

**BOARD OF DIRECTORS MEETING  
HOSPITAL REDWOODS ROOM  
THURSDAY, MARCH 30, 2017  
MINUTES**

The Board of Directors of the Mendocino Coast Health Care District met in CLOSED session at 4:00 pm in the Hospital Redwoods Room, Steve Lund, Chair presiding

PRESENT: Mr. Lund, Dr. Glusker, Ms. Bruning, Dr. Miller, Dr. Campos

Mr. John Ruprecht, Legal Counsel  
Mr. Bob Edwards, CEO (telephonically)  
Mr. Wade Sturgeon, CFO  
Gayl Moon, Executive Assistant

ABSENT: None

**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, Mr. Steve Lund presiding.

**2. ROLL CALL:**

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

BOARD MEMBERS ABSENT: None

ALSO PRESENT:

Mr. John Ruprecht, Legal Counsel  
Mr. Bob Edwards, Chief Executive Officer (telephonically)  
Mr. Wade Sturgeon, 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:** Pursuant to §32155 of the Health and Safety Code February Quality Management and Improvement Council Report
  - The Board unanimously approved the February Quality Management and Improvement Council Report
2. **INFORMATION/ACTION:** Pursuant to California Government Code §54954.5 and §32155 of the Health and Safety Code Medical Staff Credentials and Privileges Review
  - There was no report.
3. **INFORMATION/ACTION:** Public Employment: To review and approve Professional Services Agreement for Dr. Bradley Bettinger Government Code §54954.5 & 54957
  - The Board approved the Professional Services Agreement for Dr. Bradley Bettinger

**4. PUBLIC COMMENTS**

- There were no public comments.

**5. REVIEW OF THE AGENDA**

- There were no revisions to the agenda.

**6. BOARD COMMENTS**

- Bob Edwards & Steve Lund attended the California Hospital's Legislative Action Day in Sacramento and it was very informative.
- Mr. Lund had a great experience when he went to the NCFHC Immediate Care for an illness.

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

- A. Minutes: Regular Session, February 23, 2017
- B. Approval of Special Session, March 2, 2017
- C. Approval of Special Session, March 16, 2017
- D. Observation Services Notification: MOON
- E. Electronic Signatures for Licensed Independent Providers

**MOTION:** To approve the Consent Calendar

- Bruning moved
- Glusker second
- Motion carried

**8. ACTION/INFORMATION: AMENDMENT TO PARTNERSHIP HEALTH PLAN MEMORANDUM OF UNDERSTANDING REGARDING PROVIDER RECRUITMENT SUPPORT PROGRAM PROVIDER RETENTION ENHANCEMENT PROGRAM: MS. ILONA HORTON**

- The Provider Retention Enhancement Program provides up to \$45,000 in additional funding as a retention incentive over a 36 month period for provider recruitment.
- The funds would be provided in-addition to the current Provider Recruitment Program's signing bonuses. The sum of \$45,000 for successfully recruited physicians will be paid out in \$15,000 increments at the completion of 12, 24 & 36 month for a total of \$45,000 in retention bonus. The sum of \$30,000 for successfully recruited nurse practitioners and physicians assistants will be paid out in \$10,000 increments at the completion of 12, 24 & 36 months for a total of \$30,000 in retention bonus.

**MOTION:** To approve the Amendment to Partnership Health Plan Memorandum of Understanding regarding Provider Recruitment Support Program Provider Retention Enhancement Program

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

**9. ACTION/INFORMATION: APPOINTMENT OF MR. BILL KNAPP AS A FINANCE COMMITTEE MEMBER: DR. LUKE CAMPOS**

**MOTION:** To approve Mr. Bill Knapp as a Finance Committee Member

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

**10. ACTION/INFORMATION: MEDITECH UPGRADE TO VERSION 6.1: MR. WADE STURGEON, CFO**

- The current MEDITECH system does not meet Meaningful Use Stage 2 requirements.
- This upgrade will create a significant amount of improved efficiencies throughout the organization and will likely improve the finances of the hospital as well.
- Mr. Sturgeon recommended the Board approve Administration to move forward with negotiations with MEDITECH to implement the upgrade to 6.16 with a “not to exceed” amount of \$3,000,000 associated to implementation costs. Mr. Sturgeon intends to present the final pricing and contract to the Board in April. Mr. Sturgeon asked for approval for not to exceed \$3.5 million and a 10% contingency.
- HELP II loans has asked that the Hospital adjust their loan packet from \$1.5 million to \$3.5 million at a 2 to 3 percent rate. Discussion ensued.

