



# Mark Twain Health Care District

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**Regular Meeting of the Board of Directors  
Wednesday, March 23, 2016  
7:30-10:00a.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:**

President, Lin Reed, called the meeting to order at 7:31am

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

Present for roll call was Lin Reed, MBA OTR/L; Ken McInturf; Randy Smart, MD; Ann Radford, FNP. The Board welcomed its newest member Susan Atkinson, MSW who was appointed on March 7, 2016.

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

Dr. Smart requested switching Agenda items 9. B and C. Mr. McInturf moved to accept the Agenda as changed. Ms. Radford seconded the motion and it passed 5-0.

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

The Board acknowledged with pleasure the community members in attendance.

Supervisor, Cliff Edson, encouraged the Board to keep the community in their focus when making their decisions as good health care is needed for the future of the community. Several other community members expressed their concerns as they live in the county for the quality of life and would be uneasy if services were cut or discontinued.

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

Dr. Smart moved the Jan. Financials and the Feb. 17<sup>th</sup> Un-Approved Minutes be pulled from the Consent Agenda for further discussion. The motion to accept the rest of the Consent Agenda was seconded by Ms. Radford and passed 5-0.

## **A. Un-Approved Minutes of Feb. 17, 2016**

Dr. Smart requested a public comment be changed to reflect the person's specific remark. Point of order was expressed that the District does not nor does other organizations including the Board of Supervisors provide verbatim minutes. Dr. Smart requested a courtesy to the community member to contact the Administrative Assistant to provide his clarification. Hearing none the minutes will stand. Dr. Smart's motion was seconded by Mr. McInturf and passed 5-0.

## **B. Un-Approved Minutes of Mar. 7, 2016**

## **C. Approval of Jan. 2016 Financial Statements**

In an effort for the Board to maintain transparency Ms. Radford expressed her concern for the Heart Clinic not having approval and that billing-for-services are not being processed. She requested staff to review this because it could affect the bottom line of the District. It could also constitute a financial loss if billing time-limits are allowed to expire. Mr. Doss indicated this will be researched and a report will be available for the April Board meeting.

Dr. Smart asked for clarity on Operational Consulting Fees on the Revenues and Expense report to explain actual and budget differences. Mr. Doss will provide a line item of all consultant items for the April meeting.

Dr. Smart also asked for information on the tax accrual. Mr. Doss explained the District gets 3 payments per year and while it is above projected budget now the Butte Fire may/may not have an effect on future payments.

Kevin Jones noticed a low lease payment received from MTMC Corp Board. Mr. Dean explained the lease was established and fixed when the lease was drafted some 28 yrs. ago. In an effort to see what a fair market value would be in today's dollars a study was done by HFS Consultants and will be available on the District web page under Special Reports. This information was needed so the District would know their options moving forward to redo a lease, run independently or to sell.

The District also participates in a 50%/50% reserve fund with the MTMC Corp Board that was at \$13 million in 2009 and currently is at approx. \$19.8 million. There is a relationship between MTMC Corp Board which has a management agreement with Dignity who provides a CEO and a CFO yet all the employees work for the MTMC Corp Board. He has never seen this type of arrangement in his legal career. The District has no agreement with Dignity.

Mr. Dean responded to Dan Lewis's question on how the District could get those funds stating the Corp. is a nonprofit and if it dissolves it is much like having a rich uncle that leaves an inheritance. However if the uncle spends the money before passing the inheritance would still be 50% District and 50% Corp Board but at a lesser amount.

Ms. Atkinson brought to light the balance sheet (pg 16) has a typo and should read Jan. 2016 instead of Jan. 2015.

Mr. McInturf moved to accept the financial. Ms. Radford seconded and it passed 5-0

## **D. Correspondence:**

- Sierra Hope: Thank you for Golden Health Award (2-16-2016)
- Gardens to Grow: Thank you for Golden Health Award (2-28-2016)
- Calaveras Public Power Agency (CPPA) Soliciting Nominations for Board of Director. (2-17-2016)
- Press Release: Susan Atkinson is appointed to Board
- Dr. Oliver's Resignation letter (Jan 27, 2016).

