



P. O. Box 95
San Andreas, CA 95249
(209) 754-4468 Phone
(209) 754-2537 Fax

**Meeting of the Board of Directors
Wednesday May 23, 2018
7:30 am
Mark Twain Medical Center Classroom 2
768 Mountain Ranch Rd,
San Andreas, CA**

Agenda

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:
2. Roll Call:
3. Approval of Agenda: Action
4. 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 Health Care 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.** The Board appreciates your comments however it will not discuss and cannot act on items not on the agenda.

5. Consent Agenda: Action

All Consent items 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 list. If an item is removed, it will be discussed separately following approval of the remainder of the Consent items.

A. Correspondence:

- Bank of Stockton - Thank You (Apr. 25, 2018)
- Common Ground - Thank You (May 2, 2018)
- Mind Matters – Thank You (May 1 and 11, 2018)
- Blue Mt. Coalition for Youth & Families - Thank you (May 6, 2018)
- USDA 5th Amendment to Letter of Conditions (Apr. 24, 2018)
- USDA - Independent Operation of VS Rural Health Clinic (RHC) (Apr 18, 2018)

B. Un-Approved Minutes:

- Un-Approved Finance Committee Meeting Minutes – April 11, 2018
- Un-Approved Meeting Minutes

6. New Business:

- A. Stay Vertical Calaveras: ActionSteve Shetzline of Murphys Sr. Center
- B. Contract with JWT Audit Firm: Action..... Jeremy Ware
- C. Public Health Officer’s Report on Opioids in Calaveras County: Action.....Dr. Dean Kelaita

7. MTHCD Reports:

A. Presidents Report:Ms. Reed

- Association of California Health Care Districts (ACHD):
- Nominations for Fiduciary Board (MTMC): Action
- Nominations for Community Board (MTMC): Action

B. Executive Director Report:.....Dr. Smart

- Resolution No. 2018 – 08
 - Resolution Calling General District Election: Action by Roll Call Vote
- Strategic Plan Matrix:

- MOB 704 Mt Ranch Rd - Rt of 1st Offer - Mohan Francis (May 2, 2018):
- June 20th Study Session:
 - COP Financing:
 - Granicus:

D. Corp. Board Report:Ms. Reed / Ms. Atkinson

7. Committee Reports:

A. Finance Committee:.....Ms. Atkinson / Ms. Radford

- Financial Update:.....Mr. Krieg
- Recommendation - Approval of April 2018 Financial Statements: **Action**Ms. Atkinson
- Pending Accounting Services RFP & Extension of Current Services:.....Dr. Smart
- Update on Investment Policy No. 22:.....Ms. Atkinson
- Update on search for Finance Committee Community Member:.....Ms. Atkinson
- Budget Planning for FY 2018-2019 (Draft):.....Ms. Atkinson

B. Ad Hoc Ballot Education Committee:.....Ms. Reed / Ms Atkinson

C. Ad Hoc Policy Committee:.....Ms. Atkinson / Ms Al-Rafiq

- Update on Policy Process:

D. Ad Hoc Grants Committee: :.....Ms. Radford / Ms. Sellick

- **Grants:**
 - Community Grants – Summary:
 - High School Scholarships:

E. Ad Hoc Real Estate:Ms. Reed / Ms Al-Rafiq

- **Update on Valley Springs Clinic:**Dr. Smart

- Proposal to Proceed with Bid Process: **Action**Dr. Smart
- Clinic Name:..... ..Dr. Smart
- Name Clinic Service Street off Vista Del Lago: **Action**.....Dr. Smart
- Project Manager:.....Pat Van Lieshout
- USDA Loan:.....Dr. Smart
- Aspen Street Architects:.....Dr. Smart
 - New Additional Services #1R Dental Invoice: **Action**
- Opinion of Probable Costs:.....Mr. Krieg
- **Update on VS Property - Phase II:**.....Ms. Al-Rafiq / Ms. Reed
 - Contract for SLF Feasibility Study: **Action**.....Dr. Smart

8. Board Comment and Request for Future Agenda Items:

A. Announcements of Interest to the Board or the Public:

9. Next Meeting:

A. June 27, 2018

10. Closed Session:Ms. Reed

A. Conference with Real Property Negotiators (Govt. Code section 54956.8). Property: Mark Twain Medical Center, 768 Mt. Ranch Road, San Andreas, CA. Agency Negotiator: Lin Reed, President Chair of the Board. Negotiating parties: Mark Twain Medical Center, Inc.; Dignity Health, Inc.; Under negotiations: Price and Terms of Lease.

11. Reconvene to Open Session:

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

12. Adjournment: **Action:**

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BANK OF STOCKTON

Division
MODESTO COMMERCE BANK
TURLOCK COMMERCE BANK
ELK GROVE COMMERCE BANK

Helen Clowes sits with her dog on the steps of her family's house on the northern bank of the Calaveras River, near West Lane, in 1895. Originally built in 1884, the house was occupied by Stockton natives Edward Cooper Clowes and his wife Charlotte Babson Wheeler, shortly after their marriage in 1889. When Mr. Clowes passed away in 1902, Mrs. Clowes assumed management of the 354-acre ranch. Little Helen would go on to graduate from the University of California and return to Stockton to help her mother manage the ranch. The family prospered in the dairy business, with 150 Holstein cows on this site, well into the middle of the 20th century.

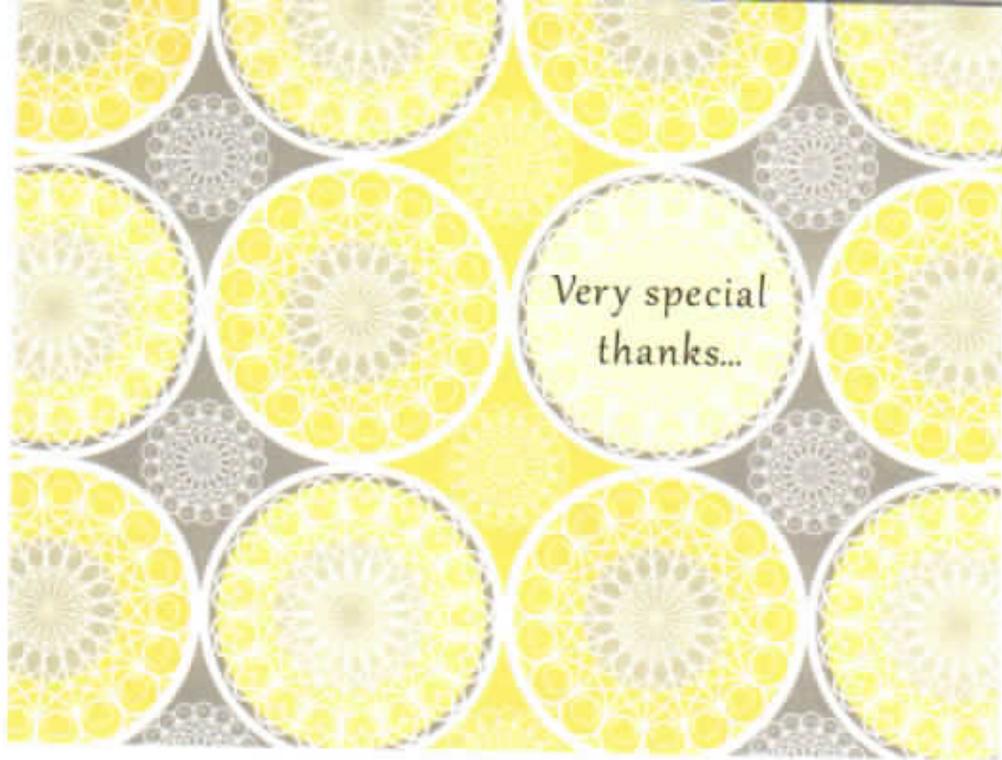
*At the time of this photo, the Bank was 28 years old.
Photo courtesy of the Bank of Stockton Photo Collection.*

Dear Mark Twain Health Care District,

It was a pleasure assisting you yesterday, 4/19/18. Please do not hesitate to contact me any time.

Thank You for choosing
Bank of Stockton and its divisions.

Thank
You
Lynn



Mark Twain Health Care District

...to very thoughtful you!

A BIG thank you for your recent donation to our Silver Struck Transport Program. Your generous support will assist us in providing transports to NON-emergency Med Apts.

m² mind matters
adhd * autism spectrum * learning disabilities

150 Big Trees Road, Suite D, Murphys, CA 95247

Phone 209-728-2184 • Fax 209-728-2185

www.mindmattersclinic.org | A 501(c)(3) | Nonprofit Tax ID # 261442370

April 25, 2018

Mark Twain Healthcare District
Attn: Randy Smart, MD
768 Mountain Ranch Road
San Andreas, CA 95249

Dear Dr. Smart and fellow Mark Twain Healthcare District Board Members,

Thank you so very much for your generous grant-funding of \$1,605.00 on April 19, 2018. Your donation will help us fund our Community Health Scholarships for At-Risk Youth and Their Families project.

