

**BOARD OF DIRECTORS MEETING  
HOSPITAL REDWOODS ROOM  
THURSDAY, OCTOBER 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, Kitty Bruning, Vice Chair presiding

PRESENT: Mr. Lund (telephonically), Dr. Glusker, Ms. Bruning, Dr. Miller, Mr. Birdsell  
Mr. Colin Coffey, Legal Counsel (via skype)  
Ms. Noel Caughman, Legal Counsel (via skype)  
Mr. Bob Edwards, CEO  
Mr. Mike Ellis, CFO

**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, Kitty Bruning, Vice Chair presiding

**2. ROLL CALL:**

PRESENT: Dr. Kevin Miller, Ms. Kitty Bruning, Mr. Tom Birdsell, Mr. Steve Lund (telephonically), Dr. Peter Glusker  
Board Members

BOARD MEMBERS ABSENT: None

ALSO PRESENT:

Mr. Colin Coffey, Legal Counsel (via skype)  
Ms. Noel Caughman, Legal Counsel (via skype)  
Mr. Bob Edwards, CEO  
Mr. Mike Ellis, Chief Financial Officer  
Ms. Gayl Moon, Executive Assistant

**3. CLOSED SESSION MATTERS:**

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

1. **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 from legal counsel.
2. **INFORMATION/ACTION:** Pursuant to §32155 of the Health and Safety Code September Quality Management and Improvement Council Reports
  - The Board approved the September Quality Management and Improvement Council Report
3. **INFORMATION/ACTION:** Pursuant to California Government Code §54954.5 and §32155 of the Health and Safety Code Medical Staff Credentials and Privileges Review
  - The Board approved the Medical Staff Credentials and Privileges Report
4. **INFORMATION/ACTION:** Pursuant to Government Code §54,957.6: closed session Board Meeting with the District's Labor Union Negotiations, CEO Bob S.

Edwards, Jr., CFO Mike Ellis, Special Labor Union and Employment Counsel David Reis, and the District's General Legal Counsel. Government Code §54,957.6.

- The Board received an update from staff and will discuss this matter further when the Board reconvenes Closed Session after Open Session.

5. **INFORMATION/ACTION:** Contract with attorney Steven Schnier of the law firm Arent Fox, LLP to serve as special counsel to the Medical Staff/Medical Executive Committee, as distinguished from the Hospital's general legal counsel, as required pursuant to conflict of interest laws. Government Code §54957

- This issue was tabled and will be put on the next Board agenda as an Open Session item.

6. **Information/Action:** Public Employment: To review and approve Professional Services Amendment for Dr. Zoe Berna Government Code §54954.5 & 54957

- This issue was tabled and will be put on the next Board agenda as an Open Session item

4. **PUBLIC COMMENTS**

- Several community members made comments regarding MCDH issues.
- Dr. Kermen requested that a presentation by the Medical Staff be put on the next agenda in order to give the community a better understanding of what the process is to maintain/ensure quality.

5. **REVIEW OF THE AGENDA**

- There were no changes to the agenda.

- **BOARD COMMENTS**

- Mr. Birdsell requested that Dr. Glusker's letter to the editor be put on the next Board agenda.
- Discussed a community member's statement regarding on-the-clock-docs; that physicians just see patients for 15 minutes in order to meet their quota. Mr. Birdsell stated that has not been his experience with the physicians at NCFHC; they put quality care above all else.
- Mr. Birdsell stated it is important for people to understand the average compensation for hospitals the size of MCDH.

6. **ACTION: APPROVAL OF CONSENT CALENDAR: MR. STEVE LUND, PRESIDENT**

1. Minutes: Regular Session, September 27, 2018
2. Alysoun Huntley Ford Fund Draw – There were no requests
3. Policies
  - Criteria Bases Job Description of CEO (OBSOLETE)
  - Organization chart (OBSOLETE)
  - Goals and Objectives (OBSOLETE)
  - Annual Evaluation of Services (OBSOLETE)
  - Facility Plan for the Provision of Care (OBSOLETE)
  - Calendar of Administrative Events (OBSOLETE)
  - Budget Policy (OBSOLETE)

- Dr. Glusker requested the policies to be removed from the Consent Calendar.
- The policies will be added to New Business as item #6.

