

**BOARD OF DIRECTORS MEETING  
HOSPITAL REDWOODS ROOM  
THURSDAY, AUGUST 31, 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 (Dr. Campos arrived at 4:20 pm)

Mr. John Ruprecht, Legal Counsel  
Mr. Bob Edwards, CEO  
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  
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 July Quality Management and Improvement Council Report
  - The Board unanimously approved the July 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:** Contract with Zoe Berna, M.D., for services to become the North Coast Family Health Center's Electronic Health Records Physician Specialist. Government Code §54,957
  - The Board approved the contract with Zoe Berna, MD.
4. **INFORMATION/ACTION:** Contract with the law firm of Merrill, Arnone and Jones, LLP, for additional Hospital District Legal Services. Government Code §54,957

- The Board approved the contract with Merrill Arnone and Jones, LLP
5. **Information/Action:** Revised employment contract with the District’s Chief Financial Officer, Wade Sturgeon. Government Code §54,957
    - This item was postponed until September
  6. **Information/Action:** Options to retain P. K. Reddy, M.D., Orthopedic Surgeon, as a physician with the Hospital District either by a new independent contractor’s agreement or a direct district employment agreement with the District as now allowed by Assembly Bill 2024, effective January 1, 2017. Government Code §54,957.
    - No action was taken.
  7. **Information/Action:** Claim of Safeway/Albertson’s for alleged refund of 340B Pharmacy Program payments. Government Code §54,956.9(c)(2)
    - This item was discussed with staff and legal counsel.
  8. **Information/Action:** Claim of Margaret R. DeMarinis through her attorney Parveen Tumber. Government Code §54,956.9(c)(2)
    - This item will be addressed when Closed Session reconvenes after Open Session.
  9. **Information/Action:** Public Employment: To review and approve Professional Services Agreement for Dr. Linda James Government Code §54954.5 & 54957
    - The Board approved the contract for Dr. Linda James
  10. **Information/Action:** Public Employment: To review and approve Professional Services Agreement for Dr. Jack Bellah Government Code §54954.5 & 54957
    - The Board approved the contract for Dr. Jack Bellah
4. **PUBLIC COMMENTS**
    - Several community members spoke of issues regarding MCDH.
  5. **REVIEW OF THE AGENDA**
    - Mr. Lund requested moving “Current status of OR HVAC Project” and the Plant Services Report as the first items under New Business.
  6. **BOARD COMMENTS**
    - Mr. Lund and Mr. Edwards will attend a meeting on Sept. 7 at Mendocino Coast Clinics with the Friends of the Hospital.
    - Hope to get students from the College of the Redwoods to come to work for MCDH.
  7. **ACTION: APPROVAL OF CONSENT CALENDAR: MR. STEVE LUND, PRESIDENT**
    1. Minutes: Regular Session, July 27, 2017
    2. Approval of Alysoun Huntley Ford Fund Draw 3 patients for a total of \$320.83

**MOTION:** To approve the Consent Calendar

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

- Motion carried

**8. ACTION/INFORMATION: CURRENT STATUS OF OR HVAC PROJECT (Operating Room, Heating, Ventilation and Air Conditioning) & PLANNING COMMITTEE REPORT: MR. STEVE KOBERT**

