

Chief Executive Officer
Ryan Harris



Board of Directors
Jeanne Utterback, President
Abe Hathaway, Vice President
Tami Humphry, Treasurer
Lester Cufau, Secretary
James Ferguson, Director

Board of Directors
Regular Meeting Agenda
October 28, 2026 @ 1:00 PM
Mayers Memorial Healthcare District
Burney Boardroom
20647 Commerce Way
Burney, CA 96013

Mission Statement
Leading rural healthcare for a lifetime of wellbeing.

In observance of the Americans with Disabilities Act, please notify us at 530-336-5511, Ext. 1130, at least 48 hours in advance of the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations. The District will make every attempt to accommodate your request.

					Approx. Time Allotted
1	CALL MEETING TO ORDER		Chair: Jeanne Utterback		
This meeting will be conducted in accordance with Robert's Rules of Order and the Bylaws of Mayers Memorial Healthcare District.					
2	CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS				
Persons wishing to address the Board are requested to fill out a “Request Form” prior to the beginning of the meeting (forms are available from the Clerk of the Board (M-W), 43563 Highway 299 East, Fall River Mills, or in the Board Room). If you have documents to present to the Board of Directors for review, please provide a minimum of 9 copies. When the President announces the public comment period, requestors will be called upon one at a time. Please stand and give your name and comments. Each speaker is allocated five minutes to speak. Comments should be limited to matters within the jurisdiction of the Board. Pursuant to the Brown Act (Govt. Code section 54950 et seq.), action or Board discussion cannot be taken on open time matters other than to receive the comments and, if deemed necessary, to refer the subject matter to the appropriate department for follow-up and/or to schedule the matter on a subsequent Board Agenda.					
3	APPROVAL OF MINUTES				
3.1	Regular Board Meeting – September 30, 2026		Attachment A	Action Item	1 min.
3.2	Special Board Meeting – July 13, 2026		Attachment B	Action Item	1 min.
4	DEPARTMENT/QUARTERLY REPORTS/RECOGNITIONS				
4.1	Resolution 2026-22 September Employee of the Month		Attachment C	Action Item	1 min.
4.2	Staff Housing - Written report provided. Questions pertaining to the written and verbal report.	Joey Marchy	Attachment D	Report	2 min.
4.3	Respiratory Therapy - Written report provided. Questions pertaining to the written and verbal report.	Kevin Davie	Attachment E	Report	2 min.
4.4	Safety Quarterly Update – Written report provided. Questions pertaining to the written and verbal report.	Dana Hauge	Attachment F	Report	2 min.
5	BOARD COMMITTEES				
5.1	Finance Committee				
5.1.1	Committee Meeting Report: Chair Humphry			Report	5 min.
5.1.2	September 2026 Financial Review, AP, AR, and Acceptance of Financials			Action Item	2 min
5.2	Quality Committee				
5.2.1	Committee Meeting Report: Chair Cufau			Report	5 min.
5.3	Strategic Planning Committee				
5.3.1	Committee Meeting Report: Chair Hathaway No meeting in October			Report	1 min.

5.4	Governance Committee			
5.4.1	Committee Meeting Report: Chair Hathaway No meeting in October		Report	1 min.
6	NEW BUSINESS			
6.1	Conferences and External Meetings		Information	5 min.
6.2	Resolution 2026-23 Authority to Sign	Attachment G	Action Item	2 min.
7	ADMINISTRATIVE REPORTS			
7.1	Chief's Reports – Written reports provided. Questions pertaining to the written and verbal reports of any new items.			
7.1.1	Chief Operations Officer- Jessica DeCoito	Attachment H	Report	5 min.
7.1.2	Chief Financial Officer – Travis Lakey		Report	5 min.
7.1.3	Chief People Officer – Libby Mee		Report	5 min.
7.1.4	Chief Clinical Officer – Keith Earnest		Report	5 min.
7.1.5	Chief Nursing Officer – Theresa Overton		Report	5 min.
7.1.6	Chief Medical Officer – Al Kokwaro		Report	5 min.
7.1.7	Chief Executive Officer – Ryan Harris		Report	5 min.
8	OTHER INFORMATION/ANNOUNCEMENTS			
8.1	Board Member Message: Points to highlight communications to staff and on social media		Discussion	2 min.
9	MOVE INTO CLOSED SESSION		Action Item	2 min
10	CLOSED SESSION			
10.1	Update on Existing Litigation (Gov. Code § 54956.9) - Two Cases - Case name withheld pursuant to Government Code § 54956.9(d)(1), because disclosure would jeopardize the agency's ability to conduct the litigation - Case name withheld pursuant to Government Code § 54956.9(d)(1), because disclosure would jeopardize the agency's ability to conduct the litigation			
10.2	Update on Real Estate (Gov. Code §54956.8) - Property: APN 028-340-048-000 - Negotiator: Ryan Harris, CEO			
11	RECONVENE OPEN SESSION		Action Item	2 min.
12	ADJOURNMENT: Next Regular Board Meeting December 9, 2026			

Posted: 10.22.26



Board of Directors
Regular Meeting Minutes
September 30, 2026 @ 1:00 PM
Mayers Memorial Healthcare District
Fall River Boardroom @ MMHD Hall
43579 Highway 299 East
Fall River Mills, CA 96028

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:** Jeanne Utterback called the regular Board of Directors meeting to order at 1:00 p.m. on August 26, 2026, in accordance with Robert's Rules of Order and the Bylaws of Mayers Memorial Healthcare District, which govern the conduct of the meeting.

BOARD MEMBERS PRESENT:

Jeanne Utterback, President
Abe Hathaway, Vice President
Tami Humphry, Treasurer
Lester Cufaude, Secretary
Jim Ferguson, Director

ABSENT:

STAFF PRESENT:

Ryan Harris, CEO
Jessica DeCoito, COO
Theresa Overton, CNO
Travis Lakey, CFO
Keith Earnest, CCO
Libby Mee, CPO
Alfred Kokwaro, CMO
Lisa Neal, Board Clerk

- 2 CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS:** No public comments.

3 APPROVAL OF MINUTES

- | | | | |
|-----|--|-------------------------------|----------------------------|
| 3.1 | A motion to accept the Regular Board Meeting minutes of August 26, 2026, as presented, was moved, seconded, and carried. | Cufaude /
Hathaway | Approved
by All |
|-----|--|-------------------------------|----------------------------|

4 DEPARTMENT/OPERATIONS REPORTS/RECOGNITIONS

- | | | | |
|-----|---|------------------------------|----------------------------|
| 4.1 | Resolution 2026-21 August Employee of the Month: Tyler Robbins – Tyler consistently goes above and beyond to assist staff with IT issues, responding promptly and making sure problems are resolved rather than simply providing a quick fix. They are patient, approachable, and willing to take the time to explain things and ensure that staff feel supported, even during busy or stressful situations. Their willingness to help has made day-to-day work easier and helped prevent technology-related issues from interfering with patient care. Tyler has been instrumental in helping the new Tech Zack get acclimated in Tech support.

A motion to accept the August Employee of the Month was moved, seconded, and carried. | Humphry /
Cufaude | Approved
by All |
| 4.2 | Physical Therapy – written report submitted by Daryl Schneider, PT Manager. | | |
| 4.3 | Cardiac Rehab – written report submitted by Tiffani McKain, Director of Clinic Services. | | |
| 4.4 | Mayers Retail Pharmacy – written report submitted by Kristi Shultz, Assistant Manager. The Board acknowledged the great work in partnering with Lakeview on Medicare Part B DME. | | |

5 BOARD COMMITTEES

5.1	Finance Committee		
5.1.1	Meeting Report: Chair Humphry. FY27 Cash on Hand is averaging 275 days. The CFO is preparing quarterly actual-to-budget and departmental financial reports to support forecasting and decision-making.		
5.1.2	June 2026 Financial Review: AP, AR, and Acceptance of Financials A motion was made to accept the June AP, AR, and Acceptance of Financials, as presented, and was moved, seconded, and carried.	Humphry / Hathaway	Approved by All
5.1.3	July 2026 Financial Review: AP, AR, and Acceptance of Financials A motion was made to accept the July AP, AR, and Acceptance of Financials, as presented, and was moved, seconded, and carried.	Humphry / Hathaway	Approved by All
5.1.4	August 2026 Financial Review: AP, AR, and Acceptance of Financials A motion was made to accept the August AP, AR, and Acceptance of Financials, as presented, and was moved, seconded, and carried.	Humphry / Hathaway	Approved by All
5.2	Quality Committee		
5.2.1	Meeting Report: Chair Cufau ER and Clinic surveys received over 90% positive ratings. The committee recognized the great work of the Director of Quality, Megan Holte, in her first 90 days. Chief Medical Officer Dr. Kokwaro has process-improvement ideas for swing-bed care, including patient activity, supportive environments, transitions of care for patients without an established physician, and warm handoffs to clinic providers. The committee requested that the Quality packet be emailed to all Board members.		
5.3	Strategic Planning Committee		
5.3.1	Committee Meeting Report: Chair Hathaway Meeting held September 28, 2026, with updates provided on the Master Plan, deferred maintenance, and construction. For the FY27 Growth Priority, a Burney retail pharmacy will not be operational by June 30, but the goal of developing, launching, or expanding 3 revenue-generating clinical service lines remains on track.		
5.4	Governance Committee		
5.4.1	Committee Meeting Report: Chair Hathaway Meeting held September 28, 2026. The committee discussed a Board Calendar, reporting schedule, and the nomination of officers for 2027, and will bring them forward to the board at the December 9 th meeting. Ryan reported that an organizational analysis is not required for district transparency and that annual reports are standard and are accepted as part of the ACHD Accreditation. He proposed that Marketing prepare an annual report for community mailing approximately six months after the Mayers Healthcare Foundation's annual appeal. Reference 6.1 under New Business for the motion. The committee discussed modifying the Authority to Sign Resolution to emergency signing authority only by the CFO and COO. Ryan will bring a new resolution, with proposed language, to the October regular board meeting for board review and a recommendation for action.		

6 NEW BUSINESS

6.1	Organizational Analysis The CEO recommended creating an Annual Report in place of the organizational analysis to be completed 6 months after the Mayers Healthcare Foundation's Annual Appeal. A motion was made to retire the annual organizational analysis report and to adopt an Annual Report to be created by the Marketing Department for distribution to the community as a mailer six months after the Mayers Healthcare Foundation's Annual Appeal; it was moved, seconded, and carried.	Hathaway / Ferguson	Approved by All
6.2	Shasta LAFCO Ballot A motion was made to vote for candidate Brian Harris as a Shasta LAFCO regular special district member, and was moved, seconded, and carried.	Hathaway / Cufau	Approved by All

7 ADMINISTRATIVE REPORTS

7.1 Chief Reports: *Written reports provided. Questions pertaining to the written and verbal reports of any new items.*

- 7.1.1 Chief Operations Officer: Written report submitted by Jessica DeCoito. RHC timeline for construction completion has moved to the end of November. The gas line project is expected to wrap up in October. TCCN construction work is scheduled to start in October. For the Pin 74 project, a generator is on order, and shipping/receipt is 8-10 months out; expecting a construction change order to include labor only. Adopt-a-Highway Trash Cleanup Day is scheduled for Friday, Oct. 2, at 8 am. Contact Jessica if you would like to participate. MMHD will have a new section of the highway for future cleanup days that is in front of the hospital.
- 7.1.2 Chief Financial Officer: Written report submitted by Travis Lakey.
- 7.1.3 Chief People Officer: Written report submitted by Libby Mee.
- 7.1.4 Chief Clinical Officer: Written report submitted by Keith Earnest.
- 7.1.5 Chief Nursing Officer: Written report submitted by Theresa Overton. On October 1, Theresa and the Acute Services Director of Nursing, Moriah Padilla, will meet with leadership at Shasta Regional Medical Center in Redding to discuss the SNF and swing-bed process.
- 7.1.6 Chief Executive Officer: Written report submitted by Ryan Harris.