Thanks to you and other donors we will continue to be able to offer those affected with autism spectrum disorder, ADD/ADHD, or learning disabilities assessment, evaluation, diagnosis, and treatment services. Your generosity will allow us to offer "scholarships" to individuals and families. In short, permitting those most in need to access services and treatments at no direct cost to them.

In the last year we have served over 320 clients, making real changes in their lives. The clinic's funding is 34% from insurance and private pay and 66% from grants and donations. As you can see, we could not survive without you. We appreciate your support!

With gratitude,



Trudy Lackey
Executive Director, Mind Matters

Mind Matters is a 501(c)(3) nonprofit organization and your donation may be tax deductible. Please retain this letter for your records and contact your tax advisor. No goods or services were given in exchange for this donation.

5.9.18

m² mind matters

add / add • autism spectrum • learning disabilities

Dear Dr. Smart & Fellow board members,

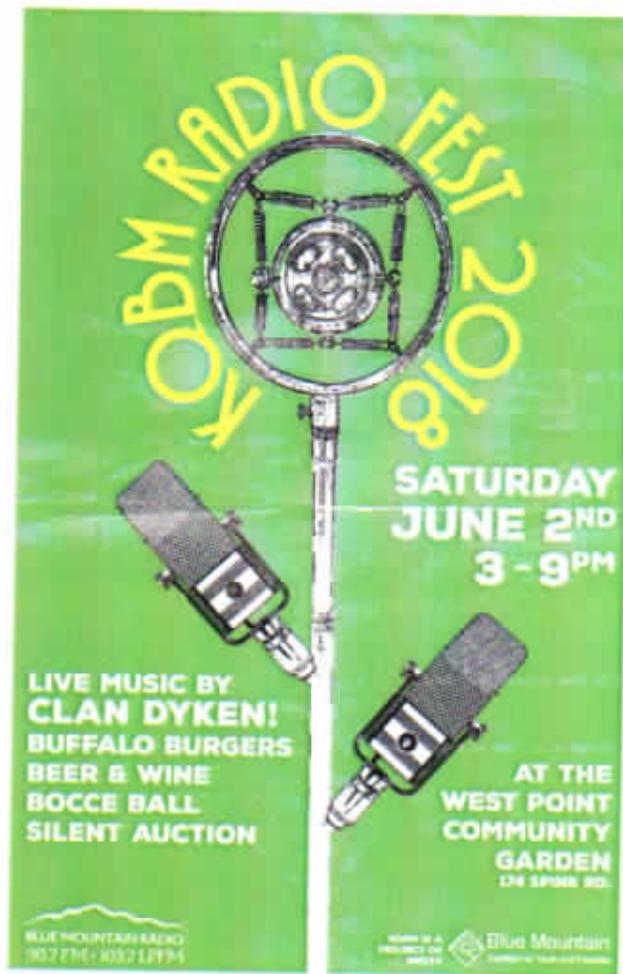
Thank you again for funding Mind Matters. It was so helpful to speak with Dr. Smart & Peggy to receive constructive criticism about our grant proposal. I also appreciated finding out what the dollar amount given correlated to in our proposal.

The funding has already helped us and our clients!

Thank you.

Gratefully,
Judy

150 Big Trees Road, Suite D • Murphys, CA 95247 • (209) 728-2184 • www.mindmattersclinic.org



May 2018

To whom it may concern:

on behalf of all of us at the Blue Mountain Coalition for Youth and Families I want to thank you for awarding us a grant to make improvements in our Community Garden - your support is greatly appreciated, and you all must visit sometime! Enclosed is a flyer for our next event in the garden...

Sincerely, Catherine Lambrie



April 24, 2018

AMENDED LETTER OF CONDITIONS
5TH AMENDMENT

MR RANDY SMART
CHIEF EXECUTIVE OFFICER
MARK TWAIN HEALTH CARE DISTRICT
768 MOUNTAIN RANCH ROAD
SAN ANDREAS, CA 95249

Subject: Application for USDA Rural Development's Community Facilities Program to Construct a New Clinic in Valley Springs, CA

Dear Mr. Smart:

This 5th Amendment to the Letter of Conditions dated September 28, 2015 is issued to make the following revisions:

1. The project costs have been revised to reflect the cost for a one story 10,102 square feet new health clinic (downsized new health clinic from two story 18,000 square feet to one story 10,102 square feet). Also, the applicant contribution has been revised.

Based on project cost information submitted by architect and approved by our Agency April 10, 2018. Also project cost information submitted by Gary Hicks by an email dated April 23, 2018. The revised project cost now is as follows:

Project Costs:

Administrative and legal expenses	\$ 530,075
Financing costs of issuance	325,000
Land acquisition	890,000
Furniture fixtures and equipment allowance	350,000
Structured Cabling / IT allowance	250,000
Architect/Engineer fees	433,600
3 rd party project management	157,725
Construction cost	3,587,575
Sidewalk	25,000
Contingency	<u>713,837</u>
TOTAL:	\$7,262,812

Source of Funds:

Mark Twain Health Care District	\$1,662,812
USDA Community Facilities Loan	<u>5,600,000</u>
TOTAL:	\$7,262,812

Rural Development • Modesto Office

3800 Cornucopia Way, Suite E • Modesto, CA 95358

Voice (209) 491-9320 • (209) 538-3783 • Fax (209) 431-9331 • TDD: (530) 792-5848

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Mr. Smart

5th Letter of Conditions Amendment

April 24, 2018

2. Item I 3a has been revised to waive the interim construction financing. USDA Rural Development direct loan funds will be used to cover the construction cost per the above revised project budget.
3. Item I 3b has been revised and applicant's contribution is now \$1,662,812.00. There will no longer be a contribution from Mark Twain Medical Center.
4. Item I 4c has been revised and applicant is no longer leasing the proposed new health clinic to Mark Twain Medical Center/Dignity Health. Applicant is going to manage the new health clinic and will provide a written management plan.

Please attach this 5th Amendment to the Letter of Conditions dated September 28, 2015, 4th Letter of Conditions Amendment dated September 25, 2017, 3rd Letter of Conditions Amendment dated September 23, 2016, 2nd Letter of Conditions Amendment dated May 19, 2016, and 1st Letter of Conditions Amendment dated October 13, 2015. In addition to these amended approval conditions, all other approval conditions in the Letter of Conditions, not hereby amended, will need to be complied with.

If you have any questions, feel free to contact this office.

Sincerely,



JOSÉ E. GUARDADO
Area Specialist

cc: Anita Lopez, CP Director, USDA Rural Development, Davis, CA
USDA Office of General Counsel, San Francisco, CA
Brian D. Quint, Quint & Thimmig LLP, Bond Counsel, 900 Larkspur Circle, Suite 270,
Larkspur, CA 94939-1726
Gary L. Hicks, President G. L. Hicks Financial, LLC 5033 Riverpark Way, Provo, Utah 84604



**MARK TWAIN
HEALTH CARE DISTRICT**

P. O. Box 95
San Andreas, CA 95249
(209) 754-4468 Telephone
(209) 754-2537 Fax

April 18, 2018

Mr. Jose Guardado
Area Specialist
USDA Rural Development Office
3800 Cornucopia Way, Suite E
Modesto, CA 95358

Subject: Mark Twain Health Care District's Independent Operation of Valley Springs Rural Health Clinic (RHC)

Dear Mr. Guardado:

In 2015, the Mark Twain Health Care District (the "District") applied to the USDA Rural Development Community Facilities Program for permanent direct loan funding for a new rural health clinic in Valley Springs, California. The loan was conditionally approved in your letter dated September 28, 2015. In the District's application we were contemplating leasing the facility to the Mark Twain Medical Center corporation ("MTMC") with a management services contract through Dignity Health. Your letter acknowledged that proposed lease and management relationship and in condition 4.c you required a lease agreement between the District and MTMC and a management agreement between MTMC and Dignity Health.

In the last year the District has successfully negotiated a 30-year lease with Dignity Health which will be consummated in July 2018 to lease all of the Mark Twain Medical Center hospital facility to Dignity Health. That lease enables the District to expand its services into the community and also significantly strengthens the District's financial position. After considerable research, discussion and debate the District has chosen to operate the future clinic as a Federally Designated Rural Health Clinic ("RHC") under the governance of the District. This new operational structure developed from nearly a year of consultations with RHC operators, healthcare development consultants and finance experts. The District appreciated the idea of operating the clinic as a Federally Designated RHC primarily due to the program's flexibility and enhanced reimbursement as compared to Medi-Cal and Medicare fee for service. The Rural Health Clinic Services Act of 1977 (Public Law 95-210) was enacted to address an inadequate supply of physicians serving Medicare patients in rural areas and to increase the use of non-physician practitioners, such as nurse practitioners and physician assistants in rural areas. RHCs are paid an all-inclusive rate for medically-necessary primary health services and qualified preventive health services furnished by an RHC practitioner. Currently, about 4,100 RHCs nationwide furnish primary care and preventive health services in rural and underserved areas. The District met with MTMC on several occasions to ensure a District operated RHC would be completely aligned with the mission of MTMC.

