

**BOARD OF DIRECTORS MEETING
HOSPITAL REDWOODS ROOM
THURSDAY, APRIL 27, 2017
MINUTES**

The Board of Directors of the Mendocino Coast Health Care District met in CLOSED session at 4:30 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
Mr. Wade Sturgeon, CFO (telephonically)
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 6:10 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 (telephonically)
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 March Quality Management and Improvement Council Report
 - The Board unanimously approved the March 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
 - The Board accepted the Medical Staff Credentials and Privileges Review
3. **INFORMATION/ACTION:** Public Employment: To review and approve Professional Services Agreement three month extension for Dr. John Kermen Government Code §54954.5 & 54957
 - The Board approved the Professional Services Agreement three month extension for Dr. John Kermen

4. **INFORMATION/ACTION:** Public Employment: To review and approve Professional Services Agreement three month extension for Dr. Russell Perry Government Code §54954.5 & 54957
 - The Board approved the Professional Services Agreement three month extension for Dr. Russell Perry
5. **Information/Action:** Formal Claim of Ellen Hardin, former HR Director, pursuant to California Government Code §905, et seq., Government Code §54956.9(d)(2); (e)(3)
 - The Board voted to reject the Formal Claim of Ellen Hardin
6. **Information/Action:** Continuation of Public Employee Performance & Review Evaluation, CFO of the District, from 3/16/17 Special Board Meeting. California Government Code §§54957(b)(1) and (b)(2); Government Code §54954.5
 - The Board will continue the matter concerning the CFO Evaluation and Review until a Special meeting can be noticed in order for the CFO to be present

4. PUBLIC COMMENTS

- Malcom Macdonald had comments regarding several issues.
- Several community members made comments on keeping the OB Department at the Hospital open. A petition with 300 signatures in favor of keeping the OB Department open was given to Gayl Moon, Secretary to the Board.

5. REVIEW OF THE AGENDA

- Mr. Lund requested the Plant Services Report be given when the Nurse Call System Report is given.

6. BOARD COMMENTS

- Dr. Glusker suggested each department in the Hospital be requested to look at possible savings & solutions within their departments to help sustain the OB Department and that this be incorporated into the budget process.

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

1. Minutes: Regular Session, March 30, 2017
2. Approval of Special Session, April 1, 2017
3. Approval of Special Session, April 4, 2017
4. Rash Curtis & Associates Financial Services Agreement
5. UVMC Purchasing Manager Agreement
6. Joint Powers Agreement Requested By-law Changes, Updated Business Plan
7. Approval of Alysoun Huntley Ford Fund Draw for a total of \$764.33
8. Paid Sick Leave – Per Diem and Temporary Employees

- Dr. Glusker requested the removal from the Consent Calendar of item numbers 4, 5, 6, 8 and the Paid Sick Leave – Per Diem and Temporary Employees Policy

MOTION: To approve the Consent Calendar item numbers 1, 2, 3 & 7

- Glusker moved
- Bruning second
- Motion carried

8. ACTION/INFORMATION: RASH CURTIS & ASSOCIATES FINANCIAL SERVICES AGREEMENT

- Rash Curtis & Associates is a collection agency, and the cost is factored on a contingency basis.

MOTION: To approve the Rash Curtis & Associates Financial Services Agreement

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

9. ACTION/INFORMATION: UVMC PURCHASING MANAGER AGREEMENT

MOTION: To approve the UVMC Purchasing Manager Agreement

- Glusker moved
- Campos second
- Roll call
 - Ayes: Bruning, Miller, Glusker, Campos, Lund
 - Noes: None
 - Absent: None
 - Abstain: None
- Motion carried
- Mr. Ruprecht stated he has reviewed this contract and feels it is fine legally; however the amount of compensation for the employee the hospital will lease from UVMC is not filled in.
- Mr. Sturgeon stated that the compensation amount will be at or lower than what the Hospital was paying before.

MOTION: Dr. Glusker amended his motion to state that the compensation amount should not exceed what the Hospital was previously paying

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

10. ACTION/INFORMATION: JOINT POWERS AGREEMENT REQUESTED BY-LAW CHANGES, UPDATED BUSINESS PLAN

- The JPA is interested in adopting a method to bring in additional revenue by being a conduit issuer for non-member clients'
- The debt instrument documents and bond indentures incident to these findings routinely indemnify and hold harmless the conduit issuer from liability. Bond counsel characterizes the risk in conduit transactions as minimal. A recent conduit issuer transaction, for a JPA member, brought in \$7,500 to the JPA.
- Discussion ensued.

