

**BOARD OF DIRECTORS MEETING  
HOSPITAL REDWOODS ROOM  
THURSDAY, DECEMBER 6, 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. 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, Steve Lund, 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. 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 November Quality Management and Improvement Council Reports
  - The Board approved the November 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 received a 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 District delivered a letter of impasse to the Union on October 30<sup>th</sup> encouraging the Union to join MCDH in requesting a fact finding panel within 30 days as described by the Public Relations Board. On Nov. 28 the Union did make the request to have a fact finding panel. The panel will be composed of Hospital and Union representatives as well as an independent representative and will hopefully meet before the end of this year.

5. **INFORMATION/ACTION:** Public Employee Performance Review and Evaluation, Chief Executive Officer of the District. Government Code §§54957(b)(1) and (b)(2); Government Code §54954.5.

- Mr. Lund is in the process of gathering materials from other Board members for Mr. Edwards' evaluation; he will produce a report, and when the new Board is seated, this will be discussed in January.

4. **PUBLIC COMMENTS**

- Several community members made comments regarding MCDH issues.

5. **REVIEW OF THE AGENDA**

- There were no changes to the agenda.

**BOARD COMMENTS**

- Dr. Glusker stated that at the last Board meeting Mr. Birdsell asked that Dr. Glusker's Letter to the Editor be agendized for this meeting; however it was not agendized. Mr. Birdsell asked for a letter, an explanation of Dr. Glusker's letter to the Advocate Newspaper. Each Board member was given a copy of his letter in response regarding his Letter to the Editor.
- Mr. Birdsell stated that leaving the Board after 10 years does feel good. Mr. Birdsell welcomed the new Board and thanked them for their interest in MCDH and advised them to keep an open mind.
- Mr. Edwards thanked the outgoing Board Members for their service.

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

1. Minutes: Regular Session, October 25, 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)

**MOTION:** To approve items 1 & 2 on the Consent Calendar

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

- Abstain: None
- Motion carried

Mr. Lund pulled item #3 which will be addressed under New Business.

**7. ACTION/INFORMATION: APPROVAL OR REJECTION OF DRAFT INDEPENDENT AUDIT REPORT FOR FYE 2017/2018**

- Mr. Luke Zarecor with DZA & Associates presented the Audit Report for FYE 2017/2018

**MOTION:** To approve the Draft Independent Audit Report for FYE 2017/2018

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

**8. ACTION/INFORMATION: ITEM #3 WHICH WAS PULLED FROM THE CONSENT CALENDAR**

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)

**MOTION:** These policies will be deferred to the new Board for evaluation and discussion before consideration for making them obsolete

- Glusker moved
- Birdsell second

The Board felt new policies should be presented prior to making these policies obsolete and these should go before the new Board. Discussion ensued.

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

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

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

1. The Meditech Agreement: Mr. Mike Ellis, CFO
  - Meditech has started building the Hospital's new EHR: will also get new hardware in order to communicate with the cloud.
2. Facility Score Card: Ms. Nancy Schmid
  - There are scorecards for every department. As of today 100% of the

departments turned in their scorecards for this quarter; the report will go to Dr. Bellah and it will be presented to the Board at the January 10 meeting.