**MOTION:** To approve the MEDITECH upgrade to version 6.1 proposal; the dollar amount not to exceed \$3.5 million plus a 10% contingency

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

**11. ACTION/INFORMATION: 340B COMPLIANCE PROGRAM AGREEMENT BETWEEN THE PARTNERSHIP HEALTH PLAN AND MCDH: MS. LOIS LEISTER**

- This item and item #12 go together; one cannot go without the other.
- The terms for using 340B medications are regulated heavily by HRSA (Health Resources and Services Administration) and the OPA (Office of Pharmacy Affairs). MCDH is eligible for 340B because the Critical Access Hospital status.
- Medications used for 340B eligible patients are not subject for Duplicate Discounts. The Hospital cannot get the drugs at a reduced price plus the State of California (via PHP/Medi-Cal) obtaining drug rebates from the manufactures.
- This agreement is to assure that both MCDH & PHP are aware of the rules against duplicate discounts and that the hospital as the covered entity will only use 340B drugs for PHP patients if the Hospital signs the agreement stating they comply with the billing practices outlined by the rules for Medicaid.
- The non-disclosure agreement is part of the compliance program agreement with the 340B data clearinghouse which PHP has selected and has selected their hospital and

- their 3<sup>rd</sup> party 340B administrator.
- The terms of the agreement have been developed by PHP and as such have not allowed the Hospital to make changes to a significant degree. The terms of the agreement can be changed with proper written notice as noted in the agreement.
- This would add \$350,000 to the bottom line.
- Discussion ensued.

**MOTION:** To approve the 340B Compliance Program Agreement between the Partnership Health Plan and MCDH

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

**12. ACTION/INFORMATION: NON-DISCLOSURE AGREEMENT WITH NEC NETWORKS, LLC DBA 340BX CLEARING HOUSE: MS. LOIS LEISTER**

- This issue goes in tandem with Item #11

**MOTION:** To approve the Non-Disclosure Agreement with NEC Networks, LLC dba 340BX Clearinghouse

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

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

- Mr. Edwards thanked everyone at MCDH for giving him such great care when he underwent outpatient surgery recently.
- Dr. Wagu has agreed to be the lead Hospitalist.
- The multi-disciplinary team has begun doing daily rounds.
- Ten years ago the Hematology/Oncology Department opened their doors. Congratulations to Dr. Rochat and his staff!

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

A. Locum Tenens Coverage

1. Paul Nerz, MD –Department of Medicine-NCFHC

**MOTION:** After careful consideration recommend approval of Locum Tenens Coverage for Paul Nerz, MD

- Bruning moved
- Campos second
- Motion carried

B. Release from Provisional Status & Proctoring/Advance to Active Status

1. James Michael Sandys, MD –Department of Medicine-NCFHC

**MOTION:** After careful consideration recommend approval of Release from Provisional Status & Proctoring/Advance to Active Status for James Michael Sandys, MD

- Bruning moved
- Campos second
- Motion carried

C. Appointments to Medical Staff-Provisional Status

1. Lynette Chevalier-Paris, MD –Department of Medicine-Pediatrics
2. Gregory Moore, MD –Department of Medicine-Emergency Department
3. Ethan Ross, MD Department of Medicine-Emergency Department
4. Christopher Ryan, MD –Department of Medicine-Hospitalist Service

**MOTION:** After careful consideration recommend approval of Appointment to Medical Staff-Provisional Status for Lynette Chevalier-Paris, MD: Gregory Moore, MD: Ethan Ross, MD: Christopher Ryan, MD

- Bruning moved
- Campos second
- Motion carried

D. Appointment to Allied Health Professionals Staff

1. Lilo Fink, DNP, FNP-BC –Department of Medicine-NCFHC

**MOTION:** After careful consideration recommend approval of Appointment to Allied Health Professionals Staff for Lilo Fink, DNP, FNP-BC