The District is uniquely positioned with a long-term understanding of the community's health care needs and the effectiveness of services from the community healthcare entities. The District plans to be long term stewards of the community's healthcare delivery system. The District's governing board is well diversified with individuals connected to various aspects of the health care delivery system. The Executive Director of the District is a long-term resident and primary care physician of the community with 25+ years of practical experience in primary care settings some of which

are RHC designated. Existing community health care organizations lack the focus or the resources to address the capacity and quality of primary care services needed by the medically underserved and economically challenged populations.

The District's plan is well thought out linking this community's needs with the Federal RHC Designation program. The benefits of the program will enhance the types of services demanded by the patient base. The RHC program is nothing new and has been successfully implemented in thousands of locations across the country with over 260 in California. The program, now in its fourth decade of existence, is well established and understood by many.

The District strongly believes that a successful RHC focus should be on providing primary care services with an emphasis on women and children. Various State-funded maternal, child and adolescent programs support this approach: Vaccines for Children, CHDP (Child Health and Disability Prevention), Family PACT (Family Planning), BCEDP (Breast Cancer Awareness), and CPSP (Pre-natal Care). Wellness services including health maintenance examinations and vaccinations are the foundation of the patient/provider relationship. After establishing a quality-based relationship with female patients, those patients refer/encourage their spouses, partners and elder family members to access care. This business development strategy is proven to be very effective.

The District is now contracted with financial and operational consultants in California that have vast and current experience with RHC operations. Specifically, those consultants work with other California Health Care Districts that successfully and independently operate RHCs. Those consultants will continue to work with the District for several years to ensure the successful operation of the Valley Springs RHC through its contracting with experienced operators and with the hiring of qualified managers, providers and support staff.

The District is now requesting that the USDA Letter of Conditions dated September 28, 2015 be amended so that condition 4c is eliminated. If USDA needs any further supporting documents demonstrating the District's capacity and ability to independently operate the Valley Springs RHC we are happy to review those requirements and comply.

Sincerely,

A handwritten signature in black ink, appearing to read "R Smart MD". The signature is fluid and cursive, with the first letter "R" being particularly large and stylized.

Randall Smart MD
Executive Director
Mark Twain Health Care District



P. O. Box 95
San Andreas, CA 95249
(209) 754-4468 Phone
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Finance Committee Meeting
Wednesday April 11, 2018
9:00 am
Mark Twain Medical Center Education Center - Classroom 5
San Andreas, CA

Un- Approved Minutes

Mark Twain Health Care District Mission Statement

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

1. Call to order:

The meeting was called to order by Treasurer, Susan Atkinson at 9:01am

2. Roll Call:

Present for roll call was Susan Atkinson, MSW and Ms. Radford, FNP.

3. Approval of Agenda: Action

Ms. Radford moved to approve the agenda. Ms. Atkinson provided her second and the motion passed 2-0.

4. Public Comment On Matters Not Listed On The Agenda:

Hearing none.

5. Consent Agenda: Action

- Un-Approved Finance Committee Meeting Minutes for Mar. 14, 2018

Ms. Radford moved to approve the consent agenda. Ms. Atkinson provided her second and the motion passed 2-0.

6. New Business:

- **County Auditor / Controller' Report:**

Dr. Smart: Introduced Rebecca Callen saying she would be explaining the reports that her department provides to the District each month.

Ms. Callen: Takes information provided by the Calaveras Assessor's office and converts it into a tax which is sent out for collection. The year closes at the end of June but the taxes are always a moving target i.e. the Butte Fire and the recession. Other adjustments were made when the state took money and returned it without interest. Their department asked for an exclusion for the rural counties from the state which wasn't honored.

Ms. Callen: Some Districts are receiving services from her office to administer payroll etc. but the MTHCD is not so the statements are pretty much reporting the taxes (pkt. pg. 7) (apportioned) \$549,089.07. The expense figures are a pass through as the funds are distributed to the District. She explained the adjustment provided by AB 8 reflecting Prop. 13 in the 70's.

Ms. Callen: Regarding other tax benefits to the District: the TOT tax (6%) split is; 25% to the Sheriff's Office; 25% to Roads; 25% to Fire and 25% to the Angels Camp Visitors Center. Any increase will benefit Angels Camp who has most of the lodging. There are less smokers, so the Cigarette tax has decreased.

Ms. Callen: The tax disbursements to the District are 55% in December, 40% in April and the rest (usually 5%) in June. During the recession funds were held back. She anticipated the District's revenue would be up (approx.) 4% and the District would see an increase of \$7k for the 2018-19 fiscal year.

7. Controller's Report: Action

- **Financial Status, Trends, Long-Term Views and Cashflow:**
- **March Financials Will Be Presented to The Committee:**

Mr. Krieg: Noted the consultant and architect expenses were up as expected. He will add the rental to the List of Renters and Leases schedule. MTMC had a good financial month in March.

Dr. Smart: The Grants Committee received \$158k in applications. Salaries were not awarded. Checks will be written for the grants totaling (approx.) \$42k.

- **Financial Dashboard:**

Mr. Krieg: The figures used on the Dashboard come from the P and L schedule. The color is automatic i.e.: red means the item is over budget and yellow represents the budget item is within 2% of max. He can modify the dashboard to meet the Committee's needs for the May agenda.

Dr. Smart: Would like to see the VS Clinic be added to the dashboard.

Ms. Radford moved to approve the March financials. Ms. Atkinson provided her second and the motion passed 2-0.

8. Treasurer's Report:

- **Investments Policy Update:**

Dr. Smart: Has been putting the final touches on the Investment Policy (16 pages) which is a very important policy.

- Audit RFP: **Action:**

Ms. Atkinson: The District received 5 RFP's. A committee of Dr. Smart, Mr. Krieg and herself reviewed them. Their recommendation is based on each of them wanting; to make a change but keep some continuity which is needed for the next few years; known experience with health care districts; cost and accessibility. Their recommendation is to continue with JWT for all the reasons mentioned but to have the account be given to another member of the firm. A bonus is the close proximity and good working relationship JWT has with Kelly Hohenbrink who is a consultant for the VS Project.

Ms. Radford moved to accept the JWT recommendation as presented. Ms. Atkinson provided her second and the motion passed 2-0.

Dr. Smart: Spoke to JWT about the committee's thoughts and received full support and Jeremy Ware was recommended. He will contact Mr. Ware to arrange a May presentation to the Board.

9. Executive Director's Report:

Dr. Smart: USDA has agreed to do the VS Clinic construction loan as well as the take-out loan for a savings to the District of \$130k. The loan is to close July 31st. One of the loan requirements is to have a reserve account of (approx.) \$631k earmarked for IT and furn. In addition, there will be a debt service of (approx.) \$31k/year for 10 years. He will review the Archer Norris invoices to identify the finance amounts to be added to the loan costs.

10. Comment and Future Agenda Items:

Ms. Radford: The District has ads everywhere for the Community Member to sit on the Finance Committee.

Ms. Atkinson: Currently no one has applied. The volunteer would be a voting member with paid mileage.

11. Next Meeting:

- The next regular meeting will be May 9, 2018:

12. Adjournment: **Action**

Ms. Radford moved to adjourn the meeting at 10:33 am. Ms. Atkinson provided her second and the motion passed 2-0



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**Meeting of the Board of Directors
Wednesday April 25, 2018
7:30 am
Mark Twain Medical Center Classroom 2
768 Mountain Ranch Rd,
San Andreas, CA**

Un- Approved Minutes

Mark Twain Health Care District Mission Statement

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

1. Call to order:

The meeting was called to order by President Lin Reed at 7:31am

2. Roll Call:

Present for roll call was Lin Reed, MBA OTR/L; Ann Radford, FNP; Susan Atkinson, MSW; Debbie Sellick, CMP. Talibah Al-Rafiq was absent.

3. Approval of Agenda: Action

Ms. Atkinson: Moved to approve the agenda with item 6. B. District Policy 4.0 to read Policy 4.6 and 4.7. Ms. Radford provided her approval as amended and the motion passed 4-0.

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

Hearing none.

5. Consent Agenda: Action

A. Correspondence:

- Soroptimist International – Thank You (4-3-2018)

B. Un-Approved Minutes:

- Un-Approved Finance Committee Meeting Minutes – March 14, 2018.
- Un-Approved Meeting Minutes – March 28, 2018 Board Meeting.

Ms. Radford moved to approve the Consent Agenda. Ms. Atkinson provided her second and the motion passed 4-0.

6. MTHCD Reports:

A. Presidents Report:

- **Association of California Health Care Districts (ACHD):**

Ms. Reed: ACHD and CSDA will be watching AB 2019 which could have a negative impact on small districts. One provision of the Special District Grants Program could affect districts such as ours as it would only be able to give 50% to a single source. The smaller the district the more impact that will have.