- Mr. Kobert reported the following:
  - **Nurse Call**
    - ✓ The final inspection was completed on July 3, 2017; however it may not be closed out until the new “Change of Use” project is approved by OSHPD.
  - **Telemetry**
    - ✓ OSHPD Project Plan Approval was received on August 22, 2017
    - ✓ OSHPD Building Permit was issued on August 29, 2017
    - ✓ Final Budget schedule being completed now to include all project and OSHPD-required changes
    - ✓ Mr. Kobert reviewed the timeline
  - **ATS Replacement**
    - ✓ OSHPD has approved the plans and specifications for the project
    - ✓ Plan approval from OSHPD starts a 12-month time period within which construction must be started
    - ✓ Application for Building Permit has been submitted to OSHPD
    - ✓ Preparation of Bid Documents is the next step in the process, followed by submission of the same to the Board for review and approval
  - **Central Sterile Project:**
    - ✓ Design development of the sterilization/disinfection equipment information provided by the Steris Corporation into the plans and specifications is ongoing. Researching how to incorporate Building Code required HVAC changes to best supply new air flow, humidity, and air pressure relationships to the area.
  - **OR HVAC Equipment**
    - ✓ Current estimated time to completion: 12 months from completion of bid documents
    - ✓ MCDH Project Management/Maintenance staff has implemented the first phase of work to clear the site and prepare for the installation of the new concrete equipment pad that will be installed immediately adjacent to the Operating Rooms (external to the hospital). Per the written direction of OSHPD, this work must be started by 8/31/17, and thus will be completed by MCDH personnel (per the requirements of California Code) while the bid documentation is simultaneously completed for approval by the Board.
  - **Change of Use Project**
    - ✓ Project will be composed of two phases:
      - ❖ Phase 1: Scoping Study to assess existing conditions throughout the facility
      - ❖ Phase 2: Implementation of desired change of use project(s) per strategic plan
    - ✓ A proposal has been received from the A&E Team, and is being reviewed at this time
  - **GeoTechnical Investigation Project**
    - ✓ The MCDH project team has received a proposal to perform this work and is working with the CEO to move forward with the project as is within the CEO spending limits.

➤ **Parking Lot Project:**

- ✓ An assessment of the parking lots throughout the MCDH campus is currently ongoing. An analysis of different types of treatment, including coatings and toppings, are being evaluated to determine how this parking lot issues can best be addressed. A recommendation will be provided to Administration in the very near future.

**9. ACTION/INFORMATION: SEPTEMBER 23, 2017 BOARD/PLANNING/FINANCE RETREAT: MR. STEVE LUND, CHAIR**

- A Board/Finance/Planning Retreat is scheduled to take place on Saturday, September 23 from 9:00 am to 1:00 pm at Our Lady of Good Counsel Church 255 S. Harold Street, Fort Bragg. This retreat will be a working session to discuss MCDH issues including the 2030 retrofit for the Hospital.

**9. ACTION/INFORMATION: M-MODAL FOR MEDICAL TRANSCRIPTION SERVICES: MR. WADE STURGEON, CFO**

- In July the Hospital's transcription service provider was attacked by a ransom ware. This situation exposed several flaws in the current systems that have been in place for many years.
- Immediately after the Nuance incident occurred, M-Modal was able to assist the Hospital with getting a process back in place quickly so they had a bridge for transcription services.
- This contact with M-Modal is for a standard 5 year term with no implementation costs, no minimum transcription requirement and no penalty for transitioning to their voice recognition platform. This agreement will save the Hospital between \$25,000 and \$50,000 annually compared to their current agreement.
- There will be a 2 to 3 month implementation process upon approval of this long term agreement before the transcription services are back to an even par of where they were prior to the incident.
- Mr. Ruprecht stated that the contract has no provision for early termination. He would like wording to the effect, that if it doesn't work out with M-Model, the contract can be terminated for cause.

**MOTION:** To approve the contract with M-Modal for Medical Transcription Services with the provision to be added that the contract can be terminated for cause

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

**10. ACTION/INFORMATION: CONTRACT WITH GENERAL ELECTRIC HEALTHCARE FOR REFURBISHED OEC – EXPANDED SURGICAL PLATFORM MOBILE C-ARM AND ANCILLARY EQUIPMENT: MR. WADE STURGEON, CFO**

- This will replace the C-Arm Fluoroscopy system for the Diagnostic Imaging Department. The OEC 9800 Plus Digital Mobile Standard C-arm ESP from General Electric Healthcare is a mobile system which creates real-time X-Ray images for surgical procedures on joints, pain treatment injections and surgery on other larger sites on the body. The system is utilized frequently by the Hospital's surgeons for

confirmation of correct placement of catheters, implants and other internal medical devices.

- The existing system is 20 years old, obsolete and parts are very difficult to locate.
- This item is on the FYE 2018 approved Capital Budget at an estimated cost of \$190,000 and will be paid for out of Operating Cash on hand.
- The OEC 9800 Plus Digital Mobile Standard C-arm ESP cost will be \$114,584 plus applicable tax and shipping.

