

Mayers Memorial Hospital District  
Board of Directors – Regular Meeting

Date: April 22, 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.)*

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| <p><b>1. CALL MEETING TO ORDER:</b> President Kerns called the regular meeting to order at 1:01 p.m. on the above date with the following present:</p> <p style="text-align: center;">Mike Kerns, President<br/>Gail McClung, Vice President<br/>Jim Hamlin, Treasurer<br/>Allen Albaugh, Trustee<br/>Ruth Knoch, Secretary</p> <p>Staff Present: Katharine Ann Campbell, CEO</p>  |
| <p><b>2. ADDITIONS &amp; CHANGES TO AGENDA, SECTION 54954.2(b)2:</b><br/>None</p>  |
| <p><b>3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS:</b><br/>None</p>   |
| <p><b>4. APPROVAL OF MINUTES – A motion/second (McClung/Knoch) to accept, as presented, the minutes of the regular meeting of March 27, 2009, and the special meeting April 4, 2009. M/S/C unanimously.</b><br/><b>A motion/second (Hamlin/Albaugh) to accept, as presented, the minutes of the special meeting of April 15, 2009. M/S/C unanimously—Knoch abstained.</b></p>  |
| <p><b>5. BOARD COMMITTEE REPORTS:</b></p> <p><b>5.1 Board Committee Appointments:</b> Kerns announced Albaugh and McClung will switch board committees: Albaugh will move to finance and McClung will move to strategic planning. The 2009 Board Committees are as follows:</p> <ul style="list-style-type: none"> <li>➤ Finance: Hamlin &amp; Albaugh</li> <li>➤ Quality: Kerns &amp; Knoch</li> <li>➤ Strategic: Kerns &amp; McClung</li> </ul> <p><b>5.2 Finance Committee:</b></p> <p>5.2.1 Tri Counties Bank representatives Bill Ide, Commercial Credit Administrator; Jeff Williams, Relationship Manager for Hilltop Loans; Karen Gurule, Fall River Branch Manager, were introduced to the board. Mr. Ide spoke on behalf of the group and expressed appreciation to the board for the hospital's business and that the purpose of their visit was merely to meet and greet and offer their assistance. He also reported the hospital's annual line of credit renewal has been completed.</p> <p>5.2.2 March 2009 Financials were reviewed by Hamlin and Campbell:</p> <ol style="list-style-type: none"> <li>1) Medicare cost report monies were received; and new rates effective May 1, 2009, to increase revenues by approximately \$50,000 more per month.</li> <li>2) A/R decreased; A/P increased.</li> <li>3) Net revenue above budget for the month as well as YTD \$2.1 million.</li> </ol> |

Recession hindering financials thus expenses increased. Linen savings \$9,000/month has helped compared to last year. Other big expense projection is to eliminate routine travelers by month end—nurses going through orientation. Campbell noted March was not a good month on expense side and concern with YTD costs. Cost analysis of nursing home is being conducted and a large piece of loss for district. Net income figures shows \$1.1 million off budget but with the \$574,000 Medicare payment just received the YTD actual loss of \$945,010 is only off mark by approximately \$500,000 stated Campbell. She also reported reaping A/R benefits due to consultants and asked Director of Finance, Theresa McKibben, to present detail on “cash collection”. McKibben reported as of yesterday MMHD collected \$1,889,803.25, the highest in history of organization (\$500,000 of that was cost report adjustment) and projects to hit the \$2 million mark by June.

During past month, analysis to look at strengths, weakness, and opportunities in ER and surgery departments, stated CEO Campbell. She reported on the latest rule change where Medi-Cal no longer covers dental care in SNF and now the district is responsible for that expense. She concluded the financial report by reporting the hospital is better this month cash wise however paper wise not so much. ***A motion/second (Hamlin/Knoch) was made to accept the finance report for March 2009.*** Questions: The employee benefits were questioned, and response was that expense will remain over budget the remainder of the fiscal year because it was not budgeted appropriately. ***M/S/C unanimously.***

5.2.3 Quarterly Board Reviews: Hamlin reported board quarterly reviews of payroll taxes, workers compensation, and sales tax will be conducted in the months of May, Aug, Nov and February. The workers compensation (currently Alpha Fund) is currently under review and will go out for bid.

5.2.4 SNF Financial Performance: CEO Campbell reported the skilled nursing facility (SNF) is the district’s biggest money-loser with a \$1.5 million annual loss. There will be more research conducted on ancillary service revenues collected through SNF patients. The state recently decreased Medi-Cal reimbursement 10% based on last year’s cost report consequently will be operating 10% below cost. The optimum number of patient beds have changed dramatically compared to when the long-term care was built as a distinct-part (DP) facility. Campbell stated we must now fine tune to determine cost per bed to include staffing to get the optimum number of beds that make the operation viable. She explained the SNF is primarily intermediate care thus does not receive optimum reimbursement as well as the DP facility does not pay well—these are a few of the issues we face. The facility (SNF) is a high level of concern from a community standpoint and initially built for the right reasons but the rules have now changed. The community businesses know that the hospital keeps their business viable and a need to make it function more efficient.

### **5.3 Quality Committee Report:**

5.3.1 Jane Atkins, CQO, dispersed the April 08 Balanced Scorecard handout. She

reviewed the report and summarized homeless patient discharge packet and an MOU signed with the Rescue Mission in Redding for temporary placement if homeless patients discharged. She also reported on patient safety and quality of care pertaining to reduction in SNF patient falls, UTIs, and CMS Indicators. Other balance scorecard topics included employee/internal perspective, development in new service lines.