Dr. Smart: Another provision is a District wouldn't be able to meet with applicants except in public.

- **Report from ACHD Legislative Day:**

Ms. Reed: Just returned from the ACHD Legislative Days in Sacramento which was a good event. She got to meet with Assemblyman, Frank Bigelow's staff; learn that other OSHPD applicants have been waiting 2 years for approval. Our SOMO building has been waiting 6 months; she got to share the District's lease agreement with other districts who wanted information on the process; other bills include universal health to backfill the uninsured and to include the undocumented with no coverage.

B. Executive Director Report:

Dr. Smart: The District has been really busy. It will get even busier with financial documents regarding the VS Clinic's USDA loan and the hospital lease to come before the Board. The Board packets will be much more complex, so the Board should expect future study sessions and meetings to go until 10am.

Ms. Reed: Will review agendas the week prior to Board materials going out.

- **County Announcement – Election Dates:**

Dr. Smart: The Board will be seeing a resolution to elect Board members in the November Election. Up for election are Board Members Reed, Radford, Sellick and Al-Rafiq. Board members can pull papers announcing their intention to run for reelection starting July 16th.

- **Strategic Plan:**

Dr. Smart: Referenced the Strategic Matrix for 2018 (pkt. pg. 34) as a document that will be reviewed throughout the year.

Ms. Reed: Would like to see target dates set and to track progress.

- **District Policy No. 4.0: Action**

Dr. Smart: With the new hospital lease parts of Policy No. 4 needed to be rewritten to show who will serve on the new Fiduciary and Community Boards. Item 4.6 refers to the District Board nominee to serve on the Fiduciary Board. The position defaults to the President and how to fill the seat if the President chooses not to serve which has happened in the past. Policy 4.7 gives direction on how to nominate members to the Community (Advisory) Board. Nominations will be on the May agenda.

Ms. Atkinson moved to approve District Policy 4.0 as amended (pkt. pg. 35) (two items in the last sentence of 4.6 item B; striking the word “years” and the “dash” between 3 and year. Ms. Radford provided her second and the motion passed 4-0.

- **June Study Session – COP Financing:**

Dr. Smart: Prior to the June Board meeting (possibly June 20th) he would like to set a study session, so Brian Quint, (bond attorney) can explain Certificates of Participation (COP) and how they play into the USDA loan. It is a complicated business standard, so he suggests the Board be briefed before the item appears on the June agenda.

C. Corp. Board Report:

Ms. Reed: A new general surgeon who has breast cancer surgery experience will join the MTMC staff in mid-June; March was the best month of the year for the hospital raising their days cash on hand to 44 and Bob Diehl is on the UOP Advisory Committee.

Ms. Radford: Has worked with the UOP students and found them to be intelligent and an excellent asset to her at the Arnold Clinic.

Ms. Atkinson: Someone from Moke Hill offered to house a UOP student while they were at the hospital training; the Angels Camp Clinic is still on a conditional permit and still awaiting a building permit from the City; Nuclear medicine is doing stress tests; the hospital has a “bridge plan” in place where department heads explore savings in their sections.

7. Committee Reports:

A. Finance Committee:

- **Financial Update:**

Mr. Krieg: March was a good month with a positive of \$35k; revenues were above budget and expenses were up due to consultant costs. The MTMC Corp. Minority Interest increased by \$186K.

- **Recommendation - Approval of March 2018 Financial Statements: Action**

Ms. Sellick moved to approve the March Financials. Ms. Radford provided her second and the motion passed 4-0.

- **Pending Accounting Services RFP & Extension of Current Services:**

Dr. Smart: With the current lease ending in (approx.) July so does the accounting services provided by Mr. Krieg's Department. The District would like to continue those services until a new arrangement has been secured. He has met with Mr. Diehl and Mr. Roberts to consider an extension of services.

Mr. Roberts: The request for an extension of accounting services for six months has been sent to Dignity legal. He has weekly conference calls with legal so will advise on progress. The hope is to have the agreement on the May agenda.

- **Update on Investment Policy No. 22:**

Ms. Atkinson: Policy 22 is very complex and is under review with hopes to add it to the May agenda.

Dr. Smart: Would like to see the Community Finance Member seated then review the policy.

- **Update on search for Finance Committee Community Member:**

Ms. Atkinson: The ad has been circulating so the information is out there; the Finance Committee is looking for a degree in finance; the position is volunteer with no pay; two applications have been received.

- **Budget Planning for FY 2018-2019:**

Ms. Atkinson: Dr. Smart is meeting with Mr. Krieg to bring a draft budget to the May meeting in hopes to finalize the budget process at the June meeting.

B. Ad Hoc Ballot Education Committee:

Ms. Reed: It was a prideful moment when Dr. Smart presented Measure A to the Board of Supervisors. All five supervisors openly and separately supported the District and stated they were pleased with what was being done.

Dr. Smart: Spoke to the MTMC Volunteers and again last night at the Moke Hill Town Hall.

Ms. Atkinson: Someone at the Moke Hill event thanked the Board and expressed the importance of the Child Advocacy program the District was involved in. Thursday night Dr. Smart will be speaking in West Point and it is open to the public.

Ms. Sellick: Compared the importance on insurance rates to how close the hospital is likewise fire insurance rates on how close a dwelling is to a fire hydrant.

C. Ad Hoc Policy Committee:

- **Update on Policy Process:**

Ms. Atkinson: The Committee started working on five policies and have identified the next 4 to be included in their May meeting. The goal is to review each policy annually.

D. Ad Hoc Grants Committee:

- **Grants:**
 - **High School Scholarships:**

Ms. Radford: The names were submitted to give four laptops in the fall to high school students (two for CHS and two for BH) going to college to pursue a (human) medical field. She will be presenting two awards at the Bret Harte Award ceremony and Ms. Sellick will present the two awards at the Calaveras High Award ceremony.

- **Update on Sponsorships:**

❖ **Exceptional Grant Programs:**

Dr. Smart: While reviewing the applications for the Community Grants it was determined there were two exceptional needs that the District would like to learn more about and perhaps consider supporting.

Ms. Radford: The Budget was set to be more flexible, so the Board could grant monies i.e.; an exceptional project.

Dr. Smart: It wouldn't cost much to support the doctors in submitting a medical column in the local newspapers.

➤ **Stay Vertical, Calaveras:**

Dr. Smart: Falls are the number one hospital admittance including a likely death if over age 65 with little recognition or prevention. Doctors need to start asking patients if they have fallen lately? Steve Shetzline has a fall prevention program at the Murphys Senior Center which he would like to present to the Board in May. He would like to expand his program throughout the County calling it "Stay Vertical, Calaveras" starting September 22 which is National Fall Prevention Day.

➤ **Diabetic Education:**

Ms. Radford: Suzanne Dietrich-Machler Diabetes program is another exceptional program the Board wants to pursue.

- **Announcement: Present Grant Certificates at 10am:**

Ms. Radford: Announced she and Ms. Sellick would be presenting the Grant Certificates and awards starting at 10am.

E. Ad Hoc Real Estate:

- **Update on Valley Springs Clinic:**

- **Clinic Name:**

Dr. Smart: Requested the Board send in their name ideas, so they can be considered at the May meeting.

- **Road Name:**

Dr. Smart: The District gets to name the service street off Vista Del Lago to the VS Clinic. The County will approve most any name except proper names and those of trees which have been over used. The service street name is required to get a street number which is needed for construction.

- **Project Manager:**

Pat Van Lieshout: The VS Clinic plans are done and in plan check; Aspen Street will be answering the requests for more information and returning the answers this week; Judy Moran, USDA, has reviewed the plans and given her comments; the dental portion of the plan is in progress; the biological report for grading was submitted today; the May 10th Planning Commission Meeting will likely be pushed to May 24th; when it's time to go to bid it will go to the local newspapers and plan houses; he requires a mandatory bid walk to vet bidders; he thinks the bid process will start the end of May and take the usual 30-40 days; the Board may need to plan for a special board meeting in late June or early July; he is required to take the lowest "reasonable" bid; a California Contractors License is required; many of the local bidders will only qualify as sub-contractors.

Dr. Smart: We may need a special Board meeting July 11th and start construction in Aug.

Dr. Smart: all the USDA loan conditions have been met and he has just received the fifth amendment stating the District can run the clinic.

- **USDA Loan:**

- **Resolution 2018 – 06: Action: By Roll Call Vote**

- **Resolution to Reserve Funds for Valley Springs Clinic Equity Contribution and Debt Service Payment and Reserves.**

Dr. Smart: Referenced Resolution 2018-06 (pkt. pg. 53) to designate \$632k to provide the equity contribution and debt service for the USDA loan.

Ms. Atkinson moved to approve Resolution 2018-06. Ms. Radford provided her second and a roll call vote was taken; Yeas, Ms. Sellick, Ms. Atkinson, Ms. Radford and Ms. Reed. Ms. Al-Rafiq was absent.