## **6. New Business:**

### **A. Calaveras Local Agency Formation Commission (LAFCO) Nomination for Special District Member: Action**

Ms. Reed expressed her appreciation for Ms. Radford's interest in being nominated as a member to the LAFCO Special District.

Mr. Doss explained while the District is a minority among all the utility districts (fire, sewer, water) it is important to belong as all are governed the same. This nomination would be for a 4-yr term ending in 2020.

Mr. McInturf moved to support Ms. Radford in the LAFCO nomination process. The motion was seconded by Ms. Atkinson and passed 5-0.

## **7. Unfinished Business:**

### **A. ACHD Certification Process Update:**

- Process to Submit MTHCD Policies and Procedures:

Mr. Doss gave an update that the process should be completed by the May annual meeting after submitting an ad.

Ms. Reed expressed how wonderful it will be to be recognized by ACHD.

### **B. Hospice Respite Update:**

Mr. Doss reported good news from Dave York that the contract had been brought back to the local level and should be completed for the April Board meeting.

## **8. MTHCD Reports:**

### **A. ACHD Feb. Update:**

Ms. Reed will be attending Leg Days in April and in May be in Monterey for the annual meeting. She reminded the Board she will term-out in June and would like to see a fellow Board member involved.

## **B. Executive Director Report:**

- Executive Director's Contract:

Mr. Doss reflected upon his time with the Health Care District and that his current contract expires June 30, 2016. Mr. Doss takes this opportunity to notify the board he will not be looking to renew his contract.

Mr. Doss reviewed our progress in communications and the development of our very active web site. He also noted the development of an independent Health Care District admin office with support staff.

Our current process of the Valley Springs clinic was highlighted as a very active current project and our ongoing discussion with the MTMC Corp. Board as being critical to our future. Mr. Doss noted that he would be willing to work with the Board on a month-to-month basis after the expiration of the contract while they were finalizing decisions regarding administrative support.

Dr. Smart thanked Mr. Doss for his service and praised him by saying the District can't go without an Executive Director.

Mr. McInturf thanked Mr. Doss for all his service for now they have an office, a phone number, a web page and administrative assistant. He refuses to accept Mr. Doss' age as a reason for his leaving and appreciates his offer to remain month-to-month until another Executive Director is located.

Ms. Reed recalls Mr. Doss' first visit by doing a strategic plan for the District and now 4 years later where has the time gone?

Ms. Radford thanked Mr. Doss for the 14 months she has had the pleasure to work with him.

## **C. Presidents Report:**

Ms. Reed acknowledged Dr. Oliver for all that he has done while serving on the Board and as President of the Board. Dr. Oliver encouraged the Board to move forward even though they will feel the pressure of these difficult decisions. Dr. Oliver also noted that there are huge opportunities ahead and that their decision regarding the future of the MTMC is equal to the decision that was made 30 years ago.

- **Ad hoc Personnel Committee**

Ms. Reed announced she will start the process for an Ad Hoc Personnel Committee to recruit an executive director. Ms. Atkinson accepted the invitation to be a part of the committee. The hope is to report back to the Board in April complete the process in May and to turnover in June.

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

Mr. McInturf reported he had heard the concerns of the guests today and will take it up with the Corp Board and interim CEO, Larry Philipp, hopes to have the new CEO on

board by the end of April.

Ms. Reed reported Doctors Day is next Wed. and the Health Fair will be Sat. at Ironstone from 8-noon. There will be free medical services as well as local agencies with information.

Mr. McInturf heard the concern for the heart center billing and knows Mr. Philipp has been on the phone to Sacramento to find resolution.

## 9. Committee Reports:

### A. Ad Hoc Real Estate:

- **Valley Springs Project update:**

Dr. Smart reported the hope of being ready for the March Planning Commission Meeting has been pushed back to May 12<sup>th</sup> due to a road issue however he is still hopeful to start moving dirt this summer with an opening in the summer of 2017.

Since the Board is starting to spend money on the project Dr. Smart requested the Controller add a line item report of encumbrances to the monthly financials.

- **Project Manager Report:**

Pat Van Lieshout explained the purpose of the vote for the floor plan was for housekeeping purposes so the architect can do design plans. The Board will have several other occasions to see and approve the plans. The Planning Department process is taking longer than expected but no one has dropped the ball. Once the bidder is selected then it will take 2-3 months to do the plans then it goes to the Building Dept. He has included the loan as part of the task list and understands Gary Hicks, USDA Loan, will be at the April Board meeting along with Aspen St. Architect.

