

Date: May 28, 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.)

1. CALL MEETING TO ORDER: President Knoch called the regular meeting to order at 1:00 p.m. on the above date with the following present:

Ruth Knoch, President
Gail McClung, Vice President
Jim Hamlin, Treasurer
Mike Kerns, Secretary
Dan Marcum, Trustee

Board Members Absent: None

Staff Present: Katharine Ann Campbell, CEO, Marlene McArthur, Clerk of the Board

Others Present: Justine Gartrell, Loan Division, Cal-Mortgage, OSHPD

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

President Knoch requested the additional agenda item to Closed Session agenda:

7.2.1 Presentation of claim of liability with action to accept or reject claim.

3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS: Lea Pearson, retired hospice volunteer, and Ann Huggins, quilter, presented homemade quilt in memory of Intermountain hospice patients. The quilt was constructed from articles of clothing from hospice patients, including the very first hospice patient.

4. APPROVAL OF MINUTES

4.1 A motion/second (Kerns/McClung) was made to approve, as presented, the minutes of the special meeting April 30, 2008. **Unanimously carried.**

4.2 A motion/second (Kerns/Hamlin) was made to approve, as presented, the minutes of the special meeting May 7, 2008. **Unanimously carried.**

5. BOARD COMMITTEE REPORTS

5.1 Quality: Committee chair Kerns reported work on the following:

- Meeting to be scheduled with CQO to determine broad scope of dashboard items to be used as key indicators. Action item at June meeting.
- Board training at next meeting by Mr. Graham Lewis.
- CEO and board members to hostess recognition BBQ for management team 6/27/08 (Friday) at 6:00 p.m., Kern's residence

5.2 Strategic Planning:

5.2.1 Dan Marcum, committee chair, presented the strategic goals resulting from meeting held May 7, 2008. A motion/second (Marcum/Kerns) was made to approve, as presented, the Strategic Goals for Fiscal Year 2009-2011.

Unanimously carried.

SP Committee met and concluded next steps are development of format for reporting progress monthly and to be standing agenda item.

5.3 Finance Committee:

5.3.1 Financials: Jim Hamlin reported and summarized financial information from April 2008 financials (Attachment D) with a net income of \$363,367. A motion/second (Marcum/McClung) was made to approve April financial report. **Motion unanimously carried.**

5.3.2 The MMHD Independent Audit June 30, 2007 & 2006 was presented by Bill Peterson, CPA, Matson & Isom. Notes:

- Justine Gartrell, OSHPD, concern regarding timely audits—one month away from year-end and discussing old document. Bond requires report within 4 months after year-end close Peterson discussed process: August at MMH for fieldwork; cost reports received in November; 1 ½ months to get adjustments. Contract states audit due by December but can only be as efficient as information being provided. CEO Campbell stated changes occurring with cost report preparers and will get data to auditors in a much more timely.
- Concerns: losses incurred to district and plans in place to resolve; A/R days represent issues in billing. Understand plans are in place and days should now come down—he noted the billing and collections are lifeblood of business. After presentation of April 2008 financials it appears as if issue addressed.
- Debt Ratio: 2006 1.2 - 2007 .9 and reflects cash flow concerns.
- Tax revenue over last 5 years decreased and county audit requested. CEO Campbell working with county to research and why trend decreasing.
- “Cash Flows” statement most informative—where came from and where going.
- 2006 Medicare just now resolved and can linger out 3-5 years. Estimates are reflected in financial statements.

5.3.3 FY09 MMHD Budget presented and discussed by CEO Campbell:

- FY6/30/09 Operating budget totaling \$20.9 million.
- Revenue: biggest point of reference will be the contractuals for Medicare \$11 million that will be disallowed.
- Total net revenue \$19 million.
- Non-operating \$1.923 million
- Net excess of revenue (bottom line): \$72,726 (does include 10% withhold).
- Business includes 60% Medicare 30% Medical 10% Other.
- Room rate charge changes not included as the rates are market sensitive and to be presented at a later date.
- Task group working on employee benefits and recommendations for board next month.
- Wage adjustments are not built in and distributed among departments until we hit target. Goals: 1st year EBIDA – 2nd bottom line – 3rd operational.
- Chargemaster updated 85% to market, a previous board decision and a major jump but not ahead of peers.

A motion/second (Kerns/Hamlin) was made to approve, as presented, the FY09 operating budget totaling \$17,155,938.44. **Unanimously approved.**

- Work Plan included and discussed.

- Capital Budget (3-years: FY09, FY10, FY11) requires action for items \$5,000 and over. The Capital Budget FY09 totals \$694,005 and purchases to be made outside of operations. Purchases will be made when money is raised through third-party funding. A motion/second (Hamlin/McClung) was made to approve, as presented, the FY09 operating budget totaling \$17,155,938.44.
Unanimously carried.

6. OPERATIONS REPORT by CEO Campbell:

- ❖ See Attachment E
- ❖ Medi-Cal cuts possibly exempted if budget passed by August.
- ❖ Pyxis® machine demonstration next meeting in FRM.

7. ANNOUNCEMENT OF CLOSED SESSION

Board President Ruth Knoch announced Board of Directors would recess (3:05 p.m.) 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.

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

President Ruth Knoch reported the following actions during closed session:

Pertaining to quality assurance issues, the following medical staff credential(s) were approved (unanimous vote) as follows:

1. Mani Ehteshami, MD, Pathologist (Northern Diagnostic Pathology), approval granted removal from medical staff per his request as he is moving out of the area.
2. Liability claim rejected.

9. ADJOURNMENT

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