

**BOARD OF DIRECTORS MEETING
HOSPITAL REDWOODS ROOM
THURSDAY, JULY 26, 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. Birdsell
Mr. John Ruprecht, Legal Counsel
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: Ms. Kitty Bruning, Mr. Steve Lund, Dr. Kevin Miller, Dr. Peter Glusker, Mr. Birdsell
Board Members

BOARD MEMBERS ABSENT: None

ALSO PRESENT:

Mr. John Ruprecht, Legal Counsel
Mr. Bob Edwards, Chief Executive Officer
Mr. Mike Ellis, Chief Financial Officer

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 June Quality Management and Improvement Council Reports
 - The Board approved the June 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
 - There was no report.
4. **INFORMATION/ACTION:** Conference with Legal Counsel regarding the complaints of Lloyd Livingstone made to the District's Compliance Officer which in the opinion of the District's legal counsel there is potential exposure to actual litigation against the Hospital District. Government Code §54,956.9.
 - The Board received an update from legal counsel. This matter has been turned over to BETA (the Hospital's liability insurance carrier) for a response.
5. **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.
- 6. **INFORMATION/ACTION:** Attorney recruitment for new District General Counsel due to the planned retirement of John Ruprecht, current legal counsel to the District; selection of candidates for personal interviews by the Board. Personnel Session Government Code §54,957.
 - Some potential dates have been set aside for the Board to interview the top candidates.
- 7. **INFORMATION/ACTION:** Public Employment: To review and approve Professional Services Agreement for Dr. Jack Bellah Government Code §54954.5 & 54957
 - This item has been postponed until the August Board meeting.
- 8. **INFORMATION/ACTION:** Public Employment: To review and approve Professional Services Agreement for Dr. Linda James Government Code §54954.5 & 54957
 - This item has been postponed until the August Board meeting.
- 9. **INFORMATION/ACTION:** Public Employment: To review and approve Professional Services Agreement for Dr. Zoe Berna Government Code §54954.5 & 54957
 - This item has been postponed until the August board meeting.

4. **PUBLIC COMMENTS**

- Several community members made comments regarding MCDH issues.

5. **REVIEW OF THE AGENDA**

- To add acceptance of Mr. Birdsell’s resignation from the Finance Committee under the Finance Report

MOTION:

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

1. **BOARD COMMENTS**

- The Board received a letter from Congressman Jered Huffman congratulating the Hospital and the community on the passage of Measure C.

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

1. Minutes: Regular Session, June 28, 2018
2. Minutes: Special Session, July 16, 2018
3. Alysoun Huntley Ford Fund Draw – There were no requests
4. Policies and Procedures
 - Shift Differential Pay – Bargaining Unit Employees
 - Relocation Allowance

The June 28, 2018 minutes were pulled as changes were suggested.

MOTION: To approve the Consent Calendar with the removal of the June 28, 2018 minutes

- Bruning moved
- Glusker second
- Motion carried

The following corrections were requested for the June 28th Board Minutes:

- ✓ Item # 9 change approval of the Capital Budget to the Operations Budget
- ✓ Remove “Mr. Ellis presented the FY 2019 Capital Budget which was approved by the Finance Committee”, as that did not take place. Make the Motion specific to reflect the Operations Budget.
- ✓ On page 4, Section 7 the language under “Develop and RFP for in house legal Services needs to be cleared up

MOTION: To approve the June 28, 2018 Board minutes as amended

- Birdsell moved
- Bruning second
- Motion carried

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

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

➤ Joint Commission

- The Joint Commission will notify us on their day of arrival by way of an email that day at 7 am.
- Have been and continue to prepare for their survey visit.

➤ Community Health and Improvement Project

○ NCFHC PRIME:

Br Ca Screening = 75.17% (target = 53%, FY17 Baseline was 48%); Cerv Ca Screening = 66.5% (target = 49%, FY17 Baseline was 36%); Colorectal Ca Screening = 57.31% (target 41%, FY17 Baseline was 40%)

➤ Electronic Health Record: Mr. Mike Ellis, CFO

- The Meditech agreement has been deferred to the August 2018 Board meeting.