***MOTION:*** To approve the General Electric Healthcare for Refurbished OEC – Expanded Surgical Platform Mobile C-Arm and Ancillary Equipment in the amount of \$114,584 plus applicable tax and shipping

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

**11. ACTION/INFORMATION: STRYKER, VIDEO CAMERA TOWER FOR FIBEROPTIC CAMERA SYSTEM (laparoscope): MR. BOB EDWARDS, CEO/MR. WADE STURGEON, CFO**

- This is a lease, with the option to purchase at the end of the lease for a Surgery Department camera system to perform minimally invasive surgery cases.
- The existing equipment in the OR, that is owned by MCDH needs updating and is a part of the Capital Equipment for 2017-2018. For the past 2 years Stryker has delivered to MCDH several pieces of Tower equipment, that has been on loan from Stryker to keep the Tower functioning.
- The equipment has a total financed amount of \$466,863.05. A \$32,289.70 amount is due upfront (Sales Tax). The lease period is for 60 months at a zero percent lease rate at which time it can be purchased for \$1.00.
- Discussion ensued.

***MOTION:*** To approve the Stryker Video Camera Tower for Fiberoptic Camera System (laparoscope) pending Mr. Ruprecht's review of the service agreement

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

**12. ACTION/INFORMATION: PACS SYSTEM: MR. WADE STURGEON, CFO**

- This is a proposal to replace the PACS (Picture Archiving and Communication System) for the Radiology & Cardiology departments. The system stores & displays X-Ray images and images from other modalities. The system stores and displays X-Ray images and images from other modalities. The system is utilized daily & frequently by Radiologists and the

Cardiology Department Medical Director to provide diagnostic reports and confirmation of correct placement of catheters and other internal devices.

- The current system has only 100 days of estimated storage left on system hard-drives. The current vendor (CareStream) will not support repair or replacement of current system components.
- This upgrade PACS will provide support for newer image file formats, and provide a more robust integration with Meditech 6.1x.
- This agreement is written as an Operating Lease that included maintenance of both software and hardware over the contract period. The cost to install this system is \$131,036 with annual service fees beginning after year one (1) to maintain the system n the amount of \$39,632 for four (4) years. The total cost of the system is \$329,564 over five (5) years.
- Mr. Sturgeon recommended approval of the purchase of the Novarad PACS pending legal review and approval not to exceed the five (5) year cost of \$329,564.

**MOTION:** To approve the Novarad PACS Operating Lease pending legal review and approval by Mr. Ruprecht and Mr. Sturgeon not to exceed \$329,564

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

**13. ACTION/INFORMATION: PLANNING COMMITTEE CHAIR: MR. STEVE LUND, CHAIR**

- Mr. Lund is now the Planning Committee Chair with Dr. Miller being a Planning Committee Member. Mr. Lund thanked Dr. Miller for the work he did as chairperson to the Planning Committee.
- Steve Kobert gave a Plant Facility Update.
- Relines recommended by the Joint Commission for Board protocols instead.
- Mr. Lund sent letters to Mike Dell'Ara and James Katzell thanking them for their years of serving on the Planning Committee.
- The Planning Committee approved adding additional members: Rob Scott, John Allison & Carol White.

**MOTION:** To appoint Rob Scott, Carol White & John Allison to the Planning Committee

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

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

- Mr. Edwards introduced Lynn Finley as the new Chief Nursing Officer.
- The Locums OB coverage will be provided by the Hospital until the Mendocino Clinic is able to find a second OB/GYN.

- The Joint Commission came to the Hospital last week there were no findings of patient harm or no critical events. There was a moderate event regarding nurse competency check list process. A culture safety survey does need to be conducted.
- A position for an Analyst will be posted, and along with software recently purchased will be able to provide information on Product lines.
- The Hospital has been challenged trying to find an Electronic Health Record that can move the Hospital into the future. Meditech offers in house financing; however other parts of the system are very expensive; the Hospital could not move forward with this as they could not locate financing. The Hospital is looking into leasing a Cerner product.
- Part of the Partnership Health Plan Quality Bonus contained 2 parameters last year, but this year they are looking into admissions, and are also looking at a palliative care program, and hope to implement that over the next year. The California Hospital Patient Safety Organization Participation. GI Training option.

