

Mayers Memorial Hospital District
Board of Directors – Special Board Meeting

Date: May 29, 2013

Time: 1:00 P.M.

Location: Mayers Memorial Hospital
Fall River Mills, California

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

1. CALL MEETING TO ORDER: President Albaugh called the special meeting to order at 1:03 p.m. on the above date with the following present:

Allen Albaugh, President
Brenda Brubaker, Vice President
Mike Kerns, Secretary

Board Members Absent: Art Whitney, Director; Abe Hathaway, Treasurer.

Staff Present: Matt Rees, CEO; Sherry Wilson, CNO; Travis Lakey, DOF; Keith Earnest, CCO; Marlene McArthur, Board Clerk.

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

No public comments.

3. APPROVAL OF MINUTES – A motion/second (Kerns/Brubaker), and unanimously carried, the Board of Directors accepted the minutes for the regular meeting held April 24, 2013.

4. PRESENTATIONS:

- ▶ Lynn Barr, MPH, Executive Director National Rural Community Accountable Care Organization (NRCACO) was present and discussed the struggles that rural providers are experiencing with the new health care reform initiatives (PowerPoint). The NRCACO offers a program that minimizes up-front investment and risk, provides turn-key solutions and allows rural physician/hospital organizations to carefully implement and evaluate new delivery models to understand their impact on the health, quality and financial viability of their rural community and health care delivery system. Action necessary: both the hospital and affiliated health care providers that serve the communities must provide a letter of intent to participate in the NRCACO before July 1, 2013. The program will not be beneficial unless both the hospital and healthcare providers participate together in ACO.
- ▶ EMR: Louis Ward, Co-Project Sponsor, was present and reported the good news that Mayers attested to EMR Meaningful Use on May 3, 2013. Work now is being done to submit invoices for costs incurred for the project to get reimbursement from Medicare and Medi-Cal programs. He dispersed and reviewed the EHR Attestation Summary handout. Caleb Johnson, Co-Project Sponsor, was present and reported the overall plan for Stage 2 implementation process with test environment and live environments before attestation projected for April 1, 2014. Ward added the attestation must occur within one quarter of defined dates to start and attest; and if not met within timeframe, attestation period must re-start. In response to questions about the lab interface, Johnson responded we are working with CorePoint. Last week there was connectivity but now working out issues before testing phase for more than 1800 tests. Mayers is a beta site for Paragon and MVHCs system so conversion will be challenging and time-consuming. However, the new interface will provide Mayers' laboratory capabilities to connect with various other clinics and providers.

5. OPERATIONS REPORT: In addition to the written operations report included in the board packet, the following verbal reports are summarized below:

- ▶ Matt Rees, CEO:
 - CHA legislation and advocacy updates pertaining to Medi-Cal cuts, SB 640, SB646 and AB 900 that would reverse Medi-Cal cuts. Assembly Appropriations Committee discussions reflected bi-partisan support for AB 900 but has been placed in suspense file until after release of the state budget "May Revise". CHA is evaluating next steps in terms of judicial process for Medi-Cal cuts. The AB 900 was amended to focus on cuts to only DP/SNFs effective 7/1/13 with no cuts prior to that date however. Therefore, a repayment plan would need developed to repay the \$2.8 million in cuts that

accumulated 7/1/11 through 6/30/13. There is a need for legislation to get retro cuts addressed as well.

- June 4th rally event scheduled for Sacramento in protest of Medi-Cal cuts and to support AB 900 and SB 640. Mayers' staff, residents, families and friends will represent Mayers at the *We Care for California* rally.
 - Pending notification letter to the Department Health Care Services notifying the department that SNF patients will no longer be accepted into the Fall River Mills' facility and will force current residents out of the local area. Still contemplating if that's the action to take but seems to be the District's only alternative. It's an unfortunate circumstance for a big part of what the District does for its local residents.
 - National Hospital Week activities held for staff and visitors in May.
 - Attended annual AHA Annual Membership Meeting and California Congressional Action Program in Washington DC. Met with legislative staff at federal level regarding underpayments for Medi-Cal DISH program. Other topics included ACOs and Obamacare and addressed concerns regarding the negative impacts to healthcare providers.
 - Working on agreement with Partnership Health and researching inpatient and outpatient rates more before signing. Proposed Medi-Cal rates at this time include an increase.
 - Transportation meeting held with local clinics and providers to develop a mechanism to get patients to and from physicians' appointments; transport patients from ER to safe home environment, etc. Currently in research phase and how to structure.
 - Networking with Dave Jones, Administrator, MVHC, to resolve lab interface to increase utilization and efficiencies.
 - Attended special meeting held at Reno VA Regional Hospital for providers to visit and receive information on how and when organizations can contract with the Veterans Administration. Noted also that Mayers recently signed agreements with TriCare for VA services—basically insurance products that is separate from VA entities.
 - Presenter at ACHD Annual Meeting for one of the breakout sessions. Feedback from the session was positive and information helpful to those seriously interested in district annexation.
- ▶ Keith Earnest, Chief Clinical Officer: Nothing to add to written operations report other than announcing the resignation of Jeff Chinn, Respiratory Therapist, who is relocating. Registry coverage for the department will be secured through the summer with a possible lead on RT graduate in the fall desiring to return and work in the Intermountain area.
 - ▶ Sherry Wilson, CNO: Nothing to add to written report except to announce new hires to acute: Jeni Pevehouse, OB Manager, and Theresa Overton, Acute Manager.
 - ▶ Erik Nielsen, Facilities Manager: Construction plans submitted to OSHPD are in process and responding to questions appropriately (i.e. lobby design/exit change that will be less expensive than adding a third stairwell outside). PG&E has quoted \$150K to re-locate lines that was originally estimated at \$500K. The metal building foundation is complete; PT clinic is currently being remodeled; and ambulance sleep room is having an air conditioner unit installed.