8 OTHER INFORMATION/ANNOUNCEMENTS:

8.1 Board Member Messaging:

- Employee of the Month – Tyler Robbins
- TCCN events and childcare
- New MRI Schedule – 2 days every week
- Denim & Diamonds, Jan 23, 2027
- Thank You to Thrift Store Volunteers
- Service Excellence Recognition - Health Care Service Excellence Conference (HCSEC). Congratulations to Mayers!
 - 2026 Breakthrough Award for HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems)
 - HCAHPS – Able to Rest as Needed: Silver Improvement and Diamond Achievement
 - HCAHPS – Cleanliness of Hospital Environment: Silver Improvement and Ruby Achievement
 - HCAHPS – Hospital Environment Domain Performance: Gold Improvement and Ruby Achievement
 - HCAHPS – Nurses Explain in a Way You Understand: Bronze Improvement
 - HCAHPS – Nurses Treat with Courtesy/Respect: Bronze Improvement
 - HCAHPS – Quietness of Hospital Environment: Silver Improvement and Emerald Achievement
 - HCAHPS – Restful Hospital Environment Domain Performance: Bronze Improvement and Emerald Achievement
 - HCAHPS – Staff Describe Medicine Side Effect: Emerald Achievement
 - HCAHPS – Staff Informed About Your Care: Bronze Improvement
 - Summit Award Finalists
 - Tiffani McKain, Exceptional Implementation Coordinator
 - Nicole Strahorn, Exceptional Employee – Clinical
 - Ashley Nelson, Exceptional Employee – Non-Clinical
 - Shelby Sheppard, Exceptional Nurse
 - George Winter, Customer Focused Provider
 - Theresa Overton, Empowering CNO
 - Ryan Harris, Inspiring CEO
 - Oasis Team, Nacho Average Team, Mayers Memorial Healthcare District
 - Do It Improvement Project, White Rose Program, Mayers Memorial Healthcare District

- Service Excellence Council, Mayers Memorial Healthcare District
- Outstanding 1st Year Service Excellence Initiative, Mayers Memorial Healthcare District

9 MOVE INTO CLOSED SESSION AT 3:08 P.M.

10 CLOSED SESSION

10.1 Update on Existing Litigation (Gov. Code § 54956.9)

- Two Cases
 - Case name withheld pursuant to Government Code § 54956.9
 - Case name withheld pursuant to Government Code § 54956.9
-

10.2 Update on Real Estate (Gov. Code § 54956.8)

- Property: APN 028-340-048-000
-

11 RECONVENE OPEN SESSION: Moved into Open Session at 5:21 p.m.

A motion to reconvene Open Session was made, seconded, and carried.

**Cufaude /
Ferguson**

**Approved
by All**

A motion was made to authorize the CEO to enter negotiations for the purchase of the former McDonald's building in Burney, CA.

**Cufaude /
Ferguson**

**Approved
by All**

12 ADJOURNMENT: A motion to adjourn at 5:21 p.m. was moved, seconded, and carried.

Next meeting is on October 28, 2026.

**Cufaude /
Ferguson**

**Approved
by All**

I, _____, Board of Directors _____, certify that the above is a true and correct transcript from the minutes of the regular meeting of the Board of Directors of Mayers Memorial Healthcare District

Board Member

Board Clerk

Chief Executive Officer
Ryan Harris



ATTACHMENT B

Board of Directors

Jeanne Utterback, President
Abe Hathaway, Vice President
Tami Humphry, Treasurer
Lester Cufau, Secretary
James Ferguson, Director

Board of Directors

Special Board Meeting Minutes

July 13, 2026 @ 3:00 PM

FR Boardroom

43563 Highway 299 East

Fall River Mills, CA 96028

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:** Jeanne Utterback called the regular Board of Directors meeting to order at 3:00 p.m. on July 13, 2026, in accordance with Robert's Rules of Order and the Bylaws of Mayers Memorial Healthcare District, which govern the conduct of the meeting.

BOARD MEMBERS PRESENT:

Jeanne Utterback, President
Abe Hathaway, Vice President
Tami Humphry, Treasurer
Lester Cufau, Secretary
Jim Ferguson, Director

STAFF PRESENT:

Ryan Harris, CEO
Keith Earnest, CCO
Libby Mee, CPO

ABSENT:

-
- 2 **CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS:** No public comments.

-
- 3 **MOVE INTO CLOSED SESSION**

3.1 Conference with Legal Counsel - Existing Litigation (Gov. Code § 54956.9)

- Case name unspecified, disclosure would jeopardize service of process or existing settlement negotiations

-
- 11 **RECONVENE OPEN SESSION:** Moved into Open Session at 4:55 pm.

No action taken in Closed Session

-
- 12 **ADJOURNMENT:** A motion to adjourn at 4:55 pm was made, seconded, and carried.

Ferguson /
Cufau

Approved
by All

I, _____, Board of Directors _____, certify that the above is a true and correct transcript from the minutes of the special meeting of the Board of Directors of Mayers Memorial Healthcare District.

Board Member

Board Clerk



RESOLUTION NO. 2026-22

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF MAYERS MEMORIAL HEALTHCARE DISTRICT RECOGNIZING**

DANIELA FUENTES

As September 2026 EMPLOYEE OF THE MONTH

WHEREAS, the Board of Directors has adopted the MMHD Employee Recognition Program to identify exceptional employees who deserve to be recognized and honored for their contributions to MMHD; and

WHEREAS, such recognition is given to the employee meeting the criteria of the program, namely exceptional customer service, professionalism, high ethical standards, initiative, innovation, teamwork, productivity, and service as a role model for other employees; and

WHEREAS, the MMHD Employee Recognition Committee has considered all nominations for the MMHD Employee Recognition Program;

NOW, THEREFORE, BE IT RESOLVED that Daniela Fuentes is hereby named Mayers Memorial Healthcare District Employee of the Month for September 2026; and

DULY PASSED AND ADOPTED this 28th day of October 2026 by the Board of Directors of Mayers Memorial Healthcare District by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

Jeanne Utterback, President
Board of Directors, Mayers Memorial Healthcare District

ATTEST:

Lisa Neal
Clerk of the Board of Directors



Department Reporting Managers' Meeting and Regular Board Meeting

Manager & Department: Joey Marchy – Employee Housing

Reporting Month & Year: October, 2026

Summary:

1. Employee Housing Department is focusing on water conservation through drought-tolerant landscaping, addressing deferred maintenance through exterior painting and siding repairs, and improving lighting and pathway safety in preparation for winter. Key accomplishments include consistently passing all water quality tests since installing the UV filtration system and maintaining reliable pump operations with only five days of downtime this year. The primary challenge is addressing the accumulated maintenance needs of the aging facility. Prioritizing these improvements will help preserve the property, reduce long-term repair costs, and maintain a safe, comfortable, and high-quality living environment for our residents.

Top Projects (1-3):

1. Drought-Tolerant Landscaping

We are planning to transition the front lawns, including those in front of individual houses, toward a more drought-tolerant landscape. The primary goal is to reduce water consumption, particularly during the summer months, while maintaining an attractive, well-maintained appearance throughout the property.

This project may include replacing portions of traditional turf with drought-resistant plants, ground cover, decorative rock, mulch, and other low-water landscaping options. The objective is to create a landscape that is both visually appealing and more sustainable, while reducing the amount of irrigation and ongoing maintenance required.

2. Restorative and Deferred-Maintenance Projects

We will also be addressing several restorative projects throughout the property, with an emphasis on correcting deferred maintenance and preserving the condition and appearance of the lodge and guest houses.

Projects will include exterior painting and siding repairs or replacements where needed, as well as repairing areas that have experienced woodpecker damage. Addressing these issues will help protect the buildings from further

deterioration, improve their overall appearance, and extend the life of the existing structures.

These improvements are intended to address both immediate maintenance needs and longer-term preservation of the property.

3. Preparing the Lodge and Guests for Winter

Another priority is preparing the lodge, guest houses, and surrounding grounds for the winter season. This will include improving exterior lighting to provide better visibility and safety during shorter daylight hours and inclement weather.

We will also evaluate and upgrade path reflectors and other pathway lighting to make walkways easier to navigate at night and during winter conditions. In addition, we plan to install new solar lighting for the highway sign to improve its visibility after dark while providing an energy-efficient lighting solution.

Together, these improvements will help ensure that the property is safe, accessible, welcoming, and prepared for winter weather and the needs of our guests.

Wins (1-2):

1. Since installing our UV light filtration system, we have consistently passed all water quality tests.
2. So far this year, our pump has been operational almost continuously, with only five days of downtime. We have purchased just three truckloads of water and experienced only two mainline breaks and one electrical panel fault.

Challenge (1):

With the facility continuing to age and a history of inconsistent maintenance, certain areas of the lodge are beginning to deteriorate more rapidly than others. While we have made improvements to essential systems and addressed operational issues as they arise, the overall condition of the property now requires a more comprehensive approach to maintenance and repairs.

As we move forward in our ownership of the lodge, addressing the accumulated deferred maintenance has become a priority. Items that have been postponed or managed through temporary repairs will need to be evaluated and addressed to prevent further deterioration, reduce the risk of costly emergency repairs, and extend the useful life of the facility's infrastructure and building components.

Ultimately, investing in the upkeep of the facility is essential to protecting the value of our property, maintaining operational reliability, and ensuring that the lodge remains a well-maintained and functional housing facility for years to come.



Department Reporting Managers' Meeting and Regular Board Meeting

Manager & Department: Kevin Davie, Director of Ancillary Services, Respiratory Therapy

Reporting Month & Year: October, 2026

Summary:

- The Respiratory Therapy department is entering an exciting growth phase with stable leadership, expanded diagnostic capabilities, and strong patient demand. Our focus will be on building the infrastructure, staffing, and services needed to support sustainable growth while continuing to deliver exceptional care to our community.

Top Projects (1-3):

- Partnering with Danielle and CorroHealth to correct several chargemaster items that were identified and ensure billing integrity moving forward.
- Continuing efforts to enroll our first eligible patient into the Pulmonary Rehab program, establishing the foundation for future program growth and patient access.

Wins (1-2):

- We successfully hired our permanent Respiratory Therapy Manager, Michelle Chaffee, who will begin on December 1st, 2026.
- The new Pulmonary Function Testing (PFT) system has been installed, staff training has been completed, and the service is now operational. Demand for PFT services has been exceptional, and we are currently fully booked through October.

Challenge (1):

- As Michelle transitions into her new role, we will be taking a comprehensive look at department operations, including equipment needs, staffing models, and future service opportunities.



Safety & Security Board Report

Manager & Department: Dana Hauge- Safety & Security

Reporting Month & Year: October, 2026

Summary:

The Safety, Security, and Emergency Preparedness programs continue to support a safe, coordinated, and resilient environment across the district.

AB-2975:

Working with California Hospital Association (CHA) and the Chief of Operations to represent the district in adjusting the draft form for the legislation presented by California Occupational Safety and Health Association. Additionally, we are forecasting the potential impact of the legislation.

OASIS Teams:

Both teams have successfully started implementation of their projects with success. They are working together to further develop district wide initiatives that focus on patient care outcomes as well as employee satisfaction.

Accreditation Commission for Healthcare (ACHC):

Focused work on preparing and continuing strategies for program and survey preparedness. Improving program guidelines and reporting structures to ensure appropriate follow-through and successful outcomes. The 2025 version of the ACHC manual was presented with enhanced guidelines and increased need for inter-department knowledge.

Working with the Director of Quality (DOQ) on ACHC requirements for the district surrounding Safety Officer reporting requirements in conjunction with the DOQ reporting requirements by improving reporting pathways and performance improvement data for life safety and the physical environment with assistance from Richard Parker-Director of Life Safety and Physical Environment for ACHC.

Collaboration and growth:

Working with infection prevention and facilities to increase safety in construction and maintenance activities, focusing on improving the internal safety risk assessment and permitting process.

Disaster Preparedness- The district has a certified First Receiver Operations-decon team. This team is ready to decontaminate victims exposed to hazardous materials, prior to entering the facility. The California Governor's Office of Emergency Services certified the team. Certified team members are Kristen Stephenson, Erin Glebe, Dana Hauge, Taylor Eiffert,

Safety & Security Board Report

Kimberlee Hartshorn, Joe Patten, Cody Robertson, Sherry Yochum, Jonathan Stephenson, and trained employee Steve Holt. We are excited for our first certified team and are excited to continue training and being prepared.

Safety, Emergency & Environment of Care Committee Reports

District Wide Risk Assessments

Risk Assessment

Topic/Department	Location	Status
Infection Control & Response; High level Disinfection and Sterilization	Endoscopy suite, ultrasound room, sterile processing	Complete- No high-risk deficiencies
Emergency Department Ligature Risk Assessment	Emergency Room Suite	Complete- If patient is at risk, staff will always sit within arm's length.

Infection Control Risk Assessments (ICRA)



Alternative Life Safety Measure Assessment- Life Safety

Date	ALSM & Location	Status
9/23/2026	Fire Panel transmission times were longer than 90 seconds	Complete with continued monitoring.

