NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Calaveras Local Agency Formation Commission will hold a public hearing on the following item:

LAFCo File 2015-0001 A request has been made by **the Calaveras County Board of Supervisors** to form the **Calaveras RCD pursuant to the California Public Resources Code**. This action consists of the formation of a Resource Conservation District to include all unincorporated territory within Calaveras County with the exception of that territory owned by the East Bay Municipal Utility District and within the Amador County RCD.

The Executive Officer's Report will be available for review five days prior to the LAFCo hearing at the LAFCo website to the extent possible: www.calaveraslafco.org The contact person is **John Benoit, Executive Officer** who may be reached at (209) 754-6511 or at johnbenoit@surewest.net The Commission will consider oral and written testimony by any interested person or affected agency as well as the report of the Executive Officer. At the hearing, the Commission may approve or disapprove a proposal with or without amendment, wholly, partially, or conditionally, may include or exclude territory in a change of organization or may continue its consideration with or without amendment, as a whole, in part, or upon such conditions as the Commission may determine. The Commission will require an election as required by the Public Resources Code. Persons may attend and be heard at the time and place of the hearing. If you challenge the action of the Commission on any of the above stated item in court, it may be limited to only those issues raised at the public hearing described in this notice, or in written correspondence delivered to LAFCo at, or prior to, the public hearing.

This public hearing will be held at the Calaveras County Board of Supervisor's Chambers located at 891 Mountain Ranch Road, San Andreas, CA **November 16, 2015** at **6:00 P.M.**, at which time and place interested persons may attend and be heard.

LOCAL AGENCY FORMATION COMMISSION
John Benoit, Executive Officer

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "**Agreement**") is dated as of _____, 2015 (the "**Effective Date**"), by and between the Mark Twain Health Care District, a California public entity("**Seller**") and the Mark Twain Medical Center, a California corporation ("**Buyer**"). Seller and Buyer are collectively referred to herein as the "**Parties**."

RECITALS

A. Seller is the owner of certain real property located at 590 Stanislaus Avenue, commonly known as Calaveras County APN 058-024-016, in the City of Angels Camp (the "**Property**"), as more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

B. Buyer desires to purchase the Property and has agreed to pay Four Hundred Forty-Eight Thousand Dollars ($448,000.00) (the "**Purchase Price**") to Seller for the purchase of the Property.

C. Buyer agrees to purchase the Property, and Seller agrees to sell the Property to Buyer, subject to the terms and conditions of this Agreement.

D. As a condition of the sale of the Property, Buyer has agreed to enter into an agreement (the "**Right of First Refusal and Power of Termination Agreement**") giving the Seller a right of first refusal to purchase the Property in the event that Buyer desires to sell the Property or lease the Property for a term of more than ten (10) years. The Right of First Refusal and Power of Termination Agreement also gives Seller the power of termination and the right to enter and retake the Property in the event that Buyer uses the Property to compete with the provision of services by Seller within the County of Calaveras.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the parties, Seller and Buyer hereby agree as follows:

1. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals set forth above and the Exhibits attached to this Agreement are each incorporated into the body of this Agreement as if set forth in full.

2. PURCHASE AND SALE.

2.1 Agreement to Buy and Sell. Subject to the terms and conditions set forth herein, Seller agrees to sell the Property to Buyer, and Buyer hereby agrees to acquire the Property from Seller.

2.2 Purchase Price. The purchase price for the Property to be paid by Buyer to Seller (the "**Purchase Price**") is Four Hundred Forty-Eight Thousand Dollars ($448,000.00). The Purchase Price will be paid as set forth herein.

3. ESCROW.

3.1 Escrow Account. Seller has opened an interest-bearing escrow account (the "**Escrow**") maintained by _____ at the address specified in Section 10.8 (the "**Escrow Holder**"), with interest accruing to the benefit of Buyer. Escrow Holder shall perform all escrow and title services in connection with this Agreement.

3.2 Opening of Escrow. Within seven (7) business days after the execution of this Agreement by Buyer, Buyer will deposit into Escrow the first installment of the Deposit as provided in Section 3.3. The date such installment is received by Escrow Holder will be deemed the "**Opening of Escrow**" and Escrow Holder will give written notice to the Parties of such occurrence.

3.3 Buyer's Deposit. As set forth in Section 3.2, the Buyer shall deposit Fifteen Thousand Dollars ($15,000.00) in Escrow. Unless Buyer has delivered written noticed to seller terminating this Agreement in accordance with Section 3.4 below, then upon expiration of Buyer's Due Diligence Contingency Period, as set forth in Section 5.2(a) below, Buyer shall deposit an additional Fifteen Thousand Dollars ($15,000.00) for a total deposit of Thirty Thousand Dollars ($30,000.00) (the "**Deposit**").

3.4 Satisfaction of Due Diligence Contingency. Buyer shall have the right, in its sole discretion, to determine the suitability of the Property for Buyer's needs, and may terminate this Agreement for any reason prior to the expiration of the Due Diligence Contingency Period (as defined in Section 5.2(a) below). Buyer hereby agrees to provide written notice to Seller prior to the expiration of the Due Diligence Contingency Period if Buyer disapproves any due diligence items. Upon provision of such notice to Seller, this Agreement shall terminate, and all amounts deposited by Buyer into escrow (except the Independent Consideration as defined in Section 3.5 below), together with interest thereon, if any, will be returned to Buyer, and neither party shall have any further rights or obligations hereunder except those which expressly survive the termination hereof. If Buyer fails to notify Seller in writing of the disapproval of any due diligence items, it will be conclusively presumed that Buyer has approved all such items, matters or documents.

3.5 Independent Consideration. As independent consideration for Seller's entering into this Agreement to sell the Property to Buyer, Buyer shall deliver the sum Buyer terminates of Ten Dollars ($10.00) to Seller through Escrow ("**Independent Consideration**"). In the event that this Agreement in accordance with Section 3.4 above, Seller shall retain the Independent Consideration and shall refund the Deposit to Buyer; in the event that Buyer does not terminate this Agreement as aforesaid, the Independent Consideration shall be applied to the Purchase Price at Closing.

4. PROPERTY DISCLOSURE REQUIREMENTS.

4.1 Condition of Title/Preliminary Title Report. Escrow Holder shall deliver a Preliminary Title Report for the Property (the "**Preliminary Report**") to Buyer within ten (10) days after the Opening of Escrow. Buyer shall have until the end of the Due Diligence Contingency Period to approve the condition of title to the Property. If Buyer delivers the Approval Notice, Buyer agrees to take title to the Property subject to the following (collectively, the "**Permitted Exceptions**"): (a) standard printed exceptions in the Preliminary Report; (b) general and special real property taxes and assessments constituting a lien not yet due and payable; and (c) the Schedule B exceptions to title set forth in Exhibit B attached hereto and incorporated herein by this reference .

4.2 Environmental and Natural Hazards Disclosure. California Health & Safety Code section 25359.7 requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of hazardous substances are located on or beneath the real property to provide written notice of same to the buyer of real property. Other applicable laws require Seller to provide certain disclosures regarding natural hazards affecting the Property. Seller agrees to make all necessary disclosures required by law.

5. CLOSING AND PAYMENT OF PURCHASE PRICE.

5.1 Closing. The closing (the "**Closing**" or "**Close of Escrow**") will occur no later than Sixty (60) days after the Effective Date ("**Closing Date**") or such other date that the Parties shall agree to in writing.

5.2 Buyer's Conditions to Closing. Buyer's obligation to purchase the Property is subject to the satisfaction of all of the following conditions or Buyer's written waiver thereof (in Buyer's sole discretion) on or before the Closing Date:

(a) Buyer has approved the condition of the Property. Buyer will have Sixty (60) days from Opening of Escrow (the "**Due Diligence Contingency Period"**) to complete physical inspections of the Property and due diligence related to the purchase of the Property. Seller shall provide to Buyer copies of all reasonably available and known documents relating to the ownership and operation of the Property, including but not limited to plans, permits and reports (environmental, structural, mechanical, engineering and land surveys) that Seller has in its possession not later than two (2) business days following the execution and delivery of this Agreement. All physical inspections must be coordinated with Seller's representative. Buyer hereby agrees to indemnify and hold Seller harmless for any damage to the Property caused (but not merely revealed) by Buyer's inspections.

(b) Seller has performed all obligations to be performed by Seller pursuant to this Agreement.

(c) Seller's representations and warranties herein are true and correct in all material respects as of the Closing Date.

(d) The Title Company is irrevocably committed to issue a CLTA Title Policy to Buyer, effective as of the Closing Date, insuring title to Buyer in the full amount of the Purchase Price.

5.3 Seller's Conditions to Closing. The Close of Escrow and Seller's obligation to sell and convey the Property to Buyer are subject to the satisfaction of the following conditions or Seller's written waiver (in Seller's sole discretion) of such conditions on or before the Closing Date:

(a) Buyer has performed all obligations to be performed by Buyer pursuant to this Agreement before Closing Date.

(b) Buyer's representations and warranties set forth herein are true and correct in all material respects as of the Closing Date.

(c) Buyer has executed the Right of First Refusal and Power of Termination Agreement.

5.4 Conveyance of Title. Seller will deliver marketable fee simple title to Buyer at the Closing, subject only to the Permitted Exceptions. The Property will be conveyed by Seller to Buyer in an "AS-IS" condition, with no warranty, express or implied, by Seller as to the physical condition including, but not limited to, the soil, its geology, or the presence of known or unknown faults or Hazardous Materials or hazardous waste (as defined by state and federal law); provided, however, that the foregoing shall not relieve Seller from disclosure of any such conditions of which Seller has actual knowledge.

5.5 Deliveries at Closing.

(a) Deliveries by Seller. Seller shall deposit into the Escrow for delivery to Buyer at Closing: (i) a grant deed; (ii) an affidavit or qualifying statement which satisfies the requirements of paragraph 1445 of the Internal Revenue Code of 1986, as amended, any regulations thereunder (the "**Non-Foreign Affidavit**"); (iii) a California Franchise Tax Board form 590 to satisfy the requirements of California Revenue and Taxation Code Section 18805(b) and 26131; and (iv) duly executed and acknowledged Right of First Refusal and Power of Termination Agreement.

(b) Deliveries by Buyer. No less than one (1) business day prior to the Close of Escrow, Buyer shall deposit into Escrow immediately available funds in the amount, which together with the Deposit plus interest thereon, if any, is equal to: (i) the Purchase Price as adjusted by any prorations between the Parties; (ii) the escrow fees and recording fees; and (iii) the cost of the Title Policy.

(c) Closing. Upon Closing, Escrow Holder shall: (i) record the grant deed; (ii) record the Right of First Refusal and Power of Termination Agreement

and deliver to seller and buyer a copy of the Right of First Refusal and Power of Termination Agreement, (iii) disburse to Seller the Purchase Price, less Seller's share of any escrow fees, costs and expenses; (iv) deliver to Buyer the Non-Foreign Affidavit, the California Certificate and the original recorded grant deed; (v) pay any commissions and other expenses payable through escrow; (vi) distribute to itself the payment of escrow fees and expenses required hereunder; and .

(d) Closing Costs. Buyer will pay all escrow fees (including the costs of preparing documents and instruments), and recording fees. Buyer will pay title insurance and title report costs and Seller will pay all governmental conveyance fees and all transfer taxes.

(e) Pro-Rations. At the Close of Escrow, the Escrow Agent shall make the following prorations: (i) property taxes will be prorated as of the Close of Escrow based upon the most recent tax bill available, including any property taxes which may be assessed after the Close of Escrow but which pertain to the period prior to the transfer of title to the Property to Buyer, regardless of when or to whom notice thereof is delivered; and (ii) any bond or assessment that constitutes a lien on the Property at the Close of Escrow will be assumed by Buyer. Seller does not pay property taxes.

6. REPRESENTATIONS, WARRANTIES AND COVENANTS.

6.1 Seller's Representations, Warranties and Covenants. In addition to the representations, warranties and covenants of Seller contained in other sections of this Agreement, Seller hereby represents, warrants and covenants to Buyer that the statements below in this Section 6.1 are each true and correct as of the Closing Date provided however, if to Seller's actual knowledge any such statement becomes untrue prior to Closing, Seller will notify Buyer in writing and Buyer will have three (3) business days thereafter to determine if Buyer wishes to proceed with Closing. If Buyer determines it does not wish to proceed, then this Agreement shall terminate, and all amounts deposited by Buyer into Escrow (except the Independent Consideration as defined in Section 3.5), together with interest thereon, if any, will be returned to Buyer, and neither party shall have any further rights or obligations hereunder except those which expressly survive the termination hereof.

(a) Authority. Seller is a California public entity, lawfully formed, in existence and in good standing under the laws of the State of California. Seller has the full right, capacity, power and authority to enter into and carry out the terms of this Agreement. This Agreement has been duly executed by Seller, and upon delivery to and execution by Buyer is a valid and binding agreement of Seller.