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

**A. Temporary Privileges**

1. Eleanor Oakley, MD –Department of Medicine-Emergency Medicine (Aug 30-31, 2017)
2. Sandeep Pandov, MD – Department of Medicine-Hospitalist Service (Aug 23-31, 2017)
3. Robert Pollard, MD – Department of Medicine-Emergency Medicine (Aug 20, 2017)
4. Susan Sims, FNP – Department of Medicine-Allied Health Professional-NCFHC (Aug 1-Oct 31, 2017)

***MOTION:*** After careful consideration recommend approval of Temporary Privileges for Eleanor Oakley, MD: Sandeep Pandov, MD: Robert Pollard, MD: Susan Sims, FNP

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

**B. Locum Tenens Coverage**

1. Ragu Nathan, MD –Department of Medicine-Radiology (Aug 14-20, 2017)

***MOTION:*** After careful consideration recommend approval of Locum Tenens Coverage for Ragu Nathan, MD

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

**C. Release from Provisional Status & Proctoring/Advance to Active Status**

1. Zoe Berna, MD –Department of Medicine-NCFHC

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

- Bruning moved

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

D. Appointment to Medical Staff –Provisional Status

1. Eleanor Oakley, MD –Department of Medicine-Emergency Medicine
2. Sandeep Pandov, MD –Department of Medicine-Hospitalist Service
3. Robert Pollard, MD –Department of Medicine-Emergency Medicine

***MOTION:*** After careful consideration recommend approval for Appointment to Medical Staff –Provisional Status for Eleanor Oakley, MD: Sandeep Pandov, MD: Robert Pollard, MD

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

E. Appointment of V-Rad Teleradiology Physicians

1. Benjamin Bak, MD
2. Paul Cayea, MD
3. Melanie Chang, MD
4. Jay Donahoo, MD
5. Viken Manjikian, MD
6. Robert Miller, MD
7. Kathryn Zamora, MD

***MOTION:*** After careful consideration recommend approval of Appointment of V-Rad Teleradiology Physicians Benjamin Bak, MD: Paul Cayea, MD: Melanie Chang, MD: Jay Donahoo, MD: Viken Manjikian, MD: Robert Miller, MD: Kathryn Zamora, MD

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

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

- Bar Code Medication Scanning: Training was provided to the inpatient nursing staff (Medical-Surgical, Intensive Care and OB) July 5, 2017 and the Hospital went live July 18<sup>th</sup>. They had a goal of hitting a 75% compliance rate by the end of August. As of August 22, 2017 they had a scan rate of 78% with an RN compliance rate of 86% excluding known issues. CIS and Pharmacy are working together to solve the known issues so they can increase their successful scanning outcomes and provide safer

medication administration to their patients.

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

- This report was given earlier in the meeting.

**17. ACTION/INFORMATION: PLANNING COMMITTEE REPORT: MR. STEVE LUND, CHAIR**

- This report was given earlier in the meeting.

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

- There were no reports.

**19. ACTION/INFORMATION: STATISTICAL/FINANCE REPORT, JUNE 2017: MR. WADE STURGEON, CFO**

**July Highlights:**

- **Net Income from Operations was a loss of (\$250,039)**
  - o YTD Loss from Operations (\$250,039)
- **Net Income from All Sources was a loss of (\$214,632)**
  - o YTD Income from All Sources (\$214,632)
- **Bond Covenants as reported on the Executive Summary are all within requirements**
  - o Debt Service Coverage Ratio is within covenant at 1.39
  - o Current Ratio is within covenant at 1.15
  - o Days Cash On Hand is within the covenant at 48.80
- Discussion ensued.

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

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

**20. PUBLIC COMMENTS:**

- Several community members commented on issues/concerns with the Hospital.

**21. ADJOURN:**

- Open Session adjourned at 8:05 pm

Reconvened Closed Session at 8:15 pm

A. Reporting out of Closed Session

**1. ACTION/INFORMATION: Claim of Margaret DeMarinis**

- The Board received a report from legal counsel regarding the claim of Margaret R. DeMarinis.
- The Board gave counsel additional direction.
- No action was taken.

Meeting adjourned at 8:25 pm

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Peter Glusker, MD, Secretary  
Board of Directors

Gayl Moon, Secretary to the  
Board of Directors