Performance Improvement Measures to monitor the Fire Panel Transmission Times

Monitor Internal clock on Fall River Fire Panels to ensure accuracy for alarm reporting, due to previous fire drill reporting failure. One month of correct times, followed by monthly checks until next fire drill.					
Fire Panel Station 1	Week 1	Week 2	Week 3	Week 4	Week 5
Date	9/30/2026	10/6/2026	10/14/2026		
Time correct (Y/N)	Y	Y	Y		
Fire Panel ER	Week 1	Week 2	Week 3	Week 4	Week 5
Date	9/30/2026	10/6/2026	Y		
Time correct (Y/N)	Y	Y	Y		

Transmission Times for Fire Panel/ Fire Drill

Fire Drills	
Fire Panel Station 1- Day	8/24/2026
Time Alarm Activated	2:28pm
Time Alarm Received	2:28pm
Fire Panel Station 1- Night	9/29/2026
Time Alarm Activated	6:07pm
Time Alarm Received	6:07:57
Fire Panel ER- Day	8/24/2026
Time Alarm Activated	2:39pm
Time Alarm Received	2:41pm
Fire Panel ER- Night	9/29/2026
Time Alarm Activated	6:25pm
Time Alarm Received	6:25:18

Utilities Performance Improvements- Physical Environment

Peterson Power Systems performed work on the water pump of the Fall River generator. Performance Improvement measures on the working order of the generator to ensure a complete fix, using weekly maintenance logs.

Monthly Inspection	Aug-26	Sep-26	Oct-26	Nov-26
Date Inspection Completed	8/20/2026		10/14/2026	
Fuel Level	Full		Full	
Water Pump	Pass		Pass	
Abnormal Issues	No		No	
Service Hours	204.4-205.4		206.2-207.8	
Weekly Inspection	Sep Wk 1	Sep Wk 2	Sep Wk 3	Sep Wk 4
Date Inspection Completed	9/2/2026	9/9/2026	9/15/2026	9/23/2026
Fuel Level	Pass	Pass	Pass	Pass
Coolant Level	Pass	Pass	Pass	Pass
Abnormal Issues	No	No	No	No

Employee Injuries

April – September 2026

- Days missed from one injury.
- Safe Patient Handling related incidents are the most common for this period.
- Injury data is in a downward trend compared to quarters before.

Type	Burney	Fall River
First Aide	5	1
BETA/ OSHA reported	0	3
Near Miss/ No	0	1
Altered work	0	0
Days Missed	0	45

Security Data

Security Incident Trends

Fall River campus / outbuildings • fiscal-year comparison • current year through October

Current YTD (Jul–Oct 20th) **21** Prior YTD (Jul–Oct) **24**

Year-over-year change **-12.5%** Two-year change **75.0%**

Month	2024/25	2025/26	2026/27
Jul	3	7	6
Aug	2	4	5
Sep	0	8	5
Oct	7	5	5
Nov	4	3	
Dec	3	1	
Jan	3	3	
Feb	6	1	
Mar	6	6	
Apr	5	4	
May	5	5	
Jun	3	4	

- Current YTD: 21 incidents, 12.5% below the same four months last year.
- Current monthly pattern: July peaked at 6, followed by 5 incidents in each month from August through October 20th.
- Longer view: 2025/26 totaled 51 incidents versus 47 in 2024/25 (8.5% increase).



RESOLUTION NO. 2026-23

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF MAYERS MEMORIAL HEALTHCARE DISTRICT RECOGNIZING**

AUTHORITY TO SIGN

WHEREAS, the Board finds it necessary to sign contracts, leases, line of credit documents, and other documents necessary for the administration and operation of the District; and

WHEREAS, the Board, within its power, hereby designates Ryan Harris, Chief Executive Officer (CEO), to sign such documents; and

WHEREAS, the Board, within its power, hereby designates Travis Lakey, Chief Financial Officer, to sign such documents in emergent situations when the Chief Executive Officer is unable to sign due to lack of access to necessary technology, personal time off, or other absence; and

WHEREAS, the Board, within its power, hereby designates Jessica DeCoito, Chief Operating Officer, to sign such documents in emergent situations only when both the Chief Executive Officer and Chief Financial Officer are unable to sign due to lack of access to necessary technology, personal time off, or other absence; and

NOW, THEREFORE, the undersigned certifies and attests that the above resolution was approved at a regular meeting of the Board of Directors, Fall River Mills, California, on the 28th day of October 2026.

PASSED AND ADOPTED on October 28, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

Jeanne Utterback, President
Board of Directors, Mayers Memorial Healthcare District

ATTEST:

Lisa Neal
Clerk of the Board of Directors



Executive Leadership Reporting Regular Board Meeting

Executive Leader: Jessica DeCoito, COO

Reporting Month & Year: October 2026

FR Rural Health Clinic Remodel & Ancillary Projects

The FR Rural Health Clinic (RHC) Remodel project continues to progress as planned. Interior painting continued this week, with other finishing work also taking place. We are planning a walk on October 29 with the project management team and will create any final punch list items.

Work at TCCN started the week of October 12. Work is progressing nicely, with plumbing inspections scheduled for October 22.

Work inside the hospital on the fire/smoke dampers has begun. This past week, the dietary dry storage area was relocated, and the anteroom was set up. Construction in purchasing is scheduled to begin November 9.

Hatcher's Office

We are happy to report that the clinic team moved into the new office space during the week of October 19. Thank you to the maintenance and IT teams for their work.

Nurse Call

We continue to coordinate the system design with WestCom, our architects, and engineers.

Seismic Requirements

Our architects met with Alex and me on Wednesday, October 14, for a site walkthrough. They conducted extensive reviews of the NPC and SPC spaces, taking notes and video footage.

We expect the SPC-4D assessment at the end of this month. This will give us an idea of what work will be required to bring the acute building up to seismic requirements.

We continue to work toward required seismic compliance, with near-term emphasis on completing the evaluations for NPC and SPC, confirming infrastructure requirements, and updating our seismic compliance plan.

MRI Trailer Electrical

The drawings for the MRI trailer's electrical and data outlet relocation are ready for submission to the county as part of the permit application during the week of October 26.

Other Construction

Door 28 was onsite on October 21 and October 22 to repair two sets of doors and install ADA openers at the doors connecting the old hospital to the new hospital wing. The maintenance team poured a new pathway from the hospital parking lot to the Masonic Hall.

Legislation

I continue to participate in the California Hospital Association (CHA) Advocacy and Legislative Strategy Group calls each week to stay informed on legislative developments affecting rural healthcare.

Current topics of significance include:

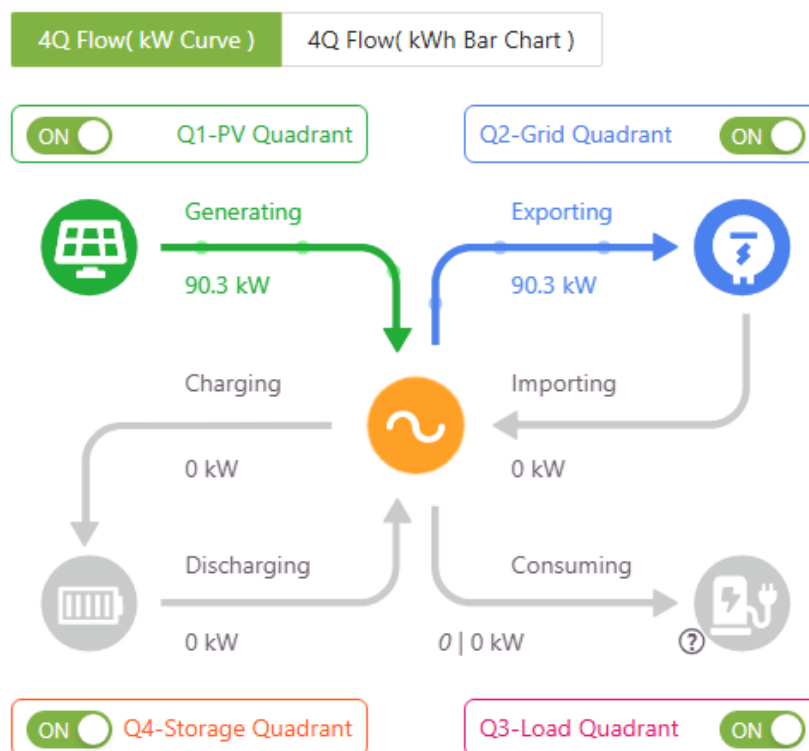
- **Office of Health Care Affordability (OHCA):** Proposed spending-target enforcement and penalty regulations remain a key hospital advocacy issue, particularly regarding recognition of mandated and other uncontrollable costs.
- **AB 2575:** Vetoed by the Governor.
- **AB 2975:** We submitted a letter opposing the proposed regulations for AB 2975. We continue to prepare internally while remaining hopeful that the final rules will more closely align with the approved legislation.

I am excited to announce that I will be serving on the ACHD Advocacy Committee, along with other healthcare district representatives. Our first meeting will take place on November 19.

ACHD Annual Conference

Ryan, Jeanne, and I attended the ACHD Annual Conference in Monterey a few weeks ago. The speakers and sessions offered several ideas that we could implement at MMHD. A particular highlight was keynote speaker Michelle Gielan's presentation on resilient optimism. I purchased her book and look forward to applying some of her practices within the hospital environment.

Solar: as of October 21, 2026





Executive Leadership Reporting Regular Board Meeting

Executive Leader: Travis Lakey, CFO

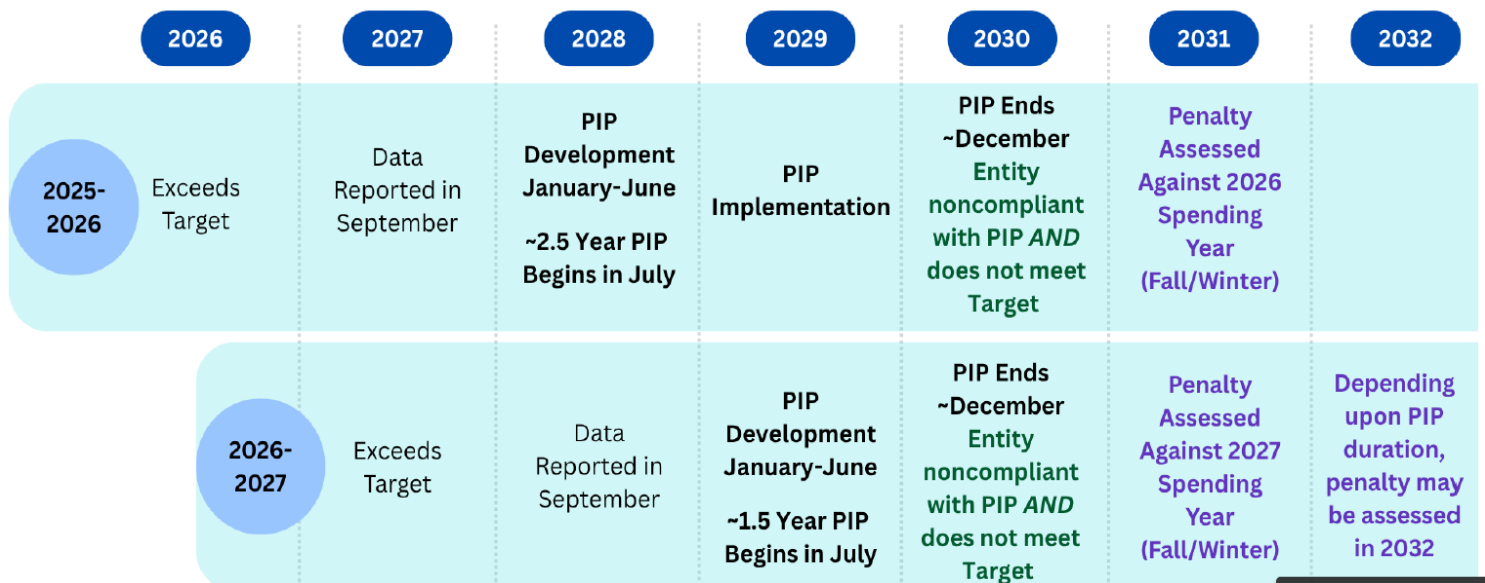
Reporting Month & Year: September 2026

Ratios	FY 27	FY 26 Average	
Cash on Hand	268	253	Avg PY
Net Income	3,317,857	421,532	Avg PY
Current Ratio	5.54		
AR Days	66	71	Avg PY
Accounts Payable	1,117,130	1,355,812	Avg PY
Daily Gross Revenue	182,252	194,325	Avg PY
YTD% of Gross Revenue Collected	74%	62%	Avg PY

- 1) We've been working on our CalRHT grants where we have been tentatively approved. Given the Transformative Payment grant didn't originally include a budget and was very high level there are a lot of projects and costs to put together, and I haven't gotten any firm timelines from HCAI.
- 2) Cash is up in October as we received 8.26 million in District Hospital Directed Payments (DHDP). This was a combination of the second payment of CY 24 and first payment of CY 25. Going forward now that we are caught up, we should only get one payment per six months. I appreciate Partnership Health getting those checks out timely as they could have held onto the funds until November which some of the other plans do to collect interest.
- 3) YTD of gross revenue collected is up to 74% as we got paid for all the SNF days that we had been under reimbursed for due to some system issues. This plus a strong collection month is also why AR days dropped 11 days.
- 4) The RHC is looking strong as visits are the highest they have been for the first quarter since we've started that service.
- 5) Retail Pharmacy is having a strong year with 373K bottom line.
- 6) Deep into audit (general, and Medi-Cal) and cost report season (Medicare, Medi-Cal, and Hospice) which is by far the busiest time of year.

