

### **When the new Board took office in January 2019,**

- The hospital had lost over \$5M in the previous three years and was projected to lose \$1.5M in the current fiscal year.
- Long term debt was exceedingly high, twice that for a hospital like ours
- Labor negotiations had stalled and seemed headed for a strike
- The CEO exercised too much influence over the Board which extended his lucrative contract without having done performance reviews
- There was an unhealthy work environment attributable to the senior management which led to a multi-million-dollar harassment lawsuit
- Only the bare minimum was spent on deferred maintenance, just enough to keep the doors open
- Implementation of the new EMR system by Meditech was floundering

### **Within its first year, the Board did the following**

- Made the controversial decision to fire the CEO which drew the ire of some outspoken members of the medical staff
- For the first time in five years, delved into budget department by department
- Began cost cutting measures, including reducing the size of top management
- Recognized the Meditech EMR was unworkable and stopped its implementation which was consuming enormous amounts of staff time
- Settled the labor negotiations and avoided a strike.
- Initiated the process of affiliation

### **During its second year, the Board did the following**

- Spent months negotiating an affiliation agreement with Adventist that resulted in
  - securing the continuity of health care on the coast
  - a financial arrangement that provides the money needed to spend more on deferred maintenance, retire 100% of the District's debt and to put away \$25M for a new facility.
- Conducted twelve townhall meetings to gain the approval of the community
- Rescued the affiliation efforts when AH corporate management was ready to withdraw after the PG&E outages in Oct. 2019 resulted in a \$500,000 loss in one month. The Board responded with a Financial Improvement Plan that resulted in a balanced budget for the first time in 5 years and allowed the negotiations to continue.
- Got the District's financial house in order by making the painful and highly controversial decision to end Labor & Delivery on the coast. This was the final step in securing the affiliation with AH.

### **During its third year, the Board did the following:**

- Implemented a complicated transfer of operations to AH.
- Began rebuilding its own infrastructure and institutional knowledge including transferring financial services from AH. This was done mostly by the volunteer Board members during which time it had staff help for 3 months only.
- Because the Board and AH made promises and created expectations about improving health care, the Board initiated a dialogue with the community to determine if those promises and

expectations are being met. The survey included 507 responses from individuals. The results, which will be discussed at a Townhall meeting, will be used to reinforce what is being done well and make improvements as needed. In this way, the Board can convey community input to a private business that does not conduct public meetings.

- Is creating a Strategic Plan, using the survey results, that will guide decisions especially regarding new health care facilities on the coast.