- **Resolution 2018 - 07: Action: By Roll Call Vote**

- **USDA Loan Resolution:**

Dr. Smart: Referenced Resolution 2018-07 (pkt. pg. 54) is the resolved to borrow \$5.6million and is required by USDA to close the loan in late July.

Ms. Sellick moved to approve Resolution 2018-07. Ms Radford provided her second and a roll call vote was taken; Yeas, Ms. Sellick, Ms. Atkinson, Ms. Radford and Ms. Reed. Ms. Al-Rafiq was absent.

- **RHC Operations:**

Dr. Smart: Has been having weekly conference call with Kelly Hohenbrink and he is very enthusiastic about the VS Clinic project.

- **Opinion of Probable Costs:**

Mr. Krieg: To date \$1,366,751 has been spent on the project. When the loan is completed (approx. late July) then the district will get the first draw of (approx.) \$400k to cover architect and planning costs. He will be preparing a color-coded schedule on the clinic spending vs budget.

Ms. Atkinson: A separate account has been opened with Bank of Stockton to manage the loan activity.

- **Update on VS Property - Phase II:**

Ms. Reed: The Committee met with Ron Regan who has 5 elder-living facilities in Amador. The Committee learned a lot from his expertise. The need was there but now that Country Haven has closed the need as grown for more living units for the elderly needing assistance. He has provided a contract for a market feasibility report which was sent to legal for review. The District would be the landlord with no oversight into the facility unless they chose to help sponsor a specific program.

Dr. Smart: An investment group wanting to provide rehab services for veterans missing limbs and Posttraumatic Stress Disorder (PTSD) has contacted the District. The group has a plan to build and is looking for local serene property. He gave them a list of items to present to the Committee.

8. Board Comment and Request for Future Agenda Items:

A. Announcements of Interest to the Board or the Public:

Ms. Radford: Would like to see the purchase of iPads come to fruition so the Board's materials can be loaded on them.

Dr. Smart: Identified the need to have software to support the iPad purchase so will entertain the idea of training with Granicus.

9. Next Meeting:

A. May 23, 2018

10. Adjournment: Action:

Ms. Atkinson moved to adjourn the meeting at 9:24am. Ms. Sellick provided her second and the motion passed 4-0.

**Stay Vertical, Calaveras
Mark Twain Health Care District Board
2018 Executive Summary**

Program Purpose-To create a countywide Fall Prevention Program for older adults in Calaveras County which provides exercise to increase strength, balance, flexibility and confidence in rural communities.

Assessed Need- With a high retirement population, Calaveras County has excessive rates of falls for older adults. Calaveras County has one of the highest mean hospitalizations for falls in Ca, amounting to \$44,396.10 (stopfalls.org).

Partnership Description- MTHCDB seeks to provide community based fitness interventions to enable older adults to live healthier lives. The Murphys Senior Center and Steve Shetzline has shown success in providing this Fall Prevention model for the past 8 years. For this project Steve will rely on his community connections throughout Calaveras County, including Mountain Ranch, Valley Springs, San Andreas and West Point.

Measurable Outcomes-By June 29, 2019, Stay Vertical, Calaveras will create at least 4 Fall Prevention Programs, including recruiting and training 10 new exercise instructors and providing at least 600 exercise classes in Calaveras County.

Evaluation-This is a Community Development Program, anecdotal data will be presented to MTHCDB every month, in addition participant numbers and total classes will be compiled. We also hope to glean comparable hospital data for MTMC patients who have had falls.

Budget-Overall budget \$62,500. Most of the funding will be used to develop and maintain each community program. The Program Director will travel throughout the County to ensure this program is well grounded and successful for many years to come.

Sustainability- Communities will be expected to fund the exercise classes on their own. Program staff, community leaders and instructors will develop a comprehensive sustainability intervention for this project.

Mark Twain Health Care District Board

2018 Fall Prevention Program

PROGRAM INFORMATION

Organization Name

Murphys Senior Center

Tax ID Number

38-3801414

Web Address

murphyscenter.com

Mailing Address

65 Mitchler Ave., Murphys, Ca 95247

Contact Person

Steve Shetzline, Executive Director

Phone Number

209-728-1672

Email Address

sshetz@goldrush.com

Collaborator Description (fiscal agent)

The mission of the Murphys Senior Center (MSC) is to gather older adults in community, increasing dignity and well being through mental, physical, spiritual, financial and relational support. Murphys Senior Center will focus our work on valuing and dignifying our older community members by bringing them into meaningful interaction with others, engaging each individual in discovering, cultivating and expressing his/her gifts in supportive community and by ensuring that participants have access to needed health care and social services. MSC is a non-profit 501(c)(3) that serves seniors in a 16 mile corridor of Ca. HWY 4. MSC accepts participants of all ages especially those 55+. MSC is located in downtown Murphys partly because it is next door to the "Murphys Diggins", a 55+ senior community. In 8 years MSC has seen great success both in community support and attendance. Currently we have a schedule that includes Color and Chat, Zumba, Low Impact Aerobics, Dance Fitness, Tai Chi, Strength Training, Yoga, Community Food Pantry, Food Commodities Distribution, Bridge, Board games, Wii Games, Alzheimers Support, Grief Support, Painting, Mahjong and the "Best Lunch in the West". MSC serves approximately 500 participants per month with very little advertising. The community support has also been outstanding, including a very active board, and the fact that MSC is operated by a crew of over 35 volunteers (in Murphys!).

Director Description

Steve Shetzline has a BS in Exercise Physiology and a MS in Health Education. With over 20 years in Prevention Program management Steve developed Chronic Disease Management, Nutrition Education, Fall Prevention, Tobacco Cessation, Dental Access, Youth Development, Corporate Training and Mental Health Programs. Steve is most proud of founding the Calaveras County Mentoring Program, The Murphys Park small child playground and The Calaveras Teen Centers.

PROGRAM NAME

Program Name: “Stay Vertical, Calaveras”

Program Need

Calaveras has long been a hub for retired individuals in Northern California. With the older adult population came their physical and mental needs.

Calaveras currently has one of the highest mean hospitalizations for falls in California, amounting to \$44,396.10 per fall (stopfalls.org). In addition most older adults are sedentary and can't afford to pay for an exercise intervention.

Fortunately, Calaveras has an answer! The Mark Twain Health Care District Board has developed a program to not only alleviate some hospital visits but also take a proactive move to develop a one of its kind Fall Prevention Program called **Stay Vertical, Calaveras** will be offered FREE to all Calaveras Older Adults starting September 22, 2018.

Program Description

“Stay Vertical, Calaveras (SVC) is a countywide fall prevention program designed to increase strength, balance and confidence in older adults throughout Calaveras County. SVC will be based on two exercise programs endorsed by the National Council on Aging: “Tai Chi for Arthritis” and “A Matter of Balance”. We will use the “Tai Chi for Arthritis” program in its entirety, including formal trainings and exercises. We won't be using the “A Matter of Balance due to its exorbitant training costs (\$20,000). We will however use many of the same exercises, methods and preparation, in fact most of these exercises have been used successfully at the Murphys Senior Center for eight years in our “Strength Training” class.

SVC will be offered to every community, especially San Andreas, Angels Camp, Valley Springs and West Point. Special attention will be given to each community's strengths and weaknesses while building a foundation for a fall prevention program to exist on its own in three years. SVC will not only develop classes but help recruit instructors, obtain a safe physical space, purchase insurance, create fundraisers, etc.

At first glance SVC looks like a basic exercise program, but in reality it is a complicated Community Development Program. To run a SUCCESSFUL exercise program each rural community must have three things: 1) An expressed need for exercise, 2) An active older adult population and 3) Powerful Gatekeepers who are passionate about making long term behavior change. Once we identify the above three assets through the community assessment we then can focus on program specifics including: instructor recruitment, retention and training, locating a physical space and outreach to prospective participants.

“Tai Chi for Arthritis”:

Developed by Dr. Paul Lam at the Tai Chi for Health Institute (TCHI), the program utilizes Tai Chi's Sun style for its ability to improve relaxation, balance and its ease of use for older adults. The movements are taught to both left and right sides, with turns to move forward and backward to improve mobility and offer a variety of combinations. Tai Chi for Arthritis is led by a TCHI Board certified instructor, with each session including the following:

1. Warm-up and cool-down exercises
2. One or two movements per lesson, progressively leading to completing the six basic core movements and six advanced extension movements
3. Breathing techniques
4. Tai Chi principles including those relating to improving physical and mental balance

Movements are performed at a higher stance to make it easier for older participants and those with arthritis. Movements can be modified to accommodate mobility issues for any participant and can be done seated as a starting exercise.

Tai Chi for Arthritis has been shown to:

- Improve balance

- Increase muscular strength
- Improve mobility
- Increase flexibility
- Improve psychological health
- Decrease pain
- Prevent falls

Target Audience: The target audience is adults with or without arthritis, rheumatic diseases or related musculoskeletal conditions. The program is appropriate for people with mild, moderate and severe joint involvement and back pain. It is also appropriate for adults without arthritis who have a higher risk of falling.

