



Healing Hands Close To Home

LAST FRONTIER HEALTHCARE DISTRICT
A Public Entity

REGULAR MEETING MINUTES
LAST FRONTIER HEALTHCARE DISTRICT
dba MODOC MEDICAL CENTER

BOARD OF DIRECTORS

Thursday, September 27, 2018 at 1:00 pm
Council Chambers, City Hall
Alturas, California

Directors present: **Michael Anderson, Jim Cavasso, Carol Madison, Dick Steyer and Guy Martin Young**
Directors absent: **None**
Staff in attendance: **Kevin Kramer, CEO; Patrick Fields, Finance Director; Amber Mason, Human Resources Manager; and District Clerk, Dee White**
Staff absent: **None**

CALL TO ORDER

Carol Madison, Chair, called the meeting of the Last Frontier Healthcare District (LFHD) Board of Directors (BOD) to order at 1:00 pm. The meeting location was in the Council Chambers of Alturas City Hall in Alturas, California.

1. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

2. AGENDA – Additions/Deletions to the Agenda

Dick Steyer requested that **Consent Agenda Item 5.B) Medical Staff Committee – August 29, 2018; Medical Staff Committee Meeting Minutes – June 25, 2018** be moved to **Consideration/Action Item 6F.)**.

Change Financial Statement to August (not September) on the Agenda.

Marty Young moved that the Agenda be approved as amended, **Michael Anderson** seconded and the motion carried with all voting “aye.”

3. PUBLIC COMMENT

No public comment.

REGULAR SESSION

4. DISCUSSION

A.) K. Kramer – New Facility Project Management Report – August 2018

Kevin Kramer updated the Board on the site work that is currently being performed for the New Facility Project. The full Project Management Report dated August 2018, from Cumming USA, Inc. was shared with the Board.

- **Kevin** approved overtime for completion of paving before the weather turns.
- There have been delays due to permitting with CalTrans and OSHPD.
- There was an article in “Modoc County Record” last week updating the public as to the progress of the site work.

Kevin asked if there were any additional questions on the Project Management Report or New Facility Project. There were no additional questions.

B.) K. Kramer – Provision of Healthcare Services in Modoc County

Kevin facilitated a discussion regarding how healthcare services are currently being provided to the residents of Modoc County and how they could be improved.

Surprise Valley Healthcare District. This has been discussed in Senior Leadership Team meetings. LFHD may consider medical services there that are financial feasible and sustainable; i.e., Rural Clinic, Ambulance; possibly Radiology and/or Lab Techs. The current feeling is that it is not the right time politically to pursue Surprise Valley’s skilled nursing facility patients. We will be available through **Chester Robertson** (Modoc County Administrator) when/if the Surprise Valley SNF closes.

Beau G. is still in the wind. No update on status of bankruptcy. Not proactive. **Kevin** wishes that the climate between us was better. **Bill Bostic**, SVHCD CEO, is not forthcoming in sharing any information. There is a cohort of community members that have contacted him.

Surprise Valley SNF shut down? State can close their SNF, for non-compliance. Hospital is still open, but under a bankruptcy judge. Their BOD would have to close it, including dissolution process (e.g., LAFCO, CDPH, County, etc.). They will have to prove to bankruptcy judge that they have a realistic financial path.

No audit performed since 2011. So far there has been no financial penalty for not having an audit. Eventually, the SVHCD BOD will have to make a decision for the District to have any hope to recover.

Marty Young clarified that there are two types of bankruptcy. One would require that SVHCD cancel debts and sell assets to pay what they can. The other is re-organization of the debt owed.

Michael Anderson asked how a public entity can continue to withhold information.

Kevin reiterated that our position now is to keep our distance and help when asked and is financial viable.

Michael Anderson asked **Kevin** if he had a need for formal Board support. **Kevin** responded that if the Board is fine with the current path, we can continue as is; otherwise, a motion would have to come before them. Board is in support of current path.

C.) D. White – New Board Members in 2019

Dee White, District Clerk, announced that due to only three people filing to be elected to fill the three Board positions that are expiring at the end of the year, all three will be sworn in at the January 2019 Annual Organizational Board of Directors meeting on January 31, 2019. They are:

- **Michael Anderson**
- **Dick Steyer**
- **Stacey Todd**

After **Michael Anderson** told the Board that he may be moving to Oregon before the end of the year, **Dee** told the Board that she will check the District Bylaws for reappointment process. **Dee Funk** is interested.

