



Regular Meeting of the Board of Directors

Wednesday October 26, 2016

7:30am

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 7:37am 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

Mr. McInturf moved to approve the agenda. Dr. Smart gave a second and the motion passed 5-0.

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

Hearing none.

5. Guests:

- **Presentation of the ACHD Certification**

Ms. Reed introduced Kenneth Cohen, Executive Director of ACHD.

Mr. Cohen: Thanked the Board for the invitation to attend the meeting. He enjoyed his overnight stay in Murphys so much he plans to bring his wife to the area.

Mr. Cohen: ACHD was established in 1947 and represents 79 health care districts throughout the state in the areas of training, legislation and regulatory practices. He was excited about the new pending legislation that would open the door for hospitals to hire physicians directly.

Mr. Cohen is here today to acknowledge Ms. Reed's work with ACHD and for her engaging the MTHC District in the certification. Mr. Cohen congratulated the District for completing the ACHD set of standards. The District supports transparency and accomplishing this program reinforces this belief. Mr. Cohen presented President, Lin Reed with the framed certificate. Ms. Reed invited Mr. Cohen and the Board to pose for pictures. Staff thanked Dana Nichols for his photography skills.

6. Consent Agenda: Action

- Un-Approved Meeting Minutes of September 28, 2016
- Approval of August 2016 Financial Statements
- Correspondence:
 - Calaveras County Librarian, Nancy Giddens. Thank You Letter
 - Doris Barger Golf Outing. Thank You Letter (9-15-2016)
 - Calaveras County Chamber of Commerce – Relocating

Dr. Smart moved to approve the consent agenda. Ms. Atkinson gave a second and the motion passed 5-0.

7. New Business:

Hearing none.

8. Unfinished Business:

A. Telehealth Program Update:

Dr. Smart: Experienced a great meeting with Bob Diehl, CEO and Katherine McCoy, CNO. There was a strong commitment to put the program back in place. The team will meet again (2 weeks) when Dr. Smith, CMO has joined the team.

Ms. Reed: Telehealth is a strong link to the community and needed.

Mr. McInturf: Appreciates the efforts being made for "it is the future".

B. CPPA Ballot for At-Large CPPA Board of Director Position: **Action**

Mr. Haskins, Interim Ex Dir: Referred to Board pkt page 28 wherein the District is invited to choose either Ebbetts Pass Fire Protection District or Mokelumne Hill Fire Protection District to fill the At-Large CPPA Board of Director Position.

Ms. Radford: Would like to nominate Ebbetts Pass Fire Protection District for all that they do in the community. The motion died for lack of a second.

Ms. Atkinson: Moved to nominate the smaller entity of Mokelumne Hill Fire Protection District. The motion was seconded by Dr. Smart who remembers the impact of the Butte Fire. The motion passed 4-1. Mr. Haskins was asked to complete the ballot.

9. MTHCD Reports:

A. Executive Director Report:

- **Update on Valley Springs Clinic:**

Ms. Reed: The lot line adjustment that reduces the acreage size of the VS residence has been recorded. For the District to offer the property for sale it must first be declared surplus. This item will be on the Dec. Board Meeting agenda.

- **Opinion of Probable Costs**

Mr. Krieg: Enlarged the font and added spent-to-date columns to the report.

- **USDA (3rd) Amended Letter of Conditions**

Mr. Haskins: Referenced Board packet page 32 to hi-light the USDA extension from Sept 28, 2016 to Sept. 28, 2017 to meet the Letter of Conditions (Sept. 28, 2015). The District needs to start construction prior to the expiration date.

Mr. Van Lieshout: Will be preparing a new time-line taking the project out to Sept. 2017. To stay within the (USDA) loan requirements the District may need to start the site work before the building.

Dr. Smart: Had a positive call with USDA to learn (1) or now we only need a letter of intent to lease (2) USDA is ok with a lease that commences with a 10-year contract an adding 5-year renewals as desired.

Dr. Smart: Thanked Mr. Diehl for a good meeting regarding exam room numbers and size, patient formula and productivity standards. There are a lot of moving parts and size does drive the cost of a project.

Mr. Van Lieshout: Aspen Street Architects proposed a modular design to save time and money. Since then USDA has expressed they are unfamiliar with that approach and prefers a stick built building. While modular buildings have come a long way they still give the feeling of "not permanent". With a full set of plans the net can be cast farther in getting bids for modular and stick built.

Mr. Roberts: The VS Clinic is currently doing business in a leased building. He will provide the specific termination language in the lease document to the ad hoc Real Estate Committee.