For more information:

<http://taichiforhealthinstitute.org>

“Strength Training”

This 60 minute class for older adults includes both a warmup and cool down period. Though most of the exercises are chair based the class also utilizes minor dance steps, kicking and side to side stepping and some walking maneuvers. After the warmup the class then includes about 20 minutes of leg lifts, leg holds and lower body stretches, all completed in a seated position. From there the participants stay seated and perform upper body strength training exercises with exercise bands (the bands are color coded to match each individuals strength level). And finally walking exercises with or without each participant holding onto their chair if needed. Our Strength Training remains the pillar of all of our classes, not only the most well attended but the longest running and the most successful. All exercise participants most fill out emergency contact and release forms and of course we recommend seeing their doctor before starting. Also ever individual gets one-on-one individual time not just for demonstrating proper technique but also, safety rules and most importantly suggestions of varied performance levels to create a personalized fitness program.

Strength Training has shown to:

- ◆ Protects bone health and muscle mass
- ◆ Improves balance
- ◆ Helps to control weight
- ◆ Teaches a more balanced walking technique
- ◆ Helps with chronic disease management
- ◆ Strengthens muscles
- ◆ Creates a positive outlook

Program Milestones

Press Release focusing on Board with new communities.	Immediately
Job/Volunteer recruitment for exercise trainers.	Immediately
Meetings with prospective communities (Board PR picture)	July 1, 2018
Instructor Training (very important, Board attendance)	Summer of 2018
Grand Unveiling, on National Fall Prevention Day (MOST IMPORTANT, all Board members)	September 22, 2018
Quarterly Program Meetings	As needed

Sustainability

Communities will be expected to fund the exercise classes on their own. Program staff, community leaders and instructors will develop a comprehensive sustainability intervention for this project.

Measurable Objectives

By June 29, 2019 “Stay Vertical, Calaveras” will create 4 Fall Prevention Programs throughout Calaveras County.

By June 29, 2019 “ Stay Vertical, Calaveras” will recruit and train 10 new exercise instructors in Calaveras County.

By June 29, 2019 “ Stay Vertical, Calaveras” will provide at least 600 exercise classes in Calaveras County.

Evaluation

Each class will produce sign in sheets which will allow us to follow total number of participants and number of classes.

An anecdotal record will be kept for each community involved in SVC. These will be included in the final written report for MTHCDB. In addition, SVC hopes to partner with Dignity Health to garner available hospital data involving ER discharges, provider referrals and hospital discharges.

MTHCDB Grant Application Budget

Program Name: Stay Vertical, Calaveras July 1, 2018- June 29, 2019	
DESCRIPTION	Amount
Program Director	\$35,000
Tai Chi Training	\$3,000
Strength Class Training	\$2,000
Advertising	\$2,500
Community Support (4 communities)	\$20,000
TOTAL	\$62,500

Budget Narrative:

Program Director: (.50 FTE) Responsible for all facets of the program. Community building and recruitment, volunteer recruitment and training. Development and execution of Stay Vertical, Calaveras.

Tai Chi Training: Facilitated by an out of area expert. Training will be offered to 5-10 prospective instructors following the “Tai Chi For Arthritis “ Program.

Strength Training Class: Will be facilitated by Steve Shetzline, who has a BS in Exercise Physiology and developed the Murphys program. This training will be based on “A Matter Of Balance”.

Advertising: Mostly for newspaper ads to recruit communities and instructors for this program.

Community Support: General support for each community program, based on a community wide Needs Assessment. Costs may include insurance, rent, physical improvements, fundraising costs, etc.

Budget Requirements: Funding will be dispensed starting July 1, 2018. If for any reason the Murphys Senior Center should close, all funding will be returned to The Mark Twain Health Care District Board.

**Proposal to Serve as Auditors
submitted February 22, 2018**

for

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2018 - 2020

**JWT & Associates, LLP
Certified Public Accountants**

Contact

**Rick Jackson, CPA
(559) 287-6591 or rjctcpa@aol.com**

Audit Proposal for
Mark Twain Health Care District
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June 30, 2018 - 2020

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JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 Herndon Avenue, Fresno, California 93720

Board of Directors
Mark Twain Health Care District
San Andreas, California

We appreciate the opportunity to serve the Mark Twain Health Care District (“the District”) as your independent financial auditors for the years ending June 30, 2018 through 2020. In a summary form, we feel we would be a unique choice as your independent auditors due to the following reasons:

- Healthcare auditing is our expertise. We specialize in Hospitals and Health Care Districts. Many of our clients operate provider-based rural health care clinics (RHC’s), and as such, we are very familiar with RHC operations and accounting requirements;
- In addition to audit services, we also provide Medicare and Medi-Cal reimbursement services to our clients. We have in-depth knowledge of the RHC reimbursement requirements which will aid in the financial audit process. As the District enters into the RHC arena, they will be faced with new risk areas never experienced before in the District’s operations and will require expert analysis to ensure reliable financial audits;
- We have close to 40 years experience in accounting for the financial transactions brought about by funding from USDA loans, general obligation bonds, revenue bonds, etc. and have worked with Gary Hicks, your financial consultant, for years in assisting healthcare entities in the funding process.
- We are well versed with A-133 single audits as we currently perform several of these annually. At times, federal funding requires the single audit;
- We have audited the District for several years and have an in-depth understanding of their accounting records and operations which is a benefit to the District as it allows us to recognize quickly if something is out of place or hasn’t been properly accounted for.

We have included information in this proposal which may be helpful in your selection process. Please feel free to call me at (559) 287-6591 or email me at rjctcpa@aol.com for questions.

Rick Jackson

Managing Partner
JWT & Associates, LLP

RESPONSES TO PROPOSAL REQUIREMENTS

- 1 Organization and experience - see "Background of JWT & Associates, LLP" (page 3) and "Exhibit A" (page 14) for a listing of health care clients served.
- 2 Staffing - see "Organization of Engagement Personnel" (page 10) and "Resumes of Key Personnel" (page 11).
- 3 Timing of engagement - we have always worked well with the District in the past in meeting their time table and do not anticipate that changing. All District deadlines will be met.
- 4 Audit approach - see "Our General Audit Approach" (page 5) and "Audit Attention of Specific Areas" (page 8).
- 5 Information required from the District - we will need the standard accounting records, contracts, board minutes, etc. The District has always provided what we needed in the past and we do not anticipate any issues.
- 6 Public document - this is not an issue. All of the health care district audits we perform have the same requirement to make public the audit report.
- 7 Litigation or regulatory issues - none
- 8 Fees - see "Summary of Proposed Audit Fees" (page 4).
- 9 Reasons our Firm should be selected - see the five "bullet points" in the transmittal letter (page 1).
- 10 Non-disclosure agreement and confidentiality - this has never been an issue for us and we have several signed agreements with other health care entities addressing this issue.
- 11 Conflict of interest - we are entirely independent from the District and any of its employees or board members. We have no conflict of interest.
- 12 Health care entity experience - again see Exhibit A (page 14) and feel free to contact any reference listed in Exhibit B (page 15) as to the quality and timing of our work.

BACKGROUND OF JWT & ASSOCIATES, LLP

History and Requested Information - JWT & Associates, LLP is a healthcare audit and reimbursement firm based out of Fresno, California. We differ from other audit firms for two main reasons: (1) we only service healthcare entities; and (2) the firm only has partner level personnel who come on-site to perform the fieldwork for an audit. There are no employees or junior staff. Many of our partners and associates have been in the industry for close to 40 years. Most of our partners and associates began their healthcare audit experience with national firms such as Ernst & Young, Deloitte, KPMG, and others several years ago. We currently have a staff of 15 partners and associates located in the Fresno office and other associates outside this office.

The firm began taking shape in 1988 when Rick Jackson left the audit staff of Ernst & Young and began his own health care practice. Shortly thereafter, he was joined by other healthcare professionals and the firm has continued to steadily grow since then. The firm has come through several name changes as partners have been added over the years. In addition, there are several other associated firms that have sprung from the original firm to meet certain healthcare client needs. All of these firms are associates and all can combine to meet your specific healthcare needs.

In addition to financial audits, we have extensive knowledge in areas such as revenue cycle, Medicare and Medicaid reimbursement, single audits, pension requirements, and various other healthcare financial areas such as feasibility studies, budgeting, etc.

We currently serve close to 100 healthcare entities. Our audits are comprised of approximately 50% non-profits, 45% district and other governmental hospitals, and 5% for-profits. We know and adhere to FASB, GASB and AICPA requirements as they relate to healthcare and have developed many contacts within these organizations over the years and call upon them as healthcare issues arise. In addition we are members of HFMA and various other healthcare associations throughout the nation and the State of California. We stay current on many other legislative actions and proposals as they pertain to various healthcare matters such as meaningful use, QAF, disproportionate share and other supplemental programs.

