



Mark Twain Health Care District

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**Special Board Meeting of the Board of Directors
Wednesday, April 20, 2016
6:30-8:00p.m.
Mark Twain Medical Center Classroom 2
San Andreas, CA**

Approved Minutes

Mark Twain Health Care District Mission Statement

"Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care".

1. Call to order:

The meeting was called to order by President Reed at 6:33pm

2. Roll Call:

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

3. Approval of Agenda: Action

Dr. Smart moved to accept the agenda, seconded by Ms. Atkinson and it passed 3-0.

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

Hearing none.

5. Community Presentation:

- History of the Mark Twain Health Care District (MTHCD).....Mr. Doss

Ms. Reed's opening statement included reading the MTHCD Mission Statement. She continued by explaining how the MTHCD will have two additional presentations with dates and locations to follow. The remaining presentations will be for the purpose of educating the public about the relationships involving the MTHCD, the MTMC, the MTMC Corp. Board and Dignity Health. With that she introduced Mr. Doss as the speaker for the evening.

Mr. Doss requested permission to call on those in the room that had lived the history to assist in the presentation where applicable. He also thanked John Hamilton of ThePineTree.net for recording the presentation which will be available on his website in addition to the MTHCD web site.

Mr. Doss introduced this evening's presentation as the History of the Mark Twain Health Care District and encouraged guests to follow along with their handouts; Las Calaveras by Bonnie Miller (April 2001); MTHCD Mission and Vision Statement and Goals; MTHCD Policy and Procedures; Lease Agreement between the Mark Twain Hospital District; Mark Twain St. Joseph's HealthCare Corporation and the 2015 MTHCD Annual Report displayed on the screen and found on the District's web page.

While the hospital's birth goes back to the 1800's Mr. Doss began with the 1946 special election to form the Health Care District in order to get state and federal funds making it a special district much like the local water and fire districts. The District is a public entity subject to the Brown Act and owns the real estate that the MTMC leases.

In the 1980's the hospital had cash flow problems requiring assistance from the local bank then manager, Ken McInturf. At that time the agreement was to go with St Josephs for stability. The MTHCD gave up the operation giving it to St. Josephs forming the Corp Board. In the transition two members of the MTHCD board were appointed by the District to sit on the new board of 7 members. Currently Ms. Reed and Mr. McInturf sit on the Corp. Board. One other Corp. Board member is Dave Woodhams who is appointed by the MCHCD Board as the member serving the community. Dr. Griffin is the current Chair of the MTMC Corp Board.

The MTMC is a Critical Access Hospital by definition due to the 30 mile distance to the next available care. Roads and weather are also factored in.

In 2012 St. Josephs became Catholic Health Care West who helped refinance for a better interest rate. This allowed the net savings to go to a 50/50% agreement between the Mark Twain Heath Care District and CHW. In 2014 the amount equaled \$19,773,286.00 and in 2015 it had grown to \$19,828,531.00. This paper arrangement has the caveat of only being available in case of dissolution or if all parties could agree to spend the money for a medical project. By 2015 the amount was approx. \$17 million due to the changes in the stock market.

Mr. Doss then explained the unusual (30 yr) lease agreement that will expire on Dec. 30, 2019 between the MTHCD and the MTMC Corp Board. It can't be extended or duplicated. Another unique feature is the lease was created when there was no public review. A 1994 law changed that saying if a public agency leased more than 50% of its assets it would have to go to a public vote. The measure would only need a simple majority of 50% plus one vote to pass.

A Lease ad hoc Committee has been formed. The two Board members that serve on that committee are Ms. Lin Reed and Dr. Randy Smart. The committee meets every week to work on the process of how to move ahead.

To honor the past 26-year relationship the Committee is currently working under a Non-Disclosure Agreement with Dignity Health to see if the parties can formulate a new lease. The NDA provides for confidentiality between the parties while negotiations are in progress. The NDA has a life of one year however either party can request the agreement be cancelled with 60 day notice.

Mr. Doss explained the committee has been meeting each week and it is possible an agreement could be presented to the public as follows;

In May the Board will have their regular meeting on the 4th Wed. of the month (May 25, 2016) at 7:30am in the same Community Education Room we are in tonight. In addition there will be an evening presentation (2nd of 3) with the focus being on where are we in the evaluation phase of new lease? The date, time, and location are forthcoming.

