



**Meeting of the Board of Directors**  
**Wednesday September 27, 2017**  
**7:30 am**  
**Mark Twain Medical Center Classroom 2**  
**San Andreas, CA**

**Un-Approved Minutes**

Mark Twain Health Care District Mission Statement

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

**1. Call to order:**

The meeting was called to order by President, Lin Reed at 7:34am.

**2. Roll Call:**

Present for roll call was Lin Reed, MBA OTR/L; Susan Atkinson, MSW; Debbie Sellick, CMP and Talibah Al-Rafiq. Ann Radford, FNP was not present.

**3. Approval of Agenda: Action**

Ms. Reed: To accommodate the public, suggested Agenda item 7 C, Ad Hoc Lease Committee, be moved to follow item 5 and 6.

Ms. Al-Rafiq moved to approve the agenda as requested. Ms. Sellick provided her second and the motion passed 4-0.

**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.

Dr. Smart: Invited public comments from the public and reminded them of the 3-minute time limit for each speaker. He also noted the Board will not be responding or have dialogue with the speaker(s).

Ms. Toepel: Invited everyone to the Oct. 5<sup>th</sup> viewing of the dress rehearsal presented at the Murphy's Creek Theatre. It is a fund raiser for Common Ground.

Ms. Crane on behalf of the Volunteer Center of Calaveras: After 26 years and a partnership with the Calaveras Unified School District and the Community at large they are having an open house today from 1-6pm. She thanked the Board for making it possible by awarding them the Golden Health Award.

**5. Consent Agenda: Action**

- **Un-Approved Meeting Minutes for August 30, 2017 Special Board Meeting.**

Ms. Atkinson: Provided changes to be reflected in the August 30, Minutes as follows: page. 6 item C after Corp Board Report; page 8 item B, Investment Policy Update (par. 3 and 5). She then thanked staff for doing the difficult task of recording the minutes.

- **Un-Approved Meeting Minutes for September 6, 2017 Special Board Meeting.**

Ms. Al-Rafiq moved to approve the Consent Agenda as amended. Ms. Sellick provided a second and the motion passed 4-0.

**6. MTHCD Reports:**

**A. Presidents Report:**

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

Ms. Reed: Reported on the ACHD Conference she had just attended in San Diego and how much information was acquired in addition to the networking. Case in point she was pleased to find a local person (Sloane Dell'Orto) that specializes in special district web development (Streamline). Staff has been reviewing the needed web site improvements and will consider Streamline.

Ms. Reed was sworn into the ACHD Board of Directors (pkt pg.19) which affords more representation for the District. She will be serving on the Governance and Education Committees.

- **Strategic Plan:**

Ms. Reed: Reflected that the Mission, Vision and Goals of the District are in today's packet (pgs. 24-25). They include the development and completion of the Valley Springs Project and can be found on the District's web page.

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

### **○ Town Hall Meetings:**

Dr. Smart: As the 30-year lease is winding down he proposed seeing the District and MTMC becoming closer again as in the beginning of the lease. He sees the Town Hall meetings as a way to accomplish that.

### **○ Insights Newsletter:**

Dr. Smart: Thanked Mr. Diehl for including District information in the Insights Newsletter. It's a real collaboration and appreciated.

### **○ Board – Employee Reimbursement Policy:**

Dr. Smart: Discovered the Employee Reimbursement Policy is only two sentences and needs work. Ms. Atkinson and the Finance Committee will be reviewing policies and bring a recommendation back to the Board.

Ms. Reed: Thanked staff for having policy reviews on the “to do” list because they evolve and need to be updated.

### **○ Facebook:**

Dr. Smart: Staff is learning how Facebook can be of benefit to the District. He invited everyone to check out the District's Facebook page.

### **○ Telehealth Update:**

Dr. Smart: Started the pilot pulmonary program to prevent readmissions. The hand-off to the hospital failed. He and Mr. Diehl have been meeting to bring the program back to life.

Mr. Diehl: Has been working on securing a contract and hopes to have one next month.

### **○ LAFCo: Meeting on Sept. 18, 2017**

Dr. Smart: He and Ms. Stout attended the meeting and felt the District and LAFCo has a great relationship. The Little Hoover Commission was on their agenda. Currently the Commission has an eye on the districts that appear to have no activity.