(b) Encumbrances. Seller has not alienated, encumbered, transferred, mortgaged, assigned, pledged, or otherwise conveyed its interest in the Property or any portion thereof, nor entered into any Agreement to do so, and there are no liens, encumbrances, mortgages, covenants, conditions, reservations, restrictions, easements or other matters affecting the Property, except as disclosed in the Preliminary Report. Seller will not, directly or indirectly, alienate, encumber, transfer, mortgage,

assign, pledge, or otherwise convey its interest prior to the Close of Escrow, as long as this Agreement is in force.

(c) Agreements. There are no agreements affecting the Property that have not been disclosed by Seller.

The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Seller contained in this Agreement are conditions precedent to Buyer's obligation to proceed with the Closing hereunder. The foregoing representations and warranties shall survive the expiration, termination, or close of escrow of this Agreement and shall not be deemed merged into the deed upon closing.

6.2 Buyer's Representations and Warranties. In addition to the representations, warranties and covenants of Buyer contained in other sections of this Agreement, Buyer hereby represents, warrants and covenants to Seller that the statements below in this Section 6.2 are each true as of the date of Buyer's execution of this Agreement, and, if to Buyer's actual knowledge any such statement becomes untrue prior to Closing, Buyer shall so notify Seller in writing and Seller shall have at least three (3) business days thereafter to determine if Seller wishes to proceed with Closing.

(a) Buyer is a California corporation. Buyer has the full right, capacity, power and authority to enter into and carry out the terms of this Agreement. This Agreement has been duly executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Buyer.

(b) Buyer is not bankrupt or insolvent under any applicable federal or state standard, has not filed for protection or relief under any applicable bankruptcy or creditor protection statute, and has not been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute.

The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Buyer contained in this Agreement are conditions precedent to Seller's obligation to proceed with the Closing hereunder.

7. REMEDIES In the event of a breach or default under this Agreement by Seller, if such breach or default occurs prior to Close of Escrow, Buyer reserves the right to either (a) seek specific performance from Seller or (b) to do any of the following: (i) to waive the breach or default and proceed to close as provided herein; (ii) to extend the time for performance and the Closing Date until Seller is able to perform; or (iii) to terminate this Agreement upon written notice to Seller, whereupon Seller shall cause Escrow Holder to return to Buyer any and all sums placed into Escrow by Buyer (except the Independent Consideration as defined in Section 3.5), together with interest thereon, if any, and except for the rights and obligations expressly provided to survive termination of this Agreement, neither party shall have any further obligations or liabilities hereunder.

8. BROKERS. Seller represents that no real estate broker has been retained by Seller in the sale of the Property or the negotiation of this Agreement. Buyer

represents that no real estate broker has been retained by Buyer in the procurement of the Property or negotiation of this Agreement. Buyer shall indemnify, hold harmless and defend Seller from any and all claims, actions and liability for any breach of the preceding sentence, and any commission, finder's fee, or similar charges arising out of Buyer's conduct.

9. ASSIGNMENT. Absent an express signed written agreement between the Parties to the contrary, neither Seller nor Buyer may assign its rights or delegate its duties under this Agreement without the express written consent of the other, which consent may be withheld for any reason; provided however that Buyer may assign this Agreement to any entity affiliated with, owned by or managed by Buyer without the need for Seller's consent by giving written notice to Seller. No permitted assignment of any of the rights or obligations under this Agreement shall result in a novation or in any other way release the assignor from its obligations under this Agreement.

10. MISCELLANEOUS.

10.1 Attorneys' Fees. If any party employs counsel to enforce or interpret this Agreement, including the commencement of any legal proceeding whatsoever (including insolvency, bankruptcy, arbitration, mediation, declaratory relief or other litigation), the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs (including the service of process, filing fees, court and court reporter costs, investigative fees, expert witness fees, and the costs of any bonds, whether taxable or not) and shall include the right to recover such fees and costs incurred in any appeal or efforts to collect or otherwise enforce any judgment in its favor in addition to any other remedy it may obtain or be awarded. Any judgment or final order issued in any legal proceeding shall include reimbursement for all such attorneys' fees and costs. In any legal proceeding, the "prevailing party" shall mean the party determined by the court to most nearly prevail and not necessarily the party in whose favor a judgment is rendered.

10.2 Interpretation. This Agreement has been negotiated at arm's length and each party has been represented by independent legal counsel in this transaction and this Agreement has been reviewed and revised by counsel to each of the Parties. Accordingly, each party hereby waives any benefit under any rule of law (including Section 1654 of the California Civil Code) or legal decision that would require interpretation of any ambiguities in this Agreement against the drafting party.

10.3 Survival. All indemnities, covenants, representations and warranties contained in this Agreement shall survive Close of Escrow.

10.4 Successors. Except as provided to the contrary in this Agreement, this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

10.5 Governing Law; Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of California. In the event that either

Party brings any action to enforce or interpret this Agreement, venue shall be vested exclusively in the state courts of California in the County of Calaveras.

10.6 Integrated Agreement; Modifications. This Agreement contains all the agreements of the Parties concerning the subject hereof any cannot be amended or modified except by a written instrument executed and delivered by the parties. There are no representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein. In addition there are no representations, agreements, arrangements or understandings, either oral or written, between or among the Parties upon which any party is relying upon in entering this Agreement that are not fully expressed herein.

10.7 Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, any such provision shall not be affected by the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions of this Section, then the stricken provision shall be replaced, to the extent possible, with a legal, enforceable and valid provision this is in keeping with the intent of the Parties as expressed herein.

10.8 Notices. Any delivery of this Agreement, notice, modification of this Agreement, collateral or additional agreement, demand, disclosure, request, consent, approval, waiver, declaration or other communication that either party desires or is required to give to the other party or any other person shall be in writing. Any such communication may be served personally, or by nationally recognized overnight delivery service (i.e., Federal Express) which provides a receipt of delivery, or sent by prepaid, first class mail, return receipt requested to the party's address as set forth below:

To Buyer: Mark Twin Medical Center
768 Mountain Ranch Road
San Andreas, CA 95249
Attn:

To Seller: Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249
Attn: Executive Director

To Escrow Holder: [ ]
[ ]
[ ]
Order No.: [ ]

Any such communication shall be deemed effective upon personal deliver or on the date of first refusal to accept delivery as reflected on the receipt of delivery or return receipt, as applicable. Any party may change its address by notice to the other party. Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this section and that any person to be given notice actually receives such notice.

10.9 Time. Time is of the essence to the performance of each and every obligation under this Agreement.

10.10 Days of Week. If any date for exercise of any right, giving of any notice, or performance of any provision of this Agreement falls on a Saturday, Sunday or holiday, the time for performance will be extended to 5:00 p.m. on the next business day.

10.11 Reasonable Consent and Approval. Except as otherwise provided in this Agreement, whenever a party is required or permitted to give its consent or approval under this Agreement, such consent or approval shall not be unreasonably withheld or delayed. If a party is required or permitted to give its consent or approval in its sole and absolute discretion or if such consent or approval may be unreasonably withheld, such consent or approval may be unreasonably withheld but shall not be unreasonably delayed.

10.12 Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.

10.13 Waivers. Any waiver by any party shall be in writing and shall not be construed as a continuing waiver. No waiver will be implied from any delay or failure to take action on account of any default by any party. Consent by any party to any act or omission by another party shall not be construed to be a consent to any other subsequent act or omission or to waive the requirement for consent to be obtained in any future or other instance.

10.14 Signatures/Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any one of such completely executed counterparts shall be sufficient proof of this Agreement.

10.15 Date and Delivery of Agreement. Notwithstanding anything to the contrary contained in this Agreement, the Parties intend that this Agreement shall be deemed effective, and delivered for all purposes under this Agreement, and for the calculation of any statutory time periods based on the date an agreement between Parties is effective, executed, or delivered, as of the Effective Date.

10.16 Representation on Authority of Parties. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to

the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement is executed by Buyer and Seller on the date indicated below.

SELLER:

Mark Twain Health Care District

By: _____
Daymon Doss
Executive Director

Date: _____

BUYER:

Mark Twain Medical Center

By:_____

Title:_____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION

Recording requested by and when recorded mail to:

Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249
Attn: Executive Director

EXEMPT FROM RECORDING FEES PER GOVERNMENT CODE §§6103, 27383

RIGHT OF FIRST REFUSAL AND POWER OF TERMINATION AGREEMENT

THIS RIGHT OF FIRST REFUSAL AND POWER OF TERMINATION AGREEMENT (this "**Agreement**") is entered into effective as of _____, 2015 ("**Effective Date**") by and between the MARK TWAIN HEALTH CARE DISTRICT, a California public entity ("**District**") and the MARK TWAIN MEDICAL CENTER, a California corporation ("**Medical Center**"). District and Medical Center are hereinafter referred to collectively as the "**Parties**."

RECITALS

A. District is the owner of certain real property located at 590 Stanislaus Avenue, commonly known as Calaveras County APN 058-024-016, in the City of Angels Camp (the "**Property**"), as more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

B. Pursuant to a Purchase and Sale Agreement dated as of the Effective Date and executed by and between District and Medical Center (the "**Purchase and Sale Agreement**"), Medical Center has agreed to grant District a right of first refusal to purchase the Property together with all easements, rights and appurtenances thereto subject to the terms and conditions set forth herein.

C. Pursuant to the Purchase and Sale Agreement, Medical Center has also agreed to grant District a power of termination to reenter and retake possession of the Property subject to the terms and conditions set forth herein.

D. The Parties desire to set forth herein the terms and conditions of the right of first refusal and power of termination granted by Medical Center to District.

NOW, THEREFORE, in consideration of the foregoing, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

1. Grant of Right of First Negotiation. Medical Center hereby grants to District a right of first negotiation (the "**Right of First Negotiation**") to purchase the Property and all right title interest Medical Center has in easements and appurtenances thereto, on the terms and conditions set forth in this Agreement. Medical Center will not solicit nor accept an offer for the sale of the Property or lease of the Property for a term of more than ten (10) years without first offering to sell the Property to District by written notice ("Notice"). The word "sell" shall include any transfer, conveyance, assignment, hypothecation, or pledge of all or any portion of the Property or Medical Center's interest in the Property. If Medical Center and District do not execute a written agreement for sale of the Property within sixty (60) days following delivery of the Notice to District, then Medical Center shall be free to solicit and accept offers from other parties, subject to District's right of first refusal set forth in Section 2, below.

2. Grant of Right of First Refusal. In the event that Medical Center and District do not enter into a written agreement for sale of the Property pursuant to Section 1, above, Medical Center shall, prior to accepting any bona fide offer ("**Offer**") to purchase the Property, notify District of such Offer and deliver to District a copy thereof. District shall have the right to purchase the Property on the same terms and conditions and for the same price set forth in the Offer (the "**Right of First Refusal**"). District may exercise the Right of First Refusal by delivery of written notice of exercise to Medical Center within sixty (60) days after the District has received Medical Center's notice of an Offer. In the event the District fails to exercise the Right of First Refusal within the time and in the manner set forth in this Section 3, District shall be deemed to have waived its Right of First Refusal as to the terms and conditions and price set forth in the Offer.

3. Term of Right of First Negotiation and Right of First Refusal. The Right of First Negotiation and the Right of First Refusal shall commence on the Effective Date and shall continue until they are waived in writing by the District or deemed waived or lapsed pursuant to the terms of this Agreement. In the event a sale entered into by Medical Center pursuant to District's waiver of its Right of First Refusal fails to close, the Right of First Negotiation and the Right of First Refusal set forth in this Agreement shall remain in effect.

4. Title Policy. As a condition to closing pursuant to an agreement entered into under Section 2 or Section 3 of this Agreement, District shall be entitled to a California Land Title Association owner's policy of title insurance, with premium paid by Medical Center, dated as of the close of escrow, in the amount equal to the purchase price, showing title to the Property vested in District and, subject only to such liens, encumbrances and other exceptions reasonably approved by District. If District objects to any title exception, Medical Center shall use commercially reasonable efforts to remove the exception, provided that Medical Center shall not be required to commence or pursue litigation for such purpose or expend more than $5,000 for such purpose; provided that Medical Center at closing shall clear all monetary encumbrances imposed against the Property by Medical Center.

5. Closing. Escrow shall close on the earlier of (a) no later than one hundred twenty (120) days after the parties enter into a purchase agreement pursuant to Section 2, above, or (b) Medical Center's receipt of District's written notice of exercise of the right of first refusal.

6. Termination of Right of Right of First Refusal. In the event Medical Center and District fail to enter into a purchase agreement pursuant to the Right of First Negotiation, and District fails to exercise the Right of First Refusal, District agrees, upon Medical Center's request, to execute and deliver to Medical Center a written instrument (in form appropriate for recording) relinquishing and terminating District's Right of First Negotiation and Right of First Refusal, contingent upon the closing of the sale entered into by the Medical Center pursuant to the District's waiver of the Right of First Refusal.