**MOTION:** To approve the Consent Calendar with the removal of item #3

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

**7. ACTION/INFORMATION: STRATEGIC PLAN UPDATE: MR. BOB EDWARDS, CEO**

a. Quality/Delivery of Care: Ms. Lynn Finley/Ms. Clara Slaughter

- ❖ The Joint Commission came last week and surveyed the Clinical and Home Health parts of the survey; Life Safety will come very soon. The final report will not be completed until after the Life Safety survey is complete.
- ❖ Mr. Edwards showed a video which was prepared prior to the Joint Commission visit.
  1. The Meditech Agreement: Mr. Mike Ellis, CFO
    - A Meditech Project Manager has been hired.
  2. Facility Score Card: Ms. Nancy Schmid
    - There was no report
  3. Pain Management Specialists: Mr. Will Lee
    - Dr. Le will be leaving NCFHC, and will be replaced by Dr. Kahn the end of October; there will not be a lapse in pain management.

b. Financial/Fiscal Solvency: Mr. Mike Ellis, CFO

- ❖ Continue to update the policies.
- ❖ MCDH will host a three (3) day coding and billing seminar. Grants will pay the costs of the seminar.
- ❖ Mr. Edwards introduced the Hospital's new legal counsel, Ms. Noel Caughman and Mr. Colin Coffey who were present via skype.
  1. RFP Next Steps Architect Services

c. Physical Plant/Facilities: Ms. Nancy Schmid

- ❖ OR HVAC & ATS: The digging has begun; both projects are still projected to be finished in March 2019.
  1. RFP Next Steps Architect Services
    - Will invite architects to come to MCDH

d. People/Physician Nursing and Support Staffing: Mr. Dan Camp

- ❖ The Union Negotiations continue.
- ❖ Continue to work on reducing registry.

e. Community Engagement/Involvement: Mr. Steve Lund, Chair

Parcel Tax: Mr. Steve Lund, Chair

1. Oversight Committee Bylaws
  - The Bylaws will be presented to the Planning Committee in November, will hopefully be approved, and then be presented to the Board for approval.

f. Governance: Mr. Steve Lund

- The new Board members will be sworn in after December 7<sup>th</sup>.
- Ms. Bruning read a letter regarding the City of Bell and BB&K.

**8. ACTION/INFORMATION: EMERGENCY OPERATION PLAN: MS. NANCY SCHMID**

**MOTION:** To approve the Emergency Operation Plan

- Birdsell moved
- Lund second
- Dr. Glusker had the following questions regarding the Emergency Operation Plan:
  1. If there is a need to evacuate; where would the patients go, and what pre-arrangements have been made with Howard Hospital, Ukiah Hospital or Sherwood Oaks?
  2. If there is a need to have triage occur elsewhere; what preparations have been made at NCFHC or at the Mendocino Coast Clinic?
  3. If we become isolated: what preparations have been made for medications per pharmacy expectation of the approximate needs? Same questions applies to food and water.
  4. When was the last drill done for the community combining the Hospital, the Fire Department and the Police with a simulated emergency?
- Lynn Finley stated the Hospital actually went through an emergency during the fires.
- The Hospital has enough food for 100 people for 4 days, and 3 pallets of water, which is more than required.
- The Hospital has a network throughout the county and the state.
- What the Hospital does with a Disaster Manual is to address the routine things that happen: chemical spill, a fire, an elopement, etc. These are practiced often as well as the fire drills. The manual represents the way the Hospital moves through an uncertain event.
- The annual state wide drill was cancelled this year due to the fires.
- Roll Call
  - Ayes: Bruning, Lund, Birdsell
  - Noes: None
  - Absent: None
  - Abstain: Glusker, Miller
- Motion carried

**9. ACTON/INFORMATION: PERFORMANCE IMPROVEMENT PLAN: MS. NANCY SCHMID**

**MOTION:** To approve the Performance Improvement Plan

- Birdsell moved
- Miller second
- The Med Exec Committee agreed 100% to go forward with this plan.
- Dr. Glusker stated the following:
  1. This Performance Improvement Plan looks more like a to-do list than a thought out coherent plan.
  2. The proposed committee is too large with 27 members.
  3. The present administration has a three year record of poor economic performance with continued quality of care problems. That track record lacks any credibility to mount a Performance Improvement Plan.
  4. This plan is premature. It is inappropriate for this outgoing Board to approve it. It needs to be reviewed and discussed by the new incoming Board.
- Ms. Finley stated that these are all standard performance items.

