

Date: October, 28, 2009

Time: 1:00 P.M.

Location: Mayers Memorial Hospital  
Burney, California

*(These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.)*

**1. CALL MEETING TO ORDER:** President Kerns called the regular meeting to order at 1:00 p.m. on the above date with the following present:

Mike Kerns, President  
Gail McClung, Vice President  
Jim Hamlin, Treasurer  
Ruth Knoch, Secretary

Absent: Allen Albaugh

Staff Present: Katharine Ann Campbell, CEO; Jane Atkins, CQO; Marlene McArthur, Administrative Board Clerk. Others: JP Marion, Cal Mortgage, OSHPD

**2. ADDITIONS & CHANGES TO AGENDA, SECTION 54954.2(b)2:**

None

**3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS:**

Martha Lucero-Fletcher registered to speak to agenda items: 1) Item 5.3.1: September 2009 Financials; 2) Item 5.1.4: Policies & Procedures – Exit Interview. She also spoke during open comment period as follows:

Public Comment: Martha Lucero-Fletcher expressed concern with the current financial status of the hospital and the fact that California is #1 in hospital closures. She stated accurate financials and data for board members enable them to make good decisions. She reported a recent meeting she had with OSHPD Cal-Mortgage staff to better understand the regulatory agreement with Mayers—and to also discuss California hospital closures and their role as a government agency in assisting hospitals to become viable. Ms. Lucero-Fletcher also shared a story of a small rural hospital in Montana that was on the brink of closing in 2007 and the community efforts to save the hospital and dispersed the article that appeared in the Missoulian dated June 1, 2007. If for any reason a board member is hesitant on any issue brought before them, she asked board members to pause—and to fully research and understand the financial impacts before approving.

Public Comment: Ken Fletcher questioned significant amounts of money in the past written off and asked for reason. Board Chair directed staff member Viola Babcock, CFO, to meet with Mr. Fletcher to obtain information. CFO Babcock answered that significant uncollectible amounts were written off and new measures have been implemented and now in place. She assured District's commitment to the community to work smarter and more diligently—and looking after the assets of the District in a more conscientious manner.

**4. APPROVAL OF MINUTES – A motion/second (Knoch/Hamlin) to accept, as presented, the minutes of the regular meeting of September 23, 2009, with the following corrections:**

- Page 2: **Net revenue for August a "positive" \$1.8 million (gross)**
- Page 3: **"sentimental" changed to "sentinel" events. MSC.**

## **5. BOARD COMMITTEE REPORTS:**

### **5.1 Quality Committee:**

5.1.1 Balance Scorecard: CQO Atkins dispersed and reviewed Balanced Scorecard September 09—and reported new BSC quality measurements are being developed that are to be implemented by January 1st. The goal is to develop more targeted performance indicators that are tied directly to work plan.

#### 5.1.2 Board Quality Committee Report:

Committee chair Mike Kerns reported the following highlights from the BQC meeting held 10/12/09:

- Draft P&Ps: 1) Transfer of PTO Hours Employee-to-Employee for Hardship (revised); 2) Sustained Hours to Maintain Benefits (new); 3) Internal Complaint (revised)
- Work being done on new set of BSC measures to be tied in with work plan
- 30-Day Readmission: CHA study on heart attacks, pneumonia, and heart failure: Mayers was rated “average” indicating that patients are not being misdiagnosed or discharged too soon.

5.1.3 P&P Board Annual Review Process: Kerns reported a new review format to be held in conjunction with annual program review during board retreat. The board members will receive a more in depth review of P&P Committee process from C6 staff to assure board that solid processes are in place and current.

5.1.4 Employee Exit Interviews P&P: Kerns reported the committee reviewed and accepted the draft policy and process in place when employee leaves District employ. ***A motion/second (McClung/Knoch) was made to approve the "Exit Interviews Policy & Procedure" as presented.*** Discussion—public comment by Martha Lucero-Fletcher: Communication piece needs improved upon employee exits because employees are not given the benefit of knowing what policies are supposed to be executed, especially those pertaining to exit interviews. Regardless of policies being revamped by committee, the draft revisions do not supersede and/or void the policy currently in place at that point and time. Kerns clarified that existing policies do remain in effect until new policies have been through process, approved and made effective. ***MSC—unanimously.***

### **5.2 Strategic Planning Committee:**

5.2.1 Seismic Update: CEO Campbell reported environmental evaluation currently being conducted in the 1953 building (FRM) to secure extension for seismic compliance due mid-December. She reported other required reports pertaining to geo thermal (landmass) and surface survey. The Charette sessions occurred in October totaling four, including employees, and Charette sessions will reconvene next week to provide community members input on the architectural style of the new building also due to OSHPD by mid-December to obtain the 2013 extension. Campbell announced the Black & White Gala November 14<sup>th</sup> to kick off the capital campaign. At next month's board meeting the case for funding background for potential donors will be presented to the board. Next steps, rebuilding of seismic separation wall and emergency department relocation.

5.2.2 Strategic Plan/Work Plan Update: CEO Campbell dispersed copies of the quarterly work plan (Q1) and reported success in the first quarter FY10. She reviewed work plan by category and progress of each.