7. Grant of Power of Termination. In the event that after the close of escrow pursuant to the Purchase and Sale Agreement, Medical Center, or its tenants, licensees or invites uses the Property to compete with the District's provision of medical services of any kind within the County of Calaveras, District shall have the right, at its sole option and discretion, to exercise its power of termination and all rights under, and in accordance with, California Civil Code Section 885.010, *et seq.* Upon exercising its power of termination, District shall have the right to reenter and retake possession of the Property and all of the improvements thereon, and to terminate the estates theretofore conveyed to Medical Center and to revest in District the estates theretofore conveyed to Medical Center.

District's power of termination shall be exercised by notice or by civil action and the exercise shall be of record. The notice shall be given, and any civil action shall be commenced, within one (1) years after the breach of the restrictions to which the estate to be conveyed to Developer is subject, or such longer period as may be agreed to by the Parties by a waiver or extension recorded before expiration of that period.

Upon revesting in the District of title to the Property and improvements, the District shall promptly use its best efforts to resell the Properties and improvements consistent with its obligations under state law. Upon sale the proceeds shall be applied as follows:

a. First, to the District for any costs it incurs in managing or selling the Property and improvements, including but not limited to, amount to discharge or prevent liens or encumbrances arising from any acts or omissions of Medical Center.

b. Second, to Medical Center up to the sum of the amount paid to the District for the Property pursuant to the Purchase and Sale Agreement, as well as the reasonable cost of the improvements Medical Center has placed on the Property; and

c. Third, any balance to District.

The rights of the District pursuant to this section 7 shall be set forth in the Grant Deed transferring the Property from the District to the Developer.

District's power of termination pursuant to this section 7 shall expire in accordance with the provisions of California Civil Code Section 885.010, et seq.

8. Notices. Except as otherwise expressly provided herein, all notices required or permitted to be given pursuant to the terms hereof shall be in writing and either delivered by hand delivery, professional courier service which provides written evidence of delivery or deposited in the United States mail, registered or certified, postage prepaid and addressed as follows:

To Medical Center: Mark Twin Medical Medical Center
768 Mountain Ranch Road
San Andreas, CA 95249
Attn:

To District: Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249
Attn: Executive Director

The foregoing addresses may be changed by written notice to the other party as provided herein. Notices shall be deemed delivered and received, in the case of personal delivery or delivery by courier as aforesaid, on the day physically delivered to the indicated addressee, and in the case of delivery by United States mail, three (3) business days after deposit in the United States mail as aforesaid.

9. Attorneys' Fees. In the event of any action, arbitration, or proceeding at law or in equity to enforce any provision of this Agreement or to protect or establish any right or remedy of any party hereunder, the unsuccessful party to the litigation shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred therein by the prevailing party, and if the prevailing party recovers judgment in any action, proceeding, or arbitration, the costs, expenses and attorneys' fees shall be included in and as a part of the judgment.

10. No Brokers. Each party hereby agrees to indemnify the other party from and against any real estate brokerage commissions or similar obligations incurred by the indemnifying party as a result of the negotiation or exercise of the Refusal Right.

11. Recordation. This Agreement shall be recorded in the Official Records of Calaveras County.

12. Binding on Successors. The rights and obligations of the Parties shall inure to the benefit of and bind their respective successors and assigns.

13. Captions. The captions used herein are for convenience of reference only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

14. Time of the Essence. Time is of the essence of each and all of the agreements, covenants and conditions of this Agreement.

15. Governing Law; Venue. This Agreement shall be interpreted in accordance with and governed by the laws of the State of California. In the event that either Party brings any action to enforce or interpret this Agreement, venue shall be vested exclusively in the state courts of California in the County of Calaveras.

16. Entire Agreement; Amendments in Writing. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified except by an instrument in writing signed by Owner and Agency.

17. Counterparts. This Agreement may be executed in one or more counterparts each of which shall be an original and all of which taken together shall constitute a single agreement.

(Signatures on next page)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above

District:

Mark Twain Health Care District

By: _____
Daymon Doss
Executive Director

Date: _____

DISTRICT:

Mark Twain Medical Medical Center

By: _____

Title: _____

Date: _____

SIGNATURES MUST BE NOTARIZED

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 2015, before me, _____ personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 2015, before me, _____ personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____(Seal)

Exhibit A
Property Description

ATTACHMENT B

768 Mountain Ranch Road
P.O. Box 668
San Andreas, CA 95249
209 754-4468 Telephone

Mark Twain Health Care District

Mark Twain Health Care District
Board of Directors

Resolution 2014-03
Angel's Camp
Stanislaus Avenue Property

WHEREAS, the Mark Twain Health Care District Board has reviewed the status of the Stanislaus Avenue Property, consisting of 3.44 acres of undeveloped real property. Mark Twain Health Care District Board has determined that the location of the expansion of the Angel's Camp Medical Center is not to be located on the Stanislaus Avenue Property and considers this to be surplus property, and

WHEREAS, declaration of this property as a surplus asset would allow the Mark Twain Health Care district to look at the possibility of a sale of said property, and

WHEREAS, On June 2, 2014 this board by motion duly made, seconded and carried, declared the property consisting of 3.44 acres of undeveloped real property known to the District as the Stanislaus Avenue Property, Parcel #058-024-016 in the City of Angel's Camp, owned by the Mark Twain Health Care District, to be a surplus property, and

NOW, THERFORE, IT IS RESOLVED, that the District Declares the property located on the west side of Stanislaus Avenue just south of the intersection of Stanislaus and Highway 49 to be a surplus property of the Mark Twain Health Care District.

PASSED AND ADOPTED, this 2nd day of June, 2014 by the following vote

_____ AYES
_____ NOES
_____ ABSTAIN

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 competent, professional and compassionate healing.

		The Planning Commission has completed their part and the next step will be for the plan to be taken to the City Council on June 17, 2014 for approval. It was noted that the Land Purchase may have to be extended as it will expire on June 30, 2014.		
b. Resolution 2014-3 – Declaration of Surplus Asset in Angels Camp – Stanislaus Avenue	Goal #3 Objective #1	Mr. Doss briefly reviewed the attached Resolution 2014-3 (Attachment B, page 29) as previously submitted and reviewed at the June, 2, 2014 meeting and noted that the only change was the date to June 2, 2014.	Per Roll Call vote the Declaration of Surplus Asset Parcel in Angels Camp, California, Resolution 2014-3, was approved. Mr. Campana Aye Dr. Smart Aye Mr. McInturf Aye Dr. Oliver Aye Mrs. Reed Aye	
Public Comment			None	
2. Telehealth Update				
	Goal #5 Objective #3	Dr. Smart reported that the Telehealth Coordinator / nurse are currently defining a workflow process. Work continues on a Service Agreement between the MTHCD and MTMC. It is anticipated that $3,000 of the $30,000 that has been allocated for the project will be used by end of fiscal year 2014.		Dr. Smart will present a detailed report in July, 2014.
Public Comment			None	

Mark Twain
Health Care District

AGENDA
Regular Meeting of the
Board of Directors
Mark Twain HealthCare District
Wednesday, June 2, 2014
7:30 a.m.
Classroom 2
San Andreas, CA

---

1. Call to Order and Roll Call
2. Approval of Agenda

3. Public Comment on matters not listed on the Agenda.
The purpose of this section of the Agenda is to allow comments and input from the public on matters within the jurisdiction of the Mark Twain HealthCare District not listed on the Agenda.
(The public may also comment on any item listed on the Agenda prior to Board action on such item.)

Limit of 3 minutes per speaker.

CONSENT CALENDAR
All items on the Consent Calendar are considered routine and may be approved by the District Board without any discussion by a single roll-call vote. Any Board Member or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar.

Approval of the April 23, 2014 Minutes
(pg. 1-8)

Acceptance of March, 2014 Financials
(pg. 7-18)

UNFINISHED BUSINESS

1. Real Estate Update.....Mr. Doss
   - Dogtown Property
     - Angels Camp Planning Commission Update
     - Site Plan and Conditional Use Permit
       (Attachment A, pg.19)

   - Resolution 2014-3 - Declaration of Surplus Asset in Angels Camp – Stanislaus Avenue
     (Attachment B, pg. 29)

   ACTION ITEM:
   Approval of Declaration of Surplus Asset Parcel in Angels Camp, Ca., as presented and recommended.
   Public Comment

2. Telehealth Update.....Dr. Smart
   - MOU Pending
   - Program Implementation May 14, 2014
     (Document distributed at meeting)

   Public Comment

3. Lease Review Committee Update.....Dr. Oliver
   (Attachment C, pg. 31, Lease Amendment #6 – MTMC)
   Public Comment

4. Board Policy Regarding 501(c)3 Funding..... Mr. Doss
   - June 25, 2014 Board Meeting

   Public Comment

5. HVAC Control System Upgrade-North Wing.....Mr. Doss / Larry Cornish
   (Attachment D, pg. 46)
   Public Comment

6. Physician Education Forum.....Dr. Smart
   Public Comment

NEW BUSINESS

7. Draft FY2014 -2015 Operational Budget.....Mr. Doss
   (Attachment E, enclosed)
   Public Comment

8. MTHCD President's Report.....Mrs. Reed
   - ACHD Annual Meeting

   Public Comment

9. MTHCD Executive Director Report.....Mr. Doss
   Public Comments

10. CEO Report.....Mr. Campana
    (Attachment F)
    Public Comment

Board Comments

Public Comment

Adjournment

Mark Twain
Health Care District

P.O. Box 668
San Andreas, CA 95249
(209) 754-4468 Telephone
(209) 754-2675 Fax

RESOLUTION NO. 2015 – 7

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARK TWAIN HEALTH CARE DISTRICT

APPROVING THE SALE OF REAL PROPERTY IN CITY OF ANGELS CAMP, CALIFORNIA

WHEREAS, in 2010 the Mark Twain Health Care District ("District") purchased 4.22 acres of vacant land located on Stanislaus Avenue in Angels Camp, California and more specifically identified as Assessor's Parcel # 058-024-016 ("the Stanislaus Ave. Property"); and

WHEREAS, on June 2, 2014 by Resolution No. 2014-03 the District declared the Stanislaus Ave. Property to be a surplus asset; and

WHEREAS, the District has communicated with the public agencies whose jurisdiction includes the Stanislaus Ave. Property and advised such agencies of its status as surplus property and its availability for purchase. None of the agencies has expressed interest in acquiring the Stanislaus Ave. Property; and

WHEREAS, the District has offered to sell the Stanislaus Ave. Property for the sum of four hundred and forty-eight thousand ($448,000) dollars to Mark Twain Medical Center, Inc. (MTMC), and the MTMC Board of Directors has approved the purchase of the Stanislaus Ave. Property at the offer price; and

WHEREAS, the Board of Directors of the District has reviewed that certain Purchase and Sale Agreement and Right of First Refusal and Power of Termination Agreement by which the District would sell the Stanislaus Ave. Property to MTMC and desires to approve it;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Mark Twain Health Care District, that it does hereby approve the Purchase and Sale Agreement and Right of First Refusal and Power of Termination Agreement selling the Stanislaus Ave. Property to Mark Twain Medical Center, Inc. and directs the Executive Director to execute said agreement on behalf of the District; directs the Executive Director to complete the sale, and authorizes the Executive Director to execute such further documents including grant deeds and escrow agreements on behalf of the District as are required to accomplish such sale.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Mark Twain Health Care District held on the 28th day of October, 2015, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

_____
Peter Oliver, MD, President, Board of Directors

ATTEST:

_____
Lin Reed, Secretary to the Board of Directors

BRET HARTE UNION HIGH SCHOOL DISTRICT

P.O. Box 7000 • 323 S. Main St. • Angels Camp, California 95221 • (209) 736-8340 • Fax (209) 736-8367
e-mail: bhdist@bhuhsd.k12.ca.us
BRET HARTE – JOHN VIERRA – VALLECITO

September 15, 2015

Mark Twain Health Care District
PO Box 668
San Andreas, CA 95249

RE: APN 058-024-016-000, Surplus Property in Angels Camp located on Stanislaus Avenue

Dear Daymon:

Thank you for your offer of the surplus property referenced above. We will be declining the offer at this time.

Sincerely,

Michael S. Chimente
Superintendent

Mark Twain Union Elementary School District
P.O. Box 1359 ▪ Angels Camp, CA 95222
(209) 736-1855 phone ▪ (209) 736-6888 fax ▪ www.mtwain.k12.ca.us
Julia Tidball, Superintendent

September 29, 2015

Daymon Doss, Executive Director
Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249

Dear Director Doss,

Mark Twain Union Elementary School District appreciates but declines the offer of the property located on Stanislaus Ave (APN 058-024-016-000) for $448,000. Please advise if any further information is required.

Sincerely,

Julia Tidball
Superintendent
Mark Twain Union Elementary School District

"Fostering a secure and exciting learning environment..."

ANGELS CAMP
CALIFORNIA

CITY HALL

CITY OF ANGELS PO Box 667, 584 S.Main St., Angels Camp, CA 95222 P. (209) 736-2181 F. (209) 736-0709

October 14, 2015

Daymon Moss
Executive Director
Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249

Dear Mr. Moss,

I received your letter dated September 9, 2015 with an offer to purchase Mark Twain Health Care District surplus property located on Stanislaus Avenue (APN 058-024-016-000).