Over the years, we have performed thousands of healthcare audits for hundreds of healthcare entities. Examples of healthcare entities we have serviced over the past 40 years are presented in Exhibit A.

References are provided in Exhibit B. We have provided five references in the event you wish to discuss our services and expertise with others in healthcare.

SUMMARY OF PROPOSED AUDIT FEES

Certification - As the managing partner of JWT & Associates, LLP, Rick Jackson is entitled to represent the firm, is empowered to submit the bid, and is authorized to sign a contract with the listed entities below requiring an audit.

Professional Rates - Our fees are based upon an estimate of total hours to perform the audits extended by the hourly rates for individuals assigned to the engagement. Hourly rates range from \$125 to \$250 for specific partners and associates, and on the type of audit service required. Rates have been discounted to the lowest partner level for purposes of this proposal.

Audit fees - Based upon the scope of the audit and our knowledge and understanding of healthcare facilities, we would propose the following discounted fee structure for professional audit services:

Audit of the Mark Twain Health Care District for the year ended June 30, 2018	\$11,500
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Future Fees - Professional fees listed above for the June 30, 2018 year end will remain the same for the years ended June 30, 2019 and June 30, 2020.

Expenses - All travel and out-of-pocket expenses will be billed separately and will not exceed \$800 per year for the District audits.

Other Services - In addition we would be prepared to offer other services as needed. Other technical and/or management consulting services required of any of our partners, related to the scope of audit services, needed throughout the year are treated by us as a continuation of the audit and are not billed. Additional services if requested and performed outside the scope of the audit and other services defined above would be based upon our customary hourly rate and would be discussed with you prior to performing any work.

OUR GENERAL AUDIT APPROACH

Professional Standards - Our audit for the District will be conducted in accordance with generally accepted auditing standards approved by the American Institute of Certified Public Accountants (AICPA) and in accordance with generally accepted accounting principles (GAAP) as set forth by our profession. In addition, the audit of the District will adhere to the State Controller's minimum audit requirements for California special districts.

We conform to the latest industry and governmental pronouncements issued by the FASB, the GASB, the OMB, and other professional and regulatory agencies. We also adhere to the latest AICPA's audit and accounting guides for healthcare organizations and non-profit organizations.

Audit Timeline - The audit would begin as early as possible after June 30, 2018 in an effort to plan the audit and resolve any accounting or reimbursement issues at the earliest time. Year end field work would begin upon notification of the close of the District's accounting records for the year. The following outlines our approach and basic timetable to your District's June 30 year end financial audit:

- July - Initial planning of the audit for the District.
- Sept/Oct - Year end field work testing account balances and transactions, accompanied by several other operational and analytical tests.
- Oct/Nov - Review of draft financial statements and review any audit adjustments and compliance findings with management and with the Board of Directors and then final presentation.

We are aware of the District's timetables and key dates in meeting certain financing deadlines and will adhere to this timeline. We are also aware of the deadlines you will face in the future such as Medicare and Medicaid cost reports as the District moves forward with RHC plans.

Healthcare Risk Areas - We have been involved in the audits of healthcare entities since the late 1970's. Beginning with that period and moving forward through the years, we have had to deal with Medicare changes (Cost-Based reimbursement, TEFRA, PPS, APC's, etc.) in healthcare reimbursement and the auditing issues which have arose as a result of those changes. We have experienced similar changes in Medicaid programs from cost-based programs to DRG's, contracted rates and managed care programs. In addition, we understand meaningful use, QAF programs, and other federal and state supplemental reimbursement programs. We have an in-depth understanding of RHC's (all types) and the risk involved in the reimbursement of RHC's, both with Medicare and Medi-Cal.

A major risk area once the District becomes involved in the operations of an RHC are the deductions from revenue and so we focus a good portion of our audit in the areas of patient accounts receivable and their related allowances and third-party settlements. These areas can be difficult to understand and have the potential for significant audit adjustments.

OUR GENERAL AUDIT APPROACH - continued

Initial Audit Planning - We believe that a smooth engagement is based upon the early identification and resolution of reporting and accounting issues. Upon our selection, we would begin the planning phase of our audit almost immediately by identifying accounting issues in a timely manner in order to resolve any issues as quickly as possible.

In planning the audit, we consider the methods in which the District gathers and compiles accounting information such as internal controls, segregation of duties, the use of automated systems, etc. Such methods influence the design of the accounting system and the nature of the internal accounting control procedures. The extent to which the information processing is used in significant accounting applications will influence the nature, timing and extent of our audit procedures. During this phase, various “walkthroughs” of systems will be analyzed.

Based on our findings in the audit planning phase, we will analyze internal controls and may elect to sample transactions in patient billing, receipts, general disbursements and payroll. In addition, during the year end audit fieldwork, if we discover certain errors in transactions, we most likely will then alter our program and expand testing in that area.

Audit Program Development - Our evaluation of the issues which arise during our planning phase will determine the nature, timing and extent of our audit procedures for specific transactions and accounts. In developing the audit program, our aim will be to:

- Provide a complete audit program for all financial statement amounts;
- Eliminate redundant procedures;
- Use procedures for more than one purpose;
- Provide for review and analysis of balances and their relationships to other accounts.

Audit Program Execution and Reporting - During this stage of our audits, we will perform the test of year end balances. We understand that a change in auditors can lead to a degree of apprehension. We believe that this transition will be very smooth and beneficial due to our 40 years of experience in conducting thousands of healthcare audits. We will work with management so that there will be minimal disruption of the day-to-day operations. In our engagements we try to utilize schedules and information that clients have already prepared somewhere within their system to close their year end. This work is then supplemented with schedules which we, ourselves, prepare. All of our schedules are electronic in form and are available for client use by e-mail, fax or other form of correspondence.

We will comment on the adequacy of the client's system of internal controls. Should a material weakness be noted during our fieldwork, we will immediately notify appropriate management. We will then work with management in estimating the financial impact of the noted weakness, establishing the necessary controls, and ensuring that they are functioning.

OUR GENERAL AUDIT APPROACH - continued

We recognize that the Board of Directors and management have a critical responsibility to the District. Therefore, we will remain in contact with the Board, appropriate committee members and management members, if considered necessary, throughout the engagement and will be available to comment on the District's operations as well as our experience will allow.

In addition to the audited financial statements and because of your entry into the RHC arena, a Board Report (or Management Letter) will be provided upon the conclusion of the audit which typically covers three areas: (1) Accounting controls, efficiencies and ideas for improvements in the operations of the District; (2) General healthcare educational issues; and (3) Statistical trends and operational ratios of the RHC as they compare to peer healthcare entities who operations are similar to those of the District.

AUDIT ATTENTION OF SPECIFIC AREAS

Due to the entry into the operations of a Rural Health Care clinic, the District will face certain audit risk, in our opinion, in the following areas:

Patient Accounts Receivable - We spend a great deal of time auditing patient accounts receivable. We bring in professional billing services to assist us in the audit in the analysis of billing procedures and efficiencies. In order to validate the allowances (both contractual and private pay doubtful accounts) for patient accounts receivable, we take several approaches. One of the approaches is a very detailed remittance advice review of subsequent payments for payor types. Other approaches deal with analytical tests to support our conclusion in the detailed test, review and analysis of collection agency reports, testing of the aging categories, testing of credit balances, detailed testing of individual accounts, etc. Although allowances are estimates, they need to be as accurate, yet conservative, as possible.

Revenue Cycle - Net patient revenue is material and important factor in any healthcare audit. During the audit, we perform an analysis of the revenue cycle and the effectiveness of the revenue cycle committee. One of the factors we review is the committee's performance tracking of key indicators as identified by the healthcare industry. Examples of the tracking of these metrics are as follows:

Gross and Net Accounts Receivable Days

Aged Accounts Receivable as % of Billed A/R, by Payer category

Cash Collections compared to Net Revenues (60 day lag basis)

Insurance Verification Rate (by service type)

Advance Beneficiary Notice Review and Compliance

Unbilled Patient Accounts Receivable Days Holding (coding and billing)

Patient Chart-to-Bill Review - Findings (aggregated and departmental)

Late and/or Lost Charges as % of Total Charges

Initial Denial Rate with Zero Pay and with Partial Pay

All Claims Denial Rate; Denials Overturned by Appeal

Bad Debt and Charity as % of Gross Revenues

Clinical Coding Accuracy Rate (annual review)

AUDIT ATTENTION OF SPECIFIC AREAS - continued

Third Party Settlements and Reimbursement - Depending upon the types of services a RHC provides, third party settlements and reimbursement can reap havoc on a healthcare entity's financial position at any given point in time. As a result, we spend a good amount of time in auditing the third party payor receivables and/or payables. Through the past 40 years, we have been involved in the preparation of hundreds of Medicare and Medicaid cost reports and in defending them before CMS and various State of California agencies. We understand the impact of proposed adjustments to the cost reports and the issues which arise from the regulatory audit process. We are well versed in the appeal process and currently are assisting several of our clients through that process at all levels.

