

Date: January 22, 2014
Time: 1:00 P.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 Allen Albaugh called the special meeting to order at 1:02 p.m. on the above date with the following present:

Allen Albaugh, President
Brenda Brubaker, Vice President
Mike Kerns, Secretary
Abe Hathaway, Treasurer

Board Members Absent: Art Whitney, Director

Staff Present: Matt Rees, CEO; Sherry Wilson, CNO; Valerie Lakey, Board Clerk; Travis Lakey, Director of Finance; and Erik Nielsen, Facilities Manager. (Employees Present for presentations: Daryl Marzan, PT; Libby Mee and Terry King, Staff Development; Caleb Johnson, Compliance)

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

No public comments.

3. APPROVAL OF MINUTES – A motion/second (Brubaker/Hathaway), and unanimously carried, the Board of Directors accepted the minutes for the special meeting held December 19 2013.

4. Presentations/Staff Reports:

► ***District Wide Trainings – Libby Mee, Terry King: (Exhibit A)***

Libby Mee presented information on the various non-clinical trainings that take place for employees. There is an annual re-orientation for each employee, new hire orientation, an online MSDS training that is OSHA mandated. Mee said this MSDS training was a good learning experience. They are currently planning a sexual harassment training which will take place every two years. Additionally, there are training plans for bullying and violence in the workplace, customer service and safety. Some of the trainings will be online and some will be in a conference setting. There will also be some webinars and those can be individual. We have been utilizing resources from Alpha, which has a lending library, Alliant (free of charge) and Health Tech. We have purchased Fred Pryor seminars. Mee is set up with access and will facilitate participation in the variety of trainings. Management will be asked for specific needs.

Terry King does all of the CNA training. They are required to have 24 hours per year. The clinical training schedule has tripled over the past couple of years. King teaches ACLS, PALS Neo-Natal and Arrhythmia recognition (which has required monitoring 24/7.) There are 17 signed up for that class this Saturday (Jan. 25) There have already been 16 take the class. King is also responsible for EMS coordination and training for skills required for relicensing and certification. King has a classroom set up in Burney at the former Urgent Care at the Annex. She has set up a Skills lab based on a State surveyor recommendation that we have a skills competencies program for all clinical staff. We offer CPR for outside groups. King coordinates the schedule and Jeanette Rodriguez teaches along with several other instructors.

Kerns applauded the staff. He said that training is the best return on investment. Thank you. Training is an investment in people.

King noted that if an employee is more confident in what they are doing, they will do a better job. King also noted that the board is always invited to trainings.

► ***Physical Therapy, Daryl Marzan:***

Trustee Albaugh recognized the Physical Therapy Department and Daryl Marzan, PT was there to do a presentation. She is currently working on a permanent contract. Jolene Platko, PT and department manager is out on maternity leave. They have a new aid hired. Marzan explained that with Medicare changes they need better documentation and they are working on that. There were new regulations put

in place in January. Volume in the department has increased significantly. In 2012 there were 4050 and it increased in 2013 to 8098 units. In this fiscal year from July through December they are already at 5000. Marzan reported that the department is starting to do statistical analysis' and are finding out where the money is that we are not receiving. The department is getting some training on insurance and how to bill in order to get the most for time spent.

PT in Long Term Care has Regina and Aurora working with rehab on the LTC side – they are not getting to do as much with the CNA shortage. Jolene and Daryl will be looking at Burney system to see how improvements can be made.

PT wants to use a Wii balance board system and will be looking at using them in LTC to help with balance. It helps to be able to visualize. They have been doing balance training at the Burney Annex. They are currently looking at table top arm bikes for the Burney Annex.

Pre and post partum training has increased and they have been getting referrals from Dr. Godzich. Additionally, they have been doing in-services with nursing, charting with instructions, safety and requiring that all patients are using gait belts.

PT is researching fit for duty testing. They will look into regulations to keep testing in house. The department has 15- 20 on waiting list. If a patient has any connection with Cardiac Rehab they are referring the \$35 month maintenance program and we are sending to Trudi Burns.

Albaugh asked what the departments needs were. Marzan said they could use arm bikes (table top), parallel bars and Wii balance boards.