The letter was brought to the City Council's attention at a closed session meeting held on October 6, 2015. City Council wishes to thank you but have declined your offer.

Sincerely,

Michael McHatten
City Administrator

Mark Twain Grant Program (MTGP)

Short Term Care Respite Program for Calaveras County Patients

Outline of Program

1. Provide short-term caregiving respite care in the home for patients and families in Calaveras County who are assessed to need more care provider assistance. (May include night and weekends)
2. This program does not supplant standard Medicare requirement i.e., "Respite Care".
3. To assist patient and family on Hospice service to remain at home.

Considerations for MTGP

1. Financial need.
2. Stress level of primary caregiver.
3. Sparse or inadequate support network.
4. Caregiving needs are adequate to ensure safety/support for pt in home care.
5. EOL issues are overwhelming.

Funding

1. Funding $20k for one year beginning April 1, 2012. *(FYI ...This was the initial grant)*
2. This equates to approximately:
    a. 9, 12 hour shifts per month or;
    b. 6, 24 hour shifts per month or;
    c. 77 hours of care @ 21.50 per hour.
3. Use of all the funds by end of fiscal year March 31, 2013 is the goal; This program does not supplant triage process, assessing for additional community resources or assisting families to provide adequate and safe care to patients.

Protocol

1. Potential patient is identified by Social Worker and brought to supervisor for consult.
2. Once approved for Mark Twain Grant Program (MTGP) the social worker will contact United Home Care to arrange care. *(FYI...We gave since identified additional professional Home Care sources that we utilize)*
3. When invoice for service provided arrives Director of Patient Services will generate a report that will include:
    a. Demographic
    b. Type and hours of intervention
    c. Outcome

Martk Twain Respite Program ($60K)

4th Quarter 2012	1132
	$1,132.00
1st Quarter 2013	5775.25
2nd Quarter 2013	6521.75
3rd Quarter 2013	7302.5
4th Quarter 2013	7238.5
	$26,838.00
1st Quarter 2014	4017
2nd Quarter 2014	1656.25
3rd Quarter 2014	303.25
4th Quarter 2014	4189.25
	$10,165.75
1st Quarter 2015	1386
2nd Quarter 2015	12587.5
3rd Quarter 2015	
4th Quarter 2015	
	$13,973.50
Total Grant	$60,000.00
Total Spent	$52,109.25
Total Balance	***$7,890.75***

1-Dec-14

Calaveras Respite Program

Beginging Balance 1.1.2015	$7,890.75
3.31.2015	$20,000.00
Balance	$27,890.75

1st Quart 2015 (Jan thru March)	$1,619.00
2nd Quarter (April thru June)	$3,691.25
3rd Quarter (July thru Sept.)	$2,560.50
4th Quarterh (Oct. thru Dec.)	
Total Used:	$7,870.75

ACHD
ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS

Monthly Update for September 2015

Legislative Update

The Legislature sent 941 bills to Governor Brown this year and he has until October 11 to act on them. To date, there are roughly 560 left to go. ACHD will prepare a final report on the Governor's actions on bills in the next few weeks.

Meanwhile, the two extraordinary sessions on transportation and healthcare funding remain open. Senate President pro Tempore Kevin DeLeon and Speaker Toni Atkins have named members to conference committees on both topics. While we don't anticipate any legislative activity on these matters until January, stakeholders continue to discuss potential solutions to these significant challenges. It is likely that Governor Brown will also weigh-in when the 2016-17 proposed budget is released in January.

ACHD is seeking your ideas on legislative proposals for the next legislative year. Please complete the 2016 Legislative Proposal Form, here, and submit it to Samantha Kesner, ACHD's Legislative Assistant, by October 23, 2015. Contact Amber King, ACHD's Senior Legislative Advocate, with questions.

ACHD's 2016 Events

Please mark your calendars for our events taking place in 2016! Registration is now open. To register for our events, please visit ACHD.

Opportunity To Become A Member Of Californians Allied for Patient Protection

The Association of California Healthcare Districts (ACHD) is a member of Californians Allied for Patient Protection (CAPP), the coalition created to protect access to health care and patient safety through California's Medical Injury Compensation Reform Act (MICRA). ACHD strongly supports the preservation of MICRA.

In 2014, California voters definitively rejected Proposition 46, an attempt by trial lawyers to quadruple MICRA's non-economic damages cap. Had this ballot measure passed, California would have seen higher health care costs

and decreased access to care, especially among vulnerable populations who are most in need. Despite this victory, the battle to protect MICRA continues and ACHD strongly encourages Healthcare Districts to become members of CAPP.

There is **no cost** to be a member of CAPP and you will be in good company. 17 ACHD member Healthcare Districts and individual hospitals are current CAPP supporters, as well as more than 1,000 other organizations representing community clinics, hospitals, physicians, nurses, EMTs, labor unions, local governments, dentists and other health care providers. A complete coalition list can be found on the CAPP website.

Please take a moment to complete the attached CAPP Coalition Sign-Up Form. It can be returned to Marissa Allen, CAPP's Government Affairs Coordinator, via e-mail, fax or mail. For questions or concerns, please contact CAPP at (916) 448-7992.

Healthcare District Study

ACHD is working with Via Consulting to collect valuable information about Healthcare Districts. Healthcare Districts are an essential part of California's health system and are among those most affected by the continually shifting landscape of health care. Governing a public entity in these challenging times can be difficult.

Compounding these challenges is a distinct lack of information regarding governance best practices specific to District boards to reference. To assist our Members in strengthening their ability to respond to these challenges, ACHD, in collaboration with Via Healthcare Consulting is conducting a study to identify effective governance practices particular to District boards. The objectives of the study include:

- Identify structures, tools, and practices which promote effective District governance;
- Elicit feedback on the barriers/challenges to effective governance, and;
- Collect data on real-life governance success stories as well as efforts that were not successful.

We would like to invite Board Chairs and Chief Executive Officers to participate in this study by taking part in a brief 20-30 minute telephone interview. Given your unique position within your Healthcare District, ACHD believes you are in an ideal position to give us valuable firsthand information on lessons learned and pitfalls to avoid. Your participation will be a valuable addition to study the findings of which we believe can become valuable District governance reference material.

To schedule a telephone interview, please contact Sheila Johnston.

Healthcare District Data Survey

ACHD is seeking information about your Healthcare Districts! At your earliest convenience, please complete the short, ten question survey regarding your District demographics. The answers you provide will allow ACHD to better represent your District.

ACHD Partners With Capella University

ACHD has partnered with Capella University. Capella will extend a $3000 tuition grant to all ACHD employees and Members and their immediate family members who enroll in and begin a bachelor's, master's, doctoral, specialist, or post-master's certificate program between now and August 2016. This is in addition to the 10% tuition discount. For all details simply visit **www.capella.edu/ACHD**.

Capella University, an accredited online university, offers a wide range of online bachelor's, master's, MBA, PhD, and certificate programs through its Schools of Healthcare and Nursing, Business and Technology, Education, Psychology, Human Services, and Public Service Leadership.

Teammates will also benefit from:

- ***Complimentary nursing & professional development webinar series*** *which taps into the subject matter expertise of Capella faculty*
- ***Potential additional military discounts*** *and benefits to any ACHD teammate who is an Armed Forces veteran, Active Duty service member, or Reserve or National Guard – to include credit for military training, participation in the Yellow Ribbon program, and assistance with Post-9/11 GI Bill benefits*
- ***Disability services support*** *to any Member needing such services through Capella's Disability Services Department*
- ***Prior learning assessment options*** *for transfer credit including evaluation of technical knowledge and skills gained from real-world experience, training, certifications, and previous education may be eligible for credit, shortening the time to degree completion and reducing your costs*
- ***Over 140 degree and certificate program*** *specializations offered on the undergraduate and graduate levels*

CEO Evaluation

Available free of charge to all Member Healthcare Districts, ACHD offers an online Healthcare District CEO Evaluation Tool for assessing how each District Trustee perceives the CEO to be performing. There are two options; one for District CEOs no longer managing a hospital and one for District CEOs who do manage a hospital.

The ACHD Board strongly encourages each District Board to complete a CEO Evaluation on an annual basis.

Members interested in completing the CEO Evaluation may contact Sheila Johnston.

Board Self-Assessment Tool

ACHD makes available, at no charge to its Members, an on-line Board Self-Assessment Tool for assessing how each Trustee perceives the Board to be functioning. There are two Self-Assessment options; one for Districts no longer managing a hospital and one for Districts which do manage a hospital.

The survey takes about 35 minutes to complete, responses are anonymous and the results are only shared with the participating Board and Associations' Education Committee.

The ACHD Board strongly encourages each District Board to complete a Self-Assessment on an annual basis. For more information, please contact Sheila Johnston.

Certified Healthcare District

As public entities, Healthcare Districts have well-defined obligations for conducting business in a manner that is open and transparent. To assist ACHD Members in demonstrating compliance with these obligations, the ACHD Governance Committee has developed a core set of standards referred to as Best Practices in Governance. Healthcare Districts that demonstrate compliance with these practices will receive the designation of ACHD Certified Healthcare District.

Districts achieve Certification by demonstrating compliance with public agency reporting requirements in the following areas:

- Transparency
- Website Content
- Executive Compensation and Benefits
- State Agency Reporting
- Financial Reporting

To date, the following Healthcare Districts have achieved certification status:

- Antelope Valley Healthcare District
  November, 2014
- Beach Cities Health District
  October, 2014
- John C. Fremont Healthcare District
  March, 2015
- Palomar Health
  August, 2014
- Petaluma Health Care District
  May, 2015
- Sequoia Healthcare District
  August, 2014

Members interested in applying for Certified Healthcare District status should contact Ken Cohen.

Peggy Stout

From: Association of California Healthcare Districts <amber.king@achd.org>
Sent: Friday, October 16, 2015 8:00 AM
To: pstout@marktwainhealthcaredistrict.org
Subject: ACHD 2015 Governor's Action Report

LEGISLATIVE ALERT

ACHD

Governor Wraps Up Action on Bills

On October 11, the Governor completed his work of signing and vetoing legislation that reached his desk. One of the big themes to emerge from the Governor's action is his continuing fiscal prudence and concerns about future budget deficits. The Governor vetoed a package of Medi-Cal bills and cited the fiscal uncertainty for the Medi-Cal program as the reason. Additionally, the Governor vetoed a package of proposed new tax credits and mentions in his message the $1 billion hole in the state budget related to the Legislature's inability to act on a Managed Care Organization (MCO) tax in the special session. Find the Governor's veto message on this issue here. Resolving the MCO tax will be a major focus over the next year. We anticipate that the Governor's proposed 2016-17 budget will likely include $1 billion in Medi-Cal cuts related to the expiration of the MCO tax when the budget is released in January.

Other items that garnered press attention over the last month included the Governor's signature on ABX2 15, Assembly Member Eggman's end-of-life bill. Recall that the so-called Right-to-Die bill is the only measure from the Second Extraordinary Session to reach the Governor. Opponents filed a referendum to overturn the measure the day after the Governor's signature and have 90 days to collect about a half million signatures in order to place the matter before voters.

Additionally, the Governor signed a comprehensive package of bills aimed at establishing a regulatory structure for the medical marijuana industry. AB 266 (Bonta), AB 243 (Wood), and SB 643 (McGuire) together comprise the California Medical Marijuana Regulation and Safety Act (MMRSA), a state regulatory framework that is arguably the most comprehensive and complicated in the nation. California will likely

not be ready to issue licenses until 2018, but state agencies (including the Department of Food and Agriculture, the Department of Pesticide Regulation, the Department of Public Health, the Department of Fish and Wildlife, the Department of Consumer Affairs, and the State Board of Equalization) will begin working on regulations in short order. For additional information on the medical marijuana bill package, click here.

Find ACHD's final Legislative Report including the final action taken by the Governor here. Find ACHD's final Watch Report here.

As always, contact the Advocacy Team with any questions.

Amber King

Senior Legislative Advocate

P.O. Box 668
San Andreas, CA 95249
(209) 754-4468 Telephone
(209) 754-2675 Fax

Mark Twain
Health Care District

Survey of Local District' Stipends

Calaveras County Water District
Mileage for District business
Provides $120.00 each meeting with a meeting max.

Calaveras Public Utility District
Mileage for District business
$25.00 each meeting with no max.

CUSD Board Members Receive Stipend(s) Based on Ed Code.
Mileage for District business
Up to $575 (cap) toward benefit package
$240 per month to attend meetings

Bret Harte Union High School District
Mileage for out of county District meetings
Up to $12,144 (annual) toward Medical Coverage ($1,012 month)

Calaveras Public Power Agency
Do Not pay for any mileage
Do Not pay any stipends

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".