- 7) HCAI is establishing a Healthcare Access Stability Unit and has sent surveys out to healthcare leaders of what functions they think the office should perform. Right now, they plan to monitor financials to evaluate possible risks of closures and coordinate strategies to preserve access. It will be interesting to see how this new office interacts with hospitals as HCAI and the state have and are providing Distressed Hospital Loans but have never gotten into the overall operations of hospitals and how to streamline or continue services.
- 8) Ryan and I participated in a Hospital Financial Resilience Listening Session alongside hospital leaders from Dignity Health and Enloe Medical Center. The session included significant state leadership representation, with the directors of CDPH, CalHHS, DHCS, and HCAI in attendance. This provided a rare and valuable opportunity to discuss our financial and operational challenges directly with the leaders of the state agencies that oversee and regulate our operations. As the only Critical Access Hospital represented, we were able to highlight the unique challenges facing rural hospitals, which differ significantly from those experienced by larger healthcare systems such as Dignity and Enloe.
- 9) I attended the OHCA Advisory Board Meeting where there was a long discussion about the Enforcement and Performance Improvement Plans (PIPs). The process is problematic given that you could be on multiple PIPs given the lag on notifications that you missed the target. There have been discussions about exclusions from targets due to low volumes which I'm hopeful will remove smaller Critical Access Hospitals (CAHs) since I've walked OHCA through that most CAHs will fail based off our cost-based reimbursement methodology.

Potential Enforcement Timeline for Health Plans

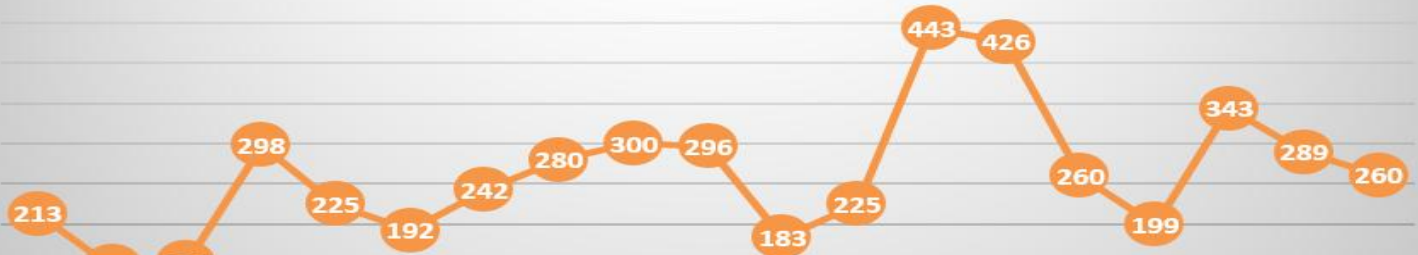


Acute Days YTD FY 10 to 27



2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 AVG.

Swing Days YTD FY 10 to 27



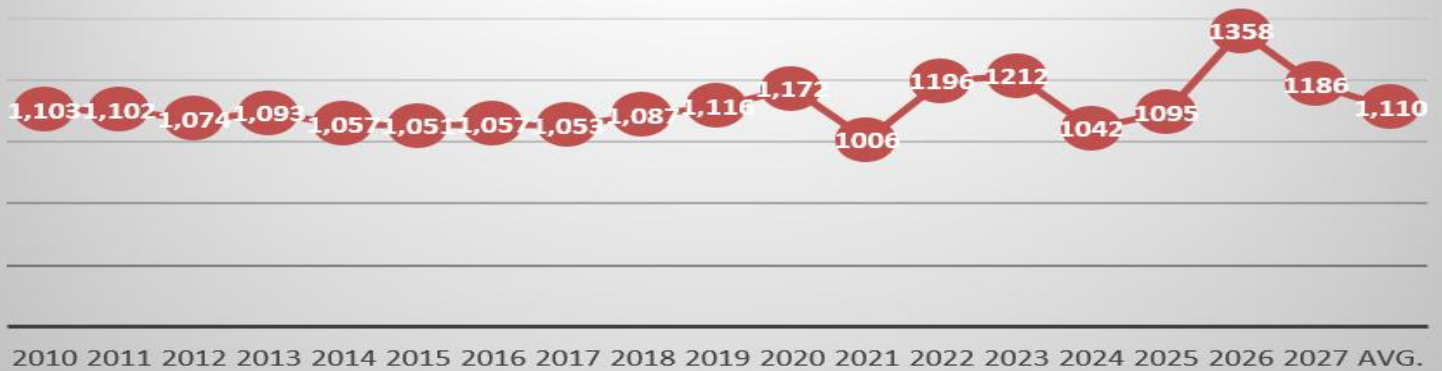
2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 AVG.

SNF Days YTD FY 10 to 27

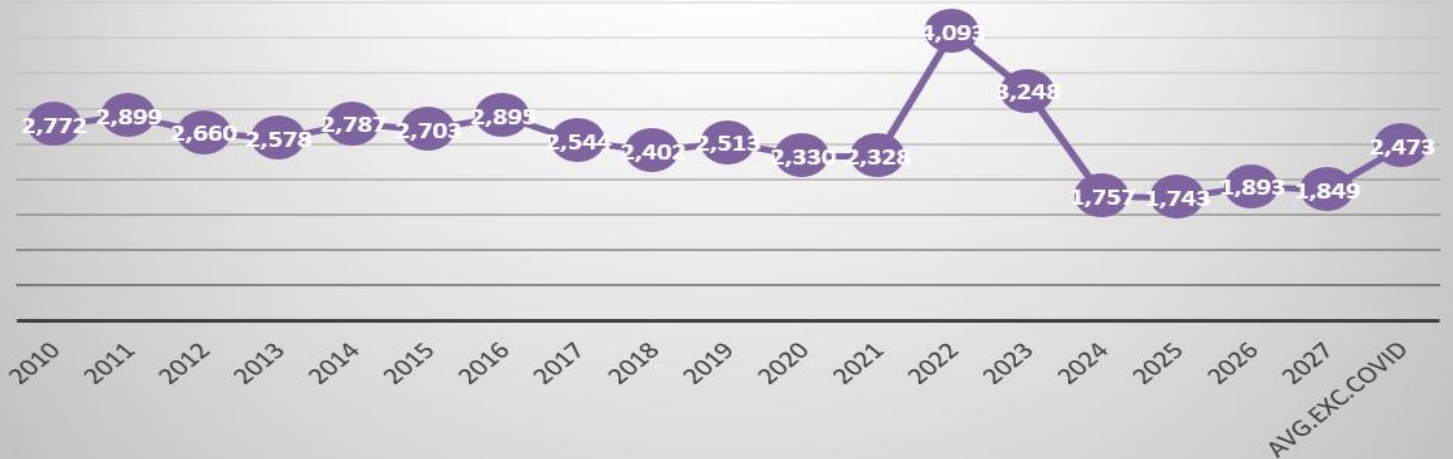


2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 AVG.

ER Visits YTD FY 10 to FY 27



Lab Tests YTD FY 10 to 27



Rad Procedures YTD FY 10 to 27



OPM Procedures YTD FY 10 to 27



2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 AVG.

PT Procedures YTD FY 17 to 27



2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 AVG.

Ambulance Runs YTD FY 10-17,24-27



2009 2010 2011 2012 2013 2014 2015 2016 2017 2024 2025 2026 2027 AVG.

Hospice Days YTD FY 10 to 27



Clinic Visits YTD FY 22 to 27



Income Statement

- 1) Acute Revenue is down due to a reduction of Acute and Swing Days.
- 2) SNF Revenue is up as the daily room rate is higher than last year and SNF Days have ticked up.
- 3) Outpatient Revenue is down as every outpatient department except the clinic is down from last year. ER is higher than the average year but last year is starting to look like an outlier.
- 4) Medicare/Medi-Cal contractals are a positive as the DHDP receivables are higher than the contractals in September. This contributes to a very high net income for the period and YTD. I expect to see this next month as well.
- 5) Salaries and Wages are up due to wage increases and more employees overall which tracks with reductions in Acute and SNF travelers.
- 6) Supplies are down which tracks with the dip in most our services.
- 7) Benefits are down to begin the fiscal year. Being self-funded they fluctuate according to our claims.
- 8) Professional Fees are up due to ER physician wage increases.
- 9) On a positive note Travelers are down 157K.
- 10) Utilities have decreased 31% with the solar field in place.
- 11) Insurance is down as there were some claims in the prior year for workers comp.

- 12) Interest Expense is down but will end up being similar to last year at year end with us accruing the expenses over the year.
- 13) Rental/Lease is up due to the generator we use for the MRI trailer.
- 14) Interest Income is up when you factor in the Mortgage-Backed Securities.
- 15) Non-Operating Revenue is down due to higher supply costs in Retail Pharmacy.
- 16) Net Income is up due to us accruing our DHDPs which arrived in October.

Balance Sheet

- 1) Cash is up 3 million from the prior year and will jump up another 8 million from the DHDP payments on the October financial statements.
- 2) Patient AR is down 2.2 million from the same point last year.
- 3) Inventories are up due Retail Pharmacy supplies.
- 4) There's a new line with our CD at Plumas Bank which allows us to have a large deductible with Beta to reduce out Workers Comp rates.
- 5) Medicare/Medi-Cal Settlements will drop as some we got paid two DHDPs but slowly increase monthly afterwards until we receive our Rate Range and last DHDP.
- 6) The Rate Range Payable will clear out in November and the payment should come in by February where we will have a nice jump in cash.
- 7) Our Current Ratio is 5.54 which is well ahead of the California Critical Access Hospital average of 3.34.



Executive Leadership Reporting Regular Board Meeting

Executive Leader: Libby Mee, Chief People Officer

Reporting Month & Year: October 2026

Overview

During the reporting period, Human Resources, Payroll, and Quality continued to serve as strategic partners to Mayers Memorial Hospital District (MMHD), supporting workforce management, regulatory compliance, quality improvement, employee development, and organizational risk management.

Current priorities remain focused on strengthening workforce stability, improving operational processes, maintaining regulatory readiness, and aligning staffing and organizational resources with patient care needs.

Workforce Overview & Recruitment

The Human Resources Department currently supports a workforce of 321 employees across all departments.

Recruitment remains active, with 14 open requisitions representing 29 vacant positions across clinical, administrative, and support services. Recruitment efforts continue to prioritize critical patient care positions, skilled nursing staffing, and hard-to-fill specialty roles.

Current Vacancies

<i>Department</i>	<i>Job Title</i>	<i>Employment Status</i>	<i>Positions</i>
Activities	Aide/Van Driver	Full Time	1
Dietary	Dietetic Technician	Full Time	1
Dietary	Aide	Full Time	3
Dietary	Cook	Full Time	2
Dietary	Registered Dietitian	Full Time	1
Emergency Room	RN	Full Time	1
Emergency Room	RN	Per Diem	1
Hospice Outpatient	RN	Full Time	1
Physical Therapy	Physical Therapist	Part Time	1
Radiology	Cardiac Sonographer	Full Time	1
Respiratory Therapy	Respiratory Therapist	Full Time	1
Skilled Nursing	Director of Nursing	Full Time	1
Skilled Nursing	CNA	Full Time	12
Skilled Nursing	RN	Full Time	2

Provider Relations

The Provider Relations Coordinator continued to advance provider recruitment, credentialing, and access to care.

Recruitment efforts are underway for a hospitalist in anticipation of an upcoming vacancy. The District is evaluating a new recruiting firm that offers lower service fees as a potential cost-saving strategy.

Credentialing is in progress for a new Emergency Department provider anticipated to begin in February 2027. Two new telehealth providers have also been credentialed for the Rural Health Clinic, with services expected to begin in November 2026. Additionally, credentialing documentation for twelve providers affiliated with the District's new radiology partner, The Radiology Group, has been collected and verified and is pending final approval. These providers are expected to begin working with the District in January 2027.

The District is also collaborating with MVHC and Dignity Health to expand its network of privileged providers. This collaboration is expected to strengthen wound care services and support patient referral needs.

Quality & Regulatory Readiness

The Quality Department continued to advance regulatory readiness, quality improvement initiatives, and compliance activities.

Current priorities include ongoing California Department of Public Health (CDPH) survey preparation and regulatory rounds; establishing communication, reporting, triage, and tracking processes for Cerner-related issues; aligning policy approval workflows with Accreditation Commission for Health Care (ACHC) standards and MMHD bylaws; updating the FY2026 Quality Assurance and Performance Improvement (QAPI) Plan; developing a Good Catch/Near Miss program; improving Clinic Quality Improvement Program (QIP) metric tracking; and completing required quality submissions and audits.