B. Presidents Report:

- **ACHD Advocate – News**

Ms. Reed: Is still on the ACHD Education Committee and Governance Committee. The annual meeting will be held in San Diego. She invites current and newly elected Board members to take part.

- **LAFCO Board Training (9-30-2016)**

Ms. Reed: Ms. Atkinson, Ms. Stout and Ms. Reed attended the training, It was a collaboration between LAFCO and CSDA and was well attended.

Ms. Atkinson: Liked the idea of having some District finance reports in graph form.

C. MTMC Corp Board Report:

October 26, 2016

To: Mark Twain Health Care District Board

From: Lin Reed and Ken McInturf

RE: Report from the October 25th MTMC Board Meeting

1. The Corporate Board received the MTMC Financial Results from September, as recommended for approval by the Finance Committee. Year-to-date, MTMC is reporting Excess Revenues Over Expenses of a positive \$346,000 (\$602,000 ahead of budget.) Year-to-date EBITDA is a positive \$334,000 (\$236,000 ahead of budget.) This represents a positive swing of \$ 2.7 million year over year, 1st quarter.
2. The Board received a presentation from Dignity Health's overall corporate portfolio investment manager. (A few summary slides have been furnished in today's handouts for the DB). The portfolio manager described the overall approaches to investing all of the hospitals' money and balancing that with principles of social investing. The Board noted that the investment fees are lower than one might see with a typical mutual fund load.
3. The Board also received a summary of the hospital's Community Benefit plan. In FY16, MTMC provided \$9.7 million in patient financial assistance, unreimbursed cost of Medicaid, community health improvement services, and other community benefits. (This is up from a prior year amount of \$7.3 million.) The Community Benefit plan is re-drafted every 3 years, and shows an overview of the top challenges in health, socio-economic status, etc., and is shared with other local organizations that serve the public benefit in Calaveras County. (Handouts are available here, and can be downloaded from both websites.)

4. In the Medical Staff Development section of the Board agenda, the Board approved additional clinical privileges for several cardiologists from the Stockton Cardiology Medical Group, as MTMC continues to expand the services offered in the Heart Center. Clinical privileges were also reviewed and approved for Dr. Randy Smart to begin (resume) performing cardiac stress tests.
5. The Board reviewed and approved the annual Performance Improvement Plan. This is a document that hospitals prepare, describing their approaches to national quality benchmarks and their formal programs around continuous quality improvement.
6. Katherine McCoy's Quality report and Bob Diehl's CEO/President's report copies are available for today's DB meeting.
7. There was a brief discussion of the October 24th announcement by Dignity Health and Catholic Health Initiatives that they have signed a non-binding letter of intent to explore aligning their organizations and expanding their mission of service.
<https://www.dignityhealth.org/about-us/press-center/press-releases/catholic-health-initiatives-and-dignity-health-explore-aligning-ministries>

Of note is that 30 of CHI's 103 hospitals are rural critical access facilities.

- CEO Report:

Mr. Diehl: Delighted with the financial improvement. Clinics are up in volume. The hospital is in the process of recruiting a family practice physician. Stockton Cardiology practices just below the hospital and is exploring the possibility of caring for their patients in the MTMC Heart Center.

Mr. Diehl: California Health and Wellness is specific to Calaveras County and doesn't pay well so some physicians don't take Medi-Cal patients.

10. Committee Reports:

A. Ad Hoc Real Estate:

Dr. Smart: Questioned the potential expense of earth quake damage?

Chris Roberts, CFO. Dignity did a brief assessment on the hospitals with the most need and there are no seismic expense through 2020. \$400K has been set aside for ADA. The figures are not complete for 2030. A cost estimate will follow for the second phase. Considering negotiations, it was requested Mr. Diehl put this on fast tract.

B. Ad Hoc Lease Evaluation Committee:

- **Dignity Health – Mark Twain Relationship**

Ms. Reed: Nothing to report.

- **Update on Quorum Assessment:**

Ms. Reed: The latest target-date for the ad hoc Lease Evaluation Committee to receive the Quorum Assessment is mid Dec. The Committee will present it to the Board and there will be a study session for the public.

11. Board Comment and Request for Future Agenda Items:

Mr. McInturf: The Teddy Bear Clinic with the helicopter, CHP and fire agencies were a big success. Likewise, for Pink in the Night and the MTMC Health Fair.