5. OPERATIONS REPORT:

► Independent Financial Audit FY2013 by WIPFLI

Erik Volk from WIPFLI was present to discuss the FY2013 Audit. WIPFLI has worked on our cost report in the past and is now performing our audits. Being the first year, they reported the theme was "transition." He distributed a packet and audit report for review and touched on the following points:

- An unqualified, clean opinion was issued for the audit. The process tests internal controls to get an understanding of how they work. This is not an internal audit; that would be a separate process.
- Charity Care was \$33,403, last year it was \$12,491
- Everything was in compliance, including A/R and third party settlements.
- Adjustments: see list related to transition of accounting system, net adjusting JE in the increase to revenue over expense by \$1,083,900.
- Hospice – late were charges not on GL but the charges were added to the financials. This was a result of the Billing running late.

The significant deficiencies were related to year of transition –Financial Statements analysis:

- AR days from increased 2.6 to 3.8
- Capital assets increased from 8 mil to 11.2 mil – EHR (5 year depreciation)
- Liability – long term debt increased (line of credit – EHR)
- Overall net assets increased
- Income statement – loss from operations \$1.6 (if other revenue were included it would be \$487,000 loss)
- If the "clawback" didn't have to be booked, it would be positive \$900,000
- Operating margin – Most governmental agencies have a negative from operations and make it up with tax base. Breaking even is about the best you can do.
- Cash on hand is at 20 days, the benchmark is 50 days. This relates mostly to A/R collection.
- A/R was at 73 days, the benchmark is 56.6 –this can be related to the change in system. The benchmark is for CAH and some other rural hospitals.

- Average payment period – has increased to 87.17; Benchmark is 48.0
- Debt service coverage - .67; Benchmark is 2.34
- Long Term debt to capitalization - 93%; Benchmark – 30%
- Average age of plant – 17.5 years; Benchmark 9.36 – This is the reason for replacement of facility.

In addition to the written operations report included in the board packet, the following verbal reports and discussions are summarized below:

- ▶ ***Matt Rees, CEO:*** Reported that he met with R & S about the building project. We should be going out to bid for MEP and dirt work soon. Bid processes will happen out of Redding and we will only accept qualified bidders. Locals could be a subcontractor. Albaugh asked if Cal Mortgage had signed off on our application. Rees said they had.
 - The permit process is done except for the actual building permit – PGE cost is at \$125,000 to move the power lines.
 - Marlene McArthur has taken over the Foundation CEO position and they are moving forward with the capital campaign.
 - Keith Earnest is receiving the 20 under 40 Award from the Record Searchlight tonight in Redding.
 - Strategic Planning retreat is coming up in April.
 - Open House is February 14th from 2:00 – 5:00 pm
 - Employee Meetings had over half of the employees and all of the board members attend. (Except Allen – he was out of town.) It was noted that these are voluntary meetings.
 - Revenue cycle meetings are up and going.
 - \$400,000 in A/R last week – we are expecting A/R days to go down.
 - Val Lakey will be taking over Board Clerk position along with Marketing Manager. Kerns noted that she has a lot of experience with boards and the Brown Act.
- ▶ ***Cal mortgage representative Dean O'Brien*** was present at the meeting. He was at Mayers for a visit. He indicated that there was full support of our USDA financing and he "loves that we have a strategic plan." He said he was basically stopping by to maintain relationship with Travis and the finance department.
- ▶ ***New Construction/Maintenance Update:***
Erik Nielsen reported that the maintenance department has completed MVHC and the upstairs of maintenance shop. They will complete the flooring of the shop office at a later date.
- ▶ ***Keith Earnest, CCO:***
 - Doreen Parker is now the Imaging manager. She has a lot of new ideas including some on how provide different services in Burney.
 - In the Physical Therapy Department, Daryl Marzan has signed on as an employee. Albaugh asked about the PT hours. They are Monday –Friday and as needed on the weekend for swing patients.
 - There have been some Lab billing issues – Mickey Hechim in the lab is working on it. The Lab "going live" went a lot smoother than anticipated –there are still some issues to work out.
 - They are working on issues of getting physicians to document and electronic orders. We will be setting a deadline for no written orders.
 - Phlebotomy – Boston Reed has closed– it is disappointing to no longer have that resource.
- ▶ ***Sherry Wilson, CNO:***
 - It was noted that the board report from SNF/Acute will be split and half of the managers will report each month.
 - LTC census is up to 75 and they are currently reviewing one potential admit. Albaugh noted that the A/R days for LTC are looking good.