IN CRITICAL CONDITION

THE FRAGILE STATE OF CRITICAL ACCESS HOSPITALS

1,330 Critical Access Hospitals (CAHs) provide essential medical care to rural communities across 45 states. Each CAH maintains 25 or fewer beds and directly contributes an average of 204 jobs to the local economy. While their health care services have bolstered rural areas, CAHs are supported by a fragile financial foundation.

BRIDGING GAPS IN ACCESS TO CARE

CAHs' service to America's rural communities plays an important role in the nation's health care landscape.

ANNUAL SERVICES PROVIDED TO PATIENTS

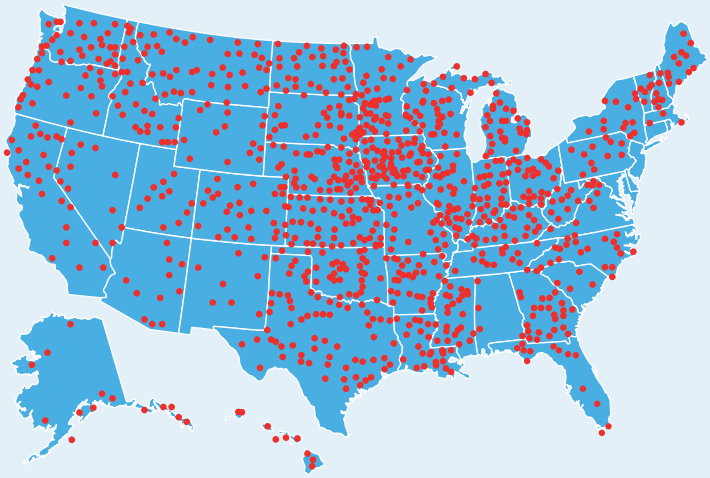
8 MILLION
patients treated in CAH emergency departments.

38 MILLION
outpatient visits to CAHs.

809,000
patients admitted to CAHs.

82,000
babies delivered at CAHs.

1,330 CAH LOCATIONS



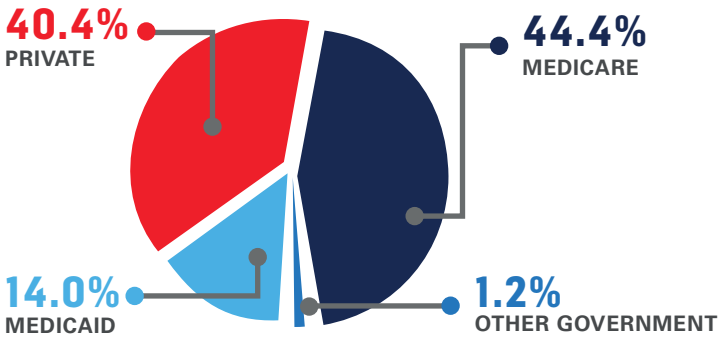
19.3% of the U.S. population resides in rural areas, as of the U.S. Census Bureau's 2010 Census.

DELICATE LIFELINES

CAHs' small size means that they can only focus on providing the most essential medical services, in contrast to higher-volume hospitals that have more resources and flexibility to offer a wider range of services. CAHs simply don't have the same economies of scale as their larger counterparts.

More than 60% of their revenue comes from government payers, such that any payment reductions to Medicare or Medicaid would have an immense impact on CAHs' ability to provide access to beneficiaries in rural communities.

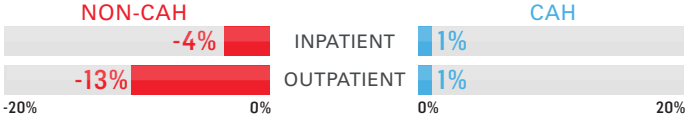
CAH PERCENTAGE OF GROSS REVENUE, BY PAYER:



A SPECIAL MEDICARE PAYMENT STRUCTURE

CAHs survive in large part due to a federal reimbursement structure that provides them funding of 1% above the cost of providing care.

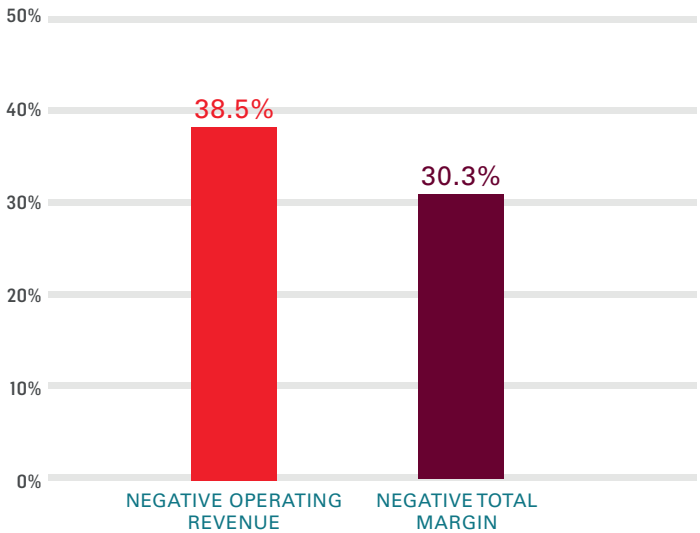
MEDICARE MARGINS, BY SERVICE AND HOSPITAL TYPE:



MANY CAHS STILL STRUGGLE

Although Medicare pays CAHs 1% above the cost of providing care, CAH revenues from other payers often don't cover costs, illustrating why adequate Medicare payments must continue in order for CAHs to be able to provide care for rural populations.

PERCENTAGE OF CAHS WITH NEGATIVE ALL-PAYER MARGINS:



CAHs make up nearly **30%** of acute care hospitals...

...but receive approximately **4%** of total Medicare payments to hospitals.

SOURCES: AMERICAN HOSPITAL ASSOCIATION | UNITED STATES CENSUS BUREAU Data on services and payment from 2013.

American Hospital Association®

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services

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Critical Access Hospital

RURAL HEALTH FACT SHEET SERIES

Please note: The information in this publication applies only to the Medicare Fee-For-Service Program (also known as Original Medicare).

This publication provides the following information about Critical Access Hospitals (CAH):

- Background;
- CAH designation;
- CAH payments;
- Additional Medicare payments;
- Grants to States under the Medicare Rural Hospital Flexibility Program (Flex Program);
- Resources; and
- Lists of helpful websites and Regional Office Rural Health Coordinators.

BACKGROUND

Legislation enacted as part of the Balanced Budget Act (BBA) of 1997 authorized States to establish a State Flex Program under which certain facilities participating in Medicare can become CAHs.

The following providers may be eligible to become CAHs:

- Currently participating Medicare hospitals;
- Hospitals that ceased operation after November 29, 1989; or
- Health clinics or centers (as defined by the State) that previously operated as a hospital before being downsized to a health clinic or center.

Unlike facilities such as Medicare Dependent Hospitals and Sole Community Hospitals, CAHs represent a separate provider type with their own Medicare Conditions of Participation (CoP) as well as a separate payment method. The CoPs for CAHs are listed in the "Code of Federal Regulations" (CFR) at 42 CFR 485.601 – 647.

For more information about CAHs and CAH payment rules, refer to Sections 1814(a)(8), 1814(l), 1820, 1834(g), 1834(l)(8), 1883(a)(8), and 1861(v)(1)(A) of the Social Security Act (the Act) and 42 CFR 412.3, 424.15, 413.70, and 413.114(a).

CAH DESIGNATION

A Medicare participating hospital must meet the following criteria to be designated as a CAH:

- Be located in a State that established a State rural health plan for the State Flex Program (as of September 2011, only Connecticut, Delaware, Maryland, New Jersey, and Rhode Island did not have a State Flex Program);
- Be located in a rural area or be treated as rural under a special provision that allows qualified hospital providers in urban areas to be treated as rural for purposes of becoming a CAH;
- Demonstrate compliance with the CoPs found at 42 CFR Part 485 subpart F at the time of application for CAH certification;
- Furnish 24-hour emergency care services 7 days a week, using either on-site or on-call staff, with specific on-site response timeframes for on-call staff;
- Maintain no more than 25 inpatient beds that may also be used for swing bed services; however, it may also operate a distinct part rehabilitation or psychiatric unit, each with up to 10 beds;
- Have an average annual length of stay of 96 hours or less per patient for acute care (excluding swing bed services and beds that are within distinct part units).

  Note: Payment rules require a physician to certify that an individual may be reasonably expected to be discharged or transferred within 96 hours after admission to the CAH; and

- Be:
  - Located more than a 35-mile drive from any hospital or other CAH; or
  - Located more than a 15-mile drive from any hospital or other CAH in an area with mountainous terrain or only secondary roads; OR
  - Certified as a CAH prior to January 1, 2006, based on State designation as a "necessary provider" of health care services to residents in the area.

  To be considered in an area with mountainous terrain, the CAH must:

  - Be located in a mountain range, identified as such on any official maps or other documents prepared for, and issued to, the public; and
  - Have one of the following characteristics:
    - Extensive sections of roads with steep grades, continuous abrupt and frequent changes in elevation or direction, or any combination of horizontal and vertical alignment that causes heavy vehicles to operate at crawl speeds for significant distances or at frequent intervals; or
    - Considered mountainous terrain by the State Transportation or Highway agency based on requirements for significantly more complicated than usual construction techniques to achieve compatibility between the road alignment and surrounding rugged terrain (for example, roadbeds with frequent benching, side hill excavations, and embankment fills).

For more information about the swing bed requirements that CAHs must meet, refer to the Medicare Learning Network® (MLN) publication titled "Swing Bed Services" located at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/SwingBedFactsheet.pdf on the Centers for Medicare & Medicaid Services (CMS) website.

CAH PAYMENTS

CAHs are paid for most inpatient and outpatient services to Medicare patients at 101 percent of reasonable costs.

CAHs are not subject to the Inpatient Prospective Payment System (IPPS) or the Hospital Outpatient Prospective Payment System (OPPS).

CAH services are subject to Medicare Part A and Part B deductible and coinsurance amounts. The copayment amount for an outpatient CAH service is not limited by the Part A inpatient deductible amount.

Inpatient Admissions

To receive payment under Part A, a reasonable and necessary hospital inpatient admission must include a physician certification that includes:

- An order in which the physician reasonably expects the patient to require a stay that crosses 2 midnights and involves medically necessary inpatient services;
- The reason for inpatient services;
- Estimated time the patient will require in the hospital;
- Plans for post-hospital care, if appropriate; and
- Certification that the patient may be reasonably expected to be discharged or transferred within 96 hours after admission to the CAH.

Ambulance Transports

- A CAH can be paid for its ambulance transports or for the ambulance transports provided by a CAH-owned and operated entity, based on 101 percent of reasonable costs, if the CAH is the only provider or supplier of ambulance transports located within a 35-mile drive of the CAH; and
- If there is no other provider or supplier of ambulance transports within a 35-mile drive of the CAH and the CAH owns and operates an entity furnishing ambulance transports that is more than a 35-mile drive from the CAH, the CAH can be paid based on 101 percent of the reasonable costs of that entity's ambulance transports as long as that entity is the closest provider or supplier of ambulance transports to the CAH.

Reasonable Cost Payment Principles That Do NOT Apply to CAHs

Payment for inpatient or outpatient CAH services is **not** subject to the following reasonable cost principles:

- Lesser of cost or charges; and
- Reasonable compensation equivalent limits.

In addition, in general, payments to a CAH for inpatient CAH services are not subject to ceilings on hospital inpatient operating costs or the 1-day or 3-day preadmission payment window provisions applicable to hospitals paid under the IPPS and OPPS. **However, if a patient receives outpatient services at a CAH that is wholly owned or operated by an IPPS hospital and is admitted as an inpatient to that IPPS hospital, either on the same day or within 3 days immediately following the day of those outpatient services, the outpatient services are subject to payment window provisions.**

Election of Standard Payment Method or Optional (Elective) Payment Method

Standard Payment Method – Reasonable Cost-Based Facility Services, With Billing Medicare Administrative Contractor (MAC) for Professional Services

Under Section 1834(g)(1) of the Act, a CAH is paid under the Standard Payment Method unless it elects to be paid under the Optional Payment Method. For cost reporting periods beginning on or after January 1, 2004, under the Standard Payment Method, payments for outpatient CAH facility services are made at 101 percent of reasonable costs.

Payment for professional medical services furnished in a CAH to registered CAH outpatients is made by the MAC under the Medicare Physician Fee Schedule (PFS), as is the case when such professional services are furnished in a hospital outpatient department. For purposes of CAH payment, professional medical services are defined as services furnished by a physician or other qualified practitioner.

Optional Payment Method – Reasonable Cost-Based Facility Services Plus 115 Percent Fee Schedule Payment for Professional Services

Under Section 1834(g)(2) of the Act, a CAH may elect the Optional Payment Method, under which it bills the MAC for both facility services and professional services furnished to its outpatients by a physician or practitioner who has reassigned his or her billing rights to the CAH. However, even if a CAH makes this election, each physician or practitioner who furnishes professional services to CAH outpatients can choose to either:

- Reassign his or her billing rights to the CAH, agree to be included under the Optional Payment Method, attest in writing that he or she will not bill the MAC

for professional services furnished in the CAH outpatient department, and look to the CAH for payment for the professional services; or

- File claims for his or her professional services with the MAC for standard payment under the Medicare PFS.

