



Regular Meeting of the Board of Directors

Wednesday September 28, 2016

7:30-10:30a.m.

Mark Twain Medical Center Classroom 2

San Andreas, CA

Un-Approved Minutes

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. Call to order:

The meeting was called to order at 7:30am by President Lin Reed.

2. Roll Call:

Present for roll call was Lin Reed, MBA OTR/L; Ken McInturf; Randy Smart, MD; Ann Radford, FNP; and Susan Atkinson, MSW.

3. Approval of Agenda: Action

Dr. Smart: Suggested adding item 8. A (second bullet) Quorum Project to item 9. B Ad Hoc Lease Evaluation Committee so they can be discussed together. Ms. Radford moved to accept the agenda with Dr. Smart's suggestion. Mr. McInturf gave a second and the motion passed 5-0.

4. Public Comment on matters not listed on the Agenda:

Kathy Toepel of Common Ground: Invited everyone to the Oct. 3rd informational presentation on the issues of Marijuana. It will be start at 5:30 at the SA Town Hall.

Mr. Diehl, CEO: Hearing a public comment for the need and is working on cardiology, addressing issues at the clinics such as same day appointments etc.

Mr. McInturf appreciates Mr. Diehl's efforts on the clinics doing blood draws.

5. Consent Agenda: Action

Dr. Smart: Requested further review of the financials. Ms. Radford moved to accept the rest of the consent agenda. It was seconded by Dr. Smart and passed 5-0.

• **Un-Approved Meeting Minutes of August. 24, 2016**

- **Approval of July 2016 Financial Statements**

Dr. Smart: Asked for more information on the Transaction Detail regarding payments to Koplen, BETA Health Care and Meyers Nave. JR Krieg, Controller will research send additional information to Dr. Smart.

Mr. McInturf: In addition, asked for explanations for the payments i.e. month to month.

Dr. Smart: In review (pkt pg. 14) is the Minority Interest showing another \$160K loss? In July the loss was \$320K for the hospital? Mr. Krieg reported it was.

Ms. Reed: The August financials will show the loss was made up.

Dr. Smart moved to accept the financials. Mr. McInturf seconded it and it passed 5-0.

At this time the Board discussed items 8. A: Update on Quorum Project and 9. B: Dignity Health – Mark Twain Relationship;

Update on Quorum Project (8. A.)

Mr. Haskins: Had received a phone call from Quorum asking for lots of data. Today he will be participating in a WebEx with Mr. Diehl and the Quorum team. Packet page 23 is a time-line with lots of dates that shows an Expected Project Completion date of Dec. 15, 2016.

Dignity Health – Mark Twain Relationship (9. B.)

Ms. Reed: The Ad Hoc Lease Evaluation Committee will meet in early Oct. During the same week the Committee will be meeting with Dignity.

Dr. Smart: The Dignity negotiations are on-going.

6. New Business:

A. Telehealth - Update About the Program

Dr. Smart: Gave a history starting in 2014 when the Telehealth pilot program began with a focus on pulmonary patients. The first year was successful in getting space, and robots. There were 150 consultations with a waiting list. In 2015 the program needed to expand and the hospital agreed to take it over as an out-patient clinic. Dr. Smart had meetings with Dr. Allen in an effort to hand-off the program. Then it all fell apart with the nurse and Dr. Allen leaving. It lost the enthusiasm. In July Dr. Smart met with the MTMC Admin. There are patients and there is financial support. There is a \$100K grant in MTMC's name. Grant money was secured from USDA for equipment. The MTHCD Board pays \$30,000 per year to support the program. With all that the program still had not re-started. Re-engagement with MTMC needs to be accomplished or start a new platform. There is so much potential. Patients that are oxygen-dependent can't go/drive long distances for care. There is a great need to provide care for these patients and not have them cycling the Emergency Room.

Mr. Diehl: The hospital is in the process of selecting a new Chief Medical Officer. TeleHealth crosses over several areas.

Ms. Radford: Finds Telehealth being very successful in the Angels Clinic for Dr. Kalantarzadeh, Psychiatry.