- Wilson is working with Colene Watson on billing.
- Working with Coleen Beck on utilization.
- Dr. Owens is now working.
- Kerns asked Coleen Beck for a list of what the top ten criteria would be for the balanced scorecard and why.
- Rees said we need to get together to make sure we are reaching goals and we need to look at the most useful statistics. We will put it on OPS agenda.
- Brubaker asked about 5150 policy – Happy Barrios is working on a policy. The standard is that they are never left alone. We need to make sure the staff is not put at risk. There is typically not a very quick response from the county.
- Brubaker told of a wound care instance she heard about and the referral not made to MMHD– She emphasized we need to promote to physicians out of the area to send referrals.
- The Caring Wheels program was mentioned. There will be a meeting Jan. 31 at 1:00 pm.

6. BOARD COMMITTEES:

6.1 Finance Committee

6.1.1 Committee Meeting Report:

Albaugh reported that the committee met and were provided with a billing department update; they reviewed financial notes; Travis Lakey presented graphs that were prepared to reflect data; It was noted that there is effort to improve the billing process with a three fronted approach. Albaugh said he is encouraged that things are getting better and will continue to improve. DSG will help improve some of the issues; deposits are going up and cash flow is improving. Jenette Spezio has been helping to train Chris Leonard and Paul Eves. It was also noted that there is a lot in A/R that needs to go to bad debt. A/R days should be going down.

The Capital Expenditure list was approved and will be on the February agenda.

6.1.2 December 2013 Financials:

A motion/second (Kerns/Hathaway), and unanimously carried, the Board of Directors accepted the November 2013 financial reports as presented.

6.1.3 PACS Server Recommendation: Soda gave an update and brief presentation

A motion/second (Kerns/Brubaker), and unanimously carried, the Board of Directors accepted

6.2 Strategic Planning Committee – Chair Abe Hathaway

- Matt will be going to Shasta Co Board of Supervisors meeting Tuesday to do a presentation. There are funds available from the windmill project.
- Pam Giacomini resigned from foundation board, she was serving as co-chair of the Capital Campaign committee with Mike Kerns. Kathy Lakey has been approached to take the position and she has agreed.

6.2.1 Self-Assessment Findings

- Kerns presented a power point summary of the board self-assessment (***Exhibit B***) There was discussion regarding board member absences. It was decided that because they were elected officials, would not be able to remove without a lengthy process. It was decided that it could be addressed amongst the board if there were any issues.

6.2.1 District Bylaws - A motion/second (Kerns/Hathaway), and unanimously carried to approve recommended changes.

6.3 Quality Committee – Chair Brenda Brubaker

6.3.1 Committee Meeting Report:

- Terry King reported on Staff Development. They are trying to use criteria and results based trainings and emphasize how it relates to quality.
- Safety/Emergency Preparedness– talked about Renown Hospital shooting incident in Reno.
- EMR update
- Business Office update
- Revenue Cycle was discussed.
- Jackie Harris gave a presentation on the Respiratory Therapy Department
- BJ Macey gave a report on SNF Social Services and activities
- Dr. Dahle mentioned the need in the future for an assisted living facility

6.3.2 Policy Approval

Complaint Policy – Brubaker had suggestions for the tri-fold brochure – ***A motion/second (Kerns/Brubaker) and unanimously carried to approve*** with corrections noted.

7. INFORMATION/BOARD EDUCATION/ANNOUNCEMENTS

- ▶ Board Education – QHR Webinar 2nd Tuesday each month, 10 a.m. PST
Val will forward webinar information to the board.
P & P Review Schedule was discussed. Board members will contact Val to set up times to review manuals.
- ▶ ACHD Leadership Development, January 23-24, Sacramento (Hathaway possibly interested)
- ▶ ACHD Legislative Day, April 7-8, 2014, Sacramento (Kerns attending)

7.1 Information/Announcements

- Marlene McArthur, IHF CEO reminded everyone about the Chocolate Festival scheduled for January 26 at Ingram Hall. The event is dedicated to Dr. Dewey Matthews.
- The February Board meeting will be changed from Wednesday, February 26 to Monday, February 24 at 1:00 pm in Burney. Matt Rees, CEO will be out of town on the 26th at the Rural Healthcare Symposium.

8. ADJOURNMENT: There being no further business, at the hour of 3:51 p.m., President Albaugh declared the meeting adjourned.