For each physician or practitioner who agrees to be included under the Optional Payment Method and reassigns benefits accordingly, the CAH must forward a copy of a completed Form CMS-855R/Medicare Enrollment Application for Reassignment of Medicare to the MAC and keep the original on file. This attestation will remain at the CAH.

Once the Optional Payment Method is elected, it will remain in effect until the CAH submits a termination request to the MAC. A CAH is no longer required to make an annual election to be paid under the Optional Payment Method in a subsequent year. If a CAH elects to terminate its Optional Payment Method, the termination request must be submitted in writing to the MAC at least 30 days prior to the start of the next cost reporting period.

The Optional Payment Method election applies to all CAH professional services furnished in the CAH outpatient department by physicians and practitioners who:

- Agree to be included under the Optional Payment Method;
- Complete Form CMS-855R; and
- Attest in writing that they will not bill the MAC for their outpatient professional services.

You can find Form CMS-855R at http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/cms855r.pdf on the CMS website. To find MAC contact information, visit http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map on the CMS website.

As of January 1, 2004, payment for outpatient CAH services under the Optional Payment Method is based on the sum of:

- For facility services – 101 percent of reasonable costs, after applicable deductions, regardless of whether the physician or practitioner reassigned his or her billing rights to the CAH; and
- For physician professional services – 115 percent of the allowable amount, after applicable deductions, under the Medicare PFS. Payment for non-physician practitioner professional services is 115 percent of the amount that otherwise would be paid for the practitioner's professional services, after applicable deductions, under the Medicare PFS.

Payment for Telehealth Services

Effective January 1, 2007, the payment amount is 80 percent of the Medicare PFS for telehealth services when the distant site physician or other practitioner is located in a CAH that elected the Optional Payment Method and the physician or practitioner reassigned his or her benefits to the CAH.

Payment for Teaching Anesthesiologist Services

Effective January 1, 2010, for a teaching anesthesiologist who has reassigned billing rights to the CAH, payment for outpatient CAH services under the Optional Payment Method is based on 115 percent of the Medicare PFS, if he or she is involved in:

- The training of a resident in a single anesthesia case;
- Two concurrent anesthesia cases involving residents; or
- A single anesthesia case involving a resident that is concurrent to another case paid under the medically directed rate.

The following requirements must be met to qualify for payment:

- The teaching anesthesiologist or different anesthesiologist(s) in the same anesthesia group must be present during all critical or key portions of the anesthesia service or procedure; and
- The teaching anesthesiologist or another anesthesiologist with whom he or she has entered into an arrangement must be immediately available to provide anesthesia services during the entire procedure.

The patient's medical record must document:

- The teaching anesthesiologist's presence during all critical or key portions of the anesthesia procedure; and
- The immediate availability of another teaching anesthesiologist as necessary.

When different teaching anesthesiologists are present with the resident during the critical or key portions of the procedure, report the National Provider Identifier of the teaching anesthesiologist who started the case on the claim.

Submit teaching anesthesiologist claims using the following modifiers:

- AA – Anesthesia services performed personally by anesthesiologist; and
- GC – This service has been performed in part by a resident under the direction of a teaching physician.

ADDITIONAL MEDICARE PAYMENTS

Residents in Approved Medical Residency Training Programs Who Train at a CAH

For cost reporting periods beginning on or after October 1, 2013, Medicare payments are made to CAHs for training full-time equivalent (FTE) residents in approved residency training programs at the CAH. That is, a hospital can no longer claim residency training time at a CAH for purposes of the hospital's direct graduate medical education and/or indirect medical education FTE resident count. If a CAH incurs the cost of training FTE residents for the time the residents rotate to the CAH, the CAH may receive payment based on 101 percent of reasonable costs for the costs it incurs in training those residents.

Medicare Rural Pass-Through Funding for Certain Anesthesia Services

CAHs may receive reasonable cost-based funding for certain anesthesia services as an incentive to continue to serve the Medicare population in rural areas. The regulations at 42 CFR 412.113(c) list the specific requirements hospitals and CAHs must fulfill to receive rural pass-through funding from Medicare for anesthesia services furnished by certified registered nurse anesthetists (CRNA) whom they employ or contract with to furnish such services to CAH patients.

CAHs that qualify for CRNA pass-through payments receive reasonable cost-based payments for CRNA professional services regardless of whether they choose the Standard Payment Method or the Optional Payment Method for outpatient services, unless they opt to include CRNA outpatient professional services under their Optional Payment Method election.

For CAHs that opt to receive payment for outpatient anesthesia as a professional service, the anesthesia service is paid on the anesthesia fee schedule and the CAH gives up the CRNA pass-through exemption for both outpatient and inpatient services.

Incentive Payments

Health Professional Shortage Area (HPSA) Incentive Bonus Payment

Physicians (including psychiatrists) who furnish care in a CAH located within a geographic-based, primary care HPSA and psychiatrists who furnish care in a CAH located in a geographic-based mental health HPSA are eligible for a 10 percent HPSA bonus payment for outpatient professional services furnished to a Medicare patient. If you reassigned your billing rights and the CAH elected the Optional Payment Method, the CAH will receive 115 percent of the otherwise applicable Medicare PFS amount multiplied by 110 percent, based on all claims processed during the quarter.

The HPSA physician bonus payment is made automatically to physicians who furnish services to Medicare patients in a ZIP code on the list of ZIP codes eligible for automatic HPSA bonus payment. This list is updated annually and is effective for services furnished on and after January 1 of each calendar year.

Physicians who furnish services to Medicare patients in a geographic HPSA that is not on the list of ZIP codes eligible for automatic payment must use the AQ modifier, "Physician providing a service in an unlisted Health Professional Shortage Area (HPSA)," on the claim to receive the bonus payment. Services submitted with the AQ modifier are subject to validation by Medicare. Physicians must ensure that the modifier is used only for services provided to a Medicare patient in an area designated as a geographic primary care HPSA (or a mental health geographic HPSA for psychiatrists) as of December 31 of the prior year.

An area may be eligible for the HPSA bonus payment but the ZIP code may not be on the list because:

1. It does not fall entirely within a designated full county HPSA bonus area;
2. It is not considered to fall within the county based on a determination of dominance made by the United States (U.S.) Postal Service;
3. It is partially within a non-full county HPSA; or
4. Services are provided in a ZIP code area that was not included in the automated file of HPSA areas based on the date of the data used to create the file.

For ZIP codes that are not on the automated payment list, visit the following web pages for assistance in determining whether an area is in a geographic-based primary care or mental health HPSA:

- The Health Resources and Services Administration (HRSA) Data Warehouse located at http://datawarehouse.hrsa.gov on the HRSA website;
- The American FactFinder located at http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml on the U.S. Census Bureau website; and
- The Geocoding System located at http://www.ffiec.gov/Geocode on the Internet.

Health Professional Shortage Area (HPSA) Surgical Incentive Payment Program (HSIP)

Under the Affordable Care Act, effective for services furnished on and after January 1, 2011, general surgeons who furnish a 10- or 90-day global surgical

procedure in a ZIP code located in a HPSA are eligible for a 10 percent HPSA bonus payment and a 10 percent HPSA Surgical Incentive Payment.

Primary Care Incentive Payment (PCIP)

Under the Affordable Care Act, effective for services furnished on and after January 1, 2011, the following physician and non-physician specialties are potentially eligible for a Primary Care Incentive Payment (PCIP) of 10 percent of paid charges for Part B primary care services furnished to Medicare patients:

- Family, internal, geriatric, and pediatric medicine physicians;
- Clinical nurse specialists;
- Nurse practitioners; and
- Physician assistants.

Only those practitioners enrolled in Medicare with one of the specialties listed above and whose primary care services accounted for at least 60 percent of his or her paid charges under the Medicare PFS (excluding hospital inpatient care and emergency department visits) during the designated period are eligible for the PCIP. Eligibility for the PCIP is determined on an annual basis.

The PCIP is paid on a quarterly basis and is in addition to other applicable physician incentive payments.

The chart below lists the primary care services that are eligible for the PCIP.

Primary Care Services Eligible for PCIP

Service	Current Procedural Terminology (CPT) Code
New and Established Patient Office or Other Outpatient Visits	CPT codes 99201 – 99215
Nursing Facility Care Visits and Domiciliary, Rest Home, Custodial Care, or Home Care Plan Oversight Services	CPT codes 99304 – 99340
Patient Home Visits	CPT codes 99341 – 99350

For more information about the HPSA Incentive Bonus Payment, HPSA Surgical Incentive Payment, and PCIP, refer to the MLN publication titled "Health Professional Shortage Area (HPSA) Physician Bonus, HPSA Surgical Incentive Payment, and Primary Care Incentive Payment Programs" located at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/HPSAfctsht.pdf on the CMS website.

GRANTS TO STATES UNDER THE MEDICARE RURAL HOSPITAL FLEXIBILITY PROGRAM (FLEX PROGRAM)

The Flex Program, which was authorized by Section 4201 of the BBA (Public Law 105-33), consists of two separate but complementary components:

- A Medicare reimbursement program that provides reasonable cost-based reimbursement for Medicare-certified CAHs, which is administered by CMS; and
- A State grant program that supports the development of community-based rural organized systems of care in participating States, which is administered by HRSA through the Federal Office of Rural Health Policy.

To receive funds under the grant program, States must apply for the funds and engage in rural health planning through the development and maintenance of a State Rural Health Plan that:

- Designates and supports the conversions to CAHs;
- Promotes emergency medical services (EMS) integration initiatives by linking local EMS with CAHs and their network partners;
- Develops rural health networks to assist and support CAHs;
- Develops and supports quality improvement initiatives; and
- Evaluates State programs within the framework of national program goals.

RESOURCES

The chart below provides CAH resource information.

CAH Resources

For More Information About…	Resource
Critical Access Hospitals	"Medicare Claims Processing Manual" (Publication 100-04) located at http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS018912.html on the CMS website
Critical Access Hospital and Swing Bed Billing	MLN publication titled "Medicare Billing Information for Rural Providers and Suppliers" located at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/RuralChart.pdf on the CMS website
Survey and Certification Memoranda, Guidance, Clarifications, and Instructions	http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/Policy-and-Memos-to-States-and-Regions.html on the CMS website
Health Professional Shortage Areas	http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses on the CMS website
Compilation of Social Security Laws	http://www.ssa.gov/OP_Home/ssact/title18/1800.htm on the U.S. Social Security Administration website
"Code of Federal Regulations"	http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR on the U.S. Government Printing Office website
All Available MLN Products	"Medicare Learning Network® Catalog of Products" located at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MLNCatalog.pdf on the CMS website or scan the Quick Response (QR) code on the right
Provider-Specific Medicare Information	MLN publication titled "MLN Guided Pathways: Provider Specific Medicare Resources" booklet located at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/Guided_Pathways_Provider_Specific_Booklet.pdf on the CMS website
Medicare Information for Patients	http://www.medicare.gov on the CMS website

HELPFUL WEBSITES

American Hospital Association Rural Health Care
http://www.aha.org/advocacy-issues/rural

Critical Access Hospitals Center
http://www.cms.gov/Center/Provider-Type/Critical-Access-Hospitals-Center.html

Disproportionate Share Hospital
http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/dsh.html

Federally Qualified Health Centers Center
http://www.cms.gov/Center/Provider-Type/Federally-Qualified-Health-Centers-FQHC-Center.html

Health Resources and Services Administration
http://www.hrsa.gov

Hospital Center
http://www.cms.gov/Center/Provider-Type/Hospital-Center.html

Medicare Learning Network®
http://go.cms.gov/MLNGenInfo

National Association of Community Health Centers
http://www.nachc.org

National Association of Rural Health Clinics
http://narhc.org

National Rural Health Association
http://www.ruralhealthweb.org

Physician Bonuses
http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses

Rural Assistance Center
http://www.raconline.org

Rural Health Clinics Center
http://www.cms.gov/Center/Provider-Type/Rural-Health-Clinics-Center.html

Swing Bed Providers
http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/SwingBed.html

Telehealth
http://www.cms.gov/Medicare/Medicare-General-Information/Telehealth

U.S. Census Bureau
http://www.census.gov

REGIONAL OFFICE RURAL HEALTH COORDINATORS

Below is a list of contact information for CMS Regional Office Rural Health Coordinators who provide technical, policy, and operational assistance on rural health issues.