- Dr. Bellah stated all the committee members are from different departments that have to be monitored and report in to try and make improvements across the Hospital.
- This plan comes from suggestions from Joint Commission and CMS. This plan does require all departments working together toward the same goals of patient safety and quality care.
- Roll call
  - Ayes: Miller, Bruning, Birdsell, Lund
  - Noes: Glusker
  - Absent: None
  - Abstain: None
- Motion carried

**10. ACTION/INFORMATION: APPROVAL OF BOARD MEETING DATE CHANGES FOR NOVEMBER AND DECEMBER 2018: MR. STEVE LUND, CHAIR**

- Discussed having the Audit, Finance and Board meetings all on December 6, 2018.
- Audit from 2:00 to 3:00
- Finance from 3:00 to 4:00
- The auditors would be first on the Board Agenda at 6:00 pm.

**MOTION:** To have the Board meeting on December 6<sup>th</sup>

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

**MOTION:** To approve the Finance Committee on January 8, 2019; Board meeting January 10, 2019; Planning Committee on January 15, 2019

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

**11. ACTION/INFORMATION: MCDH RESOLUTION No. 2018-12, AUTHORIZED LOCAL AGENCY INVESTMENT FUND LAIF ACCOUNT SIGNATURE: MR. MIKE ELLIS, CFO**

- Mr. Ellis stated this has to do with PRIME quality measures that were met; if MCDH gives the state \$500,000, they will give the Hospital back a million dollars. These funds need to be withdrawn from the LAIF Account. When the million dollars is received from the state, the \$500,000 will be deposited back into the LAIF Account.

**MOTION:** To approve MDCH Resolution # 2018-12

- Glusker moved
- Miller second

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

**12. INFORMATION/ACTION: POLICIES TO BE MADE OBSOLETE: MR. BOB EDWARDS, CEO**

**MOTION:** To put this item on the first Board agenda in January when the new Board will be seated

- Glusker moved
- Miller second
- Mr. Edwards stated most of these policies are antiquated; they are out of Medicare standards and are not of real practice.
- Mr. Edwards feels the new Board should not be burdened with this issue at the beginning of their tenure.
- Dr. Glusker amended his motion and Dr. Miller amended his second to reflect the following Motion:

**MOTION:** To put this item on the December 6<sup>th</sup> Board agenda

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

**13. ACTION/INFORMATION: REVISIT PRIOR BOARD DIRECTION (DECISION), “INDIVIDUAL BOARD MEMBERS WHO HAVE A QUESTION OF ANY EMPLOYEE, STAFF MEMBER, CONTRACTED LEGAL SERVICE (COUNSEL), THAT THEY FIRST GO THROUGH THE CEO”: DR. PETER GLUSKER**

- Dr. Glusker asked that this issue be on this Board in order to rescind this Board decision.
- Mr. Birdsell read the minutes of the June 30, 2016 Board meeting when the Board voted on this issue. The Board’s decision at that time was *“If a Board Member has a request for general information they go through the CEO first; if there is a legal request for information they go through the CEO as well”*. The Roll Call vote was as follows:  
 Ayes: Hogan, Birdsell, Bruning  
 Noes: Glusker  
 Absent: None  
 Abstain: None  
 Motion Carried