Mr. McInturf: Sees a need for the program in our community.

Ms. Atkinson: Sees it being successful and a cost savings to patients.

Katherine McCoy, CNE: Volunteered her services because Telehealth is a very powerful tool and helpful in ICU.

Dr. Smart: Suggested forming a steering committee.

Jen Joses, PA: Suggested better co-ordination and discussion among the providers. Need to address billing issues. How about advertising the need at a provider meeting?

Dr. Oliver: Was a user and part of the past MTHCD Board that started the Telehealth project which was functionally complete. The failure was in the transition so maybe it should revert back to the MTHCD Board if the hospital isn't going to take it on.

Ms. Reed: Suggested this is critical for rural health and prior to the next Board meeting to have a meeting that includes Dr. Smart, Mr. Diehl and Ms. McCoy.

Mr. McInturf: Sees hiring a new CMO as positive.

B. Calaveras Public Power Agency: Action

- The MTHCD belongs to the CPPA JPA and can nominate an eligible Member Agency to serve on the 4-year term of the Board of Directors.

Mr. Haskins: There are some 24 agencies that belong to the CPPA JPA and the Ebbetts Pass Fire Protection District will complete its term so the District can choose to nominate a new agency.

Ms. Reed: Supervisor Cliff Edson confirmed CPPA meets quarterly for about an hour.

Dr. Smart: If nominated consideration will be needed to decide who will represent the District after the election which will produce new member(s).

Dr. Smart offered a motion with a second from Ms. Radford it passed 5-0.

7. Unfinished Business:

A. ALPHA-BETA Merger: Action

- The District belongs to the BETA Health Care Group but not the ALPHA Fund. A Majority of Members of Both Groups Must Approve the Merger.

Mr. Haskins: Both Boards, BETA and ALPHA Fund, voted to merge allowing more marketplace, bargaining and efficiency. The District is a member of BETA for insurance needs. Each of the members of both organizations has to approve the merger for it to take place.

Ms. Reed: ALPHA is ACHD and we're a member. Both funds have grown and both serve the same members. ACHD is supportive and there is no downside.

Mr. McInturf moved for approval. Ms. Radford gave a second and it passed 5-0.

8. MTHCD Reports:

A. Executive Director Report:

- **Update on Valley Springs Clinic:**
- **OPC Budget**

Mr. Haskins: Met with Gary Hicks, USDA Loan, Pat Van Lieshout, Project Manager and Aspen St. Architects. The lot line adjustment for the rental home is complete and will open up other land for the rest of the project. The second lot line adjustment will be to clean up jagged property lines.

Good news is word was received from USDA that the funding has been extended to Sept. 28, 2017. The interest rate is capped at 3.62% but it could go lower.

Regarding the size of the clinic; It was 18,000 sq. ft. Mr. Haskins and Bob Diehl are discussing the need which will drive the size and cost.

Dr. Smart: Lets be mindful of expansion. Maybe we should consider a larger square footage leaving part of it as a shell for future growth. The shell could be affordably built now but not be used or developed until needed.

Mr. Haskins: More discussion is needed to consider size and future growth. Demand drives everything.

Ms. Reed: Sent letter to Dr. Griffin asking for support which is needed in writing to proceed with the loan. She expects a reply this week.

Pat Van Lieshout: A link in the USDA loan agreement is for the District to have a signed lease.

Bob Diehl: He and Chris Roberts has received approval at the Corp. level to prepare a commitment letter this week.

Cliff Edson, Supervisor: Will provide support in getting the project through the process. The Rancho population is the largest in the county and consists of retired folks and young families with great needs for a local clinic. He will send growth projections from the Calaveras Planning Dept. prepared for the Calaveras consolidated Fire Protection Dist.

Mr. McInturf: Requested an appraisal be done on the rental property so consideration can be made to sell it or not.

Ms. Stout: An appraisal has been ordered but not received due to industry backlog.

- Update on Quorum Project: (See above - after item 5).

B. Presidents Report:

- ACHD Advocate

Ken Cohen, ACHD Ex. Dir. will be attending the Oct. 26th Board meeting to present the ACHD Certification Award to the District.