MMHD achieved a 100% quality score on the CY2025 HSAG/DHCS audit, reflecting a significant quality and compliance accomplishment. The National Critical Access Hospital (CAH) Quality Inventory Assessment was also submitted on October 16, 2026.

Relias Learning Management System

MMHD currently utilizes Relias as its Learning Management System (LMS) to support employee onboarding, reorientation, education, training assignments, tracking, and reporting.

Following a recent conference, the team identified additional Relias capabilities related to policy management, incident management, and regulatory compliance. A meeting was held with the Relias account manager to explore these expanded functionalities and evaluate opportunities to improve existing workflows.

Additional meetings are planned to assess current system utilization, identify opportunities to optimize existing products, and determine whether expanded

capabilities could further support the District’s operational, compliance, and education needs.

Service Excellence – Leadership Empowerment Survey

The District recently completed its second round of the Leadership Empowerment Survey through the Service Excellence Initiative.

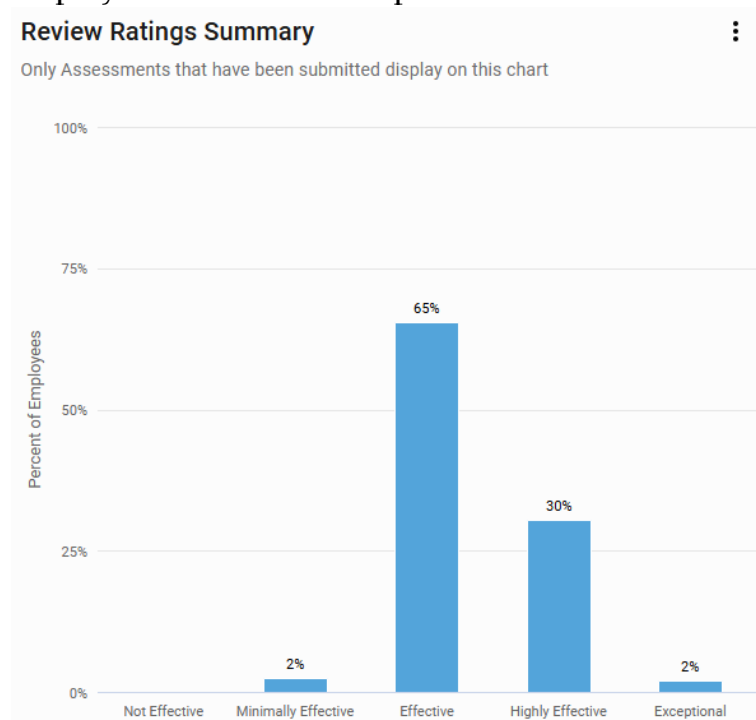
The survey provides consistent, measurable feedback from employees regarding their direct supervisors’ leadership and management skills. This feedback supports leadership development, accountability, and continuous improvement.

The MMHD leadership team participated in a training session with the Service Excellence Initiative (SEI) Implementation Specialist to review individual survey results, compare performance with the previous year, and identify opportunities for growth. The session also provided practical tools and strategies to strengthen leadership effectiveness and support continued professional development.

Overall survey results are included as an attachment to this report.

Annual Compliance & Employee Development

The annual employee performance evaluation period has officially closed, with 300 employee evaluations completed.



Annual employee reorientation compliance remains in progress, with current completion at 86.83%. Continued monitoring and follow-up will support completion of required training.

Employees are also completing their annual employee health compliance requirements, with completion targeted by the end of the calendar year.

These ongoing efforts support employee accountability, professional development, regulatory compliance, and the District’s commitment to maintaining a qualified and prepared workforce.

Leadership Empowerment Survey



Executive Overview **** CONFIDENTIAL ****

Report Run: 2026-SEPTEMBER

Completion Rate

76%

Percentile Ranking*

60%

291/384

Top Competency

Builder of Trust & Personal Effic...

91%
3.65 / 4.00

Lowest Competency

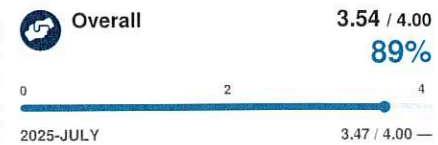
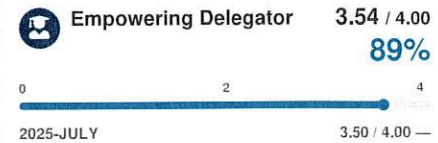
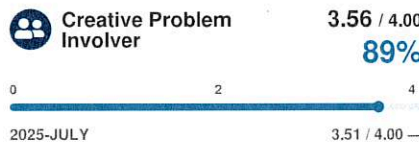
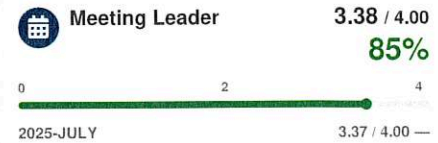
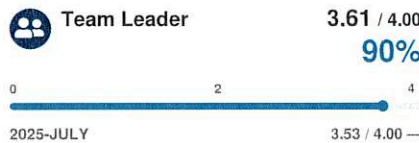
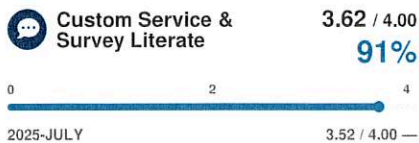
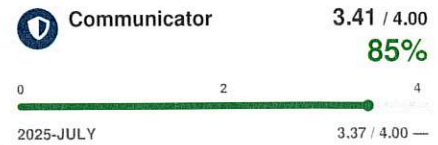
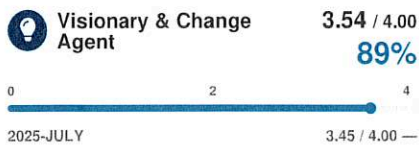
Meeting Leader

85%
3.38 / 4.00

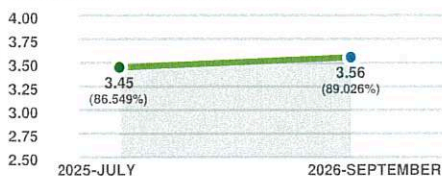
Overall Rating

Mayers Memorial Healthcare Dist...

89%
3.54 / 4.00



Performance Trend (Overall Competency Score)



RATING RESULTS:

★ 3.50 - 4.00	88 - 100%	Exceptional
👍 3.00 - 3.49	75 - 87%	Very Good
👉 2.50 - 2.99	63 - 74%	Good
❗ 0.00 - 2.49	0 - 62%	Poor

* Organization Percentile Rank reflects your organization's results compared to all organizations that have participated in the CareSay Leadership Empowerment Survey benchmark database. All scores are based on a 4 point scale (0.00 - 4.00). 4.00 = Consistently Demonstrated Excellence

Leadership Empowerment Survey



Terminology and Definitions

Report Run: 2026-SEPTEMBER

Competency	Leader Question	Peer Question
Visionary & Change Agent	This Leader helps me understand change and to see the "Big Picture."	This Leader accepts change and supports the "Big Picture."
Builder of Trust & Personal Effectiveness	This Leader practices what he/she preaches, is a good role model, and treats me with courtesy and respect.	This Leader is a good role model and treats me with courtesy and respect.
Communicator	This Leader keeps me informed so that I truly feel like a knowledgeable "insider."	This Leader communicates in a way other people can understand.
Customer Service & Survey Literate	This Leader does a good job of inspiring patient-centered service in my department and is always aware of feedback from our satisfaction surveys.	This Leader does a good job of inspiring patient-centered service and is always aware of feedback from our satisfaction surveys.
Team Leader	This Leader promotes teamwork with our department and with other departments/units.	This Leader promotes teamwork and collaborates with other departments/units.
Meeting Leader	This Leader runs meetings/huddles that inspire me and encourage me to speak up.	This Leader runs meetings/huddles that inspire people to speak up.
Project & Time Manager	This Leader ensures that I have the tools and training to do my job in a timely and effective way.	This Leader is efficient and completes projects in a timely and productive manner.
Creative Problem Involver	This Leader encourages open and creative problem-solving in my department.	This Leader encourages open and creative problem-solving.
Empowering Delegator	This Leader gives me clear assignments and empowers me to do my best.	This Leader gives clear assignments and empowers people to do his/her best.
Employee Developer & Coach	This Leader is effective at coaching me, developing my skills, and keeping me on track.	This Leader is effective at coaching and developing skills of others.
Performance & Conflict Manager	This Leader is timely and appropriate with both positive feedback and corrective action.	This Leader provides appropriate positive and corrective feedback.
Hardwired	This Leader is actively engaged in supporting the organization's Service Excellence process.	This Leader is actively engaged in supporting the organization's Service Excellence process.
Overall	Overall, I rate my working relationship with this Leader as:	Overall, I rate my working relationship with this Leader as:

RATING RESULTS:		FOCUS:
3.50 – 4.00	88 - 100%	Exceptional – Apply 1% improvements.
3.00 – 3.49	75 - 87%	Very Good – Follow up on improving at least 1 leadership attribute.
2.50 – 2.99	63 - 74%	Good – Follow up on improving at least 2 leadership attributes.
0.00 – 2.49	0 - 62%	Poor – Seek coaching/mentoring assistance.

Leadership Empowerment Survey - Mayers Memorial Healthcare District - Terminology and Definitions - Confidential - Do Not Distribute





Executive Leadership Reporting Regular Board Meeting

Executive Leader: Keith Earnest, Pharm.D. Chief Clinical Officer

Reporting Month & Year: October 2026

Respiratory Therapy annual presentation earlier in the agenda.

*Retail Pharmacy—Submitted by Kristi Shultz, Pharmacy Business and
340B Program Manager*

Medi-Cal 340B Carve-In

- On October 1, 2026, we successfully implemented our Medi-Cal 340B carve-in. Following go-live, we have identified areas requiring additional system corrections and process improvements.
- We are actively working with our internal team and external partners to resolve discrepancies, strengthen workflows, and ensure accurate medication accumulation, billing, and program compliance.

340B Rebate Model

- With the new 340B rebate model scheduled to take effect January 1, 2027, we are proactively evaluating operational and financial impacts while developing streamlined processes to support a successful transition and minimize disruptions.

Retail Pharmacy Staffing

- We are pleased to welcome Maria Munoz as our newest Retail Pharmacy Clerk. We remain focused on building a strong, supportive team while improving operational efficiency and maintaining quality patient services.

Vaccines

- Retail Pharmacist Theresa Nguyen is administering flu, COVID, and shingles vaccinations behind a new vaccine privacy screen.

Hospital Pharmacy

Pyxis

- We are in the process of Pyxis interface validation in anticipation of a Pyxis software version upgrade scheduled for November.

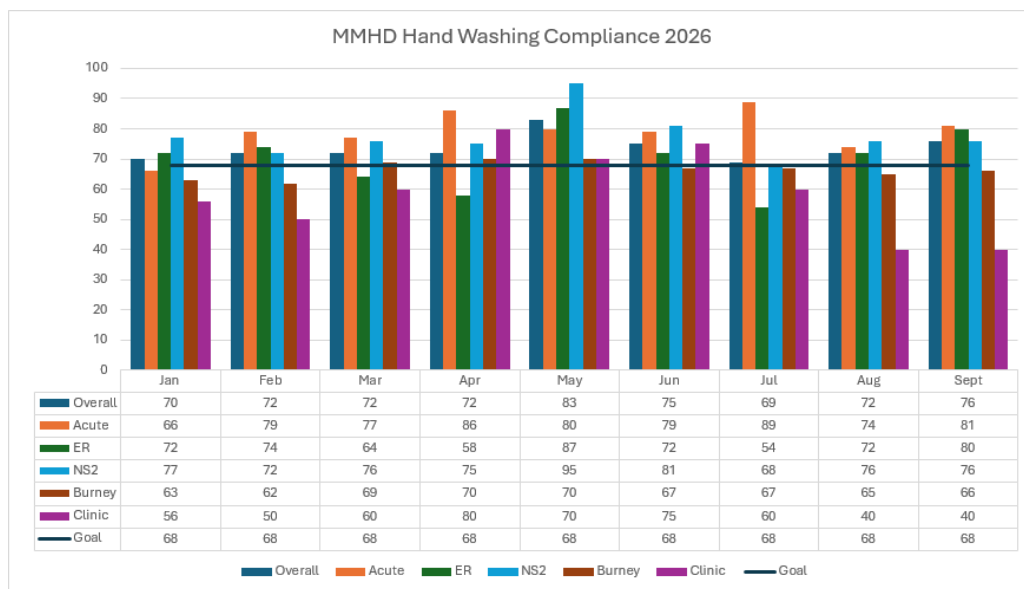
Charge Master

- The drug formulary chargemaster has been updated for 340B.
- We have an open ticket with Cerner to update Average Wholesale Prices and 340B acquisition prices in the chargemaster.
- Further updates to the charge master will be made based on the recommendations from Corrohealth.