MOTION: To approve the Joint Powers Agreement Requested By-Law Changes, Updated Business Plan

- Bruning moved

- Campos second
- Roll call
 - Ayes: Campos, Miller, Bruning, Lund
 - Noes: Glusker
 - Absent: None
 - Abstain: None
- Motion carried
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11. ACTION/INFORMATION: PAID SICK LEAVE – PER DIEM AND TEMPORARY EMPLOYEES POLICY

- Dr. Glusker questioned why this policy is retroactive to July 2015.
- It was recently discovered that the policy had not been signed off and so it was forwarded for Board approval.

MOTION: To approve the Paid Sick Leave – Per Diem and Temporary Employees Policy #130.1427

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

12. ACTION/INFORMATION: UVMC BIOMED CONTRACT: MR. JOHN RUPRECHT

- Mendocino Coast District Hospital (MCDH) and Adventist Health System (AHS) have had an agreement for the provision of biomedical engineering services for the past nine (9) years.
- This request is a recommendation for the Board to approve entering into a contractual agreement with Adventist Health Clinical Engineering Services to provide full-time (40 hours per week) Biomedical Engineering Services at a cost of \$154,000 per year.

MOTION: To approve the UVMC Biomed Contract not to exceed \$154,000 per year

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

13. ACTION/INFORMATION: MACRO HELIX AMENDMENT TO 2014 CONTRACT (BUY-OUT AMENDMENT): MR. WADE STURGEON, CFO

- In 2014 MCDH implemented the 340B Pharmacy Program. At the time a contract was entered into with Macro Helix to be the Hospital's third party administrator for 340B Processing. The contract has an exclusivity clause in it that does not allow the Hospital to contract with any other third party administrator for individual pharmacies.
- In the fall of 2016 Mendocino Coast Pharmacy informed the Hospital that they would no longer work with Macro Helix to provide 340B Services to MCDH.

- Macro Helix has offered an addendum to their contract that will allow MCDH a one time exception to the exclusivity clause so that the Hospital can use Capture Rx with Mendocino Coast Pharmacy. MCDH must buy out the “loss of revenue” for \$1,600 per month, which Macro Helix estimates will occur until the end of the contract due to the utilization of another vendor.

MOTION: To approve the Macro Helix Amendment to the 2014 Contract (Buy-out Amendment)

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

14. ACTION: JUNE BOARD MEETING DATE CHANGE TO JUNE 22, 2017

- A request was made to move the June Board meeting date from June 29 to June 22.

MOTION: To move the June Board meeting date to June 22nd

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

15. INFORMATION/ACTION: APPROVAL OF NURSE CALL PROJECT: MR. STEVE KOBERT

- The equipment installation portion of the Nurse Call Installation Project is complete. Project wrap-up, which included completion of a line-by-line expense reconciliation, has been significantly complicated by the fact that this project started in 2009, was approved by OSHPD in July of 2012, stopped in 2013, and then restarted in 2015. As detailed in February 2017 Project Updates to the Board, there have been a number of opportunities for improvement identified with the project which include:
 - ✓ Clearly defined project scope
 - ✓ Comprehensive design development
 - ✓ In-depth review of existing facility conditions
 - ✓ Obtain written proposals from vendors for budget development
 - ✓ Realistic project schedules
- Financial reconciliation of project records dating back to 2009 has determined that significant expenses were never included in the budgetary pricing presented to Administration or the Board. This request is a recommendation for the Board to approve an increase to the budget of the Nurse Call Installation Project by \$75,000 to a Not-To-Exceed cost of \$600,000

MOTION: To approve an increase to the budget of the Nurse Call System by \$75,000 not to exceed a total cost of \$600,000

- Glusker moved

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

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

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

MOTION: To accept the Plant Services Report

- Bruning moved
- Campos second
- Motion carried

17. INFORMATION/ACTION: HELP II LOAN: MR. WADE STURGEON, CFO

- Mr. Sturgeon attended the CHAFFA Board Meeting today in Sacramento. The original loan was going to be for \$1.5 million, however the CHAFFA management suggested to Mr. Sturgeon that he could ask for an exception and go for \$3.5 million.
- The CHAFFA Board today requested that the \$1.5 million be presented by itself, and then there was discussion regarding the difference of \$2 million. The Board approved the \$1.5 million. The Board did not approve the additional \$2 million. They will need to create a policy around the exception, and/or increasing the cap on the loan. Mr. Sturgeon expects to hear back from CHAFFA within the next few days as to the Board's decision regarding the additional \$2 million.

18. INFORMATION/ACTON: MEDITECH UPGRADE TO VERSION 6.1: MR. WADE STURGEON, CFO

- Meditech's offer to finance is only specific for the software licensing. They will not finance the hardware and outside entities to do the implementation.

