

Date: March 29, 2010
Time: 10:00 A.M.
Location: Mayers Memorial Hospital
Fall River Mills, 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.)

<p>1. CALL MEETING TO ORDER: President Kerns called the special meeting to order at 10:06 a.m. on the above date with the following present:</p> <p style="text-align: center;">Mike Kerns, President Gail McClung, Secretary Jim Hamlin, Vice President</p> <p>Board Members Absent: Allen Albaugh Staff Present: Marlene McArthur, Administrative Board Clerk.</p>
<p>2. ADDITIONS & CHANGES TO AGENDA, SECTION 54954.2(b)2: None</p>
<p>3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS: None</p>
<p>4. BOARD INTERVIEW WITH CANDIDATES TO FILL BOARD VACANCY: The board members conducted interviews of five board applicants: 1) Martha Fletcher; 2) Dick Nemanic; 3) Randy Scholl; 4) Ralph Boggs; 5) Brenda Brubaker.</p>
<p>5. MMHD BOARD SELECTION AND APPOINTMENT: <i>A unanimous vote (Kerns/McClung/Hamlin) was made to appoint Brenda Brubaker to fill the board vacancy for MMHD.</i></p>
<p>6. SWEARING-IN CEREMONY: OATH OF OFFICE TO BOARD DIRECTOR: Notary Kim Knight administered Brenda Brubaker with oath of office as director, Mayers Memorial Hospital District.</p>
<p style="text-align: center;">12:05 PM – The Board of Directors recessed.</p>
<p>7. MEETING RECONVENED – President Kerns called the special meeting back to order at 1:00 p.m. on the above date with the following present:</p> <p style="text-align: center;">Mike Kerns, President Gail McClung, Secretary Jim Hamlin, Vice President Allen Albaugh, Treasurer Brenda Brubaker, Director</p> <p>Staff Present: Terry Pena, Interim CEO; Viola Babcock, CFO; Travis Lakey, DOF; Marlene McArthur, Administrative Board Clerk.</p>
<p>8. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS: Martha Fletcher registered to speak to Agenda Item 11.2.1 (seismic). She also spoke during open/public time in regard to Cal-Mortgage's role in the regulatory agreement including board discussions pertaining to meetings held with them in the fall of 2009—and since that time, there has been a lack of participation by Cal-Mortgage at District board meetings. She further commented that she wrote a letter to Governor Schwarzenegger in January 2010 conveying disappointment with the absence of OSHPD Cal-Mortgage at the District meetings and the lack of support during this time. She reported she received a response letter from the Governor that stated the Cal-Mortgage office was contacted by the Governor's office—and that a copy of the letter would be provided to all board members.</p>
<p>9. APPROVAL OF MINUTES – <i>A motion/second (McClung/Hamlin) to accept, as presented, the</i></p>

minutes of the regular meeting held 2.24.10 with the exception of two typos; and to accept, as presented, the minutes of the special meeting held 3.13.10. M/S/C.

10. BOARD CHAIR REPORT: Kerns stated he had nothing to report other than focus has been getting a new board member in place.

11. BOARD COMMITTEE REPORTS:

11.1 Finance Committee

11.1.1 February 2010 Financials: CFO Babcock provided overview of the February 2010 pro forma financial reports including explanation for the reclassification of McKesson (EMR) as CIP (construction in progress) under current assets (balance sheet). She reported cost containment implemented in December continues to impact bottom line; however, a 4-month trend is necessary to prove consistent improvements. She reviewed reasons for negative numbers in “other purchased services” and “provision for bad debts” categories. Babcock concluded the bottom line for the month of February totaled \$36,459 and YTD a negative \$320,445.

Babcock discussed impacts to cash flows in April due to three payrolls starting 4/2/10 and anticipates moving \$200,000 from March to April—it will be watched closely and adjusted appropriately. In response to question by Hamlin pertaining to improvements in billing, Babcock responded it is due to reorganized billing and collections. In response to question regarding Cal-Mortgage loan payments, Babcock responded depending on March cash/collections, possibly one or two payments can be made in April. She explained as the cost reports get tighter and mistakes are corrected from prior years, huge swings will not be occurring going forward.