5. CONSENT AGENDA - Items under the Consent Agenda heading do not require discussion before a vote. If discussion is needed, that item needs to be moved to the Consideration/Action part of the Agenda where discussion is allowed.

A.) D. White - Adoption of LFHD Board of Directors Regular Meeting Minutes (August 30, 2018)

B.) ~~M. Kresge – Medical Staff Committee – August 29, 2018~~

- ~~Medical Staff Committee Meeting Minutes – June 25, 2018~~

MOVED TO CONSIDERATION/ACTION ITEM 6F.)

C.) **K. Kramer – Policy Manuals for Review – September 2018**

- **Accounting**
- **Business Office**
- **Human Resources**
- **September 2018 Policy Log**
- **September 2018 Policies & Procedure Log**

Michael Anderson moved to approve the Consent Agenda as amended, **Dick Steyer** seconded and the motion carried with all voting “aye.”

6. CONSIDERATION/ACTION

A.) **P. Fields – August 2018 LFHD Financial Statement (unaudited)**

Patrick presented the August 2018 LFHD Financial Statement (unaudited):

Summary

- During the month of August, Modoc Medical Center reported Net Loss from Operations of (\$133,990), representing a higher loss than was budgeted (\$118,346). The loss for the month was partially due to an uptick in Bad Debt Expense during the month and increased Operating Expenses.
- Inpatient Revenue increased for the third consecutive month. Outpatient Revenue was also up from the prior month.
- Year-to-Date, the Operating Loss of (\$398,763) was higher than budgeted (\$174,853).
- Net Loss, including Non-Operating Activity, is (\$126,019) and is above budget by \$15,282.
- Year-to-Date Net Loss is (\$380,045) against budgeted (\$179,859).

Balance Sheet

- Cash declined this month by (\$756K) to \$16.585 million. The decline in Cash was due to the Net Loss coupled with a large decline in Accounts Payable and continued funding of the New Hospital Facility construction.
- Total Assets saw a decline of \$585K, the net effect of Cash reductions and the construction in process increases.
- Total Liabilities declined by \$453K, with reductions in Accounts Payable as the primary cause of the decline.
- Days in Cash are 376 while Days in Accounts Payable were 16.
- Net Accounts Receivable as a percent of Gross Accounts Receivable dropped this month to 41.5%.
- Current Ratio remains strong at 15.74 times.

Finance Director Review

- Bad Debts. Self-pay increased over the last three months with migration over 120-day mark.
- Trending – bump on census, so bump in staffing at the SNF.
- Supplies are up –seems to be hospital pharmacy.
- Retail pharmacy \$13K profit.

Jim Cavasso moved to approve the August 2018 LFHD Financial Statement (unaudited) as presented, **Marty Young** seconded and the motion carried with all voting “aye.”

B.) **K. Kramer – Large Account Write-Off**

Kevin requested a large account write-off of \$8,124.03 after presenting the circumstances concerning this account, which is over 365 days old. HealthLand cannot provide an explanation.

Marty Young moved to approve **Kevin Kramer, CEO's** request to write off a large account, **Jim Cavasso** seconded and the motion carried with all voting “aye.”

C.) **K. Kramer – Budget Amendment – HealthLand Server Upgrade**

Kevin presented a request for a budget amendment to cover the equipment, installation, software licensing and service agreement with HealthLand. A summary of the Scope of Work includes:

- “The objective of this project is to assist MMC (sic) in building a new virtual Microsoft 2012 Centriq Live and Val Application and SQL Servers with Microsoft 2014 SQL Server to deliver HealthLand Centriq Applications and migrate (sic) all data and associated 3rd party applications. Also, all associated SQL databases to deliver HealthLand Centriq Applications.” (\$98,830 – quote)

Marty Young moved to approve the budget amendment as presented by **Kevin Kramer, CEO, Michael Anderson** seconded and the motion carried with all voting “aye.”

D.) P. Fields – Expiring CD(s)

- **Patrick** recommended renewing the current CD (\$225K) that is expiring on October 9, 2018 for another five years. There is a guaranteed minimum interest.
- Money market account that all interest is currently going into is riding at \$122K at 1.8%. When this account reaches \$200K **Patrick** recommended moving \$100K to a 2-year CD.

Marty Young moved to approve **Patrick Fields**, Finance Director’s recommendations regarding CDs, **Dick Steyer** seconded and the motion carried with all voting “aye.”