INFORMATION: CEO REPORT: MR. BOB EDWARDS, CEO

- The Joint Commission has completed their survey of the Hospital's Laboratory and the results were excellent. The Laboratory received a "Gold Circle of Approval".
- Mr. Edwards gave a power point presentation regarding what has been accomplished in his last two (2) years at MCDH. The power point focused on:
 - ✓ Quality
 - ✓ Finances
 - ✓ Volume
 - ✓ People
 - ✓ Future

19. ACTION/INFORMATION: MEDICAL STAFF REPORT: DR. JOHN KERMEN

A. Temporary Privileges

1. Rajwinder Bahia, MD –Department of Medicine-Hospitalist Service

MOTION: After careful consideration recommend approval of Temporary Privileges for Rajwinder Bahia, MD

- Bruning moved
- Campos second
- Motion carried

B. Locum Tenens Coverage

1. Amy Tomlinson, MD – Department of Surgery-Obstetrics/Gynecology

MOTION: After careful consideration recommend Locum Tenens Coverage for Any Tomlinson, MD

- Bruning moved
- Glusker second
- Motion Carried

C. Re-Appointments to Medical Staff

1. Jeffrey Berenson, MD – Department of Medicine-Internal Medicine
2. Michael Brown, MD – Department of Medicine-Psychiatry
3. Lawrence Goldyn, MD – Department of Medicine-Internal Medicine
4. Jason Kirkman, MD – Department of Medicine-Internal Medicine
5. John Rochat, MD – Department of Medicine-Internal Medicine
6. James Swallow, MD – Department of Medicine-Internal Medicine

MOTION: After careful consideration recommend approval of Re-Appointments to Medical Staff for Jeffrey Berenson, MD: Michael Brown, MD: Lawrence Goldyn, MD: Jason Kirkman, MD: John Rochat, MD: James Swallow, MD

- Bruning moved
- Glusker second
- Motion carried

D. Appointments to Medical Staff-Provisional Status

1. Rajwinder Bahia, MD –Department of Medicine-Hospitalist Service

MOTION: After careful consideration recommend approval of Appointment to Medical Staff-Provisional Status for Rjwinder Bahia, MD

- Bruning moved
- Campos second
- Motion carried

E. Resignation from Active Medical Staff

1. Benjamin Graham, MD - Department of Medicine-Internal Medicine
2. Attila Mady, MD – Department of Medicine-Internal Medicine/Hospitalist Service
3. John Wallace, MD – Department of Medicine-Internal Medicine

MOTION: After careful consideration recommend approval of Resignation from Active Medical Staff for Benjamin Graham, MD: Attila Mady, MD: John Wallace, MD

- Glusker moved
- Bruning second
- Motion carried

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

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

21. **INFORMATION/ACTION: PLANNING COMMITTEE REPORT: MR. BOB EDWARDS, CEO**

- Mr. Edwards stated the Planning Committee wants to adopt the Prime Project as the window into the Community Health Needs Assessment issues: there are three (3) indicators (1) Breast Cancer, (2) Cervical Cancer and (3) Colorectal Cancer.

MOTION: To accept the Planning Committee Report to make the Prime Project the window into the Community Health Needs Assessment

- Bruning moved
- Campos second
- Motion carried
- Mr. Edwards has looked at a couple of marketing firms, and stated that he and his Sr. Team feel the Marketing/PR Program will be more successful if it is a Hospital employee in house.

22. INFORMATION: ASSOCIATION AND COMMUNITY SERVICE REPORTS

- There were no reports.

23. ACTION/INFORMATION: STATISTICAL/FINANCE REPORT, MARCH 2017: MR. WADE STURGEON, CFO

- Robin Modder and Dr. Kermen gave a presentation on the OR Department, volumes, trends, etc.

March Highlights:

- Net Income from Operations was an income of \$79,715
- o YTD Loss from Operations (\$384,511)
- Net Income from All Sources was an income of \$114,116
- o YTD Income from All Sources \$140,321
- Bond Covenants as reported on the Executive Summary are all within requirements
- o Debt Service Coverage Ratio is within covenant at 3.21
- o Current Ratio is within covenant at 1.30
- o Days Cash On Hand is within the covenant at 46.56

MOTION: To approve the Finance and Statistical Report for March 2017

- Bruning moved
- Miller second
- Motion carried

25. PUBLIC COMMENTS:

- Malcom Macdonald continued his comments from earlier in the meeting.
- Carole White made comments regarding reducing registry staff and producing permanent employment.

26. ADJOURN:

- The meeting adjourned at 8:00 pm

 Peter Glusker, MD, Secretary
 Board of Directors

 Gayl Moon, Secretary to the
 Board of Directors