- Bruning moved
- Campos second
- Motion carried

E. Resignation from Active Medical Staff

1. John Garratt, MD –Department of Medicine-Psychiatry

**MOTION:** After careful consideration recommend approval of Resignation from Active Medical Staff for John Garratt, MD

- Bruning moved
- Campos second
- Motion carried

F. Appointment of V-Rad Teleradiology Physicians

1. Kenneth Chong, MD
2. Jason Dipose, MD
3. Susan Gootnick, MD
4. Kamran Janjua, MD
5. Robert Henry, MD
6. Elaine Khatod, MD
7. Mark Miller, MD
8. Brian Morrow, MD
9. Julie Shaffrey, MD
10. Joshua Sokol, MD
11. Talitha Travis, MD

**MOTION:** After careful consideration recommend approval of Appointment of V-Rad Teleradiology Physicians Kenneth Chong, MD: Jason Dipose, MD: Susan Gootnick, MD: Kamran Janjua, MD: Robert Henry, MD: Elaine Khatod, MD: Mark Miller, MD: Brian Morrow, MD: Julie Shaffrey, MD: Joshua Sokol, MD: Talitha Travis, MD

- Bruning moved
- Campos second
- Motion carried

**15. INFORMATION: CHIEF OF PATIENT CARE SERVICES REPORT: MS. TERRY MURPHY**

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

**16. INFORMATION/ACTION: PLANNING COMMITTEE REPORT: DR. KEVIN MILLER**

1. OB Ad Hoc Update: Dr. Kevin Miller

- The Planning Committee met and John Allison gave a synopsis of the OB Committee Report, and the Planning Committee accepted the report as written. Discussion ensued.

2. CHNA: Mr. Bob Edwards, CEO

- Mr. Edwards recommended not collaborating with the county, but focusing on one or two indicators in the report. Possibly improving pre natal care. Improve the number of people who receive immunizations.
- Perhaps partner this with the PRIME Project.
- Discussed PR/Advertising. The Planning Committee approved recommendation to the Board that they allow management to spend \$50,000 to procure this service.

**MOTION:** To accept the Planning Committee Report from the OB Ad Hoc Committee

- Bruning moved
- Campos second
- Glusker opposed
- Motion carried

Several community members spoke in favor of keeping the OB Department open. Board members also spoke. Discussion ensued. Mr. Lund thanked everyone for attending the meeting and expressing their opinions.

**17. INFORMATION/ACTION: PLANT SERVICES REPORT: MR. STEVE KOBERT**

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

**18. INFORMATION/ACTION: JPA REPORT: MR. BOB EDWARDS, CEO**

- The CEO's continue to work on a Business Plan for the JPA.

**19. ACTION/INFORMATION: ALYSOUN HUNTLEY FORD FUND DRAW: MR. WADE STURGEON, CFO**

The Alysoun Huntley Ford Fund is a Board designated fund left to the Hospital for purposes of funding some respite for caregivers of patients who are dying at home. Each draw request is for up to \$2,000.00.

- There was one (1) request.

**MOTION:** To approve one (1) Alysoun Huntley Ford Fund Draw in the amount of \$752.16

- Glusker moved
- Campos second
- Motion carried

**20. INFORMATION/ACTION: ASSOCIATION AND COMMUNITY SERVICE REPORTS**

- There were no reports.

**21. ACTION/INFORMATION: STATISTICAL/FINANCE REPORT, FEBRUARY 2017:  
MR. WADE STURGEON, CFO**

February Highlights:

- Net Income from Operations was a loss of (\$302,584)
  - o YTD Loss from Operations (\$464,226)
- Net Income from All Sources was a loss of (\$274,368)
  - o YTD Income from All Sources \$26,205
- Bond Covenants as reported on the Executive Summary are all within requirements
  - o Debt Service Coverage Ratio is within covenant at 3.27
  - o Current Ratio is within covenant at 1.29
  - o Days Cash On Hand is within the covenant at 50.73

**MOTION:** To approve the Finance and Statistical Report for February 2017

- Glusker moved
- Bruning second
- Motion carried

**22. PUBLIC COMMENTS:**

- Tanya Smart stated there needs to be a plan for the Hospital that includes the schools and the City of Fort Bragg.

**23. ADJOURN:**

- The meeting adjourned at 8:15 pm

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Peter Glusker, MD, Secretary  
Board of Directors

Gayl Moon, Secretary to the  
Board of Directors