Kerns concluded the strategic planning update by reporting the following:

- Succession plan work being done. Campbell was directed to present a one-page succession

plan that is easily maintainable and would work in senior management team environment. The draft is to go through the board SP committee then to full board for consideration. Hamlin noted that the plan must also be approved by Cal-Mortgage, OSHPD.

- Employee Vision Committee submitted logo samples. The employee task group will make presentation and deliver proposal to committee next month before presenting to full board. It was suggested that a forum be provided to community and/or hospital volunteers to obtain outside input.

### **5.3 Finance Committee:**

5.3.1/5.3.2 September 2009 Financials: Public Comment: Martha Lucero-Fletcher stated it appears that half of what is being billed is written off. Mike Kerns, chair, directed CFO to include topic in separate meeting with Mr. & Mrs. Fletcher.

Hamlin introduced Viola Babcock, CFO, and deferred financial report to her. Viola Babcock, CFO, reviewed and discussed the revised September 2009 financials with highlights as follows:

- Cost report audit close to completion and external audit completion expected in November or December. No monies expected from Medicare or Medi-Cal but will probably owe a small amount.
- September 09 net income \$200,389 loss. After restatement of FYE09 financials, numbers impacted July, August and September financials. Internal mistakes—processes now in place and training being provided.
- YTD loss \$807,912
- Assets now a little over \$11 million.
- Close partnership between nursing and finance. Working collaboratively to review cash sheet and project dollars available for payments to vendors. All promises go through CFO and local vendors over 90 days have all been paid, working on 60-days's now. Pena remarked the process has been beneficial to help understand issues on both sides.
- Sept 08-Sept 09 comparisons. Continue to speak on how CAH hospitals make money. Fixed set of expenses are not negotiable in CAHs so the only measure to grow profit is to grow revenue. Discussion followed regarding utilization and staff development to recoup fees—and hiring expertise as a part of the pieces necessary to grow revenue, grow bottom line and obtain financial stability. It's fixable and we start by fixing our cash on hand. Focus will be on internal things first then external companies to fix cash issue. ***A motion/second (McClung/Hamlin) was made to accept the finance report for September 2009. M/S/C unanimously.***

5.3.3 IT/McKesson: Viola reported organization not ready nor is the financial component in a position to switch software immediately largely due to no standardization in current processes. Expert to begin mapping processes to develop standard way of doing things. Viola recommends that we change timeline with McKesson and they have agreed. There are systematic things that must happen due to issues with calendar year. Financial process to take place next year then clinical processes to follow. Updates to continue.

### **6. BOARD CHAIR REPORT:** Kerns reported and discussed the following topics:

- Special board meeting agenda including the annual program evaluation.
- December board meeting date: Agreed to change regular meeting to 12/22/09
- Finance committee meetings: Hamlin announced the meetings held the 2<sup>nd</sup> week of the month have changed to Thursdays, 6pm. The BFC will also change to 12/22/09.

**6. OPERATIONS REPORT** by CEO Campbell:

CEO Campbell provided highlights to items in written operations report as well as reported on specific issues as follows:

- Organizational Analysis October 2009 dispersed and to be used as an evaluation tool and a planning tool. She reviewed and discussed program evaluation template and asked board members to read document prior to the annual evaluation meeting. The blank lines are available to construct assessment document during review. She reported there is no specific format for SNF or Hospice but instructed board to separately note their questions, concerns and compliments using the same template as a guide during their reading.
- Dr. Milne, general surgeon, here next Monday to start service.
- Acute care pushing nursing care ratios.
- H1NI vaccinations to front line employees have begun. Keith Earnest, CCO, reported the nasal vaccination process started with those that qualify and expects full shipment of H1N1 injectables soon. Flu vaccination shipments at this point are not clear. Pena reported acute care staff is prepared with H1NI issue from a patient's care standpoint.
- Hospice Quarterly Report included in written operations report—and a Hospice brochure included in board packet.

**7. ANNOUNCEMENT OF CLOSED SESSION (3:25 pm Recess/3:34 Closed Session)**

President Kerns announced closed session for the purpose of the following:

1. Pending litigation pursuant to Government Code Section 54956.9. (Nothing to report)
2. Discuss and review quality assurance issues and consider approving medical staff credentials pursuant to Government Code Section 54962.
3. Personnel, Employee Complaint, pursuant to Government Code Section 54957.

**8. RECONVENE – REPORT OF CLOSED SESSION ACTION(S):** President Kerns reported the following actions taken in closed session:

- No Action: Personnel, Employee Complaint
- Approved M/S/C unanimously: Closed session minutes 9.23.09
- Approved M/S/C unanimously: Medical staff credentials
  - Medical staff reappointments **Jack D. Schillen, MD; Thomas Daniel, MD**
  - AHP reappointment **John Pearson, PA**
  - AHP appointments **Lawrence Shovelton, CRNA, Michael Graves, CRNA**

**9. ADJOURNMENT:** The Board of Directors adjourned at 4:30 p.m.