Ms. Reed: Lobbied for Bill AB 2024 which was signed by the Governor. It helps in physician recruitment as doctors don't want a private practice and do want to work for a hospital. Now they can be hired directly. ACHD really worked on this.

Another bill: AB 2389 will have to do with redistricting.

Mr. Dean: This is a January statute so will be a consideration for the next election.

C. MTMC Corp Board"

The MTMC Corp Board met yesterday. To follow is Ms. Reed's and Mr. McInturf's report dated 9-28-2016

TO: Mark Twain Health Care District Board

FROM: Lin Reed, MBA, OTR/L, MTHCD Acting President and MTMC Board member

Ken McInturf, MTHCD Treasurer and MTMC Board Member

Report from the September 27, 2016 MTMC Board Meeting

1. As noted in the report of the Chief Nursing Executive, Katherine McCoy, many quality statistics are trending favorable. (see handout)
 - a. Of the 23 survey measures by which patients are asked to rate their Emergency Department experience, all 23 are at or above the 91st percentile in the nation. In 10 of those 23 measures, Mark Twain patients rated this ED with scores that place MTMC in the 99th percentile of all hospitals nationwide.
 - b. Mark Twain's overall HCAHPS scores (the Consumer Assessment of Healthcare Providers and Systems) have moved from the 9th percentile in the nation several years ago, to the 55th percentile this year.

2. As mentioned in the report of the Chief Financial Officer, Chris Roberts, to the MTMC Board, finances were strongly positive for the month.
 - a. MTMC exceeded budget and brought Days Cash on Hand from 84 up to 93 (versus a board-approved budget of 72 Days Cash on Hand). By contrast—at this time last year, MTMC had been experiencing financial losses.
 - b. Surgical cases were down, but admissions were up; E.D. registrations increased while transfers-out were decreased. (That is, MTMC is consistently looking for opportunities to deliver care here, where medically appropriate, rather than having to transfer a patient elsewhere.)
 - c. Year-to-date has also seen more consistent performance in the revenue cycle, meaning the effective handling of denials, accounts receivable, and Patient Financial Services. Over the prior two months the hospital has been refining its working partnership with Optum 360, the firm which handles these areas.
 - d. Department leaders are being successful at flexing staff with patient volumes, and meeting their individual department budgets.
3. The Heart Center continues to operate with the traditional ancillary services like cardiac rehabilitation and EKG studies. Through the summer the physicians from the Stockton Cardiology group have increased their availability to see Calaveras County patients. MTMC will soon be adding back the ability to provide stress tests in the Heart Center.
4. Clinic operations continue to evolve. All-day lab draw availability has been restored, and overall clinic visits increased for the month. Patient wait times to new appointments are decreasing, and the number of walk-in patients turned away is also decreasing.
5. The MTMC Board reviewed the hospital's annual Performance Improvement Plan.
 - a. This is a document which hospitals prepare annually, describing tactics to meet various metrics (such as national goals in quality or patient safety, or initiatives being introduced by the Joint Commission (JC) or the Centers for Medicare & Medicaid Services (CMS).
 - b. The Performance Improvement plan has already passed through the formal governance process of the hospital, and after being approved by the other subcommittees it was approved by the Board.
6. The MTMC Board approved furnishing a commitment letter to the District regarding leased space in the proposed Valley Springs clinic.
7. The MTMC Board discussed this week's passage of California Assembly Bill 2024 which will allow Critical Access Hospitals to employ physicians directly. California is one of five states in the U.S. with a ban on the "corporate practice of medicine;" this bill, effective January 2017 will allow an exception to that. The potential positive effects for MTMC are being considered.

Dr. Smart: Has the Corp. terminated the relations with Optimum 360?

Mr. McInturf: No.

Ms. Reed: Heart patients have been referred to the Stockton Cardiology however stress test at MTMC will resume in the heart center.