Infection Prevention—Submitted by Kristen Stephenson, RN, Infection Preventionist

Hand Hygiene

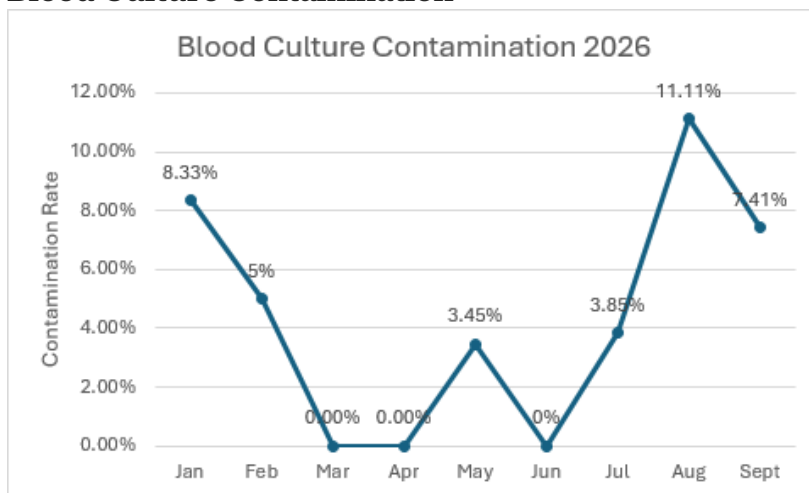
- Facility overall compliance for the month of September: 76%
- Total number of observations of hand hygiene opportunities: 226
- New visual handwashing instructions posted at handwashing areas throughout facilities.



	Jul	Aug	Sept
Acute	41/52	28/38	55/68
ER	26/36	49/68	12/15
NS2	17/21	55/72	36/47
Burney	14/21	24/37	57/86
Clinic	15/20	8/20	4/10
Total	150	235	226



Blood Culture Contamination



BLOOD CULTURE CONTAMINATION RATE									
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
# Total Cultures	36	40	16	32	29	23	26	18	27
# Contaminated Cultures	3	2	0	0	1	0	1	2	2
# Positive Cultures	1	5	0	1	4	1	5	2	6

High Touch Surface Cleaning Compliance in Acute and Long-Term Care- EVS

- Infection Prevention training on high-touch surfaces refresher training in October with all EVS staff.



Long Term Care Vaccinations

- Erin Glebe, LVN, Infection Prevention Assistant, has completed flu vaccines for our residents.
 - 17 at Fall River Campus
 - 28 at Burney Campus
- COVID vaccinations will start in November

Ancillary Departments—Kevin Davie, Director of Ancillary Services

Imaging—Prepared by Harold Swartz, Imaging Manager

MRI Services

- MRI services have successfully expanded to two days per week, increasing imaging capacity and improving patient access.
- Time to 3rd next available appointment is two weeks.
- Planning continues for the group purchase of a shared MRI trailer. The trailer is anticipated to be ready by the end of calendar year 2026, with final acceptance and sign-off expected in February or March 2027.
- Preliminary exterior designs have been developed for the MRI trailer, highlighting the collaboration among five regional hospitals.



Service Expansion – Interventional Radiology and Teleradiology

- The department is reviewing the proposed Interventional Radiology (IR) provider agreement alongside the new teleradiology service agreement to identify and resolve potential conflicts involving clinical responsibilities, interpretation services, and billing.
- We are transitioning to the *The Radiology Group* for teleradiology with a target conversion day of January 10. Shortly after go-live the medical director will be onsite.

Echocardiography Services

- The cardiac sonographer position has been expanded from part-time to full-time through a planned shared staffing arrangement with Banner Health in Susanville. This collaboration will support the development of local echocardiography services while maximizing staffing resources between facilities.

Regulatory Compliance – California AB 849

- The department has updated ultrasound orders within Cerner to incorporate the chaperone workflow associated with California AB 849.

Service Excellence – OASIS

- A Meaningful Farewell: The OASIS Service Standards and Keywords team is moving forward with digital educational content to support organization-wide implementation.
- Care Starts with Clarity: Development of the next educational topic is underway, focusing on communicating what patients can expect throughout their care experience.

Clinical Departments—Tiffani McCain, Director of Clinical Services

Physical Therapy—prepared by Daryl Schnieder, DPT, PT Manager

Patient Access and Scheduling

- The Physical Therapy Department currently has an approximately 5-week wait for the next available evaluation appointment.
- Tiffani is reviewing scheduling for efficiency.

Rural Health Clinic—prepared by Kimberly Westlund, Clinic Manager

- Mobile Mammography Event: Successfully hosted the mobile mammography event, providing screenings for 21 women. Patients were extremely appreciative of this service.

- Think Pink Day: Celebrated Breast Cancer Awareness Month by offering patients donuts, coffee, and Think Pink gift bags.
- Office Relocation: Successfully transitioned the Medical Records and Referrals departments into Dr. Hatcher's former office space.
- Visiting Nurse Services (VNS): Officially hired an RN for the program, with orientation scheduled for November 12th. The clinic looks forward to developing this program and expanding healthcare services to the community.
- The clinic's biennial Program Review took place on October 15th.

Service Excellence

Service Excellence Workshops

- The September Service Excellence Workshops have been successfully completed. The organization is now focused on hardwiring key principles and behaviors introduced throughout the program, including:

Dimension 1: Taking a fresh look at ourselves and our organization.

Dimension 2: Understanding the patient's power of choice and assessing our current state.

Dimension 3: Leveraging our power of choice to positively influence outcomes and experiences.

Dimension 4: Implementing and sustaining the Do It cycle.

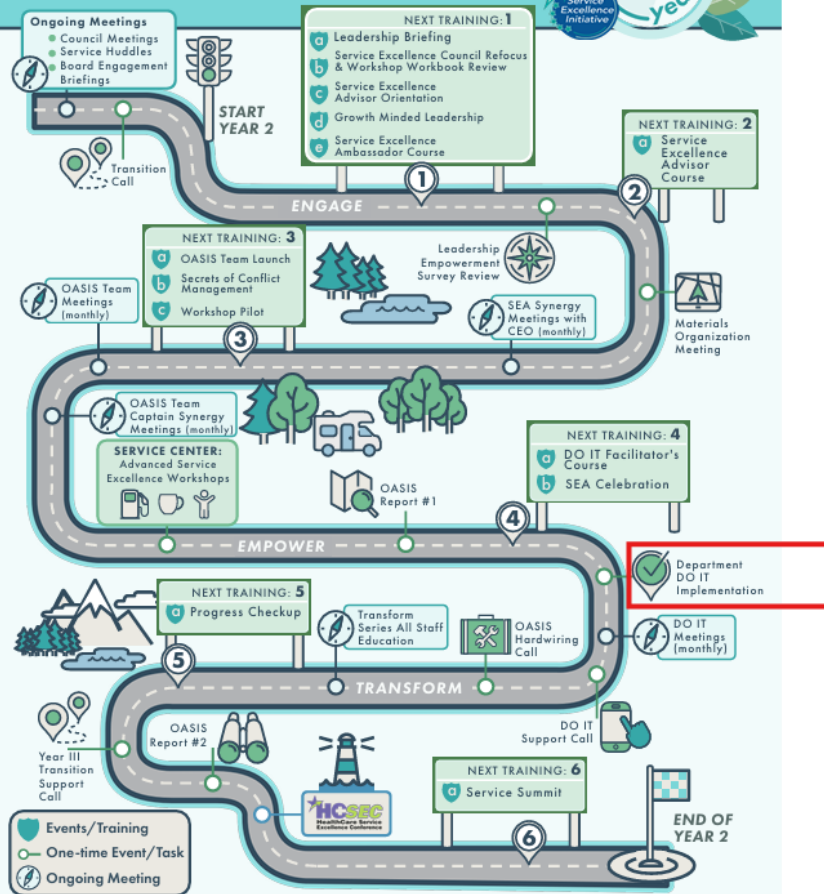
National Rural Rating System Recognition

- Mayers Memorial continued to demonstrate excellence in patient experience and satisfaction, earning significant recognition for both clinic and hospital survey performance.
- For Q2 2026, Mayers Rural Health Center was recognized as a 4-Star Clinic. Following a secondary review of hospital survey results, Mayers Memorial Healthcare District also achieved a 4-Star Hospital Rating.
- For Q3 2026, Mayers Rural Health Center again earned 4-Star Clinic recognition, while Mayers Memorial Healthcare District achieved an exceptional **5-Star Hospital Rating**.

Service Excellence Roadmap

- Implementation efforts remain on schedule. Key milestones successfully completed include the Do It Facilitator Course, Leadership Empowerment Survey Review, and SEA Celebration.
- Please see the updated roadmap below for current progress and upcoming initiatives. (We are currently at Departmental Do It Implementation – red rectangle).

Service Excellence Roadmap





Executive Leadership Reporting Regular Board Meeting

Executive Leader: Theresa Overton

Reporting Month & Year: Oct. 2026

CNO Highlights for Sept. 2026

SNF

Census

- Current Census - 70
- Burney Annex General POP - 25
- Burney Annex Memory Care - 19
- Fall River Station 2 – 26

Process improvements or workflow changes:

- Infection Control and Chart Advisor have been implemented in PCC Trainings have started with the nursing staff.

Incidents

- Falls (BA & FR)-14
 - Witnessed-7
 - Un-witnessed-7
- 341's filed-2

Activities Department

- Resident Engagement: Continued group and individualized activities across Burney and Fall River, including popular dog visits, karaoke, and live music.
- Swing Bed Activities: Continued opportunities for Swing Bed patients to participate in activities based on their preferences and tolerance, including support for spiritual needs and community involvement.
- Person-Centered Care: Ongoing focus on identifying resident interests and encouraging participation in meaningful activities.
- Staffing Challenges: Activity Aides continue assisting with transportation while recruitment for a dedicated van driver remains ongoing, balancing transportation needs with resident programming.
- Upcoming Activities: Transitioning to fall programming, including seasonal baking, the community Giving Tree, and planning for resident and family Christmas celebrations.

Acute

September Performance Dashboard

- Acute ADC: 1.43
- Acute ALOS: 2.75
- Swing Bed ADC: 3.8

- Swing Bed ALOS: 12.00
- OBS Census Days: 5

Staffing Overview

- We have hired a new CNA and we anticipate him starting November 1st.

Quality / Risk / Compliance

- Medication Errors: 0
- Falls: 1

Emergency Services

Census for September 2026

- Total patients treated: 389
- In-Patient Admits: 17
- Transferred to higher level of care: 20
- Pediatric patients: 64
- AMA: 6
- LWBS: 1
- Present to ED via EMS: 32

Staffing Overview:

- Hired one Per Diem
- Only one traveler in the ED currently

Ambulance Services

MMHD EMS Activity Summary

- 60-Calls for Service
- 8-Interfacility Transports (IFTs)

Burney Fire Protection District Responses

- 4 calls involving Burney Fire Protection District:
 - **3 calls** resulted in patient transport within the district.

Community Standby/Public Relations Events

MMHD EMS provided standby coverage and community outreach for several events:

- **Intermountain Fair:** MMHD EMS crews provided coverage for **3 events** throughout the fair.
- **Fall River High School**-home Football Games

Education and Training

- Approximately 80% of MMHD EMS staff have completed their Relias training requirements.
- The remaining supplemental staff are completing their training as they work and become available.
- MMHD EMS is exploring options for higher-level and advanced online EMS education to continue improving provider knowledge and clinical skills. The department- -is currently looking into FOAM frat EMS training as a potential resource for ongoing education and professional development.

Surgery:

Volume

- Incoming referrals: 28
- Monthly patient census: 16
- Monthly procedures performed: 21

Updates: Referral volume from local clinic providers has remained steady. Patients are typically scheduled for a consultation within one week of referral receipt, with procedure appointments available within one week to two months, depending on clinical urgency.

Outpatient Medical

Census

- September-114 patients

Social Services:

- LTC Admissions: 2 LTC admissions for September
 - 1 in Burney
 - 1 in Fall River
- Community Outreach: Participating in the October 23 resource fair at Renown Regional Medical Center to promote MMHD services and strengthen referral relationships.
- Advance Care Planning: Supporting an October 7 community presentation on future and end-of-life planning, with resource binders available for families.
- Family Resources: Developing LTC welcome folders with key contacts, HICAP insurance assistance information, and counseling services available through Pit River Health.

Staff Education:

- **CNA Skills Validation:** September 1–3, 2026, training included CNA skills validation and SPHM refresher education covering activities of daily living, infection prevention, and vital-sign measurement.
- **CNA Certification Support:** The Director of Staff Development (DSD) provides guidance on CEUs and certification renewals.
- **CDPH CNA Orientation:** Conducted bi-monthly following HR orientation, with nursing care observations to support competency and survey readiness.