Ms. Radford: Save the date. The Golden Health Awards is in the process of planning a luncheon for Wed. Feb. 8, 2017. A committee member will be notifying eligible agencies and assisting them in applying. The District needs to receive the nominations by Dec. 16, 2016. The next meeting will be in a couple weeks.

Dr. Smart: Received information for the California Health Care Foundation allowing for better access for palliative care and targeting rural communities. The application is due Nov. 30th. Ms. Atkinson volunteered to do the follow-up.

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: Lin Reed. Negotiating parties: Mark Twain Medical Center, Inc.; Dignity Health, Inc. Under negotiations: Price and Terms of Lease.

At 8:59 the Board moved into closed session.

12. Reconvene to Open Session:

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

The Board reconvened into open session stating there was no reportable action taken.

13. Next Meeting:

- November and December Board Meeting Holiday Schedule:
 - No November 23, 2016 Board Meeting.
 - Special Board meeting on November 30, 2016
 - Swear in newly elected Board members at the regular December 28, 2016 Board Meeting.

Ms. Reed: To make allowances for the holidays it was decided there would be no Nov. meeting unless prompted by District business. Board members will be surveyed to see if they can attend a Dec. 16 or Dec. 19th meeting instead of the regular Dec. 28th meeting which falls during Christmas week.

14. Adjournment:

Dr. Smart moved to adjourn the meeting at 10:08am. The motion was seconded by Ms. Atkinson and it passed 4-0. Ms. Radford had to leave prior to the vote.



Mark Twain Health Care District

**Special Meeting of the Board of Directors
Friday, November 4, 2016
7:30am
Mark Twain Medical Center Classroom 5
San Andreas, CA**

Un-Approved Minutes

Mark Twain HealthCare 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 7:34 am.

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 moved to accept the agenda. Mr. McInturf seconded the motion and it passed 5-0.

4. Public Comment on Matters Not Listed on the Agenda:

Hearing none.

5. Closed Session:

Public Employee Performance Evaluation (Govt. C. sec. 54597) Title: Interim Executive Director.

The Board moved into closed session at 7:34am.

6. Reconvene to Open Session:

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

The Board moved back into open session at 9:12am stating there was no reportable action taken.

7. Adjournment:

Dr. Smart moved to adjourn the meeting. Mr. McInturf seconded the motion and it passed 5-0 to adjourn at 9:12 am.



Special Meeting of the Board of Directors

Tuesday November 15, 2016

7:30a.m.

Mark Twain Medical Center Classroom 1

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 by President, Lin Reed at 7:42am.

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

Mr. McInturf moved to approve the agenda. Ms. Radford gave her second. The motion passed with a 5-0 vote.

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

Hearing none.

Ms. Reed introduced Debbie Sellick as the newly elected soon to be Board member.

5. Ad Hoc Real Estate

A. Work Order With Aspen Street Architects: Action

- Consideration of an Aspen Street Architect work order in the amount of \$6,000 (estimated) cost to produce a new schematic design of approximately 8,500 sq. ft. for the Valley Springs Rural Health Clinic.

Dr. Smart: To keep the VS Clinic on track it was necessary to have this special board meeting. A project time-line prepared by Project Manager, Pat Van Lieshout was passed out for review and discussion. Emphasis was placed on the necessity to be in contract to meet the USDA loan deadline of September 28, 2017. It is necessary to have Aspen Street Architects prepare a schematic (it is not a blueprint or a building plan) to reflect a smaller scope for the project.

Discussion: Currently the Valley Springs Clinic is housed in a leased (expires June 2019) space of 5,000 sq. ft. (approx.). USDA had originally approved a project of 18,000 sq. ft. to provide for specialty clinics. Now the focus is on providing general care at the clinic with specializing services provided at the main campus (a hub and spoke concept). Today's recommendation is to consider a schematic for 8,500 sq. ft. (ref. pkt pg. 4 in a neutral color). The schematic also includes an additional 1,500 sq. ft. (ref. pkt pg. 4 in blue) for future expansion. This schematic would reflect a one-story building instead of a two-story. This configuration would max out the proposed building pad. It is too expensive to add a second story later however additional build-out could be accomplished on an adjoining pad.

Mr. Van Lieshout: USDA is not familiar with the modular concept so prefers a stick-built building. By reducing the square footage to a 10,000 sq. ft. the stick-built is more consistent with the USDA money lines.

Dr. Smart: The MTMC Corp Board will need to earmark \$1.2 million per conditions of the USDA loan. Mr. Diehl will discuss with CFO, Chris Roberts and report back.