A motion/second (Albaugh/Hamlin) was made to accept the February 2010 financial reports as presented. MSC.

11.1.2 District Properties in Burney (3 vacant lots and commercial building) ***A motion/ second (Albaugh/Hamlin) was made to accept the appraisals for the commercial building and 3 vacant lots. M/S/C.*** Staff was directed to make contact with Right Roads due to prior interest expressed for purchase of commercial building and to act on offer at appraised price.

11.1.3 RFPs: Consider approving Bad Debt Collections Agency: ***A motion/second (Albaugh/Brubaker) was made to accept RFP submitted by State Collection Service. M/S/C.*** Babcock added all new accounts will be turned over to State Collection Service and existing accounts will remain with Sierra Receivables.

11.1.4 RFPs: Consider approving Inpatient & Surgery Coding: ***A motion/second (Hamlin/Albaugh) was made to accept PHNS Inc. to provide coding for inpatient and surgery. M/S/C.*** Babcock reported coding will not automatically be turned over to the new service but an option, depending on our internal needs. However, probable that 80% will be referred to them due to difficult and complex coding.

11.1.5 Board Finance Committee Meeting Report by Committee Chair: Albaugh discussed meeting scheduled this week with SOSM (Shasta Orthopaedics) to resolve billing issues as well as payment schedule for what MMHD owes them. A meeting will also be conducted this week regarding Intermountain Respiratory Services, including input from doctor and staff, in an attempt at making enterprise profitable.

11.2 Strategic Planning Committee Report

11.2.1 Seismic Update: Mike Kerns, Committee Chair, reported on the special board meeting

held 3.13.10 with a presentation by ANOVA and Blackbird Architects pertaining to seismic compliant alternatives for MMHD including comments and questions by community members.

- 11.2.2 Seismic Wall: Erik Nielsen, facilities manager, provided a summary of three options pertaining to the electrical and low voltage across the seismic joint at the 1953 building including recommendations submitted by Michael Ryan, architect, ANOVA. Option recommended was to relocate the essential services, to the extent possible, outside of the 1953 building—and while there is still quite a bit of uncertainty regarding the specifics of this option, it was believed to be the best solution long term. Nielsen reported maintenance staff would be investigating uncertainty issues within the specific structure this week with findings to be submitted to electrical engineer necessary for wall construction documents to OSHPD. He asked for authorization to work with Finance to obtain approximately \$10,000 necessary to obtain documents for physical wall plus assessment from electrical engineer to re-route. This option would be compliant until 2020 and provide the necessary work for the 12/31/11 deadline for HAZUS. ***A motion/second (Hamlin/McClung) was made to authorize up to \$10,000 for electrical assessment and construction documents. Questions: Albaugh asked if IHF (foundation) had monies to pay for such expenses.*** Public Comment: Martha Fletcher asked for status of Intermountain Healthcare Foundation and whether disbanded or whether there are opportunities for committees and public members to get involved for seismic work. Keith Earnest, IHF President, reported the IHF (foundation) is seeking volunteers and there are many opportunities for committees. He further explained MMHD provides accounting services for IHF due to the fact the foundation has no paid staff. For more information volunteers should contact: Keith Earnest, Mike Kerns or Margaret Truan. ***Earnest recommended the District send a proposal to the IHF board to approve or deny funding. Hamlin/McClung amended motion to authorize Erik Nielsen, Maintenance Manager, to submit funding proposal to IHF Board and if approved to move forward with project. M/S/C.***

11.3 Quality Committee Report

- 11.3.1 Board Policies: ***A motion/second (McClung/Kerns was made to approve the Public Forum During Board Meetings and Request to be Heard Policy & Procedure as presented. M/S/C unanimously. A motion/second (Kerns/Hamlin) was made to approved the New Board Member Appointment Process Policy & Procedure with an addition to #4:..."majority vote of the Board (not quorum) confirms one candidate."*** ***M/S/C unanimously.***

- 11.3.2 Quality Committee Meeting Report: Committee Chair had no additional report.

