

Mayers Memorial Hospital District
Board of Directors – Regular Board Meeting

Date: June 26, 2013
Time: 1:00 P.M.
Location: Mayers Memorial Hospital
Burney, 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
Art Whitney, Director
Abe Hathaway, Treasurer

Board Members Absent: None

Staff Present: Matt Rees, CEO; Sherry Wilson, CNO; Travis Lakey, DOF; 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/Hathaway), and unanimously carried, the Board of Directors accepted the minutes for the special meeting held May 29, 2013. Abstained: Whitney, Hathaway

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

▶ Matt Rees, CEO:

- Overall, volumes were down the month of May and the first part of June.
- Attended Western Region Flex Conference, a venue for CAH staff and practitioners, Flex program staff, and rural health care leaders to share information and best practices with their peers in the western region of the United States, including the latest innovations in rural hospital quality and performance improvement. Topics also regarding Obamacare and ACOs and state health insurance exchanges including "essential community providers (ECPS). The ACOs need to show the state they have contracts with providers that have specific health care services and populations covered in specific geographic areas. Thus, one of the reasons for the National Rural ACO presentation last month to educate board and staff at Mayers. It's essential to be proactive in evaluating and implementing new delivery models before another provider contracts with a network. It will be crucial for both MVHCs and Mayers to move in tandem in regard to ACOs. Also, at the conference networking with other peers and vendors: met with Jeff Johnson, new partner @ WIPFLI that is heading up Mayers' financial audits.
- Researching interim business office manager in-house to possibly bring billing back in house.
- Decrease in volumes and patient days in May and the first part of June negatively impacted financials
- Dr. Scott Zittel, Medical Director for Outpatient Medical Department attended recent Rotary meeting and introduced.
- Public Relations meetings scheduled for Canby, and possibly Lakeview, to offer medical services provided by Mayers.
- Mayers' phlebotomist scheduled to start working in the MVHC Burney clinic July 8th.

Director Whitney provided an update on AB 900. The US Supreme Court of Appeals denied motion to stay the 9th Circuit ruling made May 24th. Although AB 900 has been amended and moving through the legislative process with action yet through state senate and Governor's office. Mayers will owe almost \$3 million in retro Medi-Cal payments that were effective 7/1/2011. Exemptions have been requested and waiting reported Rees. He noted that a letter has been sent to DHCS notifying them that Mayers is no

longer accepting patients in the FRM facility and requested that they provide available resources to help place patients around the state. On a federal level, Mayers has been mistakenly placed in the same geographic area as Ventura and approved by CMS for patient placement. Mayers will be working with Senators Feinstein and Boxer to resolve inaccurate information. In conclusion, Rees stated the focus now is getting Mayers included in the exemption.

- ▶ Sherry Wilson, CNO:
 - SNF annual survey conducted 6/13/13 and awaiting receipt of plan of correction (POC).
 - Acute staffing changes and continued RN recruitment. Three interviews are scheduled for next week and if all hired it would fill all the positions open on the acute floor. Plans are to staff with MICNs so that acute and OB nurses could rotate through ER when necessary. The MICN certifications will provide consistent quality care while providing nursing staff skills necessary when scheduled to work ER.
 - Quest for Zero Awarded to Mayers ED by BETA Healthcare Group. Mayers' nursing staff completed and passed a series of module trainings for the Emergency Department. That award qualifies Mayers to receive at least a \$5,000 reduction in its ED professional liability premiums.
- ▶ Erik Nielsen, Facilities Manager: CalTrans representative verbally signed off on permit process for new facility construction project. It was verified that no deceleration lane would be necessary but noted landscaping and easement issues are to be addressed. Permit should be completed in a couple of weeks.
- ▶ Life Safety: State of California inspector arrived at Mayers today and is currently conducting the life safety survey for the SNF. So far, paperwork deficiencies. Once survey is complete and Mayers is in receipt of the survey, a POC will address issues and be submitted appropriately.
- ▶ PT Remodel: Equipment is being installed and should be completed within the next two weeks.
- ▶ Metal building completed and needs signed off by county.

5. BOARD COMMITTEES:

5.1.1 Committee Report: Albaugh reported the committee met yesterday with the main focus being Adin ambulance and the review of financial reports. Discussions pertaining to current financial issues, including State cuts in Medi-Cal SNF rates with almost \$ 3 million in retro payments owed by Mayers. The Adin ambulance would provide the District a loss of an estimated \$5K/month; plus there were issues within the proposed agreements that could have possibly been worked out but not the deciding factor. The decisions to extend services outside the District boundaries when there are major services at stake within the District would be difficult to justify to the residents of the District. Albaugh and Whitney conveyed to the board it was their opinion that the District could not shoulder anymore risk at this time. Therefore, they were unable to recommend approval of the Adin ambulance agreements as presented at the meeting today, and apologized to those involved for their diligent work in the process. ***The agenda item for action died for a lack of motion.*** Rees offered the volunteer group District support in other ways to help their efforts as well as attending meetings with Lassen and Modoc County representatives that have the obligation in providing services there. He also reassured the attending group members that Mayers' emergency department staff has already been gathering ideas and costs to pay for the added on-call staff that will be necessary when Mayers' ambulance responds to the Big Valley areas.

