



# Mark Twain Health Care District

P.O. Box 95 (Effective Aug. 4, 2016)  
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## Regular Meeting of the Board of Directors

Wednesday August 24, 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 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 moved to accept the agenda. Mr. McInturf gave a second and it passed 5-0.

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

A community member suggested the financials not be on the consent agenda.

Firman Brown, Angels Camp; suggested the two MTHCD Board Members that sit on the MTMC Corp Board look into cardiology reports that hadn't been read.

#### 5. Consent Agenda: Action

Dr. Smart asked to extract the August 3, 2016 Un-Approved minutes from the Consent Agenda? The rest of the Consent Agenda was approved 5-0 by a motion from Ms. Radford and a second from Ms. Atkinson.

- **Un-Approved Meeting Minutes of August. 3, 2016**

Dr. Smart requested the August 3, 2016 minutes (pkt. pg. 7 item 7. B.) reflect the Board's direction to Gary Hicks to begin the process to extend the date on the USDA Loan. Dr. Smart then moved to accept the minutes as amended. Ms. Radford gave a second and it passed 5-0.

- **Approval of June 2016 Financial Statements**
- **Correspondence**
  - Bonnie Nordby - Chronic Disease Self-Management Program
  - Carol Larson Letter (Aug 1, 2016)

**6. New Business:**

**A. November 2016 Election Update:**

- Two-Year Term: Daniel Lewis and Debbie Sellick
- Four-Year Term: Dr. Smart, Susan Atkinson and Lewis Steele

Ms. Reed began introductions of the candidates to be voted on in the November 2016 General Election for the MTHCD Board Seats. She explained the two-year term is the remainder of Dr. Oliver's four-year term. Daniel Lewis had pulled papers before leaving on vacation. Debbie Sellick, not available to introduce, had pulled papers to run also.

Mr. Doss explained Mr. McInturf had chosen not to run for re-election which allowed an additional 5 days for candidates to pull papers to run for his seat. Ms. Reed continued her introductions of the candidates for the two terms of four-years as Dr. Smart, Incumbent, Susan Atkinson, Appointed Incumbent, and Lewis Steele, not available to introduce.

**7. Unfinished Business:**

**A. Quorum Health Proposal:.....Ms. Reed Dr. Smart**

- **Consider approval of an agreement with Quorum Health Resources LLC for a financial, operational and strategic assessment of hospital operations to determine the District's ability to sustain itself as an independent hospital and identify alternatives if independence is not an option:....Action**

Mr. Doss discussed a reduction in the assessment cost with Quorum and was told the only way to reduce the cost was to reduce the scope of work. A new agreement was reached (after the board pkt went out) that changed the terms of the payments to be \$58,500. up front and with the signed contract. An additional \$58,500. will be due upon delivery of the Draft Report. The final payment of \$58,000 will be due upon delivery of the Final Report. The total of \$175,000 does not include Quorum consultant travel expenses to visit the District or MTMC. Those charges will be billed separately. Quorum will make every effort to complete the assessment in 60 days.

In addition, Quorum will find the HFS and Carl Gerlach's studies helpful but due to liability will have to perform their own work.

Dr. Smart has heard from the public the assessment is expensive but it is SO IMPORTANT and probably worth it.

Mr. McInturf agreed saying it would be money well spent.

Mr. Doss offered the public has a desire to understand the options as it is the only hospital in the county. Is going independent viable? If so consideration has to be made for transition cost. The NDA has ended so the District can concurrently negotiate with Dignity Health and talk to others as well.

Ms. Atkinson requested a correction on (pkt) page 26 of the agreement (pg. 2 of 18) to read District leadership instead of Hospital leadership. Mr. Doss replied it was template language and will be fixed. The Corp Board will get to review but the District Board will get the final report.

#### **Public Comment:**

Dr. Oliver suggested if there is a desire to go independent then the Board must do the Quorum report. He sees transition as the scary part so could Quorum do a risk benefit i.e. the risk of losing a provider's service and the risk of failure in the 1<sup>st</sup> or 2<sup>nd</sup> year?

Jack Garamendi, Supervisor Elect, thinks the district is on the right track and encourages doing all available options including a public proposal.

Public Member that chose to not identify himself sees the assessment cost as not cheap but less than 1 month of the current loss. He is concerned MTMC will be reluctant to share info in which case it is a waste of money (to do the assessment).

Bob Diehl, CEO MTMC, sees the information Quorum will need as straight forward and MTMC has no problem responding to the requests.