Respectfully Submitted by Theresa Overton, CNO



Administrative Reporting Regular Board Meeting

Division: Public Relations

Submitted By: Marrisa Martin, Director of Public Relations

Reporting Month & Year: October, 2026

Summary:

Grant/Scholarship Update

Huge news: MMHD was successful with both Cal Rural Health Transformation applications for a combined total of just under \$4.5M! We are waiting on HCAI to provide the final agreements for signature and then we can publicize. I want to thank Laura, Travis and Libby for their critical and invaluable help in developing the applications. More details to come as we work more closely with HCAI on program specifics.

Laura attended a two-day virtual grant training seminar put on by HCAI and it was very valuable in honing some skills and bouncing ideas off leading professionals. The focus was on how to efficiently and responsibly utilize AI tools in grant writing.

Department awards and employee scholarship applications are both due Oct 31.

California Endowment is hosting a listening session for Shasta County grant recipients on Oct 26 in Redding to learn more about community needs and challenges.

The MMHD California Endowment funds (\$25k) are being utilized to purchase equipment for the Emergency Department. The department made an excellent case for their needs, demonstrating the real impact on staff and patients.

The search continues for potential Rec Center funds - this is not the easiest thing to find funding for, but Laura is searching!

Public Relations/Marketing

Commercial

Filming for the annual commercial is complete! This year's theme is "choice". Community members choose to live here and can also choose high-quality healthcare here at MMHD. The commercial will show patient services and a lively mix of hospital staff. Hospital services will include physical therapy, MRI services, acute, and women's health. The SNF was also filmed and a 15 second spot will air 1 time for every 4 times the regular hospital commercial airs.

Social Media/ Hospital Transparency

MMH social media outreach is being revamped. The goal is to divide our message into three parts: patient stories, hospital updates (department highlights, strategic plan updates), and lighthearted media. Parkyre is working on rolling out the new material by the beginning of November. However, information on the strategic plan is already being published.

Newspaper ads

Weekly ads continue to run in the Intermountain News highlighting hospital services. Ads to date include Women's Health, Skilled Nursing, and MRI Services. Hospice and the new clinic ads will run November 11th and November 25th respectively.

Mayers Healthcare Foundation

Thrift Store

October marks the one-year anniversary of the Thrift and Gift. This was a record breaking 12 months for the Thrift store with just under \$100,000 in sales. Increase in sales can be attributed to increased social media presence, standardized pricing, and regular sales.

Construction and updates continue using the McConnel grant. Last month the Thrift Store was connected to city water. This month the heating and air conditioning will be upgraded by adding a mini split to the stockroom.

Fundraising

Planning for Denim and Diamonds is well underway with both event and reverse raffle tickets on sale both digitally and in select locations. The theme this year is "An Evening with Bing" and honors the role Bing Crosby played in the opening of the hospital.

Appeal

The annual MHF appeal will be ready to go to the printer by the end of October and will be mailed out to Intermountain Residents by the second week of November. The appeal format has been reimagined to be more eye catching and will also include an intentional "ask" letter encouraging donations.

Tri County Community Network (TCCN) Update

Brewfest

TCCN raised just over \$10,000 at Brewfest 2026. Monies have been allocated towards CPR education for high school students and both FRHS and BVHS. Burney Highschool declined to participate this year. Remaining funds will support BOTVIN life skills education for 4th – 6th graders at both Fall River Elementary and Big Valley elementary. Burney Elementary was unable to participate this year due to scheduling conflicts. An estimated 200 students will receive health education through both initiatives.

Bright Futures

During the first fiscal quarter, Bright Futures served 126 children and 29 caregivers through a variety of events. With the school year beginning, family advocate Trinity will be making rounds to all TK classrooms between Big Valley and Montgomery Creek along with maintaining a public events schedule. Upcoming public facing events include Autumn Apple Bash and Shasta Reads! Both happening on October 22nd. Also, TCCN will be collaborating with Raising Shasta to bring a Parent Café to Intermountain parents in November.

Grant Updates

Monies from the California Endowment fund were spent on updating the TCCN playground. Fencing privacy slats and a shade structure will be purchased with the remaining funds.

Kid Fit funding has been funded for another year by the Burney Regional Foundation again this year. 6 fun and free family events will be scheduled for summer of 2027.

Community Partnerships

TCCN is continuing to strengthen the community through cross organization partnerships. They are partnering with CHYBA/WRTP to bring workforce development and employment services to Burney. These services may include updating the employment list that lives on the TCCN website.

IMAGE collaborations continue. Community stakeholders have been meeting every other month with the goal of improving community services. However, attendance has been low and this collaborative may have reached the end of its usefulness.

TCCN will be collaborating with Shasta County Chemical People again this year to bring the Peer Mentoring Program to FRHS. A group of up to 20 Juniors and Seniors will be teaching this 16-week skills class to the seventh-grade class. Program Director Kiely Whitehead will act as program leader and supervisor.

Event Room

The event room continues to stay busy with events, meetings, and activities scheduled Monday through Friday. Community members of all ages and stages utilize the space to stay connected and support our community. The week of October 19th the event room temporarily closed due to no public bathroom access. All community members who use the space were notified and very understanding.

October 2026 CEO Board Report



Ryan Harris, MBA | Chief Executive Officer

Executive Summary

October was marked by statewide rural hospital advocacy, progress on major transformation funding, regional collaboration, and continued attention to the District's highest-impact strategic priorities. My focus remained on long-term financial sustainability, expanded access to care, stronger external partnerships, executive capacity, and preparation for converging pressures related to healthcare affordability, seismic compliance, workforce constraints, reimbursement uncertainty, and federal policy changes.

The Executive Leadership Team continued advancing operational priorities while I concentrated on advocacy, enterprise strategy, governance, regional relationships, funding opportunities, and leadership development. This reflects an intentional shift toward clearer executive ownership and decision rights, allowing routine operational matters to be resolved at the appropriate level while preserving CEO capacity for the District's long-term direction.

Rural Hospital Advocacy and Financial Resilience

During October, Travis Lakey and I participated in a Hospital Financial Resilience Listening Session in Redding with hospital leaders and the directors of CDPH, CalHHS, DHCS, and HCAI. As the District hospital represented, MMHD had a valuable opportunity to communicate directly with state leaders about the distinct financial and operational challenges facing rural hospitals.

The discussion emphasized the cumulative effects of reimbursement pressure, inflation, workforce costs, seismic requirements, healthcare affordability targets, security and cybersecurity expectations, and other unfunded or underfunded mandates. Our central message was that affordability, safety, workforce investment, seismic readiness, and access cannot be treated as separate policy objectives. State and federal requirements should be financially coordinated, and mandated costs should be distinguished from controllable spending when hospital affordability and performance are evaluated.

In support of these discussions, I prepared and circulated a rural hospital financial resilience discussion paper outlining the combined impact of healthcare affordability requirements, inflation, workforce pressures, seismic compliance obligations, federal policy changes, and reimbursement uncertainty on California's rural hospitals. The paper was developed to support ongoing conversations with policymakers, regulators, hospital leaders, and advocacy organizations regarding sustainable solutions for preserving rural healthcare access. The full discussion paper is included as an attachment to this report.

I will continue advancing the rural hospital perspective through statewide associations, district hospital leadership groups, regional partnerships, and direct engagement with policymakers and regulatory agencies.

Rural Health Transformation Funding

MMHD was notified that both California Rural Health Transformation applications were successful, representing potential funding of just under \$4.5 million. The District is awaiting final agreements from HCAI before publicly announcing the awards or making commitments against the funding.

The proposed transformation plan is organized around expanded telehealth and specialty access, mobile and community-based care, rural transportation, workforce stabilization, provider recruitment infrastructure, patient communication technology, clinical documentation and revenue-cycle modernization, and stronger project analytics.

Because the funding remains subject to final agreements, approvals, allowable-cost requirements, and performance measures, leadership is proceeding carefully. Current work includes defining the scope of work, identifying project costs, establishing measurable outcomes, creating grant-accounting controls, and developing an appropriate governance structure. The objective is to deploy the funding responsibly and produce measurable improvements in access, operating performance, and long-term rural healthcare sustainability.

This is one of the most significant strategic funding opportunities received by the District and could accelerate priorities that otherwise would require a much longer implementation period.

Financial Position and Organizational Sustainability

The District's financial position remained strong during the reporting period. In October, MMHD received approximately \$8.26 million in District Hospital Directed Payments, representing the second payment for calendar year 2024 and the first payment for calendar year 2025.

- **Key reported indicators:** 268 days cash on hand; current ratio of 5.54; year-to-date net income of approximately \$3.3 million; and 66 accounts-receivable days.
- **Collections:** Year-to-date collections increased to 74% of gross revenue following resolution of Skilled Nursing reimbursement issues and a strong collection month.
- **Comparative position:** The District's current ratio remained above the reported California Critical Access Hospital average of 3.34.

These results strengthen the District's ability to manage strategic investments, capital requirements, service expansion, and future obligations. Leadership will continue monitoring service volumes, reimbursement trends, labor costs, affordability requirements, capital needs, and the timing of supplemental payments so current financial strength translates into long-term sustainability.

Strategic Growth and Digital Modernization

- **Rural Health Clinic performance:** The clinic recorded its highest first-quarter visit volume since the service began, supporting the strategy to expand primary care access, strengthen outpatient services, and build a sustainable platform for growth.
- **Rural Health Clinic modernization:** The Fall River clinic renovation and related access initiatives remain central to outpatient growth, telehealth expansion, provider recruitment, and improved patient flow.
- **MRI access:** Expanded availability remains a major growth and access priority. Leadership is monitoring implementation, scheduling capacity, service reliability, and the longer-term regional equipment strategy.
- **Interventional radiology:** Evaluation continues regarding clinical scope, Cerner build requirements, supplies, projected volume, revenue potential, and procedures that could appropriately be delivered locally.
- **Visiting nurse and community-based services:** Planning continues for services that can extend care into patients' homes and reduce access barriers across the District's rural service area.
- **Artificial intelligence and digital modernization:** The District's FY2027 AI priority advanced during October. Initial work includes governance, assessment of current use and operational pain points,

evaluation of HIPAA and business associate agreement requirements, consultation with peer organizations, and review of healthcare-specific tools.

The objective is to connect responsible technology adoption to measurable improvements in clinical documentation, patient access, Cerner optimization, operating efficiency, and decision support. Following the Association of California Healthcare Districts conference, I shared rural-hospital AI governance and implementation resources with the Executive Leadership Team to help guide this work.

Governance, Regulatory Developments, and Enterprise Risk

Contract Review and Approval

Development continued on a formal Contract Review, Procurement, Approval, and Execution Policy. The proposed framework clarifies departmental and executive review responsibilities, establishes escalation based on financial and operational risk, incorporates legal and Board approval processes, and creates a centralized contract repository with defined ownership and monitoring responsibilities.

Healthcare Affordability and Access Oversight

Leadership is monitoring California's evolving healthcare affordability and access-oversight programs. HCAI is establishing a Healthcare Access Stability Unit expected to monitor hospital financial conditions, evaluate potential closure risks, and coordinate strategies intended to preserve access.

At the same time, the Office of Health Care Affordability continues developing its enforcement and Performance Improvement Plan processes. Concerns remain about the effect of affordability targets and overlapping improvement plans on low-volume Critical Access Hospitals, particularly because cost-based reimbursement can produce results that differ substantially from those of larger health systems. MMHD will continue participating in statewide discussions and advocating for appropriate consideration of rural volume, reimbursement methodology, mandated costs, and community-access obligations.

Seismic Compliance

Seismic compliance remains a significant long-range enterprise risk. Planning must integrate facility requirements with service continuity, debt capacity, capital prioritization, grant opportunities, and advocacy for realistic funding mechanisms. Seismic readiness will remain a recurring component of strategic and financial planning rather than a stand-alone construction project.

Executive Leadership and Organizational Capacity

During October, I began formalizing a leadership transition from CEO-centered task management toward stronger executive ownership. Each executive will have clearer decision rights, defined escalation thresholds, and greater accountability for the full performance of their division. The purpose is not to reduce CEO oversight, but to place decisions at the right level and strengthen the team's ability to lead across organizational boundaries.

I am also evaluating executive coaching and facilitated leadership-team development for the coming year, including monthly one-on-one coaching sessions and quarterly facilitated team sessions through the Service Excellence initiative. This investment is intended to strengthen alignment, trust, communication, and shared accountability as the team addresses affordability targets, seismic requirements, federal policy changes, workforce pressure, and major transformation initiatives.