ORGANIZATION OF ENGAGEMENT PERSONNEL

<i>Professional</i>	<i>Role in the Audit Process of the District</i>
Rick Jackson	Partner in charge of the District's audit process.
Jeremy Ware	Associate who may assist in the District's audit.
Kelly Maldonado	Associate in charge of the Revenue Cycle and Patient Billing.
Jerrel Tucker	Associate who may assist in District's audit.

RESUMES OF KEY PERSONNEL

Our partnership started as an offspring of the firm of Ernst & Young, Deloitte, KPMG, other national firms. Many of us worked there and performed several of the health care audits for their Fresno offices. We now service to close to 100 facilities out of our office in Fresno. Over the years we have grown to an office of several partners and associates. We have never experienced any turnover of partners and associates since inception of the firm several years ago as we are careful to select only those whom we have known for years as competent healthcare professionals and with whom we already have a working relationship. These are professionals, many who have served as CFO's in health care entities and who are interested in making this their final career move.

Brief partner resumes are presented for your review of the partners and associates who may be assigned to your audit starting with Rick Jackson who will be the partner-in-charge of the District's audit process throughout the duration of the engagement.

Rick Jackson - Rick is a licensed CPA in California and an audit partner with the firm and will be the lead partner in charge of the audit. Briefly, his experience follows:

Over 40 years of experience in both healthcare audits, reimbursement and consulting work, in over 300 different healthcare facilities performing over 3,000 health care audits;

Is often called upon by others across the nation to express his opinion on current healthcare issues as they arise within the scope of a healthcare audit;

Is the lead researcher for healthcare audit issues conducted by the firm and is involved in on-going consulting for several of the facilities in areas such as reimbursement, appeals, financing plans, tax and operational issues.

Has prepared over 500 Medicare/Medicaid cost reports and has been involved in several regulatory appeals, special projects, feasibility studies, budgets and other healthcare related engagements for the firm's healthcare clients;

Has had over eight years of experience as an Ernst & Young audit manager and consultant in the healthcare industry.

Rick is a graduate of Brigham Young University and a member of several professional societies.

RESUMES OF KEY PERSONNEL - continued

Jeremy Ware - Jeremy is a licensed CPA in California and an associate with the firm and is responsible for several healthcare audits. A brief outline of his experience follows:

Close to 20 years as an auditor within the healthcare industry. Responsibilities include areas such as financial auditing and reporting, tax returns for non-profits (forms 990, etc.), physician recruitment audits, contract negotiations, grant administration, internal controls and system conversions.

Several years of experience as an auditor with the firm of Deloitte in the Austin, Texas office dealing with a variety of entities.

Jeremy received his Bachelor of Science in Accountancy from Brigham Young University and a Master of Accountancy, also from Brigham Young University. He is a member of several professional societies.

Kelly Maldonado - Kelly is a professional healthcare individual who operates her own patient billing service and an associate of the firm and will be responsible for part of the audit fieldwork dealing with revenue cycle and reimbursement. A brief outline of her experience follows:

Close to 35 years of experience in healthcare operations and related entities. Her patient billing business has been involved in the patient billing operations of several hospitals, RHC's (all types) and FQHC's within California, working as a part of their management teams.

Kelly is a "hands on" professional who works with the health care entity's patient billing personnel in helping them solve issues, identify problems, training of staff and even "rolls up her sleeves" to assist them in the billing functions. She completely understands the daily operations of health care entities and their billing needs;

Her responsibilities over the years have included advanced revenue cycle management, patient billing services and lost charge recoveries due to billing issues. She has extensive experience in networking and computer based programs and in multiple healthcare patient billing applications;

RESUMES OF KEY PERSONNEL - continued

Jerrel Tucker - Jerrel is a CPA and an associate with the firm and may be responsible for a portion of the audit fieldwork of the District. A brief outline of his experience follows:

Close to 40 years of experience in healthcare and related entities, with a specialty in health care audit engagements and related health care pension audits.

Has been the in-charge auditor for several healthcare audits for our clients over the past several years;

Has had several years experience with the national CPA firm of Ernst & Young in the audit department.

Has been a CFO of a large privately-owned healthcare company and is well-versed in issues at the CFO level.

Jerrel received his degree in accounting from California State University - Fresno and is a member of several professional societies.

EXHIBIT A

LIST OF HEALTH CARE ENTITIES SERVED BOTH PAST AND PRESENT

Exhibit A
Mark Twain Health Care District
Listing of Health Care Entities Served Both Past and Present

Over the past several years, we have been involved with these listed hospitals either with audit services or reimbursement and other special services (list is not all-inclusive)

Alameda Health Care District
Alta Health Care District
Apple Valley Christen Center
Avanti Health System
Bear Valley Community Hospital
Catalina Island Medical Center
Central Valley Specialty Hospital
Children's Hospital of Central California
Chowchilla Health Care District
Clovis Community Medical Center
Coast Plaza Hospital
Cobre Valley Regional Medical Center
Colorado River Medical Center
Colusa Regional Medical Center
Community Hospital of Huntington Park
Community Regional Medical Center
Corcoran Health Care District
Del Puerto Healthcare District
Eastern Plumas Health Care District
East Los Angeles Doctors Hospital
El Centro Regional Medical Center
Exeter Memorial Hospital
Fairchild Medical Center
Frank R. Howard Memorial Hospital
Fresno Surgical Hospital
Fresno Heart and Surgical Hospital
Glenn Medical Center
Hazel Hawkins Memorial Hospital (San Benito Health Care District)
Healdsburg Health Care District
Hi Desert Health Care District
John C Fremont Health Care District
Kaweah Delta Health Care District
Kern Valley Health Care District
Kingsburg Tri-Counties Health Care District
Klickitat Valley Health Services
La Paz Regional Hospital
Lindsay Health Care District

Lompoc Valley Health Care District
Madera Community Hospital
Mark Twain Health Care District
Mee Memorial Hospital
Memorial Hospital of Gardena
Memorial Hospital - Sheridan
Mendocino Coast Health Care District
Mercy Medical Center - Merced
Modoc Medical Center
Oak Valley Health Care District
Palm Drive Hospital
Pioneers Memorial Health Care District
Progressive Hospital
Ridgecrest Regional Hospital
Saint Agnes Medical Center
Salinas Valley Memorial Health Care District
San Geronio Health Care District
Selma Health Care District
Seneca Health Care District
Shasta Regional Medical Center
Sierra Kings Health Care District
Sierra View Health Care District
Soledad Community Health Care District
Southern Inyo Health Care District
St Rose Hospital
St Agnes Hospital
Summit Healthcare Association
Surprise Valley Health Care District
Tehachapi Valley Health Care District
Thousand Oaks Surgical Hospital
Trinity Hospital
Tulare Health Care District
Tuolome General Hospital
Victor Valley Global Medical Center
West Contra Costa Health Care District
Westside Health Care District
White Mountain Regional Medical Center

EXHIBIT B
REFERENCES

Exhibit B
Mark Twain Health Care District
References

Company Name Lompoc Valley Medical Center (H/C District)
Address 1515 East Ocean Avenue
City, State, Zip Code Lompoc, California 93436
Contact Person Wayne Mills, CFO
Telephone Number (805) 737-3300
Auditor Rick Jackson

Company Name Hazel Hawkins Memorial Hospital (H/C District)
Address 911 Sunset Drive
City, State, Zip Code Hollister, California 95023
Contact Person Mark Robinson, CFO
Telephone Number (831) 637-5711
Auditor Rick Jackson

Company Name Coalinga Regional Medical Center (H/C District)
Address 1191 Phelps Avenue 93210
City, State, Zip Code Coalinga, California
Contact Person Sandra Earls, CFO
Telephone Number (559) 935-6464
Auditor Rick Jackson

Company Name Westside Health Care District
Address 119 Adkisson Way
City, State, Zip Code Taft, California 93268
Contact Person Gerry Starr, CEO
Telephone Number (661) 765-7234
Auditor Rick Jackson

Company Name Soledad Community Health Care District
Address 612 Main Street
City, State, Zip Code Soledad, California 93960
Contact Person Steve Pritt, CEO
Telephone Number (831) 678-2462
Auditor Rick Jackson

Company Name Kingsburg Tri-County Health Care District
Address 1425 Marion Street
City, State, Zip Code Kingsburg, California 93631
Contact Person Arlie Rogers, Chairman
Telephone Number (559) 897-5841
Auditor Rick Jackson

Company Name Kern Valley Health Care District
Address 6412 Laurel Avenue
City, State, Zip Code Mt. Mesa, California 93240
Contact Person Chet Beedle, CFO
Telephone Number (760) 379-2681
Auditor Rick Jackson

Company Name Chowchilla Health Care District
Address 1104 Ventura Avenue
City, State, Zip Code Chowchilla, California 93610
Contact Person Cathy Flores, CEO/CFO
Telephone Number (559) 665-3781
Auditor Rick Jackson