Region I – Boston
Rick Hoover
E-mail: rick.hoover@cms.hhs.gov
Telephone: (617) 565-1258
States: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

Region II – New York
Miechal Lefkowitz
E-mail: miechal.lefkowitz@cms.hhs.gov
Telephone: (212) 616-2517
States: New Jersey, New York, Puerto Rico, and Virgin Islands

Region III – Philadelphia
Patrick Hamilton
E-mail: patrick.hamilton@cms.hhs.gov
Telephone: (215) 861-4097
States: Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia

Region IV – Atlanta
Lana Dennis
E-mail: lana.dennis@cms.hhs.gov
Telephone: (404) 562-7379
States: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee

Region V – Chicago
Nicole Jacobson
E-mail: nicole.jacobson@cms.hhs.gov
Telephone: (312) 353-5737
States: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin

Region VI – Dallas
Kaleigh Emerson
E-mail: kaleigh.emerson@cms.hhs.gov
Telephone: (214) 767-6444
States: Arkansas, Louisiana, New Mexico, Oklahoma, and Texas

Region VII – Kansas City
Claudia Odgers
E-mail: claudia.odgers@cms.hhs.gov
Telephone: (816) 426-6524
States: Iowa, Kansas, Missouri, and Nebraska

Region VIII – Denver
Lyla Nichols
E-mail: lyla.nichols@cms.hhs.gov
Telephone: (303) 844-6218
States: Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming

Region IX – San Francisco
Neal Logue
E-mail: neal.logue@cms.hhs.gov
Telephone: (415) 744-3551
States: Arizona, California, Hawaii, Nevada, Guam, Commonwealth of the Northern Mariana Islands, and American Samoa

Region X – Seattle
Teresa Cumpton
E-mail: teresa.cumpton@cms.hhs.gov
Telephone: (206) 615-2391
States: Alaska, Idaho, Oregon, and Washington

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES

DEPARTMENT OF HEALTH & HUMAN SERVICES · USA

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This fact sheet was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

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Your feedback is important to us and we use your suggestions to help us improve our educational products, services and activities and to develop products, services and activities that better meet your educational needs. To evaluate Medicare Learning Network® (MLN) products, services and activities you have participated in, received, or downloaded, please go to http://go.cms.gov/MLNProducts and in the left-hand menu click on the link called 'MLN Opinion Page' and follow the instructions. Please send your suggestions related to MLN product topics or formats to MLN@cms.hhs.gov.

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Check out CMS on:

Twitter LinkedIn YouTube

From: **Hill, Lisa - MTMC** LISA.HILL@DignityHealth.org
Subject: FW: Saturday's Fall Health Fair Recap
Date: September 29, 2015 at 8:45 AM
To: Peter Oliver murfness@comcast.net
Cc: Daymon Doss ddosspps@gmail.com

Dr. Oliver,
You will find the below info helpful when reporting to the Board next month on the Annual Health Fair, as the MTHCD helps fund it.

☺
Lisa Hill

Executive Assistant to:
Craig Marks, President / CEO
Chris L. Roberts, V.P., CFO
Sean Anderson, M.D., VPMA
Mark Twain Medical Center
768 Mountain Ranch Road
San Andreas, CA 95249
209 / 754-2515 phone
209 / 754-2626 fax
lisa.hill@dignityhealth.org

From: Stevens, Nicki - MTMC
Sent: Monday, September 28, 2015 4:21 PM
To: Stevens, Nicki - MTMC
Subject: Saturday's Fall Health Fair Recap

Dear Team,

Thank you ONE and all for your hard work, care, outstanding service & dedication to each other and our community for our 17th Annual Fall Health Fair. Due to the recent Butte Fire Disaster, our attendance was down somewhat- but the energy was positive, and people were thankful for us being here.

In addition to offering free hemmoccult cards, MTMC provided information booths with representation from the Heart Center, Cancer Center, Pulmonary Rehab, Telehealth, and Diagnostic Imaging. Other services provided were:

- 350 Lab Draws / 478 last year
- 344 Flu Shots/ 470 last year
- 13 Pneumonia Vaccinations/13 last year

Full discloser: I always forget to thank someone- so please forgive me in advance ☺

What a wonderful Team we have here at MTMC! Thank you to our Providers who were able to attend and help during the Health Fair:
Dr. Farvan

Dr. Orman
Marcia Temple
Stephanie Peffer
Ann Radford

A very special thank you to our decorating team; **Diane & Pete Rodrigues**, and **Carol Smollinger , Amy Roggow** and **Pam Hopkins**.
Maintenance - you are always very supportive during the set up and take down. Thank you!

Thank you to the MTMC ever dependable staff from **Registration, Pharmacy, Medical Centers, Nursing** & **Lab and the MTMC Volunteers.** Your combined support allowed for the Flu Shots and Blood Draw stations to flow efficiently.

Please accept a heartfelt thank you to all for working together so that we can provide such a valuable service to our community.

Nicki R. Stevens
Manager
Marketing & Business Development
Volunteer Services

Dignity Health
Mark Twain Medical Center
768 Mountain Ranch Road
San Andreas, CA 95249
209-754-5919 direct
209-754-2673 fax

Nicki.Stevens@DignityHealth.org

Dignity Health
Mark Twain Medical Center

CEO Report

Prepared: September 24, 2015

Reporting period: July & August, 2015

Butte Fire

The recent Butte Fire was the worst disaster in the history of Calaveras County. Because of the efforts of our staff, I am proud to say that MTMC remained operational throughout the disaster, meeting the healthcare needs of our County when they needed it most. The fire caused issues throughout the area, including at MTMC. We were very fortunate that we did not have major staffing or facility issues (with the exception of smoke, which was an issue for all hospitals near the fire) issues and we fortunately, did not see an increased need for our services.

There were some services (e.g. inpatient respiratory admissions, elective surgeries, cardiac and pulmonary rehabilitation, Arnold Clinic, etc.)That were closed at times during the fire. These decisions were made by a team of leaders that included the County Health Officer (Dr. Kelaita), Chief of Staff (Dr. Griffin), hospitalists (Dr. Lorenz), emergency room physician (Dr. Mohair), disaster EMS Director (Lance Doyle), CEO, CNO and our safety officer. These individuals along with our staff worked well together and maintained a high level of care at MTMC.

As the firefighters got the fire under control and the hospital was operating smoothly, our attention shifted to caring for employees, Medical Staff and volunteers that were impacted by the fire. Our management team did their best throughout the disaster to relieve their staff from working if they were evacuated and/or lost their home. In addition, we set up a fund through that MTMC Foundation to financially support members of our team that suffered losses. The fund, called the Mission Fund, was established with a very generous donation of $300,000 by Dignity Health. In addition, over $100,000 has also been donated by Dignity Health employees throughout the system. There are also other donations coming in from a variety of sources.

Today, approximately $467,794 has been donated to the Mission Fund and $187,007 has been given to our staff, volunteers and Medical Staff members. In addition, we have had Employee Assistance Program staff on-site to assist employees in need. It should also be noted that MTMC did send out a team, led by Dr. Smart, to visit the evacuation centers and address immediate (e.g. prescriptions) health care needs of evacuees.

We are now in recovery mode, and for some, they will never fully recover. At MTMC, we are now operating at full strength and will continue to reach out to our team members in need. We were not perfect during this disaster and we learned a lot so that we will be even better prepared for any future disasters. The bottom line, however, was that MTMC was and will be there when our community needs us most. Thank you to everyone that supported MTMC throughout this disaster and also to our firefighters, law enforcement, PG&E staff, etc. who risked their lives for us!

Services

1. Angels Camp (ACMC)/Valley Springs Medical Centers (VSMC)

After receiving approval from the Board last month on the design/development phase of the ACMC project, the plans were submitted by our architectural team (Aspen Architects) to the City of Angels Camp. The documents are being reviewed by the city and our architects are addressing any issues they have. The current plan remains to have our project reviewed and approved by the Angels Camp Planning Commission in November. In the meantime, we must complete the acquisition of the Stanislaus Avenue property from the MTHCD.

The District was thrown a curve ball when they were informed they could not sell this property to MTMC without first offering it to all public agencies in the area. As a result, the District has asked for public entities in the area (City of Angels Camp, Calaveras County, Bret Harte Union High School District and Mark Twain Union Elementary School District) if they are interested in purchasing the property . All of them have verbally indicated that they are not interested, but the District expects to have the declinations in writing by October 6, 2015. Therefore, I am recommending to the Board that MTMC purchase the property from the District for $484,000 (the price the District paid for the land) at the September Board meeting. The District is also asking the Board to approve a Right of First Refusal should MTMC ever have the desire to lease or sell the property. This action will allow us to keep the project moving.

The MTHCD continues to work on the VSMC project in a similar manner. They continue in escrow on the site acquisition (Vista Del Lago and Highway 26) and have submitted all the necessary paperwork on the project as they seek approval from Calaveras County. In addition, the District continues their pursuit of a loan of $6.7 million from the USDA. At the present time, the request is moving through the system and looks very favorable. It is anticipated they will hear the final status of the request by the end of September (the end of the USDA fiscal year). Groundbreaking for these projects will be very dependent on our future weather and after this past week, I am praying for a very wet winter.

2. Built Environment

During FY2015, Dignity Health announced the creation of the Built Environment Program. The program was created to allow Dignity Health facilities to improve the aesthetics of their facilities in support of “Hello Humankindness”. The goal is to create a healing environment at every Dignity Health hospital. At MTMC, we started doing this in FY2013. Over the past two years we have painted, replaced floor coverings, replaced televisions, and purchased new furniture, etc. in an effort to create a healing

environment. To assist in this process, Dignity Health recently sent out a team to assess our need for additional Built Environment enhancements.

The team recommended spending approximately $950,000 in FY2016 for items such as repaving some of our parking lots, repainting the exterior of the hospital, building an ER canopy, building several healing gardens, installing charging stations for electric cars, building a canopy over the walkway leading to the MRI unit, etc. Because of our large budgeted operating deficit in FY2016 and the fact that most of these projects would be expensed, we are recommending that we reduce the list for this year. We will ask the Board to approve a list of projects not to exceed $500,000 in FY 2016. This will enhance our financial performance, while still enabling us to create a healing environment at MTMC.

3. Community Outreach

In the next four weeks, MTMC will be hosting two significant community events. On Saturday, September 26, we will be hosting our Annual Health Fair in San Andreas with discounted health screenings and many other health-related activities. October 20-22, we will host our Annual Teddy Bear Clinic. The clinic introduces kindergarten students from the area schools to hospitals and healthcare in a non-threatening way. This event includes demonstrations from local law enforcement, fire fighters and EMS and is an example of our close relationship with key community organizations. These events are very popular in our community and demonstrate our commitment to our community in these challenging times.

Medical Staff Development

1. Physician Recruitment

We continue to focus on physician recruitment efforts on primary care (family practice and internal medicine), gastroenterology and urology. We plan to host several visits in the upcoming months, but we can certainly feel the shortage of providers, especially in primary care. In the meantime, we will continue to utilize locum tenens and/or part-time providers in our clinics and gastroenterology. Dr. Allen and Paul Mundy have done a great job connecting with area residency programs and we are all confident that in the long run, and possibly in the short run, they will lead to the successful recruitment of needed providers.

2. Dignity Health Physician Symposium

During the week of October 28, several MTMC Medical Staff members (Drs. Anderson, Allen and Gonzales) and I will be traveling to a Dignity Health Physician Symposium. Dignity Health has invited hundreds of physicians throughout the system to join them at a symposium to learn about healthcare in the future (value vs. volume, population management) and how Dignity Health and its physician partners are planning to deal with coming changes. This will be an excellent opportunity for members of our Medical Staff to meet other Dignity Health physicians and leaders, and discuss the future of healthcare.

Employee Development

1. Service Employees International Union (SEIU)

For the past several months, Dignity Health, on behalf of MTMC, has been in negotiations with SEIU regarding wages and benefits. In July, SEIU conducted informational pickets at Dignity Health hospitals and discontinued negotiations. In early August, the SEIU began seeking authorization from its members to go on strike. In response, we began to make strike contingency plans.

Fortunately, in late August the parties went back to the table and reached a tentative agreement in early September. The SEIU is currently having its entire membership vote on the agreement. On September 18, the MTMC SEIU members ratified the contract and we just learned that the contract was ratified by SEIU. It should be noted, that the majority of MTMC employees are covered by the SEIU agreement. In 2016, the entire SEIU contract was scheduled to be up for negotiation; however, we also learned that the current contract was extended for three years.

2. Organizational Structure

Last month I indicated that as the result of Larry Cornish's, Chief Operating Officer (COO), upcoming retirement, the realization that Joanne Jeffords will not be able to return as our Chief Nursing Executive (CNE) and the announcement that Kelly Fobia, Interim CNE, is moving to Idaho, our Administrative Team began re-evaluating our Organizational Structure in order to meet our current needs and into the foreseeable future. Included in your packet is our current Organizational Chart (Attachment J) and proposed charts for November, 2015 (Attachment K) and March, 2016. I also included a chart outlining the number and type of each management position at MTMC (Attachment L).

The biggest change in the November Chart is the elimination of the COO position and the movement of the departments previously reporting to that position to others. The laboratory, rehabilitation services and diagnostic imaging will now report to me. Nutritional Services and facilities and projects (along with EVS, plant operations and public safety) will report to Chris Roberts, CFO. The Director of Facilities and Projects is a new position and will oversee environmental services, plant operations, public safety and all construction/renovation projects.

