



# Mark Twain Health Care District

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**Regular Meeting of the Board of Directors  
Wednesday, June 22, 2016  
7:30-10:30a.m.  
Mark Twain Medical Center Classroom 2  
San Andreas, CA**

## **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 by President Lin Reed at 7:31am.

#### **2. Roll Call:**

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

#### **3. Approval of Agenda: Action**

Mr. McInturf moved to approve the agenda. Ms. Atkinson seconded the motion and it passed 4-0.

#### **4. Public Comment on matters not listed on the Agenda: (5 min.)**

Joe Virgilio, Murphys, stated the Calaveras County population is such that it warrants two health care professionals for each specialty to avoid patients going to other providers; he sees instability from the partnership (Dignity Health); the HFS report of fair market value indicates this hospital pays some \$4million over fair market value.

#### **5. Consent Agenda: Action**

Dr. Smart moved to accept the consent agenda. Mr. McInturf seconded it and it passed 4-0.

#### **A. Un-Approved Meeting Minutes of May 25, 2016**

#### **B. Approval of April 2016 Financial Statements**

#### **C. Correspondence: None**

6. **New Business:** None

7. **Unfinished Business:**

A. **ACHD Certification Process Update:**

- **Press Release**

Ms. Reed announced the District had received Certification from ACHD and the press release was in the packet.

8. **MTHCD Reports:**

A. **ACHD May Update:**

Ms. Reed suggested the Board refer to the Board packet for the latest events.

B. **Executive Director Report:**

- 2016-2017 Draft Budget: **Action**

Mr. Doss reviewed the draft budget highlighting key amounts for revenue and expenses and answered questions as necessary. Some of the hi-lights included the upcoming Physician's Education forum on July 14<sup>th</sup> with the topic of Type 2 Diabetes; the Calaveras Amador Respite Care was \$20K and still has \$13k available so Hospice of the Sierra will be added at an amount of \$7k.

The Telehealth program was started as a pilot program to improve care and to cut re-admission. The program has stalled due to loss of the nurse coordinator and other complications but still has great potential. The funding will stay intact and can be increased with program need.

In general the District will not be taking on any additional commitments since there are potential cost uncertainties with building the VS Clinic.

Hearing no public comment Dr. Smart moved to accept the budget. Mr. McInturf seconded the motion and it passed 4-0.

- **LAFCO Adopted FY 2016 – 2017 Budget**
- **LAFCO MSR Plan - Aug 2016**

Mr. Doss met with John Benoit, Executive Director, of LAFCO who has shown a desire to complete a Municipal Service Reviews Plan. Included in this packet are the questions related to completing the MSA. Most of the answers can be located on the District web page.

### **C. Presidents Report:**

- **Ad hoc Personnel Committee:**

Ms. Reed stated the Committee hasn't met but does plan to meet on Monday.

### **D. MTMC Corp. Board:**

- **MTHC Announces New President Robert Diehl**

Ms. Reed introduced Robert Diehl as the new Dignity Health CEO/President. Mr. Diehl expressed how he is feeling the Calaveras hospitality. Mr. Philipp, Interim CEO, added he is glad Bob has come on board and he plans to return to retirement next week.

- **90-day Notice-Payment of Utilities**

Mr. Doss reviewed the event of the 6<sup>th</sup> Amendment to the lease. In that agreement there was a provision to discontinue paying the utilities as the funds might be needed for operational cost looking into the future purchase and building of the VS clinic. That time has come so it was necessary to give the 90-day notice. The notice states the District will no longer pay for any utilities except for CPPA. The District will continue to purchase the electricity through CPPA because of the significant cost savings to the MTMC.

A member of the public requested item 9.B be addressed before item 9.A. The Board agreed after stating this request would be more suited at the time the Board approves the agenda (item 3.)

## **9. Committee Reports:**

### **A. Ad Hoc Real Estate:**

- **Valley Springs Project update:**

Mr. Doss gave the following update; the District purchased approx. 14 acres for \$900,000. About 4 acres of the property will be used for the Clinic. There is an access off Hwy 26 and another access off Vista Del Lago onto the property.

- **Project Manager Report:**

Per Mr. Van Lieshout the Aspen Street Architect contract is nearing the end. Building cost are starting to go up so the proposed 15K square foot building may need to be reduced in size to meet budget.

- **OPC Budget:**

- **Planning Department Public Hearing:**

- **2015-048 PD Permit & Request for Modification for VS Clinic June 9, 2016**

All conditions have been met with the Calaveras County Planning Dept. who circulated the project through their clearing house for review. The project met favorable outcomes with all the agencies. The site plan went to the public works department.

Dr. Smart asked for an update on the boundary line adjustment for the rental property which is approx. 2.72 acres including the home and barn. Mr. Van Lieshout will research and report back.

- B. Ad Hoc Lease Evaluation Committee:**

- **Dignity Health – Mark Twain Relationship**

Ms. Reed stated the Ad Hoc Lease Evaluation Committee had been meeting regularly with the Dignity Health team.

Mr. Doss explained the current lease will expire in Dec. 2019 and cannot be renewed. When the current lease was created (1990) there was no requirement for voter approval. Since then a requirement was passed requiring voter approval of 50% plus one vote.

The Ad Hoc Lease Evaluation Committee has been presented with a term sheet from Dignity Health which is a list of discussion items. Today in closed session the Board will review the latest version. When the topics are agreed upon by both sides it would become a large document detailing items agreed upon. The deadline to present a term sheet to the public for the Nov. election is July 1<sup>st</sup>. In preparation to take a lease to the voters the document must be summarized into 75 words and a pro and con statement prepared.