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

- The Operation Budget was approved by the Board at the July Board Meeting.

1. In Hours/RFP Legal Services: Mr. Mike Ellis, CFO; Mr. Dan Camp

- Several candidates responded to the RFP. A committee was formed, and narrowed it down to 2 candidates. The 2 candidates will be interviewed by the Board in the next couple of weeks at a Special Board meeting.

c. Physical Plant/Facilities: Ms. Nancy Schmid

- ATS is moving forward. The design for the parallel port is complete. There is an additional fee for Architectural Services for NM&R which was submitted and approved.
- The HVAC rerouting has been approved to go through the roadway and is currently in the design process.
- Nurse Call-A final filed with OSHPD to close the project.
- The Emergency Water Heater project will start and complete in August.
- Telemetry is complete. Waiting for the final bills to be submitted for the final cost structure to OSHPD so the project can be closed.
- The seismic soil testing will take place mid-August.

1. Fund a Need: Ms. Michele Roberts
 - Last year's fund-a-need was for new patient beds. Last year the auction raised \$382,000 plus an additional \$194,000 was received after the auction.
 - This year the Winesong fund-a- cause will be a holistic cancer care project. The goal will be to expand the Oncology Unit by adding 2 inpatient chairs. The patient waiting area will be expanded and relocated. A new nurse's station will be added. Small pieces of equipment will be added.
2. Board Comment on building needs: Mr. Bob Edwards
 - Mr. Edwards asked the Board members if they could identify any other additional improvement areas for the facility.
 - Cardio Pulmonary building is being looked into. It has been determined the building is safe, with no mold and good air quality.
- d. People/Physician Nursing and Support Staffing: Mr. Dan Camp
 - The Hospital had their first meeting with the Union yesterday. Will meet again on August 8th.
- e. Community Engagement/Involvement: Mr. Steve Lund, Chair
Parcel Tax: Mr. Steve Lund, Chair
 1. Exemption (Contiguous Parcel) update
 - A process has been put together on who will respond to the exemption requests and getting the necessary application and paperwork to those community members requesting one. The application is also available on the MCDH web site.
 - Due to the fact that not everyone is aware that this opportunity exists, there will not be a deadline the first year.
 - Once someone has been approved for the exemption, then they will not need to apply every year, unless the status of the property changes.
 2. Oversight Committee bylaws (reading 1)
 - Currently in the process of developing some draft bylaws with the hope of putting this before the Planning Committee at the August meeting and then the Board at their August meeting.
 - Process:
 - ✓ After the bylaws are approved Mr. Lund will ask for community members interested to submit a letter of interest.
 - ✓ The Board will then establish a process of selecting the committee members for specified terms.
 - ✓ The goal being to have the Oversight Committee selected and ready to meet in September or October.
- f. Governance: Mr. Steve Lund, Chair
 1. Mr. Tom Birdsell was appointed as the Interim Board member until the November election.
 2. On August 8, at 6:00 pm a Candidate's Forum will be held in the Redwoods for those interested in possibly running for the Board in November. August 10th is the deadline for applying to run for the Board.
 3. Parcel Tax was discussed earlier
9. **ACTION/INFORMATION: CONTRACT WITH PACIFIC COMPANIES EMPLOYMENT AGENCY FOR THE RECRUITMENT OF LOCUMS TENENS PHYSICIANS AND/OR NEW PHYSICIANS: MR. WILL LEE**
 - Pacific Companies will do a search for pain management companies.
 - Mr. Ruprecht stated a couple of issues in the contract still need to be worked out. Mr.

Ruprecht suggested the Board approve the contract with Pacific Companies subject to Mr. Ruprecht and Mr. Lee working out a satisfactory language change.