3. Pain Management Specialists: Mr. Will Lee
    - Dr. Kahn, Pain Specialist is doing well, and he is very busy.
    - Continue to interview for permanent Pain Specialists.
  4. The Joint Commission: Ms. Lynn Finley
    - Staff is currently putting together our plan of correction to submit to Joint Commission. Once they accept the plan we can publically share the Joint commission findings. Many findings were fixed while Joint Commission was onsite.
  5. Community Health Improvement Plan (CHIP) PRIME Update: Ms. Clara Slaughter
    - The PRIME Year-End Report was submitted and we passed both the Colorectal and Breast Cancer Screening Metrics. We over performed on the Colorectal Screenings by 50% thus becoming eligible to claim up to 25% of unearned funding on another metric.
    - Due to the lack of data for the PRIME patients due for Cervical Cancer Screenings we were unable to validate and pass that metric. We did really well with all three measures for our NCFHC PRIME patients. For this fiscal year we hope to be able to extract this data through agreements with other entities in the area. PRIME patients are identified by 2 visits at the entity (MCDH and/or NCFHC) and insured through state Medi-Cal as primary, secondary or tertiary insurance.
    - Our outreach continues at NCFHC to ALL of our primary care patients to ensure that every patient seen by their Primary Care Provider is offered these cancer screenings. Our new data for our NCFHC Primary Care Patients that are in the PRIME population as of November 7, 2018 are: Br Ca Screening = 66.19% (target 55.89%); Cerv Ca Screening = 51.7% (target 51.94%); Colorectal Ca Screening = 46% (target 44.64%)
  6. ACHD Personnel Training January 2019: Mr. Bob Edwards, CEO
    - On January 24 & 25 the Association of California Healthcare Districts will offer training for the Board in Sacramento. Colin Cofey, the Hospital's new legal counsel will in December give Board education on ethics and Brown Act Training.
  7. Nuclear Medicine
    - Dr. Kirkman and Dr. Perry have been educating the local providers, the results will be reported at the January 10 Board Meeting.
- b. Financial/Fiscal Solvency: Mr. Mike Ellis, CFO
1. RFP Next Steps Architect Services: Mr. Mike Ellis, CFO
    - The Revenue Cycle is on track. All positions have been filled but one.
    - In the process of evaluating Materials Management.
    - The Hospital hosted a very successful three (3) day coding and billing seminar. Grants will pay the costs of this seminar; the Foundation paid for two dinners for everyone.
- c. Facility Projects Update: Ms. Nancy Schmid
- The RFP will go to legal tomorrow, after legal approval, it will come to the Board for approval. The goal is to get it posted to the web site for response by January or February 1<sup>st</sup>.

- OSHPD signed off on 1<sup>st</sup> milestone on the OR HVAC and ATS projects and they are 25% complete
  - OR Demolition: Suite one is schedule to be closed down for six weeks. Following Suite two will close down for six weeks. This will begin on January 2<sup>nd</sup>.
  - The architect has submitted change order and awaiting OSHPD approval to begin work on the Water Heater. An expedited review has been requested.
  - The Cardio Pulmonary roof is complete. There is more work to be done. The Maintenance Department has done all the work, which has saved the Hospital a lot of money.
- d. People/Physician Nursing and Support Staffing: Mr. Dan Camp
- The Union has agreed to a fact-finding negotiation with a representative from MCDH/UFCW and a neutral party. The attorney's party will be selecting the Arbitrator that will need to be agreed upon by both parties.
- e. Community Engagement/Involvement: Mr. Steve Lund, Chair  
Parcel Tax: Mr. Steve Lund, Chair
- An RFP will go out to the architect.
  - The Strategic Planning process that needs to be gone through.

**8. ACTION/INFORMATION: APPROVAL OF PLANNING COMMITTEE MEMBER, MARY ANDERSON: MR. STEVE LUND, CHAIR**

**MOTION:** To approve Mary Anderson as a Planning Committee Member

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

**9. ACTION/INFORMATION: APPROVAL OF OVERSIGHT COMMITTEE BYLAWS: MR. STEVE LUND, CHAIR**

**MOTION:** To approve the Oversight Committee Bylaws

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

**10. ACTION/INFORMATION: APPROVAL OF OVERSIGHT COMMITTEE MEMBERS: MR. STEVE LUND, CHAIR**

- Following are the community members interested in joining the Oversight Committee:
  1. Myra Beals

2. Lea Christensen
3. Kathe Charters
4. Jim Hurst
5. Steve Antler
6. Robert Becker
7. Kitty Bruning

**MOTION:** To approve Myra Beals, Lea Christensen, Kathe Charters, Jim Hurst, Steve Antler, Robert Becker & Kitty Bruning as Oversight Committee members

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

11. **ACTION/INFORMATION: CONTRACT WITH ATTORNEY STEVEN SCHNIER OF THE LAW FIRM ARENT FOX, LLP: MR. BOB EDWARDS, CEO**

- Mr. Schnier is a medical staff attorney.

