

Date: August 20, 2008
Time: 1:00 P.M.
Location: Mayers Memorial Hospital
20647 Commerce Way
Burney, California

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

<p>1. CALL MEETING TO ORDER: President Knoch called the special meeting to order at 1:07 p.m. on the above date with the following present:</p> <p style="text-align: center;">Ruth Knoch, President Gail McClung, Vice President Jim Hamlin, Treasurer Mike Kerns, Secretary</p> <p>Board Members Absent: Dan Marcum, Trustee Staff Present: Katharine Ann Campbell, CEO; Tom Hayes, CFO; Marlene McArthur, Clerk of the Board. Others Present: JP Marion, Project Officer, OSHPD.</p>
<p>2. ADDITIONS & CHANGES TO AGENDA, SECTION 54954.2(b)2: Kerns requested an addition to Closed Session 8.5, <i>Medical Staff Credentials: Phillip Jones, CRNA.</i></p>
<p>3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS: Randy Scholl spoke in regard to Record Searchlight articles dated 8/19/08 and 1983 in regard to Medi-Cal and Medicare mandates...and announced MMHD board candidacy.</p>
<p>4. APPROVAL OF MINUTES 4.1 <i>A motion/second (Hamlin/Kerns) was made to accept, as presented, the minutes of the regular meeting July 23, 2008, with the correction that Tom Hayes, CFO, be added to "Staff Present". M/S/C (unanimous).</i></p>
<p>5. BOARD COMMITTEE REPORTS</p> <p>5.1 Quality Committee: No report. 5.2 Strategic Planning Committee: Kerns reported an on site visit he made to Plumas District Hospital in Quincy and meeting with CFO. District recently passed bond issue and shared PR material that enabled district \$25 million upgrade. Model there different than MMHD in that it is without SNF but includes large provider-based clinic. Scope of services very interesting includes different services as well as recently upgraded IT operating system (SPHERE).</p> <p>Kerns also reported Dan Marcum spoke with local Fruit Growers representative and has scheduled walk through of properties next week.</p> <p>5.3 Finance Committee Report: 5.3.1 July 2008 Financials: Tom Hayes, CFO, provided highlights of July 2008 financial reports as follows:</p> <ul style="list-style-type: none">➤ Statistical data➤ Net income negative but positive EBIDA of \$61,211 for July 08.➤ A/R 82 days—up due to revenue increase. Exploring solutions to meet 65 target.

- A/P high and concern area mostly due to cash not received from Medi-Cal.
- Bad debt category under review.

A motion/second (McClung/Kerns) was made to accept the financial reports as presented (attached)—M/S/C (unanimous vote).

5.3.2 MMHD Room Rates: Jim Hamlin reviewed current MMHD room rates in comparison to averages of like hospitals, and reported 10 of 12 room rates are lower than average. He reported the Finance Committee believes MMHD rates should be at average and recommends the board accept proposed rates. ***A motion/second (Hamlin/McClung) was made to accept the proposed rates as presented (attached)—M/S/C (unanimous vote).***

5.3.3 Employee Benefits: Hamlin reported and reviewed the employee benefits proposal recommended by the Employee Benefits Task Force Committee. Discussion concerning current length of service/PTO hours compared to proposed policy, PERS, and air ambulance benefits. He reported the Finance Committee has reviewed the recommendations and proposal seems nominal and appropriate. ***A motion/second (Kerns/McClung) was made to adopt the five (5) recommendations listed below:***

- 1) *Continue with PERS.*
- 2) *Employee Advisory Committee to evaluate PTO Cash-Out Policy*
- 3) *Employees work a minimum of 32 hours per week to be benefit eligible.*
- 4) *Discontinue air ambulance subscriptions provided by MMHD.*
- 5) *PTO benefits accrual per 8/2008 policy (see chart attached).*

M/S/C (unanimous vote).