MOTION: To approve the contract with Pacific Companies to the satisfaction that they are able to satisfy Mr. Ruprecht and Mr. Lee on the temporary locum assignment candidates and non-contracted specialty fees

- Birdsell moved
- Bruning second
- Dr. Glusker stated that he is opposed. He feels this is an overly expensive and inappropriate way to try to recruit a pain doctor.
- Dr. Miller stated that he is opposed to this. He feels Summit Pain Alliance should be contacted and the Hospital should try to bring them back.
- Roll Call
 - Ayes: Lund, Bruning, Birdsell
 - Noes: Glusker, Miller
 - Absent: None
 - Abstain: None
- Motion carried

10. INFORMATION: CEO REPORT: MR. BOB EDWARDS, CEO

- Moving forward with the Electronic Health Records.
- Preparation continues for the upcoming Joint Commission survey.
- Union negotiations have begun.
- The patient surveys are now being texted to patients first. If there is no response, then the patient will be emailed twice, with the third attempt being a phone call.
- Sonoma Valley will close their OB Department on October 31.

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

A. Appointments to Medical Staff-Provisional Status

1. Scott Fisher, MD –Department of Medicine-Pediatrics
2. David Gonzales, DO –Department of Medicine-Hospitalist Service
3. Jim Seraj, MD –Department of Medicine-Emergency Department

MOTION: After careful consideration recommend approval of Appointments to Medical Staff-Provisional Status for Scott Fisher, MD; David Gonzales, DO; Jim Seraj, MD

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

B. Re-Appointment to Medical Staff

1. Brad Bettinger, MD –Department of Medicine-Radiology

MOTION: After careful consideration recommend approval of Re-Appointment to Medical Staff Brad Bettinger, MD

- Birdsell moved
- Bruning second

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

C. Appointment to VRad Tele-Radiology Physicians

1. Mailan Cao, MD
2. Shelley Jain, MD

MOTION: After careful consideration recommend approval of Appointment to VRad Tele-Radiology Physicians for Mailan Cao, MD; Shelley Jain, MD

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

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

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

13. **ACTION/INFORMATION: IPA REPORT: MR. STEVE LUND**

- There was no report.

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

- Mr. Ellis presented the June Financials.
- Mr. Ellis presented the Capital Budget.
- The Hospital will host a three (3) day Coding and Billing Seminar. Other companies will be invited to attend. The Foundation will help with the costs.
- **June Summary**
- June's cash of \$1.8 mil increased \$.2 million from May, however cash is \$.9 mil below same month prior year. Board Designated Funds of \$4.3 mil remain unchanged. Net AR decreased \$.5 mil as a result of efforts by new Revenue Cycle leadership in resolving old patient AR accounts. June's AP of \$6.2 mil decreased \$.6 mil from May, compared to the same month prior year at \$4.5
- June's net patient revenues of \$4.4 million were \$199,000 or 3.5% above budget, and \$556,000 greater than June 2017. The month's total operating expenses of \$4.6 million were \$36,000 or below budget. June had a net operating gain of \$53,000 compared to a June 2017 loss of \$516,000. With June being the last month of the fiscal year, there often are year-end adjustments that while posted in June, these adjustments stem from several months in the fiscal year. Including June's non-operating revenues and expenses the net gain for the month was \$129,000.
- The fiscal year (twelve months) ended at a total net loss of \$3.3 million compared to the budgeted total net loss of \$88,000. The largest budget variances are the line items: net patient revenues \$745,000 under budget, physician professional fees \$1.1 million over

budget, other professional fees \$.7 million over budget, S&W and benefits \$.6 million over budget, and registry \$.4 million over budget.

MOTION: To approve the Finance and Statistical Report for June 2018

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

- Mr. Ellis presented the Capital Budget

MOTION: To approve the Capital Budget for the 2018/2019 Fiscal Year

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

MOTION: To accept Tom Birdsell's resignation from the Finance Committee

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

15. INFORMATION: ASSOCIATION AND COMMUNITY SERVICE REPORTS

- There were no Association and Community Service Reports.

16. PUBLIC COMMENTS:

- Myra Beals read a letter to the Board from the Friends of the Hospital.
- Community members discussed issues regarding the Hospital.

17. ADJOURN:

Meeting adjourned at 7:50 pm

Peter Glusker, MD, Secretary
Board of Directors

Gayl Moon, Secretary to the
Board of Directors