In June the Board will have their regular meeting on the 4th Wed. of the month (June 22, 2016) at 7:30 am in the same Community Education Room we are in tonight. In addition there will be an evening presentation (3rd of 3) with the focus being a recap and update of the lease process. Once the committee has a proposed agreement the NDA will no longer be in place and the document will be totally public.

If the Lease ad hoc Committee has a proposed agreement to present to the MTHCD Board they would have the option to approve it in June giving time to meet the Calaveras County Board of Supervisors deadline to review it as a referendum for the November General Election.

Time is only crucial if the Board wants to present a proposed agreement to the public on the November General Election. The Board's counsel suggest the Board not make an emotional decision as the process has been started well in advance to do the proper preparation. While it is advantageous to have a referendum to put on the November General Election it could also be done as a special election (at an additional cost to the District) or as a mail-in ballot. Reminder to the public; The MTMC is not cash poor as it was in the 1980's; there is no emergency, it is not closing and nothing about the lease changes until a new one is approved or until the current one expires on Dec. 30, 2019.

Kathy Yarbrough recapped the success of the hospital being built on the staff and board having a vision to build the new hospital. Then they devised an extensive plan to take into the community to discuss what was needed to serve the residents of Calaveras. Larry Philipp remembers the tremendous work the group put into that project.

Mr. Doss explained the similarities and the differences of the future Valley Springs and Angels Camp Clinics. In an effort to construct both clinics simultaneously the MTHCD used its funding to purchase the property at Hwy 26 and Vista De Largo to build the new VS clinic. Once the new structure is completed it will replace the current VS clinic. The building will be built with a loan from USDA and leased to the MTMC Corp Board. USDA has provided for a low interest loan and funds many such projects in rural areas such as the Calaveras County Water District building.

The Angels Camp Clinic project will be built to replace the current clinic on property owned by the MTMC Corp Board. This project has received support and funding from the Mark Twain Foundation which has been instrumental in the design of the building which will be similar to the VS clinic.

All 5 clinics (Arnold, San Andreas, Copper, Valley Springs and Angels Camp) are run through a Management Services Agreement with dignity.

Dr. Smart is grateful for the boards that came before him and the decisions that were made 30 years ago. Because of previous boards this Board understands the complexity without knowing what health care is going to look like in 10 years. He is grateful this Board has choices and are not facing bankruptcy as in the past. He feels this Board is taking this challenge very seriously and understands the need to make long standing decisions that will affect the hospital and community long after they have retired from the Board. He urged the community to participate, be heard and attend Board meetings to keep themselves informed.

Considering the complexities and time line one asked if this was an ambitious undertaking to bring a proposal to this General Election. Mr. Doss agreed it could be but if the Board feels they have a proposal to take to the voters for the November ballot there is plenty of time to complete that process. However if there is no proposal the Board will move forward and still have time to bring something else to the Board in an off-election year or on a mail ballot. Generally speaking one would expect a good voter turnout for a General Election. However statistics show the local issues are at the end of the ballot and often times are overlooked suggesting a better turnout at an off-election year or with a mail ballot.

One needs to consider the process has been started 3 years in advance so all the variables can be considered. The parties involved will also need a year to do the transition once an agreement has been accepted.

Newly appointed Board member, Susan Atkinson, complimented Mr. Doss for the presentation and urges the public to share their thoughts and concerns with the Board and to be a part of the process.

Several in the audience said they had attended after seeing the MTHC District ad. There will be additional ads and it is expected radio coverage going forward.

In closing President Reed encouraged the audience to tell their friends and neighbors about the process taking place and to attend the next two presentations and the May and June Board meetings in an effort to participate and be informed. She also encourages community members to email the Board with questions or concerns.

For a video of the presentation, compliments of John Hamilton of thepinetree.net, may be found on the MTHCD web site as well as on thepinetree.net web page.

6. Next Meeting:

- Wednesday, April 27, 2016

7. Adjournment:

Dr. Smart moved to adjourn the meeting, seconded by Ms. Atkinson and it passed 3-0. The meeting was adjourned at 8:08pm.



Lin Reed, President