**MOTION:** To rescind this policy

- Glusker moved
- Miller second

- Mr. Edwards recommended that the Board ask the Hospital's legal counsel to bring policies that would be a model for consideration for this chain of command issue for the future.
- Mr. Birdsell stated that when Dr. Glusker first came on the Board and there were a number of areas that he was looking to get involved in. One was to understand more about the MEC and how it operates and ensure everything met legal standards and the same thing was being done with the surgeons on staff at the Hospital, and members of the Administration were being looked at, primarily the CEO & CFO. Mr. Birdsell had received a number of complaints from Administration, other Board members and legal counsel. Mr. Birdsell became aware that the legal services bill that was run up by Dr. Glusker was \$50,000 as a new Board member. Mr. Birdsell was concerned as the Hospital was struggling financially trying to control their finances. If the Board hadn't instituted this, that legal bill would have gone substantially higher in Mr. Birdsell's opinion.
- Dr. Miller feels that having to ask the CEO prior to contacting an employee is over restrictive. He feels a restrictive barrier to a Board member getting legal counsel would be fine.
- Mr. Edwards asked legal counsel to provide a model policy which would explore something that would work.
- Ms. Bruning stated that when she worked at MCDH as a nurse, she had a Board member interrupt her work to ask her questions.
- Dr. Glusker said that he wanted to answer comments about the MEC. He stated that he is very familiar with the MEC. The issues that have stemmed from him going around the Hospital as a Board member, as a physician looking into this or that, and being told by a nurse here and a department manager there, somebody else somewhere else "I'm so sorry, I cannot talk with you, but we have been instructed by the Administration that we are not allowed to talk with Board members without prior permission from the Mr. Edwards". When he did talk with them, he learned later that they were chastised severely, and in some cases their jobs threatened because he had spoken to them. That kind of attitude and culture on the part of Administration blocking a Board member from just walking around the Hospital and just looking at what is going on, is absolutely inappropriate. Dr. Glusker stated that he was unaware of what Mr. Ruprecht charged, and he thought his conversations with Mr. Ruprecht were informal and off the record and he didn't know the Hospital was being charged. If he had known that those conversations were being charged and that he was racking up a Hospital bill, which would have entirely changed the way he approached the attorney. After that, this whole thing blew up and it went down a road that is not conducive to transparency and good functioning of a on the part of the Board, Board Administration interactions, or the relationships between the staff and the Board.
- Dr. Kermen stated that at the time it wasn't just a financial matter, there were Board members pressing Will Lee to give them information that was protected on cases that were ongoing in the Hospital, certain physician files. They were pressing people in Quality Assurance to give peer protected information. There were other issues at stake rather than just financial. Charts were being looked at out on the floor. Staff told Dr. Kermen that they felt harassed.
- Mr. Edwards feels it is important that the Board be exposed to some ethics training, which the Colin Coffey will do. The Board also needs to be exposed to the law and some best practices. Mr. Edwards feels it is unfair to send the message to staff that they have a boss in the CEO as well as five other bosses in Board members. Mr. Edwards is the only person that Cal Mortgage said can be the CEO.
- Discussion ensued

- Roll call
  - Ayes: Miller, Glusker
  - Noes: Bruning, Birdsell, Lund
  - Absent: None
  - Abstain: None
- Motion did not carry

**14. INFORMATION: CEO REPORT: MR. BOB EDWARDS, CEO**

- Looking back over the last 3 ½ years the following changes have taken place:
  - Thank you all for the passage of the Parcel Tax.
  - Thanks to the Board for approving the Electronic Health Record (EHR).
  - The Hospital has grown by \$22 million in gross revenue per year.
  - With money from Operations and from loans and from the Foundation, the Hospital has spent \$3.9 million on new equipment: a new mobile x-ray, a temporary ATS and much more.
  - Department Score Cards are proving very informative. MCDH has never had any “*never events*”.
  - The PRIME Project is helping save lives with the early cancer screening.
  - A full-time Purchasing Agent has been hired.
  - NCFHC offers Immediate Care.
  - MCDH now offers Pain Management.
  - The Hospital has new legal counsel.
  - The annual audit shows a \$2.1 million loss.
  - HR evaluations are now at 100%.
  - Have a great hand washing program.
  - Patient experience is improving.
  - Moving forward will try to remove the variability in the hospitalist program.
  - A new PR person will start on November 5<sup>th</sup>.
  - Mr. Edwards would like MCDH to become a Certified Healthcare District.

**15. ACTION/INFORMATION: MEDICAL STAFF APPOINTMENTS/REPORT: DR. JOHN KERMEN**

- Dr. Kermen thanked Will Lee and Charrish Silva for their great work during the Joint Commission Survey.