Dick Steyer asked **Patrick** to determine what the penalties would be if we cashed out the Barclay investment.

E.) M. Kresge – Medical Staff Committee – August 29, 2018 (MOVED FROM CONSENT AGENDA ITEM 5A.)

- Medical Staff Committee Meeting Minutes – July 25, 2018
 - **Dick Steyer** – Pathology Report – What are Biofire procedures. **Kevin** explained that this is the new PCR instrument in the hospital laboratory.
 - In SNF, patient wanted to be readmitted but was denied by provider. Transferred to Renown with circulatory issues in foot. Renown recommended amputation. Surgeon did not want to perform this surgery. Provider was concerned that staff would not be able to deal with the rotting foot. **Dr. Richert** wants to be consulted in future.
 - Site visit to review EMR for SNF. Contract will be reviewed and possibly signed tomorrow. Implementation at beginning of year.
 - Drug shortages – have not had to buy from secondary markets. No patient care issues.

Dick Steyer moved to approve the Medical Staff Committee minutes from July 25, 2018, **Michael Anderson** seconded and the motion carried with all voting “aye.”

7. VERBAL REPORTS

A.) K. Kramer – CEO Report to the Board.

Flight Life

- Waiting for attorney to determine path to take.

Equipment Purchase

- GE Healthcare – Monitor purchase. Quote had to be signed before a certain date to receive discount.
- **Kevin** will bring motion to next meeting to ratify purchase.
- Requesting resolution to modify spending limits for construction.
- Requesting feedback.
 - **Dick Steyer** – What about furniture, fixtures and equipment (FF&E). **Kevin** requested that authority to approve contract amount or per line item.
 - **Carol Madison** – As long as it is all part of the contract that has been approved by the Board. **Jim Cavasso** agreed.
 - **Kevin** – Costs are included in 3-year capital budget that the Board approved.
 - Does the Board want to see all contracts for equipment for over \$25K.
 - **Marty Young** – Suggested that **Kevin** provide a summary of expenditures to Board for approval as it is outline in the monthly project report.
 - **Kevin** – Believes that it would be cleaner to have a resolution for contract approval for FF&E as long as it is approved in the capital budget.
 - He would be more comfortable with resolution with limit and review of purchasing policy.
 - **Carol Madison** – At, say, \$200K...

Joshua Thompson – Risk Management

- 340B audit – interface between our retail pharmacy and Rite Aid was not excluding Medicare/ MediCal (PHP). We have purchase drugs for those entities at lower rates inaccurately. ScriptPro is preparing report to determine what we owe various pharmaceutical companies. Will have figure by next week.
- ScriptPro programming error and lack of due diligence on our part.

Michele McQuillan resigned. We are looking for new person to fill Chief Nursing Officer position. There is one in-house and two outside applicants. Interviews will take place next week.

Marci Clare is here as the Interim Warnerview Director of Nursing (DON), and has agreed to extend through February. He is hoping she decides to stay.

Sandy Pelfrey's contract is over and she will be here until end of the first week in October.

B.) A. Mason - Human Resources Information to the Board.

Compliance

- Performance Evaluations: 95% compliant
- TB Tests: 99% compliant
- Physicals: 87% compliant

Recruitment Video

- Working with Herald and News to produce a recruitment video for potential staff to encourage them to move to the Alturas area and work for MMC.

Promoting Positivity Committee

- Committee comprised of multiple staff and supervisors will be coordinating activities and events for staff to participate in throughout the year to promote “fun” across departments.

Staff Shout Out Boards

- These strategically placed bulletin boards were newly implemented at the Clinic and Acute (SNF has had one for some time already). Staff is to leave a post-it on the board with comments that are rewarding or positive in nature in regards to staff and/or departments. These are turning out to be a big hit among the staff and are being added to weekly.

Staff Changes

- **Charles Gholson** is now our Ambulance Director.
- **Brenda Garvie, RN** has accepted the Infection Control Nurse position.

C.) P. Fields – Financial Directors Report to the Board

Patrick Fields reported on the Accounting Department.

- Wipfli auditors will be here September 24th to work on the FYE 2018 Audited Financial Statement.
- He will then move on to preparing the Cost Report.
- **Jin Lin** will be back from China on Monday.