The draft Employee Handbook, dated 4/15/09, previously dispersed to board members was reviewed and discussed by HR Director Paul McCoy. The most significant changes to employee handbook are due to new laws. He reported the handbook has already gone to legal for board review this month and to be considered for action at the May board meeting. There was detailed discussion pertaining to the following areas:

- **Open-Door Policy/Internal Complaint Procedure:** McCoy explained the handbook includes a snapshot of the policy and detailed process will be identified in policy. Once the handbook is approved, the internal complaint policy will be revised and brought to the board. Knoch asked for clarification: the board is not approving the “open-door” policy here—and McCoy stated correct—that the board will approve it in broad terms within the employee handbook, then the board will approve the specific policy. CEO Campbell added the legal laws have changed in past years and now not appropriate for board due to liability to district. Atkins concurred and reported the employment lawyer recommends snapshot of policy (overall theory) included in handbook only.
- **At-Will Employment:** Board felt not explained well in manual and concerned of language. Atkins stated the at-will policy is in line with state law.
- **Family and Medical Leave review and discussion.**
- **Servicemember Family and Medical Leave (page 25):** Incomplete sentence (correction necessary).
- **Off Duty Access (page 31):** Recommended different title.

Summary: Employee Handbook is 99% employment law (IRS) therefore not many options to change stated Campbell. Kerns stressed it is crucial from the board’s standpoint to get employee handbook correct—it may not be the verbiage we desire but crucial it’s correct, then approve policy in detail to support it in an ongoing basis to lead employees well. By approving the employee handbook, the board is not approving any specific policy at this time referenced within the Employee Handbook stated McCoy. Katharine Ann confirmed—however, it’s (employee handbook) considered in broad terms as policy therefore goes through board. Kerns recommended once finalized, it go out to board for review and placed on May’s agenda for board action.

#### **5.4 Strategic Planning Committee Report:**

5.4.1 Albaugh reported attending meeting with Anova architects to review 2013 seismic requirements, unless 2020 exemption granted, and five options to build new hospital by 2032 (colored sketches provided and reviewed) as well as phases. The next meeting will be held May 12, 2009, 1 p.m., and will include cost projections. Board requested Anova architects presentation of final master facility plan at June board meeting.

5.4.2 Strategic Goals FY08-FY10 Updated 3/4/2009: CEO Campbell reported the update was the result of strategic planning session held with Mr. Richard Hoerl, consultant, to be included in objectives and goals. ***A motion/second (Albaugh/Hamlin) was made to adopt the Strategic Plan Update, dated 3/4/09. Questions: McClung***

*questioned Item 2 (B) term "Medical Home"—Campbell clarified term to be correct from federal government through primary care doctor. **M/S/C unanimously.***

5.4.3 CEO Campbell discussed the proposed *scope of services district-wide* that outlines the services provided by MMHD, required by CMS. **A motion/second (Knoch/McClung) was made to adopt MMHD scope of services (reviewed by med staff and management 6/19/08)—no questions—M/S/C unanimously.**

5.4.4 CEO Job Performance Review Schedule: Kerns reviewed the current quarterly schedule and difficulty keeping on track and proposes every 6 months instead. The annual review is required, stated Kerns, and as board chair, he will verbally poll board quarterly (FY) and prepare the summary with McClung every six months.

**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:

- Thank you cards received from patient and employee.
- MMHD Strategic Plan (3Q updates) presented and reviewed.
- Shasta Orthopaedics ROI completed with preliminary draft to finance committee this a.m. Final to be presented to board next month.
- FYI: CHI/Optima Insurance (MMHD carrier) provided RM training to managers.
- Boardroom Press (handout).
- MMHD Work Plan 3Q dispersed and reviewed progress by departments in achieving objectives for year.
- Legal: Federal appeals court issued decision preventing State of California from further implementing reductions to Medi-Cal payment rates. Next step, court to determine whether payment fair market and using cost reporting for setting payment structure. More to come on issue.
- Peer review article.

**7. ANNOUNCEMENT OF CLOSED SESSION (2:30pm Recess/2:40pm Closed Session)**

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

1. Pending litigation pursuant to Government Code Section 54956.9.
2. Discuss and review quality assurance issues pursuant to Government Code Section 54962.
3. Personnel: Job Performance, CEO—review and discussion.

**8. RECONVENE – REPORT OF CLOSED SESSION ACTION(S):** President Kerns reported:

1. Pending litigation pursuant to Government Code Section 54956.9: Board directed legal counsel to submit claim letter.
2. Pertaining to quality assurance issues, the following medical staff credentials were approved (unanimous vote) as follows:

**MEDICAL STAFF APPOINTMENTS**

1. Larry Bailey, MD
2. Richard Bergstrom, MD
3. Gary Buxa, MD
4. Pavan Davuluri, MD
5. Randy Gleason, MD
6. Rameshkumar Kakarlapudi, MD
7. Stephen Nichols, MD
8. Rajnish Patel, MD
9. David Sydow, MD
10. Ravi Kumar Tripuraneni, MD

**MEDICAL STAFF**

**REAPPOINTMENTS**

1. Rebecca Dyson, MD
2. Peter Halt, MD
3. Martin Kernberg, MD
4. Julia Mooney, MD

**MEDICAL STAFF RESIGNATIONS**

1. Roger Barber, DMD (no longer with MVHC)
2. Albert Filice, MD (see letter from NDP in binder)
3. Michael Wollner, MD (privileges expired 11/22/08)

**AHP RESIGNATION**

1. Fred Gideon, LSW (Mr. Gideon does not wish to renew his privileges that expired on 12/27/08)

**9. ADJOURNMENT:** The Board of Directors adjourned at 4:00 p.m.