A. Appointments to Medical Staff

1. Akbar Khan, DO –Department of Surgery-Interventional Pain Medicine
2. Althea Lindsay, MD –Department of Surgery-obstetrics-Gynecology
3. Timothy Musick, MD –Department of Medicine-Hospitalist Medicine

**MOTION:** After careful consideration recommend approval of Appointments to Medical Staff for Akbar Khan, DO: Althea Lindsay, MD: Timothy Musick, MD

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

B. Appointments to Allied Health Professional Staff



1. Melissa Baxter, CRNA –Department of Surgery-Anesthesia
2. Jennifer Brown PA-C –Department of Surgery-Orthopedic Surgery

**MOTION:** After careful consideration recommend approval of Appointments to Allied Professional Staff for Melissa Baxter, CRNA: Jennifer Brown PA-C

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

C. Release from Proctoring-Advance to Active Medical Staff

1. Christopher Robshaw, MD –Department of Medicine-Pediatrics

**MOTION:** After careful consideration recommend approval of Release from Proctoring-Advance to Active Medical Staff for Christopher Robshaw, MD

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

D. Re-Appointment to VRad Tele-Radiology Physicians

1. Jay Donohoo, MD
2. Frank Welty, MD

**MOTION:** After careful consideration recommend approval of Re-Appointments to VRad Tele-Radiology Physicians for Jay Donohoo, MD: Frank Welty, MD

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

E. Resignation from VRad Tele-Radiology Physicians

1. Melanie Elchico, MD

**MOTION:** After careful consideration recommend approval of Resignation from VRad Tele-Radiology Physicians for Melanie Elchico, MD

- Miller moved
- Birdsell second
- Roll call
  - Ayes: Miller, Bruning, Glusker, Birdsell, Lund
  - Noes: None

- Absent: None
- Abstain: None
- Motion carried

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

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

**17. ACTION/INFORMATION: FINANCE REPORT: Dr. PETER GLUSKER**

- The Finance Committee met on September 25. This month the ER Department was reviewed. The August finances were in the black.

**September Summary**

- September's cash of \$2.4 mil decreased \$.5 million from July. Board Designated Funds of \$4.3 mil remain unchanged. Together this is 41 days cash-on-hand.
- Net AR increased \$.4 mil and is 42 days in net AR. September's AP of \$6.0 mil remained the same as the prior month, compared to the prior fiscal year average of \$5.9 mil
- September's net patient revenues of \$3.8 million are just below budget by \$100,000. September is \$751,000 or 12% less than the prior month August 2018. September had only 19 working days in the month, the lowest number in the year, compared to August's 23 working days in the month, the highest number of working days a month can have. Every extra working day provides an opportunity to generate more revenue to cover relatively fixed expenses.
- The month's total operating expenses of \$4.4 million were \$204,000 or 4% below budget. The largest budget variances in expenses are the line items: S&W and benefits \$81,000 over budget and insurance at \$22,000 over budget. September had a net operating loss of \$494,000 compared to the budgeted loss of \$526,000.
- New this fiscal year is the accrual of \$133,000 for the Parcel Tax revenue that will occur every month at this amount. With this new revenue added to the other non-operating revenues and expenses the net loss for the month was \$295,000.
- The fiscal year-to-date operating loss of \$816,000 is under the budgeted loss of \$1,036,000. This is only three months into the fiscal year and the year-end budgeted loss is \$1.7 million and a positive \$.8 million after non-operating revenues & expenses.

**MOTION:** To approve the Finance and Statistical Report for September 2018

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

**18. INFORMATION: ASSOCIATION AND COMMUNITY SERVICE REPORTS**

- There were no Association and Community Service Reports.

19. **PUBLIC COMMENTS:**

- Community members discussed issues regarding the Hospital.

20. **ADJOURN:**

Open Session adjourned at 8:50 pm

Reconvened Closed Session at 9:00 pm

1. Reconvension of Open Session
  - A. Reporting out on Closed Session
    1. The Board received an update on the Union Negotiations.

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Peter Glusker, MD, Secretary  
Board of Directors

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Gayl Moon, Secretary to the  
Board of Directors