D.) Board Member Reports

- **Michael Anderson** - Nothing at this time.
- **Jim Cavasso** – Apologized for being late. (accepted)
- **Dick Steyer** – Nothing at this time.
- **Guy Martin Young** – Nothing at this time.
- **Carol Madison-**
 - Glad to see robbery items being recovered.
 - The LFHD Holiday Party on December 8 at the Niles Hotel.

Carol Madison read, for the record, the items for the Executive Session.

Michael Anderson moved to close the Regular Session of the Board of Director, **Jim Cavasso** seconded and the motion carried with all voting “aye.”

The Regular Session of the Last Frontier Healthcare District Board of Directors was adjourned at 2:35 pm.

EXECUTIVE SESSION

Executive Session was called to order by **Carol Madison**, Chair, at 2:37 pm.

8. CONSIDERATION/ACTION

A.) M. Kresge – Medical Executive Committee Minutes & Credentialing Items – August 19, 2018
(Per Evidence Code 1157)

- Medical Executive Committee Meeting Minutes – July 25, 2018
- Credentialing/Privileging

B.) K. Kramer – Update on Potential Litigation [Per Gov’t Code Section 54956.9(d)(1)]

C.) K. Kramer – Clinic Provider Contract [Per Gov’t Code Section 54956.9(d)(1)]

D.) K. Kramer – Clinic Provider Contract Renewal [Per Gov’t Code Section 54956.9(d)(1)]

Dick Steyer moved to adjourn from Executive Session and return to Regular Session, **Jim Cavasso** seconded and the motion carried with all voting “aye.”

The Executive Session of the Board of Directors was adjourned at 3:03 pm.

RESUME REGULAR SESSION

The Regular Session of the Board of Directors was called back to session by **Carol Madison**, Chair, at 3:04 pm.

9. CONSIDERATION/ACTION – RESULTS OF EXECUTIVE SESSION

A.) M. Kresge – Medical Executive Committee Minutes & Credentialing Items – August 19, 2018

- Medical Executive Committee Meeting Minutes – July 25, 2018
- Credentialing/Privileging

Dick Steyer moved to accept the Medical Executive Committee Minutes and approve the Credentialing of Providers as presented, **Jim Cavasso** seconded and the motion carried with all voting “aye”.

Based upon character, competence, training, experience and judgment, favorable recommendation by peers and credentialing criteria fulfillments, the Medical Executive Committee recommended the following appointments for Last Frontier Healthcare District Board of Directors approval:

- **Gary Smith, CRNA** - Appointment of Provisional AHP status/privileges in the Anesthesia category.
- **Ellen Harris, FNP** - Appointment of Provisional AHP status/privileges in the Emergency and Family Medicine categories.
- **Kathryn Martin, PA-C** - Appointment of Provisional AHP status/privileges in the Family Medicine category.
- **By-Proxy Credentialing** - Appointment of Provisional Telemedicine privileges in the Cardiology setting for the following:

- Anu Agarwal, MD	Cardiology
- Ivan B. Anderson, MD	Cardiology
- Jake H. Ichino, MD	Cardiology Interventional
- Francis Kelley, MD	Cardiology
- Christopher Kozlowski, MD	Cardiology Interventional
- Jayson Morgan, MD	Cardiology
- Christopher James Rowan, MD	Cardiology
- Richard P. Seher, MD	Cardiology Interventional
- David E. Smith, MD	Cardiology Electrophysiologist
- Laura Ellen Sullivan, MD	Cardiology
- Robert D. Swackhamer, MD	Cardiology Interventional
- Thomas-Duythuc To, MD	Cardiology
- Christopher Wilson, MD	Cardiology

B.) K. Kramer – Update on Potential Litigation

No action was taken on this item. A general update was provided to the Board on the potential litigation.

C.) K. Kramer – Clinic Provider Contract

Marty Young moved to approve the Clinic Provider Contract as presented by **Kevin Kramer, CEO, Jim Cavasso** seconded, and the motion carried with all voting “aye.”

D.) K. Kramer – Clinic Provider Contract Renewal

No action was taken on this item.

10.) MOTION TO ADJOURN

Marty Young moved to adjourn the meeting of the Last Frontier Healthcare District Board of Directors at 3:15 pm, **Michael Anderson** seconded and the motion carried with all voting “aye.”

The next meeting of the Last Frontier Healthcare District’s Board of Directors will be held on October 25, 2018 at 1:00 pm in the Council Chambers of Alturas City Hall in Alturas, California.

Respectfully Submitted:

Dee White
Last Frontier Healthcare District Clerk

Date

DRAFT