Dr. Smart made a motion and Ms. Radford gave a second to move forward with the Quorum assessment. The motion passed 5-0

### **8. MTHCD Reports:**

#### **A. Executive Director Report:**

- **LAFCO MSR Plan – Aug. 15, 2016**

Mr. Doss explained every county has a LAFCO and they are required to do a review of every special district. The review is usually every 5 years unless problems exist to warrant otherwise. Mr. Doss thought the LAFCO presentation went well. Three Board members and the Administrative Assistant had attended. He explained it was well received and Mr. Benoit, Executive Director had commented he will be preparing the MSR on behalf of the District.

Ms. Atkinson praised the slide show and thanked Mr. Doss for a great presentation.

Dr. Smart was very pleased to hear the LAFCO Board members expressing gratitude for all the District is doing for the community.

Mr. Doss stated he had come to Calaveras County in 2012 and now 4 years later is announcing this is his last board meeting. It has been an honor to work with this board and past board members and lots of progress has been made with the grand jury and the press. The District wasn't and now is visible and has a web site, has an active District Board and an highly anticipated VS Med Clinic. It is his time to move on and he thanks Ken (McInturf), Board Treasurer who has been on the board the whole time.

Ms. Reed: Mr. Doss came on board first as a retreat leader and who knew it would lead to this. He was the right person who came along at the right time.

Mr. McInturf: thanked Mr. Doss for his outstanding service to the board, hospital and the community.

Ms. Crane: Remembers Mr. Doss having worked on the retreat and as a member of the public who came many miles. Mr. Doss's presents here pulled us together. Thank you for leading us.

#### **B. Presidents Report:**

- **ACHD Advocate:**

Ms. Reed: asked the Board to refer to the materials in the pkt.

- **Little Hoover Commission**

Ms. Reed: announced there is a special committee looking at health care districts. There is information in the Board pkt and the test results will be on the ACHD web page after tomorrow.

- **Ken Cohen to Attend October 26 Board Meeting**

Ms. Reed: Ken Cohen is to attend the Oct. 2016 Board meeting to formally present the District with the ACHD Certification.

Mr. Doss: The BETA Fund JPA liability insurance is to merge with ALPHA. There will be more information as the process progresses during a 5-year transition period.

#### **C. Ad Hoc Personnel Committee:**

- **Interim Executive Director Proposal: Action**

- Approve agreement with WIPFLi / HFS for interim executive director services for a term of 12 months." Approval subject to such changes as are approved by the President and the General Counsel.

Mr. Reed: Explained the process she and Ms. Atkinson had used to find an interim Executive Director. Much as Mr. Doss was found HFS was contacted and Don Whiteside suggested he introduce them to Sandy Haskins.

Mr. Whiteside: Recalled the District seeking their assistance in finding Mr. Doss some four years ago. Since that time HFS has merged with Wipfli. A proposal is in the Board pkt for review and consideration. While the contract is for 12 months there is a 30-day buy out for either party. Mr. Whiteside introduced Mr. Haskins.

Mr. Haskins: Told a bit about himself and working in Reedly which is south of Fresno. He went in blind and led the district through a Chapter 9 bankruptcy. The district has 300 employees with a 25% unemployment rate. He soon got to know the residents by walking through town. West Oakland was close to shutting down when he began assisting them. He will be commuting from OR (taking 4-hours travel time) by flying into Sacramento. He sees lots of opportunity and is looking forward to it.

Ms. Reed: Sees the need to have an interim in case the district should go independent the CEO module usually runs the HCD as well. Now we have an Executive Director but not certain where we'll be in 6 months or at the end of the Dec. 2019 lease. She feels HFS fits the bill for now.

Dr. Smart: Questioned if a conflict of interest might be an issue and if HFS had worked with Dignity Health, Quorum, Sutter or Adventist?

Mr. Whiteside: consulting is all they do and have worked for Adventist, Sutter and Dignity but not Quorum. He recalls no conflict of interest in the HFS's past 25 years and HFS has the highest reputation.

Dr. Smart: Sees a \$190,000 value not including lodging and travel and wondered how best to contain costs considering the variables in airfares and car rental?

Mr. Haskins: Has every plan to keep cost as low as possible by doing advance planning. He will not be flying first class.

Mr. Whiteside: Mr. Haskins will still be working in CA for other clients so the cost will be shared.

Ms. Atkinson: Sees Mr. Haskins as a good fit to work with the legal part that is already in place.