Another Board decision will be to fund \$400K (approx.) in up-front soft costs for architect fees. These fees usually include drawings, construction bidding, civil and engineer fees. This expense should be reimbursed by USDA but have no timeline.

Ezra Ivey / Aspen Street Architects: Their contract is to follow. To date his firm has only charged for services rendered and suspects there are funds still on account.

Ms. Reed: Requested financial projection reports to review the status of the District's finances. She also requested the ad hoc Real Estate Committee contact Gary Hicks, USDA, to discuss conditions of the loan and pending due date(s) of costs.

Mr. Van Lieshout: In case the time-line for the building portion has fallen behind the District could go to bid for the site work to satisfy the USDA deadline requirement.

Ms. Reed: Requested staff to include time-line information in future Board pkts.

Dr. Smart moved to approve the work order with Aspen Street Architects. Ms. Atkinson gave a second and it passed 5-0.

Mr. McInturf asked for update on the surplus of the VS Rental property and an appraisal. Staff expects to have the surplus resolution on the Dec.16th Board Meeting Agenda. The Appraisal process had to be restarted with anticipation of completion prior to the Dec. 16th meeting.

6. Board Comment and Request for Future Agenda Items:

Dr. Smart: When the (Nov. 8, 2016) General Election canvass is completed the newly elected Board members can be sworn in however the election of officers cannot take place before Jan. 2017.

Dr. Smart: Dec. 16th will be Mr. McInturf's last meeting but he has agreed to stay on the ad hoc Real Estate Committee as well as the Golden Health Awards Committee.

7. Next Meeting:

- December 16, 2016

8. Adjournment:

Mr. McInturf moved to adjourn. Ms. Atkinson gave a second and it passed 5-0. The meeting was adjourned at 8:36am



Special Meeting of the Board of Directors

Tuesday November 29 2016

7:30a.m.

Mark Twain Medical Center Classroom 1

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 by President, Lin Reed at 7:34am.

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

Ms. Reed requested agenda item no. 5 (Calaveras Local Agency Formation Commission (LAFCO) be removed from the agenda for further review. Dr. Smart moved to approve as noted. Ms. Radford gave a second and it passed 5-0.

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

Hearing none.

5. Calaveras Local Agency Formation Commission (LAFCO)Ms. Reed

A. Municipal Service Review Sphere of Influence (MSR-SOI): Action

- MSR-SOI Plan is ready for Board Review

This item was removed from the agenda for further review by legal.

6. Ad Hoc Personnel Committee:.....Ms. Reed / Ms. Atkinson

A. Interim Executive Director Proposal: Action

- Approve an agreement with WIPFLi / HFS for interim executive director services for a term of 12 months.

Ms. Atkinson: Referenced Board pkt pages 44-48 regarding WIPFLi / HFS Consultants as the organization that she and Ms. Reed had been working with to find an interim executive director. In that process, they were introduced to Larry Blitz as a possible candidate for the position. After Ms. Reed and she interviewed Mr. Blitz they felt he had the qualifications the Board was looking for. He has a strong background in helping districts through transition and negotiations as well as being able to be strong in the community.

Mr. Blitz: Recapped his resume (pkt page 48). He has lived in the San Jose area for many years and likes to come to this area to ski. He is flexible. He is aware of the restrictions of the Brown Act. He also has a strong background (8 yrs.) in behavioral health that he can bring to the table.

Dr. Smart: Asked if Mr. Blitz had a conflict of interest? Mr. Blitz does not have a conflict of interest. He is aware his firm has worked with Dignity but he hasn't.

Ms. Reed: Is glad the contract is a 12-month commitment however it has a 30-day-out if Mr. Blitz's services are no longer needed. There is a lot to be done prior to the lease expiring in Dec. 2019 in addition to USDA loan and the building of the VS Clinic.

Ms. Atkinson: Mr. Blitz plans to commute in each day and only need lodging for the early morning meetings.

Mr. McInturf: Likes the 30-day out and that Mr. Blitz is closer to San Andreas because the out-of-state commute didn't work.

Dr. Smart: Mr. Blitz seems very qualified but he has concerns for Mr. Blitz's commute (distance) and that the District's needs have grown, starting at the end of Mr. Doss's term, for more day-to-day service from the interim ED. He suggested the District needs a fulltime person to be a presence in the county and would like to suggest a long-term local Ex. Dir. be considered in the future. Perhaps an RFP would find a local talent.