**C. Corp. Board Report:** .....Ms. Reed / Ms. Atkinson / Mr. Diehl

MTMC Corporate Board Report to MTHCD Board

9/27/17

1. The corp. board met yesterday and reviewed and approved physician credentials, including a new physician who will be working in the clinics. In addition to normal outpatient visits and prompt care, this physician is certified in occupational medicine and will be helping with the re-introduction of occupational health when he starts Oct. 2. (One additional doctor, and two additional mid-level providers, are slated to start in October.)
2. The board had a robust discussion on the performance of the RHC clinics (rural health clinics). Although some physician recruitment efforts are bearing fruit, it is still a challenge to attract and recruit doctors at this time (depending on specialty, this is a statewide and national issue.) Administration shared with the board that they are engaging two agencies to bring a small group of primary care physicians to the clinics and immediately bring physician staffing up to full levels. This is expected in the October/November timeframe.
3. Examples of higher-performing service lines include Oncology and Imaging. Cancer and infusion services, led by Dr. Singhal, have been hitting historically high levels, as have imaging studies and interventional procedures, led by Dr. Athwal. There has been an increase in the number of pet scans; 15 in August compared to just 1 in August of 2016.
4. In the quality update, the Chief Nurse Executive Katherine McCoy highlighted the challenges of maintaining high patient experience scores and quality outcomes when measures like census or visit levels are variable. While MTMC continues to be a CMS 3-Star rated hospital (and 4-stars on patient experience), these high levels are difficult to sustain, and are being watched by nursing leadership.
5. The board heard an update on the progress of the new clinic planned for Angels Camp. The city has responded to Aspen Street Architects with questions and comments to the plans, and Aspen anticipates responding in time for the Oct. 12 planning commission meeting. On the matter of a roundabout vs. a simple traffic signal, initial feedback seems to be that a traffic signal will be acceptable.
6. Board member Dr. Dave Woodhams volunteered to submit an application to serve on the California Hospital Association's Governance Forum, which meets 4 times per year at CHA headquarters in Sacramento. If Dr. Woodhams is elected by the current members of the Forum, it will provide an excellent opportunity for Mark Twain Medical Center to have board representation at this venue, alongside hospitals from across the state. The CHA has also asked CEO Bob Diehl to serve on their Rural Healthcare Center Advisory Board, which is for hospital administration staff.
7. The board approved the hospital's 2018-19-20 strategic plan. This was developed in detail at a board retreat earlier this summer, then shared at the General Medical Staff quarterly dinner meeting and the Medical Executive Committee monthly meeting. While certain items are proprietary, such as tactics or financial measures, the board asked Administration to draft a shorter summary version which can be shared with the public. This will be brought before the hospital board for the October meeting.
8. Lastly, the board reviewed a recent request by the San Andreas Fire District to review services exchanged with MTMC. (Currently the Fire District assists with helicopter landing/launching and other tasks, while the hospital provides physical exams and immunizations for firefighters.) Hospital administration will be meeting with fire leadership to discuss.
9. The cardiac rehab. program is scheduled to re-open at the end of the month. While Stockton Cardiology is providing medical directorship, there is still no invasive cardiology being done. Other options are being pursued.
10. Hospital operations for the month of August reported a loss of \$888,000 compared to a

budgeted loss of \$266,000, primarily due to a reduction in net patient revenue resulting from lower patient volumes. Lower than anticipated surgery volume and their related ancillary procedures were the main contributors to the decrease in financial performance. Expenses were favorable to budget (i.e., below) by \$93,000 and investment income exceeded budget by \$91,000.

*Lin Reed MTMC Board Member and MTHCD President*

*Susan Atkinson MTMC Board Member and MTHCD Treasurer*

Ms. Reed: The Corp. Board met yesterday. She sits on the Corp. Board Finance Committee and is concerned about the hospital's financial status related to lack of doctors, surgery and procedures. She feels Dr. (Lonnie) Smith is working hard to recruit more doctors.

Mr. Diehl: The term "town hall meetings" was causing confusion so they will now be called "employee forums". He announced the extension of Dr. Jim Brennan's contract. In addition, contracts are to be signed with Medicus and Primer. His approach is to fast-track them to start arriving next month - Dec and hopes they will want to stay. He anticipates the doctors will be willing to do extended hours i.e. at the clinics.

## **7. Committee Reports:**

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

#### **o Employment – Policy Guidelines and Insurance:**

Dr. Smart: The District now has two employees so needs an employee manual. The draft version will be forward to the Ad Hoc Personnel Committee for review.

#### **• Workers Comp Policy:**

Dr. Smart: The District now has a workers' comp policy with State Fund through Sanguinetti Insurance, Stockton, CA.

#### **• Ex. Director - Employment Contract:**

Dr. Smart: Legal is working on a contract to cover the Ex. Director's services to the District. Upon receipt the contract will be forwarded to the Ad Hoc Personnel Committee for review then presented to the Board for consideration.

### **B. Finance Committee:**

Mr. Krieg: Reviewed his narrative (pkt pg. 26).

Ms. Atkinson: Referring to the Minority Interest Trend Over Previous 25 Months graph (pkt. pg. 32) is concerned about the monthly loss from the medical center. It is problematic for the District.

Mr. Diehl: Would like to extract some items from the District's graph.

Dr. Smart: Remembers \$300-\$400k losses and now it's \$1 million a month for the last 2 months so the loss is accelerating. The hospital can't sustain with 4 patients/day (today's census).

Mr. Roberts: Security has been added at \$¼ million and utility cost are \$600k which is roughly a million (spread over the year). There is a shortage in the clinics. There are four patients today and it should be 11-12. Anything below 12 (census) is a loss.

- **Investment Policy Update:**

Ms. Atkinson: Has queried other districts to see how they manage their investments. She learned many districts don't have funds to manage so was pleased to report the MTHCD has assets to invest. The Ad Hoc Finance Committee will be reviewing policy.