Ms. Atkinson moved to approve the draft proposal subject to such changes as are approved by the President and the General Counsel. Dr. Smart gave a second and the motion passed 5-0 then the Board welcomed Mr. Haskins aboard.

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

Ms. Reed and Mr. McInturf met with the Corp Board yesterday and drew attention the handout addressed to the MTHCD from the MTMCCB.

- **CEO Report:**

Bob Diehl, CEO: Announced the Board approved a positive budget with \$30K in the black. He is working with the clinics and hearing good as well items that need attention such as lab draw hours need to go back to anytime again. He expects to see the clinics numbers up and more visits. He is working with Foundation Board Pres. Greg Jordan to develop the AC Clinic.

The admin staff will be attending a planning retreat and the main topic is how to move forward with the AC clinic.

The MTMC got a 3 of 5-star rating with CMS. While very few get the 5-star max some of the bundle of measurement for MTMC comprised of a 5-star in cleanliness.

In the absence of a cardiologist Dr. Randall Lorenz is reading EKG. Some services will be referred to Stockton Cardiology.

Doris Barger passed this week and Sept 12<sup>th</sup> will be the annual golf tournament in her honor. She founded the Foundation and was an advocate for women's health.

Dr. Smart: Requested a MTMC market share report.

Chris Roberts: Typically, only get the report annually and the data is 1.5 years old.

Dr. Smart: is there other matrix to reflect the market share.

Dr. Oliver suggested one look at outpatient and ER which is more current but still won't know who left the zip code for services.

Mr. Diehl: market share for all of CA hospitals transfers to OSHPD. One can check the zip code and a list of where patients went for care. Mr. Diehl will review such stats at the admin retreat.

Cliff Edson, Supervisor: Concerned about shipping MTMC patients out to other hospitals.

Mr. Diehl: knows there is a lot of work to be done with EMS providers.

## **9. Committee Reports:**

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

- **Valley Springs Project update:**

Mr. Doss: met with Aspen Street regarding the square footage needed for the VS clinic. A lease agreement will be needed from the Corp Board in the form of a letter that they are interested in a lease and the desired square footage. Then Myers / Nave Law Firm will do the lease to present to the Board.

Mr. Diehl: Is in harmony and plans to take the item to the Sept. Corp Board meeting.

- **OPC Budget:**
- **Grant Deed for Line Adjustment for Residence (Rental)**

Mr. Doss: A lot line adjustment has been prepared and in your pkt. The tenants were inherited from the prior owner at a month to month rent of \$1,000.00 a month.

Mr. McInturf would like to discuss selling the rental property at the Sept. meeting so staff was directed to move ahead in getting an appraisal for the rental residence and property.

Mr. Radford: Would like to review the appraisal prior to the Sept. meeting if possible.

**B. Ad Hoc Lease Evaluation Committee:**

- **Dignity Health – Mark Twain Relationship**
- **Calaveras Enterprise Article of August 5, 2016**

Mr. Dean: The Non-Disclosure Agreement with Dignity Health expired on Aug. 8, 2016 so the District can talk to others regarding a lease or outright selling the property. The District can talk to anyone however those items might still be confidential so as not to compromise negotiations with either or with several would be interested bidders.

Dr. Doss: Is in the process of setting a Sept. meeting with Dignity to move forward on governance considerations.

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

Dr. Smart: Requested 10-15 minutes at the Sept. meeting to discuss Telehealth.

Supervisor Edson: Displeased with Dr. Virgilio leaving and heart patients needing help which leads to his concern about shipping services out of the County.

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

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION  
 Potential initiation of litigation pursuant to paragraph (4) of subdivision (d) Section 54956.9: One (1) Case.

The Board moved into closed session at 9:49am.

**12. Reconvene to Open Session:**

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

The Board moved back into open session at 10:32 am stating there was no reportable action taken.

**13. Next Meeting:**

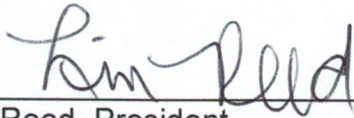
- **November and December Board Meeting Holiday Schedule**
  - Change November 23 Board Meeting to December 7, 2016 and Cancel the December 28, 2016 Board Meeting.

The Board requested the holiday Board Meeting dates be brought back for the Sept. Meeting.

- Wednesday, September 28, 2016

**14. Adjournment:**

Dr. Smart moved to adjourn the meeting at 10:32 am. Seconded by Mr. McInturf and it passed 5-0 at 10:32 am.



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Lin Reed, President