goal is to get to 75% on the HCAP scores. On February 15th the results of the 4th quarter will be known. As of today the score is 74.65.
- Dr. Campos and Mr. Edwards will attend some required annual Brown Act education/training next month in Sacramento.
- Due to negotiations, OB Registry costs are down from \$135 per hour to \$100 per hour. There is still one at \$135 per hour; however that will be renegotiated soon.
- Friday will be ‘have fun at work day’.

14. ACTION/INFORMATION: MEDICAL STAFF: DR. JOHN KERMEN

A. Appointments to Medical Staff-Provisional Status

1. Mark Causin, MD -Department of Medicine-Hospitalist Service
2. Kelly King, MD- Department of Medicine-Hospitalist Service
3. Gabriel Larson, MD – Department of Medicine-Pediatrics
4. Sasidharan Ponthenkandath, MD –Department of Medicine-Pediatrics
5. Frederick Workman, DO –Department of Medicine-Hospitalist Service

MOTION: After careful consideration recommend approval of Appointments to Medical Staff-Provisional Status for Hospitalist Services for Mark Causin, MD; Kelly King, MD; Frederick Workman, DO

- Bruning moved
- Miller second
- Roll Call
 - Ayes: Bruning, Lund, Miller, Glusker
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

MOTION: After careful consideration recommend approval of Appointments to Medical Staff-Provisional Status for Pediatrics for Gabriel Larson, MD; Sasidharan Ponthenkandath, MD

- Bruning moved
- Miller second
- Roll Call
 - Ayes: Lund, Glusker, Bruning, Miller
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

B. Appointment to VRad Tele-Radiology Physicians

1. Jennifer Kim, MD

MOTION: After careful consideration recommend approval of Appointment to VRad Tele-Radiology Physicians for Jennifer Kim, MD

- Bruning moved
- Miller second
- Roll Call
 - Ayes: Glusker, Bruning, Miller, Lund
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

15. **ACTION/INFORMATION: CHIEF NURSING OFFICER REPORT: MS. LYNN FINLEY**

- Refer to the attached report as part of these minutes.

16. **ACTION/INFORMATION: PLANNING COMMITTEE REPORT: MR. STEVE LUND**

- Dr. Miller stated Ilona gave a Prime Project update and stated it no longer needs to be a standing agenda item on the monthly Planning Agenda as it is out of the planning phase and is in operations.
- Mr. Lund anticipates a report on the results of the community survey to be on the next Planning Agenda.

17. **ACTION/INFORMATION: FACILITY PROJECTS REPORT: MS. NANCY SCHMID**

- **Pacs System**
 - ❖ The Pacs System is in place and working.
- **Telemetry**
 - ❖ This project began this week.
 - ❖ The wires and cabling are being installed.
 - ❖ The go live date for Telemetry is March 26, 2018.
- **Nurse Call System**
 - ❖ This project should be completed by the end of February.
- **Emergency Repair**
 - ❖ Work on this project should begin soon and be complete within the next thirty (30) days.
- **ATS – Bid Documents**
 - ❖ This project will begin in the next few weeks.
 - ❖ Candidates for a construction manager are currently being interviewed.
 - ❖ The timeline for this project to be complete is the end of September.
- **HVAC**
 - ❖ This project is now posted in the newspaper and with Builders Exchange.
 - ❖ This project should be complete by the end of October 2018.

Malcom Macdonald requested this agenda item be a Tab in the Board Packet in the future.

18. **ACTION/INFORMATION: JPA REPORT: MR. STEVE LUND, CHAIR**

- There was no report.

19. **ACTION/INFORMATION: STATISTICAL/FINANCE REPORT, OCTOBER 2017: MR. JOHN PARIGI, INTERIM CFO**

The December 2017 Interim Financial & Statistical Report was not yet complete.

- Mr. Parigi explained that the five (5) weeks he has been at MCDH he has been examining

policies, practices and procedures throughout the organization. He has also done a deep dive into the analytics of the financials.

- Mr. Parigi handed out and reviewed a 'Comparison and Analysis of Proposed Contractual Model Data from October 2017' – A Zero Balance Report.
- Mr. Parigi would like to change the process for the contractual model.

October Overview:

For the Month of October 2017 our Total Net income/(Loss) was of (\$229,096). Our cash balance increased by \$858,301. The balance sheet showed some decrease in strength as our current assets increased by \$566,785 and our current liabilities increased by \$836,978.

MOTION: To approve the Finance and Statistical Report for October 2017

- Bruning moved
- Miller second
- Roll call
 - Ayes: Glusker, Miller, Bruning, Lund
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

20. ACTON/INFORMATION: STATISTICAL/FINANCE REPORT, NOVEMBER 2017: MR. JOHN PARIGI, INTERIM CFO

November Overview:

For the Month of November 2017 our Total Net income/(Loss) was of (\$1,445,726). Our cash balance increased by \$817,650. The balance sheet showed some decrease in strength as our current assets decreased by (\$2,017,382) and our current liabilities decreased by (\$589,954).

MOTION: To approve the Finance and Statistical Report for November 2017

- Bruning moved
- Miller second
- Roll call
 - Ayes: Glusker, Bruning, Miller, Lund
 - Noes: None
 - Absent: Campos
 - Abstain: None
- Motion carried

21. ACTION/INFORMATION: ELECTION OF BOARD OFFICERS AND JPA REPRESENTATIVE: MR. STEVE LUND, CHAIR

- Mr. Lund proposed the following:
 - ✓ Steve Lund, Chair
 - ✓ Kitty Bruning, Vice Chair
 - ✓ Dr. Peter Glusker, Secretary
 - ✓ Dr. Luke Campos, Treasurer
 - ✓ JPA Representatives: Steve Lund and Kitty Bruning

MOTION: To approve the aforementioned Board Officers and JPA Representatives

- Bruning moved
- Miller second
- Roll call
 - Ayes: Bruning, Miller, Glusker, Lund

- Noes: None
- Absent: Campos
- Abstain: None
- Motion carried

Mr. Lund appointed the following committee representatives:

- Finance Committee representatives will be Dr. Campos and Dr. Glusker
- Planning Committee representatives will be Steve Lund and Kitty Bruning

23. INFORMATION: ASSOCIATION AND COMMUNITY SERVICE REPORTS

- There were no Association and Community Service Reports.

24. PUBLIC COMMENTS:

- Malcom Macdonald stated that the Finance Chair is forbidding public comment on Action Items which is a clear violation of the Brown Act. Mr. Ruprecht agreed with Mr. Macdonald.

25. ADJOURN:

- The meeting adjourned at 7:40 pm

Peter Glusker, MD, Secretary
Board of Directors

Gayl Moon, Secretary to the
Board of Directors