

Mayers Memorial Hospital District
Board of Directors – Special Meeting

(Approved)
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Date: February 20, 2009

Time: 8:30 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.)

1. CALL MEETING TO ORDER: President Kerns called the special meeting to order at 8:34 a.m. on the above date with the following present:

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

Staff Present: Katharine Ann Campbell, CEO; Marlene McArthur Clerk.

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

None

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

None

4. FINANCIAL OVERVIEW: Mike Bell, Michael R. Bell & Company, provided district-wide financial overview of the audited financial report and cost reports for 2008. He reported tremendous progress during the last couple years and movement in the right direction. Goals and challenges will include: obtaining bottom line to get liabilities paid down and decreasing A/R days. The decrease in A/R days will be a challenge because of the antiquated accounting system and recommended looking at a new system that would cost approximately \$1.2 million but very beneficial in getting A/R days down to 65. He recommended budgeting operations as efficiently as possible due to challenges faced with: 1) decrease in CRNA reimbursement based on "urban" designation; 2) disallowing on-call reimbursement except for ER physicians; 3) increased bad debt expense due to uninsured patients increasing as well as charity care. The board expressed concern in the A/R days and increased debt. Bell explained the goal is to get A/R to 75 days by year end. Some of the issues that contributed to the A/R increase were attributed by Medicare intermediary change contract with Palmetto which caused delays in billing process—and also getting the 855R applications for physicians processed and approved. Mr. Bell also provided an overview of several options to enhance revenues including provider-based rural clinic that can get 2-3 times the reimbursement, compared to current reimbursement, for both physician and facility.

5. ANNOUNCEMENT OF CLOSED SESSION 10:30 p.m.

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

Personnel: CEO Contract Review, Government Code Section 54975.

6. RECONVENE – REPORT OF CLOSED SESSION ACTION(S): President Kerns reported a three-year contract between Katharine Ann Campbell, CEO, and MMHD was unanimously agreed. M/S/C.

7. ADJOURNMENT: The Board of Directors adjourned at 11:45 a.m.