5.3.4 Burney Property: Committee Chair Hamlin reviewed assessor's map, including the three lots, as well as comparable market analysis. Properties provide a cost to maintain and there is no purpose in owning thus it's the committee's recommendation to rid of the 3 lots currently owned by MMHD. Discussion in regard to facility access as well as offering to Fruit Growers. ***A motion/second (Hamlin/Kerns) was made to list the three (3) Burney lots for sale including clause for right of refusal offer to current tenant. No questions. MSC (unanimous vote).***

5.3.5 California Health Facilities Financing Loan Update: CFO Hayes reported he has submitted paperwork. Discussion pertaining to extra funding freed up and MMHD is possibly eligible to receive more loan money.

6. BOARD GOVERNANCE EDUCATION: Deferred.

7. OPERATIONS REPORT by CEO Campbell (see Attachment E):

- ❖ Employee Task Groups (6): Mission, Vision, Values, Community Benefit, Employee Advisory, Good of the Order with descriptions and tasks. Committees organized to build enthusiasm and ownership in organization. An administrative liaison is assigned to each group as well as a chair and scribe. Leadership training for committee chair and scribe will be provided in September. Progress reports are due starting October—board members invited committees to report during BOD meetings when appropriate.
- ❖ Submitted 6 grants in last month from grant writer.
- ❖ Advocacy next month. CEO will not speak to Burney Chamber due to receipt of national ACHE Service Star Recognition Award in San Francisco on that date. Burney Chamber presentation is to be rescheduled.
- ❖ Nancy Pelosi Reception in San Francisco tomorrow (8/21/08) and meeting with Craig Cannizzo, corporate attorney.
- ❖ Meeting with Department of Labor in Sacramento 8/22/08 regarding new program for nurse training.

- ❖ Meeting with Doug LaMalfa, State Assemblyman, staff in Sacramento 8/22/08.
- ❖ Schooling in San Francisco 9/10-9/12, 2008 HCNCC Leadership Summit.
- ❖ Acute CNO Barbara Smith apology for draft report to BOD (board liked format!).
Enjoying interim work and here only a month.
- ❖ CNO SNF is keeping nursing home functioning well and pleased to report hires during the month and goal to get travelers down.
- ❖ Beginning training in SNF for restorative care for mobility and range of motion.
- ❖ Radiology C-arm arrived for surgery.
- ❖ Equipment moving in and out of surgery in order to open 2nd OR for use when necessary.
- ❖ Positive legislative change for CAH labs. Prior to legislation, provider not paid for draws made in nursing home unless patient physically taken to lab. Effective 7/1/09 lab draws will be reimbursed in nursing home.
- ❖ Pyxis® implementation has been difficult and anticipate a run through next week with nurses. Demonstration to board possibly next month.
- ❖ Surgery volume up causing linen shortage due to numbers created for linen utilization. Linen service now here 3/days per week.
- ❖ Outpatient down—some possibly cyclic with season.
- ❖ Operations Report Attachments: *Dead Canaries* by Emily Friedman; *Vetting for Succession* by Governance Institute—useful to formulate questions for organizational analysis/programs evaluation.
- ❖ Build BOD orientation process and continue Governance Institute work for governance and management.

7.1 Annual Program Evaluation: Board consensus to hold a special meeting October 8, 2008. Location and time TBA.

8. ANNOUNCEMENT OF CLOSED SESSION 2:45

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

1. Employee Grievance, Government Code 54957.
2. Pending litigation pursuant to Government Code Section 54956.9.
3. Discuss and review quality assurance issues pursuant to Government Code Section 54962.

9. RECONVENE – REPORT OF CLOSED SESSION ACTION(S)

President Ruth Knoch reported the following actions during closed session:

Employee Grievance: No action taken.

Quality Assurance: Medical staff credential(s) were approved by unanimous vote as follows:

MEDICAL STAFF RESIGNATION

- 1) Steven Scharpf, MD

MEDICAL STAFF APPOINTMENT

- 2) Ronald England, DO

AHP APPOINTMENT

- 3) Loretta Gibson, CRNA
- 4) Bill Matheis, CRNA
- 5) Malinda Murray, NP
- 6) Benjamin Nuti, CRNA
- 7) Phillip Jones, CRNA

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