- **Financial Risk Assessment – Black Box:**

Dr. Smart: Ms. Cosgrove needs data from Dignity so a black box was put into place. The black box will be the security device for the NDA data allowing Ms. Cosgrove to get what she needs for her assessment.

- **Recommendation for Approval of August 2017 Financial Statements: Action**

Ms. Al-Rafiq moved to approve the August 2017 financial statements. Ms. Atkinson provided her second and the motion passed 4-0.

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

- **Update on Quorum Assessment:**

Dr. Smart: The work has been completed. The results are confidential so being managed. The payment was budgeted and expensed so no action is needed from the Board.

- **Update on Lease, Evaluation and Negotiations:**

Ms. Reed: Gave a brief outline of where the District is in the negotiations process. The District is under a non-inclusive NDA agreement with Adventist Health and are continuing conversation with Dignity though not actively negotiating now. When the District is done with Adventist they may choose to go into an exclusive NDA with Dignity. Though the District started this process in 2015 the timeline is getting short.

Dr. Smart: Explained there are two proposals being considered that will be discussed at public forums with employees and medical staff. The Board then decides which proposal will be put on the ballot for the voters to consider. Once the Board puts a proposal on the ballot the public decides to approve the recommendation or not to approve.

Shawna RN in Med Surg: Has worked at Adventist. She declared herself a voice for the staff who feels their union is in jeopardy if Adventist is chosen. She feels she and others wouldn't stay if Adventist was chosen.

Dr. Michnowska Hospitalist: Has worked at Adventist and has concerns about their referral network.

Dr. Robert Petty, ER: Acknowledged the Board having to make a tough decision between Dignity or Adventist. He recommends all those concerned about Adventist be open minded and take a trip to Hanford, Selma, Kingsburg, Reedley to see how it is working and working well. IT is stonewalled, Tele-scribe system Dignity signed in April and has not been implemented. Maybe Dignity can get it together but stated he worked at Selma and now 15 years later it is still working.

Ms. Reed: There have been no discussion(s) to alter the union contract in any way. The union contract is up next year and will need to be negotiated. The lease negotiation(s) has no bearing on that already determined process.

Ms. Toepel: Transports clients to medical appointments and encourages them to use local care facilities. Thinking Dignity has always been Dignity but under different names i.e. St. Joes, CHW then Dignity thought another name change might be of consequence.

Ms. Reed: Encouraged everyone to look at the District web site. She also welcomes phone calls, emails, drop off a note at the office or contact Dr. Smart. Feedback is welcomed so remaining anonymous is acceptable as well. Board members will be attending the Town Hall (Employee Forum) meetings to gather staff comments.

Ms. Atkinson: In reviewing the hospital history one sees it hasn't always been Dignity Health.

#### **D. Ad Hoc Grants Committee:**

- **Update on Sponsorships:**

Ms. Atkinson: The program will start in Feb. 2018 calling for applications. After reviewing the applications, the awards will be given toward the end of the fiscal year.

- **Update on Grant Applications and Sponsorships:**

Ms. Atkinson: the health fair is Sept. 30<sup>th</sup> and the District will have a booth outside the office providing information and the opportunity to learn how to do breast and testicular self-exams.

Ms. Atkinson: Ms. Sellick will be on hand for Pink in the Night on Oct. 2<sup>nd</sup> in VS. Oct 10 and 26<sup>th</sup> will be women's Mammo-Glam where women can have access to a mammogram. The men's Tackle Your Health event will be Nov. 9<sup>th</sup>.

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

### **o Update on Valley Springs Clinic:**

#### **▪ Opinion of Probable Costs:**

Mr. Krieg: \$5k was added to the cost of the VS project for architect and legal fees.

Dr. Smart: Along with Gary Hick redid the potential cost and he'll update for Mr. Krieg.

#### **▪ Operational Business Model:**

Dr. Smart: Received a loan extension from USDA with strong support. The District has until Sept. 2018 to break ground. The District is considering running the clinic so the risk assessment will look at cash flow etc. The current lease is with MTMC. and has a non-compete clause. The District and MTMC may want to collaborate to mitigate that clause.

### **o Update on Rental Home / Property:**

Dr. Smart: Property Manager, Kirk Stout, added a fresh coat of paint last week. New windows will be installed on Oct. 3<sup>rd</sup>. The quality of work is outstanding.

Ms. Atkinson: Agreeing the new paint is an improvement.

Ms. Al-Rafiq: Pleased with the new paint then comes the windows and flooring. The Real Estate Ad Hoc Committee will be touring the property on Oct. 5<sup>th</sup>.

## **8. Board Comment and Request for Future Agenda Items:**

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

Hearing none.

## **9. Next Meeting:**

### **A. The next meeting will be October 25, 2017:**

## **10. Closed Session:**

Ms. Reed: Moved the meeting to closed session

**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.; Adventist Health. Under negotiations: Price and Terms of Lease.**

**11. Reconvene to Open Session:**

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

Ms. Reed: Announced there was no reportable action taken in Closed Session.

**12. Adjournment: Action:**

Ms. Atkinson moved to adjourn the meeting at 9:44am. Ms. Al-Rafiq provided her second and the motion passed 4-0.