Mr. Diehl, CEO: His CEO report is ongoing but he reported (1.) Aug will be a strong financial month. (2.) The Doris Barger golf benefit was the best it has been in the 9-yr history. (3.) Peggy Lucas has retired leaving a success story of approx. \$3million earned for the MTMC. (4.) Telehealth is one of the projects on the list for the new CMO. (5.) He's taking ideas from the staff. (6.) Mentioned some scores that were excellent or much improved.

Mr. Diehl will be providing the Board with numbers regarding market share at the Oct. Meeting.

Kathy Toepel, Common Ground: They transport people to appointments and would be interested in the walk-in data when it is available.

Mr. Diehl: will supply walk-in numbers as well as turn-a-way data.

Mr. Dean: Requested information be provided to the landlord about a piece he saw in the Sacramento Business Journal regarding Dignity facing losses for looming deadlines regarding earth quake preparedness.

Mr. Diehl: Each hospital had to develop a facility master plan concerning seismic readiness of building. If the building is in bad shape it must be designated non-patient.

Chris Roberts, CFO: Seismic deadline isn't until 2030

Ms. Reed: Since the District is planning for the next 30 years she is concerned about meeting requirements and monies to meet those requirements. The District needs the information to make those plans and would like to task Quorum to factor that information into the assessment.

Dr. Smart: The same concern since retro-fitting takes planning for costs/budgets.

9. Committee Reports:

A. Ad Hoc Real Estate:

The Committee is making plans to meet prior to the October meeting.

B. Ad Hoc Lease Evaluation Committee:

- Dignity Health – Mark Twain Relationship (see above - after item 5).

10. Board Comment and Request for Future Agenda Items:

Mr. McInturf: The Health Fair and Pink in the Night were both successful.

Supervisor Edson: Thanked and complimented staff that assisted in the field during the Butte Fire. It shows the support for the community.

Dan Lewis, Angels Camp: Requested an update on the Angels Camp Clinic.

Mr. Diehl: Just finished an admin team retreat, has met with the Foundation Board and have re-engaged with Aspen St Architect to move forward. The plan is for 9K sq. ft. at \$7-8million.

Ms. Radford: The Golden Health Award Committee will be meeting Oct. 12th. There has been discussion on paring down the event but still honoring the 501 (c) 3 organizations. Send your ideas to Ms. Reed or Ms. Radford concerning the Feb. 2017 event and who to you'd like to see recognized.

Mr. Dean: Confirmed that the 501 (c) 3 has to be Health Related to be eligible to win.

Dr. Smart: The District needs to have its own copy machine so staff will research options.

11. Next Meeting:

- Wednesday, October 26, 2016
- Holiday Schedule for November and December Board Meetings: **Action**
 - Cancel the November 23 Board Meeting.
 - Convene Special Board Meeting on November 30, 2016.
 - Swear in Newly Elected Board Members at the Regular December 28, 2016 Board Meeting.

Mr. Reed: Went over the up-coming meeting schedule.

Mr. Dean: Responding to election questions clarified; newly elected Board Members can be sworn in at the Dec. 28th Board Meeting however that is ceremonial only; It isn't official until the newly elected Board Member signs the Oath; Once the Oath is signed then the Board can vote for their officers. Newly voted officers are seated Jan. 1, 2017.

Mr. McInturf won't be able to attend the December meeting but moved to approve the schedule. Ms. Atkinson gave a second and it passed 5-0.

12. Closed Session:

Conference with Real Property Negotiators (Govt. Code section 54956.8).
Property: Mark Twain Medical Center, 768 Mt. Ranch Road, San Andreas, CA.
Agency negotiators: Sandy Haskins and Lin Reed. Negotiating parties: Mark Twain Medical Center, Inc.; Dignity Health, Inc. Under negotiations: Price and Terms of Lease.

The Board announced they would be moving into closed session at 9:29am

13. Reconvene to Open Session:

A. Report of Action taken (if any) in Closed Session:

The Board moved back into open session at 9:59am stating there was no reportable action taken.

14. Adjournment:

Mr. McInturf moved to adjourn the meeting at 9:59am. Ms. Atkinson gave a second and it passed 4-0 with Ms. Radford absent.