Dr. Smart added the importance of the future of the hospital and that they had invited the views of the medical staff. About 30 providers attended giving the Ad Hoc Lease Evaluation Committee great insight.

Kevin Jones sites a long standing in the county and concerns for not being able to terminate the current lease with Dignity for another 3 years giving way for them to control everything and not always for the good of the hospital.

Supervisor Cliff Edson has concerns for the public asset (hospital) and is willing to get the word out so the hospital doesn't get bleed-out but becomes a stronger asset for the County. Stability is needed to attract doctors.

Dr. Courtney Virgilio states she moved her family here from Chicago and worked for free from June to Oct. 2015 while the cardiology unit was being established. She has spent a great deal of time babysitting Dignity IT issues. The time lost should be spent with her patients. She wants to provide local care.

Dan Lewis of Angels Camp wanted to know the next step if the Nov. ballot deadline isn't met? Mr. Doss explained the advantages of a mail in ballot that would be available in May 2017. Other districts, like ourselves, prefer the mail in ballot as it will reach all members of the county and doesn't get overshadowed by the general election. While Dignity wants their proposal to be on the Nov. 2016 ballot there is plenty of time because the Board started well in advance of the lease expiring in Dec. of 2019.

Supervisor Elect, Jack Garamendi of Paloma, is concerned there is a rush to get the proposal on the Nov. ballot. He sees the need for providing plenty of time to get the word out to the public in the form of a pro and con education.

District General Counsel Michael Dean explained the uniqueness and complexities of the arrangement between the parties as; The District has no contract with Dignity so cannot declare a breach of contract for misallocation or for IT issues. It is possible the MTMC Corp Board can state there has been an overcharge but there is no cause to end the lease because Dignity has done nothing to wreck the premises. At the end of the lease MTMC would give up the keys as any tenant putting the MTMC Corp Board out of business. The District will owe for approved improvements made by Dignity Health which would be costly. We can argue the District doesn't agree with improvements and end that portion of the lease. The assets and liabilities would be split 50/50 with the District and Dignity Health. Refer to the HFS study of critical items for more information.

Community Representative to the Corp Board since 1987, Dr. Dave Woodhams chairs the finance committee and has concerns regarding the allocation and the Board makeup of 3-Dignity, 3-District and 1-Community.

Supervisor Edson stated District Counsel helped a great deal and he feels much more time is needed to education the public on the complexities and he's willing to help. Scott Behiel, Angels City Council agreed.

Ms. Atkinson expressed she was hearing the public's concerns but the Board has every intent to provide ongoing quality care in the County and all proposals will go to the public. Mr. Doss added the District will continue their practice of transparency and anyone can see all the documents here to fore discussed on the District's web page.

Ms. Reed stated the Board prefers to look at all options. Because of the long standing relationship with Dignity (present and prior) it was felt they should see what the Dignity partnership would look like. In so doing Dignity required an exclusive agreement (NDA). During that agreement the District cannot go out for RFP's. The Board has lots of time to look at other options, engage more experts and may even need a specific assessment.

Ernst Mikkelsen of Murphys thought the (going independent) study was biased and asked for further research into the future of MTMC going independent. While very unique he wants local quality health care.

Mr. McInturf expressed the Board has an excellent executive director and legal counsel to lead them in always keeping community's best interest at heart and that he appreciated hearing from the public.

Marti Crane of Valley Springs, agreed with the expertise of the executive director, praised the Board for information being so readily available and sees the benefit in a mail-ballot especially for those that have difficulty getting to the polls on election day.

Dan Lewis added the public in attendance was passionate and the lease is the issue not Dignity. Dignity is the Corp Boards concern.

Mr. Doss summarized the current lease is not the issue and the Board will be looking at a new lease. The MTMC has come a long way from the conception (1989) when it couldn't make payroll. Fast forward 26 years and today we have a very well equipped hospital with MRI, ER, ICU, Cardiology and Cancer Center.

- **60-day notice Non-Disclosure Agreement (NDA)**

Mr. Doss stated the 60-day notice to end the Non-Disclosure Agreement with Dignity Health will expire the first week of August but until the expiration both parties plan to continue to negotiations.

### **C. Physician Education Forum Update:**

- **July 14, 2016**

Dr. Smart will be welcoming Dr. Pamela T. Prescott to the Greenhorn Creek Resort on July 14<sup>th</sup> to speak on the Current Treatment of Type 2 Diabetes. About 40 invitations will be sent to the medical staff. Dr. Smart is hoping Dr. Prescott can assist in the District's Telehealth program.

### **D. Student Scholarship Committee:**

On June 1<sup>st</sup>, Mr. McInturf presented two certificates for iPads to two deserving Calaveras High School seniors that want to further their education in nursing. A picture commemorating the occasion can be found on the District web page. He recalls Ms. Radford presenting two Bret Harte seniors with their certificates for iPads.

### **10. Board Comment and Request for Future Agenda Items:**

Dr. Smart would like to see more options to engage students into health care opportunities but knows there is the Dignity liability issue. Interim CEO, Larry Philipp, stated Katherine McCoy, CNO, is working on the mentoring process and suggested we invite her to one of our meetings.

Ms. Reed invites the public to attend the meetings saying she'd like to see the room filled and needing a larger venue.