I also met with the Director of Public Relations to discuss a more intentional CEO focus on donor relations. This work will strengthen relationships with current and prospective supporters, better connect philanthropy to the District's strategic priorities, and improve communication about opportunities to invest in rural healthcare access, facilities, technology, and community-based services.

Service Excellence, Culture, and Leadership Development

Service Excellence Year Two continued through workshops, Service Excellence Advisor engagement, OASIS education, and organization-wide leadership development. I also participated in the Leadership Empowerment Survey review to help identify the next phase of management and culture development. Together, these efforts support a consistent leadership model in which expectations, accountability, patient experience, employee engagement, and recognition reinforce one another.

Key Enterprise Risks and Opportunities

- **Financial and policy risk:** Healthcare affordability requirements, H.R. 1 impacts, reimbursement uncertainty, inflation, and mandated cost growth may place increasing pressure on operating margins.
- **Capital risk:** Seismic compliance and aging infrastructure require disciplined sequencing, external funding, and protection of debt capacity.
- **Workforce risk:** Recruitment, retention, leadership depth, and specialty staffing remain constraints on service reliability and growth.
- **Execution risk:** Transformation funding, technology initiatives, new services, and regional collaborations require strong project governance, measurable outcomes, and clear ownership.
- **Strategic opportunity:** Regional collaboration, transformation funding, MRI and specialty expansion, telehealth, mobile services, and digital modernization can improve access while diversifying revenue and building long-term resilience.

CEO Priorities for the Next Reporting Period

- Advance the Rural Health Transformation scope, budget, controls, and measurable outcomes while avoiding premature or unallowable commitments.
- Continue state and federal advocacy related to rural hospital financial resilience, H.R. 1, affordability requirements, and seismic funding.
- Move the mobile MRI collaboration and broader rural CEO roundtable toward defined decisions and shared opportunities.
- Continue evaluating and progressing interventional radiology, visiting nurse services, telehealth, transportation, retail pharmacy and other strategic growth initiatives.
- Finalize the contract review and approval framework.
- Implement clearer executive decision rights and escalation thresholds and develop the 2027 executive coaching and leadership team plan.
- Increase CEO engagement in donor relations and coordinate with Public Relations to align philanthropic outreach with the District's strategic priorities and long-term capital needs.
- Expand public visibility of the District's goals, priorities, and strategic direction, while strengthening community understanding of the District's long-term needs.

Closing Remarks

October highlighted the importance of balancing operational performance with long-term leadership. As financial, workforce, capital, and policy challenges converge, our focus must remain on disciplined growth, advocacy, and organizational resilience. Mayers is well positioned, and my priority is to leverage our strong team, partnerships, and opportunities to ensure sustainable access and long-term stability.

RURAL HOSPITAL

FINANCIAL RESILIENCE

The collision between H.R. 1, state mandates, and affordability targets

For CalHHS, HCAI, rural hospital leaders, healthcare associations, and policy stakeholders

CORE MESSAGE

Rural hospitals are increasingly caught between federal funding reductions, growing state requirements, and affordability targets that do not fully account for mandated costs.

Purpose of this discussion paper

This discussion paper is intended to support constructive dialogue among CalHHS, HCAI, rural hospital leaders, healthcare associations, and policy stakeholders. It presents a shared policy challenge: California is simultaneously asking rural hospitals to absorb new costs, preserve essential services, complete major capital mandates, and limit spending growth while federal funding and coverage are under pressure.

A shared starting point

“California does not have to choose between affordability, safety, workforce investment, seismic readiness, and access. Communities need all of them. The opportunity is to coordinate these policies financially so rural hospitals can implement public priorities without undermining essential services or long-term stability.”

The policy question

Should rural hospitals be measured against the same spending-growth expectations when their cost increases are driven by legal mandates, public-safety requirements, federal coverage changes, and state capital standards?

Desired outcome

- Recognition of mandated versus controllable spending.
- Prospective funding for major state-required capital and safety investments.
- A cumulative rural impact analysis before additional mandates are imposed.
- A state strategy to preserve essential access as H.R. 1 is implemented.

1 | H.R. 1 and Medi-Cal Pressure

What changes in the federal environment mean for rural hospital stability

KEY TAKEAWAY

H.R. 1 affects both sides of the hospital ledger: it places coverage and revenue at risk while reducing California’s flexibility to finance supplemental Medi-Cal payments.

Coverage and eligibility

DHCS’s January 2026 Medi-Cal impact update states that up to 2 million Medi-Cal members may lose coverage and that tens of billions of dollars in federal funding are at risk annually. DHCS also identifies mandatory work or community-engagement requirements and six-month eligibility redeterminations for certain expansion adults beginning January 1, 2027.

Financing constraints

- Limits on provider-tax structures reduce California’s ability to generate the state share used to draw federal Medicaid matching funds.
- Restrictions on state-directed payments reduce flexibility to supplement payments to hospitals and other Medi-Cal providers.
- Reduced federal support can force difficult choices among state General Fund spending, provider payments, benefits, and eligibility administration.

Hospital operating impact

When coverage is lost, the need for care does not disappear. Emergency departments continue to provide legally required screening and stabilizing treatment. The financial effect shifts toward uncompensated care, delayed care, and greater pressure on providers already operating with narrow margins.

Rural Health Transformation Program

H.R. 1 created a \$50 billion national Rural Health Transformation Program for federal fiscal years 2026 through 2030. California’s HCAI briefing materials identify potential uses such as provider payments, workforce, technology, behavioral health, prevention, chronic disease, training, technical assistance, and expanded access. The program is valuable, but it is temporary and should not be treated as a permanent replacement for recurring Medi-Cal operating revenue.

FACT	WHY IT MATTERS
Coverage for up to 2 million lives	Potential Medi-Cal coverage loss identified in DHCS’s January 2026 update.
Tens of billions	Federal funding at risk annually; estimates remain subject to change.
\$50 billion	Total national Rural Health Transformation Program funding for FY 2026-2030, not a California-only hospital allocation, and not guaranteed.
January 1, 2027	Start date shown by DHCS for work requirements and six-month renewals for affected expansion adults.

Sources: DHCS H.R. 1 Medi-Cal Impact Update, January 2026; California LAO, February 11, 2026; HCAI Rural Health Transformation briefing, February 2026.

2 | Costs Rural Hospitals Cannot Avoid

State mandates and market conditions draw from the same limited operating and capital resources

KEY TAKEAWAY

Each requirement may be defensible on its own. The financial risk comes from the cumulative effect of implementing all requirements while reimbursement and spending growth remain constrained.

Workforce and labor

- Healthcare minimum-wage requirements and general wage pressure.
- Rural recruitment and retention costs, overtime, benefits, and contract labor.
- Limited workforce depth, which makes vacancies harder and more expensive to cover.

Inflation and operating inputs

Hospitals continue to absorb increased costs for pharmaceuticals, medical supplies, purchased services, utilities, food, insurance, maintenance, construction materials, technology, and vendor contracts. Government payment systems do not allow hospitals to immediately increase Medicare or Medi-Cal prices to match these costs.

Seismic compliance

The attached Spring 2026 California Health Law News article states that acute care hospitals face the January 1, 2030 seismic deadline and cites a RAND estimate that completed seismic retrofits averaged approximately \$92 million per building. The article also states that, for 17% of hospitals, retrofitting one building at that average would exceed a full year of gross revenue. Hospitals that fail applicable extended deadlines can face penalties of \$5,000 per day.

Security and workplace safety

A September 2026 rural hospital operational report describes draft requirements associated with weapons detection that could require security at unrestricted access points, eight hours of training for security personnel, and a weapons-detection system such as a handheld wand. These measures require staffing, training, equipment, and ongoing operating support.

Other required investment

- Cybersecurity, privacy, and incident-response readiness.
- Emergency preparedness, continuity planning, and disaster supplies.
- Regulatory, licensing, accreditation, quality, and reporting obligations.
- Clinical technology and infrastructure needed to maintain safe services.

POLICY IMPLICATION

Before adopting a new hospital mandate, California should identify the cumulative rural financial impact, the expected funding source, and how the expenditure will be treated under affordability targets.

Sources: Hanson Bridgett LLP seismic article, Spring 2026;.

3 | A Rural Hospital Example

How the policy conflict can affect an independent rural hospital

ILLUSTRATIVE CAPITAL CHALLENGE

Mayers Memorial Healthcare District (MMHD) estimated the second phase of its seismic compliance efforts at approximately \$80 million. While the organization had been actively advancing the project, the financial realities created by H.R. 1 fundamentally changed the project's feasibility. The original project has since been abandoned, and a new approach requiring additional planning and development costs is underway. However, even with a redesigned project, it is difficult to envision how a rural hospital can finance tens of millions of dollars in mandated capital improvements while simultaneously absorbing federal funding reductions, rising operating costs, and healthcare spending targets that fail to recognize these required investments.

Why the rural context matters

An independent rural hospital cannot distribute compliance costs across a large hospital system or multiple metropolitan markets. rural hospitals must preserve local emergency, inpatient, outpatient, diagnostic, ambulance, and community services while drawing from a limited patient base, workforce, tax base, and borrowing capacity.

The three choices created by conflicting policy

FACT	WHY IT MATTERS
A Fund mandates	Invest in seismic work, wages, security, cybersecurity, and compliance. Spending rises and may exceed affordability targets.
B Stay within target	Delay workforce, safety, facility, or technology investment. The hospital may risk noncompliance or reduced capability.
C Reduce services	Fund required obligations by eliminating or reducing services. Financial metrics may improve while community access deteriorates.

Options for California to consider

- Create an adjustment or safe harbor for expenditures required by law when evaluating spending-growth performance.
- Provide prospective seismic grants or financing rather than relying primarily on reimbursement after costs are incurred.
- Consider targeted seismic flexibility that prioritizes the services most critical during and immediately after a disaster, including emergency care, laboratory, imaging, pharmacy, and other functions necessary to stabilize and safely transfer patients. In many disaster scenarios, the primary objective is not to increase inpatient admissions but to rapidly assess, treat, and move patients out of the affected area and into appropriate levels of care.
- Design Rural Health Transformation funding to complement sustainable operating reimbursement, not substitute for it.
- Use technical assistance early, before cash, workforce, and service capacity deteriorate.

A practical definition of resilience

Financial resilience is not simply a positive margin in one reporting year. It is the sustained ability to maintain essential services, recruit workforce, finance required facilities, absorb emergencies, and continue serving the community without repeated crisis intervention.

The contradiction in one sentence

California cannot require rural hospitals to increase spending, restrict the growth of spending, reduce the financing available to support care, and then treat the resulting instability as a hospital management failure.

4 | Meeting Questions and Closing

Questions designed to move the discussion from general concern to policy action

Priority questions for California stakeholders

1. Has California quantified the combined rural impact of H.R. 1, healthcare minimum wage, inflation, seismic compliance, security screening, cybersecurity, and other mandates?
2. Will legally mandated expenditures be excluded or separately recognized under healthcare spending-growth targets?
3. How will California address reduced provider-tax and state-directed-payment flexibility under H.R. 1?
4. Will California offer prospective seismic support so hospitals do not have to front costs they cannot reasonably finance?
5. When compliance with one state policy causes a hospital to miss another state target, which policy takes priority?
6. Will California require a rural financial-impact assessment and identify a funding source before imposing major new mandates?
7. How will the State measure whether resilience efforts preserve essential services rather than merely delay closure?
8. Has the state evaluated the number of hospitals all of these financial pressures with forced to be distressed and is there enough money in the distressed hospital loan program to provide support when that happens.

Common perspectives and constructive responses

“Hospitals have known about the seismic deadline.”

The deadline is known, but H.R. 1 changes coverage and financing while labor and construction costs have risen. A known deadline does not create cash or borrowing capacity.

“Rural Health Transformation funding will help.”

It can support transformation, workforce, technology, and access, but it is temporary, national in scope, and not a guaranteed replacement for recurring Medi-Cal revenue.

“Hospitals need to become more efficient.”

Efficiency matters. Mandated wages, seismic construction, security requirements, cybersecurity, and uncompensated care cannot be eliminated through ordinary productivity improvements.

“Spending targets are necessary.”

The target should distinguish discretionary spending growth from spending required by government policy.

Closing perspective

CLOSING STATEMENT

“Financial resilience should mean having the workforce, facilities, reimbursement, and capital needed to preserve essential access over time. California cannot achieve that by reducing resources, increasing mandated expenditures, restricting spending growth, and then penalizing hospitals when those policies collide.”

Source list

- DHCS, Enacted H.R. 1 Reconciliation Legislation: Medi-Cal Impact Update, January 2026.
- California Legislative Analyst’s Office, Key Impacts of H.R. 1 on Medi-Cal and CalFresh, February 11, 2026.
- HCAI, California Rural Health Transformation Program briefing, February 2026.
- Hanson Bridgett LLP, California Hospital Seismic Compliance and the Squeeze on Hospital Budgets, Spring 2026.