The other major change comes in the management of our clinics. We are recommending that we have two RN supervisors in our clinics (Divided geographically with their offices being in Angels Camp and Valley Springs). In addition, we are recommending the creation of two new positions, a supervisor of clinic quality/compliance and a manager of clinic business operations. All of these positions will report to and be under the direction of Dr. Robert Allen.

The final organizational chart, March, 2016, reflects the transition of the VP of Medical Affairs duties to Dr. Robert Allen. At that time, Dr. Anderson will be expanding his clinical practice at MTMC, including Pain Management. These changes address our current needs and will position us well for the future. We are decreasing our overall overhead, but allocating more resources to our clinics, a vital part of our current and future operations. I am asking the Board to approve these changes in September.

3. CNE Recruitment

With the recent announcement by Kelly Fobia, that she is moving to Idaho with her family, we immediately posted the position and began working with Dignity Health to help identify qualified candidates. Both Joanne and Kelly did an outstanding job and will be difficult to replace. We currently have one excellent candidate that we are bringing in for an interview next week. Beyond that we have not had any qualified candidates. Therefore, we are considering hiring an outside recruitment firm to expand our pool of candidates. We are trying to move as quickly as possible so that Kelly can join her family who have already moved.

4. Larry Cornish Retirement

Larry Cornish, COO, has provided leadership at Mark Twain Medical Center for 26 years and will retire on October 23. On October 20, from 4:00 PM-6:30 PM at Camps Restaurant in Angels Camp, we will host a reception honoring Larry for his many years of dedicated service to MTMC and our community. In the coming weeks please join me in thanking Larry for helping to make MTMC a great place to receive care and work!

5. Humankindness Day

On September 23, we planned to join all of Dignity Health hospitals in celebrating "Humankindness Day". The day is intended to thank our staff for the human kindness they demonstrate each day and to highlight some of the extraordinary acts performed in each of our hospitals. Because of the Butte Fire, however, we decided to delay our celebration until October 8. On October 8, we will celebrate with a cookout and a huge thank you to our staff, especially in light of their efforts throughout the disaster. Please join us as we thank our staff!

Financial Stewardship

1. Financial Performance-July and August

Due to the length of my report this month I will attempt to keep my financial comments brief and refer you to Chris Roberts' report for more details. In July we began the year well, with an operating margin that exceeded budget by $19,000 and an EBIDA that was at budget. Our revenue was strong (8.9% better than last year but 3.5% under budget), and our expenses were 6.0% below budget. However, our deductions from revenue were very high compared to last year and our budget. In July our balance sheet remained strong with no significant changes. In August, just like in July, our revenue was strong (2.9% better than last year, but 4.1% under budget), and our expenses were 5.2% under budget. Unfortunately, our deductions from revenue were once again much greater than last year and our budget. As a result, our operating margin was $230,000 worse than our budget and our EBIDA was $267,000 more than budget.

This is also not likely to get any better in September. As a result of the fire, we lost several days of revenue and incurred increased expenses. We are reaching out to our business interruption insurance policy and FEMA for possible relief.

2. FY2016 Operating Budget

Dignity Health has prepared a final FY2016 Operating Budget for MTMC which results in a loss from operations of $2.99 million (Attachment M). This budget will be presented to the Finance Committee and the Board for their approval in September. Possible changes to the budget discussed previously (e.g. reduce the benefits, Built Environment, Dignity Health allocation) by the Board are not reflected in this budget.

3. 10 Year Financial Plan

At the July Board meeting there was discussion of our 10 Year Financial Plan and a desire to review it. The 10 Year Financial Plan was originally created so that we could justify spending more and capital dollars than what Dignity Health was allowing us to spend the reviewed the plan with Karl Silberstein and he approved it. We then asked the MTMC Board to approve it which they did in October, 2015. Now that FY2015 is completed we could update it (and we did better than anticipated!), but I would recommend that we wait to update it when we have received bids on and are completed constructing the Angels Camp Medical Center. This will provide us a better look at our future capital capacity. We can discuss this at our September meeting.

If you have any questions regarding this report or other Medical Center activities, please contact me at (269) 214-8185 (cell), (209) 754-5916 (office) or stop by and see me at the Medical Center.

KITTELSON & ASSOCIATES, INC.
TRANSPORTATION ENGINEERING / PLANNING
428 J Street, Suite 500, Sacramento, CA 95814 916.266.2190 916.266.2195

October 15, 2015 Project #: 19450

Damon Doss
Executive Director
Mark Twain Health Care District
San Andreas, CA 95249

RE: Traffic Study for Mark Twain Family Medical Center

Dear Mr. Doss,

Attached is a proposal for a traffic impact study for the Mark Twain Healthcare District for its planned development 2015-048 in Valley Springs, CA. Part "A" identifies our proposed scope of work for the development project. This scope was developed based on our discussions with you, our review of the proposed development plan, and our familiarity with Valley Springs.

We estimate the cost of our work effort to be approximately $18,920; this includes the cost of collecting traffic counts and an in-person meeting. We propose to conduct the work on a time-and-materials basis at our standard billing rates. Part "B" established the schedule for completion of the traffic analysis. Part "C" summarizes our proposed budget that corresponds to the scope of work in Part "A".

I will serve as the Project Manager and Jim Damkowitch will serve as the Project Principal providing senior review and quality assurance. Any questions of a technical or contractual nature can be directed to either Jim or me.

Please review this proposal at your earliest convenience. Thank you for the opportunity to propose on this project. If you have any questions please call us at 916-822-5355.

Sincerely,
KITTELSON & ASSOCIATES, INC.

[Sent via Email]

Franklin Cai, T.E.
Project Manager

Jim Damkowitch
Principal

FILENAME: H:\PROJFILE\19450 - MARK TWAIN HEALTH CLINIC\ADMIN\P\KAI SOW AND FEES FOR MARK TWAIN FAMILY MEDICAL CENTER 10152015.DOCX

USDA
United States Department of Agriculture

Rural Development

Modesto Office

3800 Cornucopia Way, Suite E
Modesto, CA 95358

Voice: 209.491.9320
or 209-538-3783
Fax: 209.491.9331
TDD: 530.792.5848

October 13, 2015

Mr. Daymon Doss, Chief Executive Officer
Mark Twain Health Care District
768 Mountain Ranch Road
San Andreas, CA 95249

Dear Mr. Doss:

We are pleased to provide you with a copy of Form RD 1940-1, "Request for Obligation of Funds." This form indicates a Rural Development loan in the amount of $6,782,000.00 has been obligated to Mark Twain Health Care District for the purchase of land and construction of a new medical clinic.

You are required to comply with the Letter of Conditions dated September 28, 2015 and any amendments thereafter. All of the requested material should be submitted to the USDA Rural Development Sub-Area Office located at:

USDA Rural Development
3800 Cornucopia Way, Suite E
Modesto, CA 95358
209.538.3783 or 209.918.5303

Please advise us if you have questions or need clarification on the Letter of Conditions.

Sincerely,

JOSÉ E. GUARDADO
Area Specialist

Attachment(s)

Cc: Anita Lopez, Community Programs Director, USDA Rural Development, Davis, CA (with attachment(s))
Pete Yribarren, Assistant Community Programs Director, USDA Rural Development, Santa Maria, CA (without attachment(s)
Gary Hicks, President G. L. Hicks Financial, LLC 5033 Riverpark Way, Provo, Utah 84604

USDA
Form RD 1940-1
(Rev. 06-10)

REQUEST FOR OBLIGATION OF FUNDS

FORM APPROVED
OMB No. 0570-0062

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )

Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.

1. CASE NUMBER	LOAN NUMBER	FISCAL YEAR
ST CO BORROWER ID 04-005-*****7677		

2. BORROWER NAME	3. NUMBER NAME FIELDS
Mark Twain Health Care District	(1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: Calaveras

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE, 2 - BLACK, 3 - AI/AN, 4 - HISPANIC, 5 - A/PI	1 - INDIVIDUAL, 2 - PARTNERSHIP, 3 - CORPORATION, 4 - PUBLIC BODY, 5 - ASSOC. OF FARMERS, 6 - ORG. OF FARMERS, 7 - NONPROFIT-SECULAR, 8 - NONPROFIT-FAITH BASED, 9 - INDIAN TRIBE, 10-PUBLIC COLLEGE/UNIVERSITY, 11-OTHER **4**	1- REAL ESTATE SECURED, 2-REAL ESTATE AND CHATTEL, 3 - NOTE ONLY OR CHATTEL ONLY, 4 - MACHINERY ONLY, 5 - LIVESTOCK ONLY, 6 - CROPS ONLY, 7 - SECURED BY BONDS, 8 - RLF ACCT **7**	1 - EMPLOYEE, 2 - MEMBER OF FAMILY, 3 - CLOSE RELATIVE, 4 - ASSOC.

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
1 - MALE, 2 - FEMALE, 3 - FAMILY UNIT, 4 - ORGAN. MALE OWNED, 5 - ORGAN FEMALE OWNED, 6 - PUBLIC BODY **6**	1 - MARRIED, 2 - SEPARATED, 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	1 -YES, 2 -NO	1 -YES, 2 -NO **2**

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION
2 (See FMI)	1 - MONTHLY, 2 - ANNUALLY, 3 - SEMI-ANNUALLY, 4 - QUARTERLY **2**	1 -YES, 2 - NO **2**

17. COMMUNITY SIZE	18. USE OF FUNDS CODE
1 - 10 000 OR LESS (FOR SFH AND 2 - OVER 10,000 HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

19. TYPE OF ASSISTANCE	20. PURPOSE CODE	21. SOURCE OF FUNDS	22. TYPE OF ACTION
075 (See FMI)	1		1 -OBLIGATION ONLY, 2 - OBLIGATION/CHECK REQUEST, 3 - CORRECTION OF OBLIGATION **1**

23. TYPE OF SUBMISSION	24. AMOUNT OF LOAN	25. AMOUNT OF GRANT
1 - INITIAL, 2 -SUBSEQUENT **1**	$6,782,000.00	

26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL	28. INTEREST RATE	29. REPAYMENT TERMS
	MO DAY YR 09 29 15	3.6250 %	30

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

30. PROFIT TYPE	
1 - FULL PROFIT, 2 - LIMITED PROFIT, 3 - NONPROFIT	

COMPLETE FOR EM LOANS ONLY	COMPLETE FOR CREDIT SALE-ASSUMPTION
31. DISASTER DESIGNATION NUMBER (See FMI)	32. TYPE OF SALE 1 -CREDIT SALE ONLY, 2 - ASSUMPTION ONLY, 3 -CREDIT SALE WITH SUBSEQUENT LOAN, 4 -ASSUMPTION WITH SUBSEQUENT LOAN
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
33. OBLIGATION DATE MO DA YR	34. BEGINNING FARMER/RANCHER (See FMI)

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder **COPY 1 - Finance Office** **COPY 2 - Applicant/Lender** **COPY 3 - State Office**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0062. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION APPROVAL

For All Farmers Programs — EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Letter of Conditions to be met before loan funds are used or construction is started. Interim loan financing during construction will be required. Lease Agreement and Management Agreement completed per RD Instruction 1942-A Guide 24 to be reviewed and accepted by USDA Rural Development.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. X YES _____ NO

WARNING: **Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."**

Date Sept 28, 2015 Dayn R. Doss
Daynon R. Doss
(Signature of Applicant)

Date _____, 20____ _____
(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

Anita Lopez
(Signature of Approving Official)

Typed or Printed Name: ANITA LOPEZ
Community Programs Director

Date Approved: 9-29-15 Title: _____

38. TO THE APPLICANT: As of this date 9-30-15, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

Golden Health Awards

Honoring those whose efforts have touched our lives

Presented by Mark Twain Health Care District with Mark Twain Medical Center Foundation

Nominate a Health Organization in Calaveras County for the Golden Health Awards

The Golden Health Awards was established in 2013 to recognize and award selected health care organizations and individuals who have made a positive impact to the health and wellness of the Calaveras County community. Health care professionals selected for nomination are chosen from Community Health-Based Non-Profit Organizations, Public Health Programs, and Behavioral Health Programs that operate in Calaveras County. Agencies or Organizations that operate in multiple counties are eligible for nomination, however funds received as an award or grant must be used in Calaveras County to promote the health and wellness of the community.

Five nominees will be selected to receive awards totaling $30,000. Each nominee will receive a **$5000 award**. The nominee chosen as **Golden Health Award Recipient** will receive an **additional $5000**.

To nominate an organization for the Golden Health Awards please go to: **http://marktwainhealthdistric.org/meetings/announcements** and click Nominate A Health Organization. Submissions for nominees must be received by **11:59 pm on November 30, 2015** to be considered. Winners will be announced on January 4, 2016.

The 2016 Golden Health Awards Ceremonial Dinner
will be held on Saturday, February 6 at 5:30 pm
in the Grand Ballroom at Ironstone Vineyards
Call 209-754-2603 for more information