

Date: July 23, 2008  
Time: 1:00 P.M.  
Location: Mayers Memorial Hospital  
43563 Highway 299 East  
Fall River Mills, 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><b>1. CALL MEETING TO ORDER:</b> Vice President McClung called the regular meeting to order at 1:00 p.m. on the above date with the following present: Gail McClung, Vice President Jim Hamlin, Treasurer Mike Kerns, Secretary Dan Marcum, Trustee</p> <p>Board Members Absent: Ruth Knoch, President Staff Present: Katharine Ann Campbell, CEO; Marlene McArthur, Clerk of the Board Others Present: Justine Gartrell, Loan Division, Cal-Mortgage, OSHPD; JP Marion, Project Officer, OSHPD.</p>
<p><b>2. ADDITIONS &amp; CHANGES TO AGENDA, SECTION 54954.2(b)2:</b> None</p>
<p><b>3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS:</b> Randy Scholl spoke in regard to the Record Searchlight's editorial by Bob Williams, <i>Hidden provision, cuts can kill Medicare</i>, and requested copies distributed to board members.</p>
<p><b>4. APPROVAL OF MINUTES</b></p> <p>4.1 <i>A motion/second (Kerns/Marcum) was made to accept, as presented, the minutes of the regular meeting June 25, 2008. M/S/C (unanimous).</i></p> <p>4.2 <i>A motion/second (Hamlin/Kerns) was made to accept, as presented, the minutes of the special meeting July 9, 2008. M/S/C (unanimous).</i></p>
<p><b>5. BOARD COMMITTEE REPORTS</b></p> <p>5.1 Quality:</p> <p>5.1.1 Kerns reviewed the proposed Quality Plan. <i>A motion/second (Kerns/Marcum) was made to adopt, as presented, the MMHD Quality Plan—no discussion—M/S/C (unanimous).</i></p> <p>5.1.2 The 2007 MMHD Medical Staff Bylaw changes necessary for post-graduate and student training were presented and discussed. <i>A motion/second (Kerns/Hamlin) was made to adopt addendum: Section Rule III-7—discussion—M/SC (unanimous).</i></p> <p>5.2 Strategic Planning: Marcum reported the SP committee met. Focus included the following key things: 1) Burney facility lease and meeting with Fruit Growers; 2) schedule informal gathering for MMHD board members and MVHC board members in Bieber for September; 3) activities in community and outreach efforts. Vision Committee meeting yesterday. CEO Campbell added the employee task groups are organized and all have a different charge for the new fiscal year. A senior liaison for</p>

each task group will be appointed next week.

Marcum concluded that next year, SP would focus on implementing two pieces: computers and renovations in place. He announced the board of directors would be participating at the IM Fair during Labor Day weekend representing Mayers Memorial Hospital District. The booth schedule is being developed and will also include doctors.

5.3 Finance Committee:

5.3.1 Financials: Jim Hamlin, finance committee chair, deferred the FYE 6/30/08 financial review to CEO Campbell. Highlights included: CFO will focus on contractals for FY09. Income from operations totaled a negative \$167,788 but better than last year's—and the YTD net income totaled a negative \$1.159 million. She stated the goal was to obtain a positive EBIDA was met. Medi-Cal withholds have occurred and cash will be tight until state budge approved.

Hamlin reported hospital charges are currently being reviewed and compared. At next month's board meeting, the finance committee will propose hospital room rate changes with action. The study indicates MMHD is below the average in all categories but two. The new charges could be implemented as soon as September for the hospital and October for SNF.

The Employee Advisory Committee has reviewed the employee benefits. Committee will submit a proposal for action next month. The benefits packet will include current plan as well as proposed benefits package for comparison and a recommendation to continue with PERS as the insurance carrier.

***A motion/second (Hamlin/Kerns) was made to accept the FYE 6/30/08 financial reports (attached), as presented—discussion concerning contractals—M/S/C (unanimous vote).***

Tom Hays, CFO, reported he will be examining what is being reimbursed and what is being charged, as it seems the gap should be less than was is stated—and make sure cost reports are calculated correctly.

Katharine Ann Campbell, CEO, reported the three targets next year include: 1) bottom line; 2) eliminating routine use of traveling nurse; 3) clarification of property taxes.

5.3.2 Resolution 2008-3: Katharine Ann Campbell, CEO, reported Shasta County sent documents last week including request for a board resolution in regard to FY09 budget. ***A motion/second (Hamlin/Marcum) was made to adopt Resolution 2008-3 approving the balanced operating budget for FY 6/30/09 including total patient revenue \$30,987,440 with a bottom line of \$72,726—no discussion—M/S/C (unanimously).***

**6. BOARD GOVERNANCE EDUCATION:** Governance Institute “Health Policy Issues: Where Trustees Should Focus” (video), an interview with Emily Friedman, Independent Health Policy and Ethics Analyst.

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

- ❖ See Attachment G...and other information as follows:
- ❖ Change in paperwork with Feds: Board members completed profile required by CMS

for Medicare billing application.

- ❖ Additional comment to Randy Scholl’s piece—current Medicare information can be obtained from the following websites: modernhealthcare.com and/or aha.org.
- ❖ BOD concern regarding courtesy calls to patients before receipt of hospital bill. CFO will research and process.

**8. ANNOUNCEMENT OF CLOSED SESSION 2:20**

Board Vice President announced Board of Directors would recess to closed session for the purpose of the following:

1. Discuss and review pending litigation to include action on claim, pursuant to Government Code Section 54956.9.
2. Discuss and review quality assurance issues, pursuant to Government Code Section 54962.

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

Vice President McClung reported “no actions” during closed session:

**10. ADJOURNMENT**

The Board of Directors adjourned at 3:30 p.m.