Ms. Reed: Hears the need for more time than the ½ time Mr. Doss was doing. Long-term the district may be looking for a totally different skill-set for the next 30 yrs. It could be a skill-set to run the hospital or a minor skill-set just for the Board. She feels the urgency now for someone and Mr. Blitz has the skills for where the District is at this time and place to continue (lease) negotiations and the building of the VS Clinic.

Ms. Atkinson: Echoed the same comments adding the same consideration is warranted for general and specialized council.

Mr. Blitz: Is flexible and will arrange a time-line and schedule to meet the needs of the District. He will also do a 30-day report to the Board of his findings.

Ms. Radford: The District needs a skilled Ex. Dir. now and could consider a local person for the long-term.

Ms. Reed: The ad-hoc Personnel Committee can do a simultaneous search taking into consideration the duties, time and delegation of the Admin. Assist. then bring that information back to the Board to determine if a full-time Ex. Dir. is needed. She also welcomes input from the Board, Mr. Doss and Mr. Blitz for moving forward i.e. part-time vs full-time is there value in attending all the board of supervisor's meetings?

Dr. Smart: Moved to proceed with (1) the contract to hire Larry (Blitz) (2) at the same time have the ad-hoc Personnel Committee explore a search process and bring it back to the Board (3) develop duties and priorities needed.

Mr. McInturf: Agreed to hire Larry (Blitz) and to look for local talent. He then added the District is really going into contract with WIPFLi / HFS (not Mr. Blitz).

Ms. Radford seconded Dr. Smart's motion and it passed 5-0 at which time Mr. Blitz was welcomed.

7. MTHCD Reports:

A. MTM Corp Board:

- CEO Report:

Mr. Diehl couldn't attend the meeting so Ms. Reed read his email (below) into the record.

From: "Diehl, Robert - MTMC" <Robert.Diehl@DignityHealth.org>

Date: November 23, 2016 at 1:46:00 PM PST

To: "Lin Reed" <Lin.Reed@BrightonRehab.com>

Subject: RE: summary points from Nov. 22 MTMC Board meeting

Sure. To distill a few key points from the CFO's monthly report:

1. October saw a loss in Operating Income, offsetting the gains seen in August and September. A key metric from the Income Statement, "EBIDA" (Earnings Before Interest, Depreciation and Amortization) now stands at negative \$239,000 year-to-date, versus a breakeven budgeted amount of positive \$77,000.
2. Much of the reason for the losses in October was lower-than-budgeted volumes. Numbers for much of the month were down in admissions, inpatient census, outpatient visits, and surgical cases. (Although these are seeing some rebounding in November, the dips in October were concerning enough to prompt the board's deeper conversation around growth and business development, mentioned earlier.)
3. Partially mitigating the unfavorable volumes in October was continued strong performance in managing Operating Expenses, which were \$460,000 favorable to budget for the month. Supplies, purchased services, labor expenses, and medical fees were all favorable to fixed budget (i.e., lower than planned.)
4. Although year-to-date Operating Income and EBIDA are both nearly a million dollars ahead of where they were by this time last year, management and the board feel that MTMC can further improve operations to exceed budget, and can develop and execute growth plans to round out the top half of the Income Statement.

As before, Chris and Lonnie please feel free to comment or edit. ~Bob

Mr. Roberts: The clinics were down in Oct. however they were also down 2 providers so doing better.

Ms. Atkinson: Is concerned about the constant negatives in the community as it affects the hospital and the foundation. She belongs to the MTMC Patient Advisory Committee which is a volunteer committee designed to problem-solve and find what will and what won't work in the community.

Mr. McInturf: Has been hearing good things in the community and really likes Katherine McCoy's quality numbers.

Ms. Radford: The clinic numbers are high.

8. Board Comment and Request for Future Agenda Items:

Ms. Reed: The Quorum report staff is getting the data they need however the District doesn't expect the completed report until Jan. 2017.

Mr. McInturf welcomed Larry who replied he is excited.

9. Next Meeting:

- December 16, 2016

Dr. Smart: Requested about 30 min. of the Dec. 16th meeting for the ad-hoc Real Estate Committee report.

Ms. Reed: Dec. 16th will be Mr. McInturf's last meeting however he has agreed to stay on the ad-hoc Real Estate Committee and the Golden Health Awards. The agenda has a lot of items on it already i.e. the District audit, LAFCO and swearing in Debbie Sellick as a new Board member.

10. Adjournment:

Mr. McInturf moved to adjourn the meeting at 8:32am. Ms. Atkinson gave a second and it passed 5-0.