6. BOARD COMMITTEES:

6.1.1 Committee Report: Albaugh reported the committee met yesterday with the main focus being a detailed review of financial reports. Concern regarding ARs that is not favorable compared to last year, some due to EMR system conversion but also considering other billing options to improve ARs.

6.1.2 Financial Reports: ***A motion/second (Albaugh/Kerns), and unanimously carried, the Board of Directors accepted the April 2013 financial reports as presented.***

Lakey reported dialogue was initiated with HRG representatives about bringing SNF billing back in internally due to ARs trending patterns with no improvements. Albaugh conveyed a financial plan needs developed for worst case scenario that includes 10 percent rate cuts. He suggested researching options such as: waiver for staffing, decreasing SNF licensed beds in Station 3 hall, license Alzheimer's unit separately, converting some beds to psych beds if feasible, etc. He further added by suggesting someone be tasked to learn and specialize in areas of capturing revenues, ACOs, licensing categories,

and cost reports to be more proactive and strategize better. Kerns added that during the recent ACHD conference he learned through networking with peers, that most utilize RHCs due to need for doctors, including specialty, that provides more opportunities for enhance revenues. In closing, it was noted that SNF is key component to the overall cash flow for the District and without that resource it will be a significant loss, thus, there is a need to get a staff member well-versed in researching and recommending changes to business model on a long-term basis.

6.1.3 USDA Rural Development Community Facilities Loan Program: Lakey reported weekly meetings are being conducted with staff as well as ANOVA Architects and WIPFLi.

6.1.4 Medi-Cal Managed Care Update: Rees reported work still being done to finalize Partnership Health agreement.

6.1.5 RFP Independent Financial Audit: Albaugh reported that WIPFLi CPAs and Consultants was the lowest bid received for the District's independent financial audit and recommended board approval on behalf of the committee and Director of Finance. ***A motion/second (Kerns/Brubaker), and unanimously carried, the Board of Directors approved WIPFLi CPAs and Consultants to conduct the district's financial audits for FYE 2013, 2014, and 2015.***

6.1.6 Adoption of MMHD Operating Budget FY2014 and Resolution 2013-1: Albaugh reported the operating budget was discussed at committee. At the meeting, Travis Lakey, Director of Finance, announced that the budget was not due to Shasta County until August, therefore, recommended that the budget be tabled for further review and possibly adjustments pending SNF Medi-Cal cuts. Agenda item tabled until next month.

6.2 STRATEGIC PLANNING COMMITTEE:

6.2.1 Committee member Kerns reported keynotes from the strategic planning meeting held May 13, 2013:

- Transportation Committee: purpose of committee and goals (discussed earlier in today's meeting by CEO Rees).
- Adin Ambulance: Rees reported the latest information from Big Valley EMS Working Group (BVEMSWG). Modoc agreed to lease ambulance equipment to Mayers for a 90-day period for \$1. The committee is working on draft contracts to present to Mayers' board that will allow committee time to work on a long-term solution. Albaugh requested a legal opinion from District attorney pertaining to service obligations to communities outside District boundaries when it deprives those residing within District boundaries. If an interim agreement is approved, Rees advised board that the District would send letters to both Lassen and Modoc counties notifying them that Mayers would cover and respond to their areas to the best of our ability possible—and a legal opinion would be included.
- 299 Collaborative Meeting: preliminary focus is on recruiting specialists to local clinics. Putting process together. Rees added the benefits to Mayers would be significant due to increased utilization of mainly lab and radiology. Kerns concluded he is impressed with committee work and collaboration—surviving together will be key to future existence. Dr. Dahle was present and added that Doctors Guthrie and Stone have been a huge benefit for MVHC (clinic).
- ACOs and managed care options: ACO open enrollment opportunities for rurals. Lynn Barr was invited to board meeting today because of the many changes coming quickly. Need to pursue conversations with Mountain Valleys' Health Centers regarding strategies that will impact clinics and hospital.

6.2.2 Strategic Plan 2013: CEO Rees reported the strategic plan is pending objectives and goals before it's presented to committee and then to board for approval.

6.2.3 Mayers Intermountain Healthcare Foundation Report: Amanda Hutchings, CEO, MIHF, reported current activities including: recruitment for events person; marketing function assigned to administrative assistant; accounting software changed to QuickBooks for non-profits; Razors Edge donor tracking software to track and maintain records; revamping P&Ps; and grants report (handout). The campaign is still in the internal phase and within the next two months it will transition out to the public.

6.3 QUALITY COMMITTEE:

6.3.1 Committee Meeting Report: Committee Chair Brubaker highlighted the meeting topics and reports

presented to committee on May 8, 2013, along with the Chief of Staff in attendance. Keynotes as follows:

- ▶ Departmental quality reports from ER, HIM Med Staff, and Patient Access. It was noted that patient access initiated a pre-registering process that has improved efficiencies, particularly for same-day surgeries, receipt of payments, and patient customer service. The front office staff is now scanning and indexing paper version charting so that HIM staff can start coding process sooner for Anthiello to also improve efficiencies.
- ▶ EMR update
- ▶ Closed Session: Medical Staff report by the Chief of Staff

7. INFORMATION/REPORTS/BOARD EDUCATION: No announcements.

8. ANNOUNCEMENT OF CLOSED SESSION (3:28PM): For the purpose to conduct Medical Staff business pursuant to the Health & Safety Code §32155.

9. RECONVENE OPEN SESSION: Board Chair Albaugh announced that there was no action taken in closed session.

10. ADJOURNMENT: There being no further business, at the hour of 3:44 p.m., President Albaugh declared the meeting adjourned.