Dr. Smart will take the following comments to the next meeting with the architects; Ms. Radford thought the nurse's station was well located but that Behavioral Health was not and asked that it be changed due to the nature of the services it provides; Ms. Atkinson thought while it isn't law (yet) there should be consideration for a gender neutral restroom(s).

Mr. Van Lieshout answered the concern for stick built vs modular built by saying the two industries are much the same now but no matter bids will be sought from both.

- VS Floor Plan for Bid Purposes: **Action**.....Mr. Pat Van Lieshout

Ms. Reed moved to accept the floor plans as presented. Ms. Radford seconded the motion and it passed 5-0.

- **Proposed Sale of Angels Camp Property on Stanislaus Ave:  
(APN 058-024-016-000)**

Dr. Doss expects the sale to be completed before the April meeting based on the title company needing a resolution from the MTMC Corp Board. The resolution to purchase

was approved at their March 22, 2016 meeting.

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

Dr. Smart has started the process to have another education forum at Camps in June or July. The topic will be about Diabetic Care with more information to follow.

### **C. Ad Hoc Lease Evaluation Committee:**

- **Dignity Health – Mark Twain Relationship**

Ms. Reed announced the District has entered into a Non-Disclosure (confidentially) Agreement (NDA) with Dignity and the first meeting will be April 1<sup>st</sup> to explore possible lease options.

Mr. Dean explained an NDA is a customary commercial business practice wherein parties can ask for confidential information and expect it to be kept confidential during the negotiation period however it does not trump the Brown Act. If there is no progress either side can give notice to end the NDA.

Dignity has indicated it doesn't want to own the property and the MTHCD has indicated it is not interested in selling the property. If the Board feels there is a suitable lease to meet the needs of the community it can present it to the voters wherein 50% plus 1 vote is required for it to pass.

- **Assessment of Independent Operation**

- Critical Functions
- Cost Analyses

Carl Gerlach returned with information on cost considerations to run the hospital independently. In Jan. he identified and assessed key considerations in evaluating an independent operation. Mr. Gerlach provided a handout of the information adding costs estimates considering the first year and cash expenditures.

Information Technology (IT) is an unknown and can be very expensive. Recruitment is another big expense that takes up to a year to complete. While some in the audience thought the current professionals would stay because they like the area it has to be assumed there will be losses due to change in management and retirement not to mention the effort to backfill when key services are not available i.e. one of the "big 5" doctors is on vacation. This problem is exacerbated by being "too close" and "too far" i.e. too close to the competition and too far to recruit and retain quality professionals in all skill levels.

One must also factor in the transition cost i.e. transferring records and cost that wouldn't need to be spent again.

There is a growing interest to protect rural hospitals.

In summary while independence is possible it could take all the District's financial backing to move in that direction.

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

Interim CEO, Larry Philipp, offered his remembrance of the many years he has served reminding the Board of the hospital's beginning in a condition of being COD only to prospering today. The heart and cancer centers have been added, no services have closed and Dignity wants to promote the hospital and is going through the process to re-negotiate the lease.

While some feel time is slipping away Mr. Dean suggested the following; the Board should not make emotional decisions but do make decisions based on pro/con in all cases; the Board is in the process of doing their homework and should not be in a hurry to make a bad decision adding this is the most important decision this Board will make that could have a 30 year life span.

**11. 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: Daymon Doss, Lin Reed and Dr. Randy Smart. Negotiating parties: Mark Twain Medical Center, Inc.; Dignity Health, Inc. Under negotiations: Price and Terms of Lease.

The Board moved into closed session at 10:56 am. Dr. Smart moved to end the closed session at 11:53am. Ms. Radford seconded the motion and it passed 5-0.

**12. Reconvene to Open Session:**

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

There was no reportable action taken in closed session.

**13. Next Meeting:**

- Wednesday, April 27, 2016

**14. Adjournment:**

Mr. McInturf moved to adjourn the meeting at 11:58am. The motion was seconded by Ms. Radford and Passed 4-0 with Dr. Smart out of the room.