**MOTION:** To approve the contract with Attorney Steven Schnier of the Law Firm Arent Fox, LLP

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

12. **ACTION/INFORMATION: PROFESSIONAL SERVICES AMENDMENT FOR DR. ZOE BERNA: MR. MIKE ELLIS, CFO**

- Dr. Berna's original contract stipulated that the reimbursement will be looked at for fair market value in two (2) years. This is a contract for fair market value.
- A correction is needed on page two (2). The amount of \$3.74 needs to be spelled out, not \$4.02. This is item #3 under "Bonus".

**MOTION:** To approve the Professional Services Amendment for Dr. Zoe Berna

- Birdsell moved
- Bruning second

One change is the "rate per visit" which changed from \$57.50 to \$68.50. The other change is that there is a bonus structure as well.

Dr. Glusker objected to voting on an amendment without having the original contract to look at.

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

13. **ACTION/INFORMATION: HOSPITALIST SERVICES AGREEMENT ADDENDUM WITH RURAL PHYSICIANS GROUP: MR. BOB EDWARDS, CEO**

- This cost increase would not exceed a \$64,250 per month.

**MOTION:** To approve the Hospitalist Services Agreement Addendum with Rural Physicians Group

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

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

- The Hospital participated in the Fort Bragg Holiday Lighted Parade last Saturday night.
- The Hospital will have a Holiday Party for staff and volunteers from noon to 2:00 on December 14. All the new Board members are invited. There will be Gingerbread House, Cookie & Candy contests. Everyone is encouraged to enter.

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

- Dr. Kermen stated they will postpone their “What we do for Quality” until the new Board is seated. He discussed the Medical Staff Peer Review Process as well as various committees that meet regularly. He read a letter from Dr. William Miller which spoke positively of MCDH.

A. Appointments to Medical Staff

1. Christina Tsao, MD –Department of Medicine-Hospitalist Medicine

**MOTION:** After careful consideration recommend approval of Appointments to Medical Staff for Christina Tsao, MD

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

B. Appointment to Allied Health Professional Staff

1. Melissa Turner, FNP –Department of Medicine-Oncology

**MOTION:** After careful consideration recommend approval of Appointment to Allied Professional Staff for Melissa Turner, FNP

- Bruning moved
- Birdsell second
- Roll call
  - Ayes: Bruning, Lund, Glusker, Miller, Birdsell
  - 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 October 23.

**October Summary**

- October's cash of \$2.0 mil increased \$.1 million from September. Board Designated Funds decrease of \$3.8 mil decreased \$.5 million from the prior month because of participating in a State IGT program, to be returned in November. Together this cash of \$5.8 mil is 39 days cash-on-hand.
- Net AR increased \$66k and is 42 days in net AR. October's AP of \$6.1 mil increased \$59k from the prior month, compared to the prior fiscal year average of \$5.9 mil
- October's net patient revenues of \$4.4 million are just below budget by \$135,000. October is \$.6 mil or 16% more than the prior month September 2018. October had 23 working days compared to September's 19 working days in the month (19 is the lowest number in the year, compared to October'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 \$4.7 million were \$131,000 or 3% below budget. The only significant unfavorable budget variance in expenses was supplies at \$35,000 over budget. October had a net operating loss of \$152,000 compared to the budgeted loss of \$115,000.
- 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 gain for the month was \$35,000.
- The fiscal year-to-date operating loss of \$968,000 is under the budgeted loss of \$1,151,000. This is four months into the fiscal year and the year-end budgeted loss is set at \$1.7 million and a positive \$.8 million after non-operating revenues & expenses.

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

- Bruning moved
- Glusker second
- Roll call
  - Ayes: Miller, Bruning, Glusker, Birdsell, Lund
  - 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:**  
Meeting adjourned at 8:20 pm

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Peter Glusker, MD, Secretary  
Board of Directors

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Gayl Moon, Secretary to the  
Board of Directors