12. OPERATIONS REPORT:

Sherry Wilson, CNO-SNF, reported the following additional information to the written report included in board packet:

- State Licensing made (4) on-site visits on self-reports with no citations.
- Census to date: 75. She reported 5 intakes last week from Mt. Shasta facility and census starting to pick up due to positive PR on facility.
- SNF redecorating project estimates are being obtained for both dining rooms due to designated IHF monies available.
- Staff being proactive to keep compliant.
- Windmill grant submitted—approval pending.

Keith Earnest, Chief Clinical Officer, reported the following additional information to the

written report included in board packet:

- Ongoing work with IMRS (DME) and hoping to interface with physicians to improve paperwork.
- Physical Therapy: 5-day gap in service due to contract ending and new contract start date. PT volume increased dramatically on outpatient side and an aide has been hired to assist in operations of department and to be able to see more than one patient in one allotted time frame.

Terry Pena, CNO-Acute, reported the following additional information to the written report included in board packet:

- Director of Surgical Services resigned and actively recruiting
- Hired: 3 new nurses and 2 applicants are MICN's eligible to work in ER

In response to question by McClung regarding RHIT position being replaced, Pena responded there was no one internally to take management position for both HIM and ADT so the position was split into two leads: ADT- Amy Parker and HIM - Lori Stephenson.

12.1 Management Options: Hamlin requested the agenda item to provide an opportunity for discussion regarding the nine CEO applicants and partnering options to move forward.

Albaugh provided an overview of current status with progress pertaining to interested partnering and/or management agencies:

- Preliminary meetings with Prime, CHW and Renown—all were provided with MMHD financial data
- CHW: not interested in submitting proposal
- Prime: no response at this time
- Prime: meeting scheduled with Mountain Valleys Health Centers 4/1/10 regarding medical staff
- Renown: interested and putting together proposal
- BRIM contacted MMHD and expressed interest. Financial data submitted to them and responded back they were not interested

Other alternatives were discussed

- 9 CEO candidates—one of the candidates, #2 CEO choice for MMHD during last recruitment process in 2007, submitted application and is also interested in providing service as Interim CEO for 6 months

Babcock recalled Cal-Mortgage recommendations to the District were not to work with independent CEO's while partnering on track and meeting deadlines. Albaugh recalled Cal-Mortgage also discussing interim however and did not see any reason why they would not approve an interim as it is the next step before entering an engagement with a partnering agency. Pena also pointed out that Renown has offered access to their legal counsel that would be helpful in current legal issues and that Mayers would not have such access with an independent CEO. Albaugh recommended moving forward with hiring interim for at least 4 months predicated on Cal-Mortgage approval. Board directed Pena to make contact with Brady and to converse plans with Cal-Mortgage. Board agreed to schedule special board meeting to further consider options to move forward.

<p>13. ANNOUNCEMENT OF CLOSED SESSION (2:52/3:10): 13.1 Closed Session Minutes: Approval of minutes for 2.24.10 Government Code Section 54956.9 13.2 Pending Litigation: Conference with legal counsel - pending litigation(s) Name of Case: Stewart v. Mayers Memorial Hospital District Government Code Section 54962 13.3 Quality Assurance: Medical Staff Report (Dr. Lance Weagant, Chief of Staff)</p>
<p>14. RECONVENE – REPORT OF CLOSED SESSION ACTION(S): President Kerns reported the following actions taken in closed session: The closed session minutes for 2.24.10 were approved. M/S/C unanimously (1 abstained).</p>
<p>15. ADJOURNMENT: <i>The Board of Directors adjourned at 3:50 p.m.</i></p>