Other BFC business reported by Albaugh:

- 1) Pharmacy after-hours agreement with a cost of \$120K per year to the District is being looked at to lower cost
- 2) Mayers' Operating Budget is not due to the county until August, therefore, will be presented to the Mayers' district board in July.
- 3) Detailed discussion pertaining to the financial reports for May

5.1.2 May 2013 Financial Reports: The director of finance, Travis Lakey, was present and reported May was not a good month revenue-wise, mostly due to the fact that census was lower compared to prior month. He reported work has been done the past two weeks to address issues pertaining to charges and billing with Paragon staff on site today to assist. The ARs have also increased, therefore, Mayers' staff has been working with HRG to address AR increase and resolve statements not being generated.

Other keynotes from the financial report and discussions:

- AP for May \$132K increased to \$419K in June.
- Exploring nursing audit process due to decrease in revenues (revenues should have increased with new EMR system)
- FTE options to be researched that directly tie into inpatient revenue/census
- HRG billing company contract to be re-negotiated or possibly terminated
- Insurance renewal packages for District effective 7/1/13: general and professional liability, including D&O, and auto (BETA); property (Alliant) and workers compensation (ALPHA Fund).

A motion/second (Albaugh/Whitney), and unanimously carried, the Board of Directors accepted the May 2013 financial reports as presented.

5.1.3 USDA Rural Development Community Facilities Loan Program: Lakey reported that weekly WIPFLI meetings with Mayers' staff continue in an effort to finalize the application packet for July deadline.

5.1.4 Adin Ambulance: (agenda item included in 5.1 Board Finance Committee Report). ***The agenda item for action died for a lack of motion.***

5.1.5 Charity Care Policy: Albaugh reported Caleb Johnson, Compliance Officer, presented and discussed the revised policy at Board Finance Committee. The policy was basically revised to updated and reflect the HHS Poverty Guidelines including special eligibility and enrollment exceptions. The policy also allows the District to claim some reimbursed for bad debt with the charity care policy in place. ***A motion/second (Whitney/Brubaker), and unanimously carried, the Board of Directors approved the revised Charity Care Policy with the ability to make written grammatical changes if necessary.***

5.1.6 Board Quarterly Finance Review: BFC members Whitney and Albaugh reviewed and verified payments made to ALPHA Fund (workers comp), CAHHS (unemployment liabilities, EDD (annual premiums; IRS (FICA, Medicare, withholdings), State Board of Equalization (sales tax), CEO expenditures/reimbursement for the previous quarter. ***A motion/second (Kerns/Whitney), and unanimously carried, the Board of Directors accepted findings of the review appropriate.***

5.2 QUALITY COMMITTEE:

5.2.1 Committee Meeting Report: Committee Chair Brubaker highlighted the meeting topics and reports that were presented to the committee on June 12, 2013, along with the Chief of Staff in attendance.

Keynotes as follows:

- ▶ Departmental quality reports from:
 - Physical Therapy with an overview of quality measures and practices instituted for good quality patient care;
 - Surgery provided interactive demonstration of equipment sterilization techniques as well as a report of the outpatient surgery area remodel
 - Social Services to incorporate discharge planning component to new EMR system that is essential to patient care program and quality performance measurements.
- ▶ EMR update and Stage 2 implementation schedule
- ▶ SNF Survey briefing (report unofficial due to pending receipt of written survey)
- ▶ Review of two P&Ps with recommendations: 1) Physicians' Orders, SNF; 2) Post-Discharge Surgical Outpatient Phone Interview—both policies were accepted by committee and deferred to P&P Committee for processing through other committees.
- ▶ Closed Session: Medical Staff report by the Chief of Staff

6. INFORMATION/REPORTS/BOARD EDUCATION:

- ▶ Board Chair Albaugh appointed Kerns and himself to organize upcoming annual CEO evaluation process.
- ▶ Board Clerk McArthur announced that ACHD legislative staff would be visiting Mayers on October 17th and invited board members to attend. Details to follow.

7. ANNOUNCEMENT OF CLOSED SESSION (2:10PM/2:36PM): For the purpose to:

7.1 Consider adopting closed session minutes for April 24 & May 29, 2013

7.2 Consider and approve Medical Staff Credentials (Government Code Section 54962 & Health & Safety Code §32155)

MEDICAL STAFF REAPPOINTMENTS

- Allen Morris, MD, Pathologist (Consulting)
- Sean Pitman, MD, Pathologist (Consulting)
- Mark Ramus, MD, Pathologist (Consulting)

MEDICAL STAFF APPOINTMENT

- Scott Bleazard, MD, Radiologist (Consulting)

RELEASE FROM PROCTORING

- Micaela Godzich, MD

7.3 Receive Quality Assurance Report from Chief of Staff Report (Health & Safety Code §32155). Tabled; the Chief of Staff was not available.

7.4 Receive Quality Management Monthly Report (Health & Safety Code §32155).

8. RECONVENE OPEN SESSION: At the hour 3:11 p.m., President Albaugh reconvened the meeting to open session and reported action taken as follows by unanimous vote: 1) approval of closed session minutes from the meetings held April 24 & May 29, 2013; 2) approval of medical staff credentials for the following:

MEDICAL STAFF REAPPOINTMENTS

- Allen Morris, MD, Pathologist
- Sean Pitman, MD, Pathologist
- Mark Ramus, MD, Pathologist

MEDICAL STAFF APPOINTMENT

- Scott Bleazard, MD, Radiologist

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- Micaela Godzich, MD

9. ADJOURNMENT: There being no further business, at the hour of 3:14 p.m., President Albaugh declared the meeting adjourned.