



Healing Hands Close To Home

LAST FRONTIER HEALTHCARE DISTRICT
A Public Entity

REGULAR MEETING MINUTES
LAST FRONTIER HEALTHCARE DISTRICT
BOARD OF DIRECTORS

Thursday, October 25, 2018 at 1:00 pm
Council Chambers, City Hall
Alturas, California

Directors present: Michael Anderson, Jim Cavasso, and Dick Steyer
Directors absent: Carol Madison and Guy Martin Young
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

In the absence of Carol Madison, Chair, and Marty Young, Vice Chair, Dick Steyer, Board Secretary, called the meeting of the Last Frontier Healthcare District (LFHD) Board of Directors (BOD) to order at 1:01 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

Kevin Kramer requested that CONSENT AGENDA ITEM 5.A.) D. White - Adoption of LFHD Board of Directors Regular Meeting Minutes (September 27, 2018) be moved to CONSIDERATION/ACTION ITEM 6.G.)

Jim Cavasso moved that the Agenda be approved as amended, Michael Anderson seconded and the motion carried with all present voting “aye.”

3. PUBLIC COMMENT

No public comment.

REGULAR SESSION

4. DISCUSSION

A.) K. Kramer – New Facility Project Management Report – September 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 September 2018, from Cumming USA, Inc. was shared with the Board.

- Kevin replaced the Outlay Report with the most current one that was issued.
- White Bear Construction will have Phase I complete after concrete work is finished this week and the perimeter fence is installed.

- About \$6M has been spent to date on the project.

Kevin asked if there were any additional questions on the Project Management Report or New Facility Project. There were no additional questions. In addition, **Kevin** reported that Nagle Street will continue to be closed in order for Swinerton Builders to use the street for staging next spring when construction starts.

B.) K. Kramer – Report on Guarantor Balances of \$10K or Greater

Kevin presented the report on Guarantor Balances of \$10K or Greater. The report included those accounts that have been sent to bad debt. **Kevin** will bring a plan back next month outlining a procedure to handle these accounts. This will likely include threshold amounts at which discounts will be provided and then placing these patients on payment plans.

C.) K. Kramer – Process for Filling Vacant Board Seat

Kevin asked **Dee White, District Clerk** to present the process for filling a vacant Board seat using information from the District’s Bylaws.

D.) K. Kramer – Update on 340 B Mistake at Retail Pharmacy

Kevin reviewed information sent to HRSA about the 340 B mistake made at the retail pharmacy regarding the carve outs that were missed. The information sent to HRSA also outlined the process for notifying pharmaceutical companies and how the mistake was to be remedied. The retail pharmacy is still at break even or a bit better. **Kevin** apologized for the lack of oversight in not auditing the 340 B program adequately to catch this issue.

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 (September 27, 2018)~~ **MOVED TO CONSIDERATION/ACTION ITEM 6G.**

B.) K. Kramer – Policy Manuals for Review – October 2018

- **Activities**
- **Social Services**
- **October 2018 Policy Log**
- **October 2018 Policies & Procedure Log**

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

6. CONSIDERATION/ACTION

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

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

Summary

- During the month of September, Modoc Medical Center reported Net Loss from Operations of (\$457,472), representing a higher loss than was budgeted (\$191,875). The loss for the month was partially due to the continued increases in bad debt expense during the month coupled with shifts in payor mix negatively affecting contractals.
- Inpatient and Outpatient Revenue both declined during the month when compared to August.
- Total Patient Revenue was \$2,326,552, down from \$2,639,000.
- Year-to-Date, the Operating Loss of (\$856,234) was higher than budgeted (\$366,728).
- Year-to-Date Net loss is (\$867,454), against budgeted (\$314,691).

Balance Sheet

- Cash declined this month by (\$1,141K) to \$15.444 million.
- The decline in cash was due to the net loss coupled with a continued funding of the New Hospital Facility construction, \$629K.
- Total Assets saw a decline of \$527K, the net effect of cash reductions and the construction in process increases.
- Total Liabilities declined by \$39K, reductions in accrued payroll was the primary cause of the decline.

- Days in Cash are 350 while Days in Accounts Payable were 18.
- Net Accounts Receivable as a percent of Gross Accounts Receivable remained increased this month to 41.9%.
- Current ratio remains strong at 15.33 times.

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

B.) P. Fields – Expiring CD(s)

Patrick reported that the \$225K CD that matured on October 9th was reinvested with Wells Fargo in a 5-year CD at a rate of 3.45 percent. The money market account has not quite reached \$100K; consequently, we have not invested the 2-year CD as discussed last month. When it does reach the \$100K level, we will invest in a 2-year CD. The Barclay’s CD that is tied to the S&P 500, if we had sold it on October 9th, it was worth \$274,400. This amount changes with market fluctuations. The CD originated on August 25, 2013, which equates to a 5 percent return if we were to liquidate the CD.

Michael Anderson moved to institute a stop loss order at \$250K for the Barclay CD account and, if it sells, place the money in the Money Market Account until the subsequent LFHD Board meeting; **Jim Cavasso** seconded and the motion carried with all present voting “aye.”

C.) K. Kramer – Determination of November/December 2018 LFHD Board of Directors Meeting

Kevin recommended that the November/December meeting take place on November 29th, with no December meeting.

Jim Cavasso moved to have the November/December meeting at the regularly scheduled meeting date of November 29, 2018, with no meeting in December 2018; **Michael Anderson** seconded and the motion carried with all present voting “aye.”

D.) K. Kramer - Large Account Write-Off

Kevin requested a large account write-off of \$11,915.92 after presenting the circumstances concerning this account.

Michael Anderson moved to approve **Kevin Kramer, CEO’s** request to write off a large account as presented, **Jim Cavasso** seconded and the motion carried with all present voting “aye.”

E.) K. Kramer – GE Equipment Purchase

Kevin presented the GE equipment purchase for the New Facility and requested that the Board ratify the procurement of this equipment for the new facility. The purchase amount of the equipment is \$220,554.43.

Jim Cavasso moved to approve the purchase as presented by **Kevin Kramer, CEO**; **Michael Anderson** seconded and the motion carried with all present voting “aye.”

F.) K. Kramer – Resolution #18-07 – CEO Approval Limits on FF&E Purchases for the New Facility

Michael Anderson moved to approve the resolution as presented, **Jim Cavasso** seconded. **Dick Steyer**, Acting Chair, called for a vote of each Board Member. The votes were as follows:

- **Michael Anderson-** Aye
- **Jim Cavasso-** Aye
- **Carol Madison-** Absent
- **Dick Steyer-** Aye
- **Marty Young-** Absent

The motion **carried** by a unanimous vote of the Last Frontier Healthcare District Board of Directors members present.

**6G.) D. White - Adoption of LFHD Board of Directors Regular Meeting Minutes (September 27, 2018) –
MOVED FROM CONSENT AGENDA ITEM 5.A.).**

Kevin Kramer pointed out some edits and clarifications that were made to the minutes.

Jim Cavasso moved to approve the minutes of the LFHD Board of Directors Regular Meeting held on September 27, 2018 as amended, Michael Anderson seconded and the motion carried with all present voting “aye.”

7. VERBAL REPORTS

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

Provider Recruitment

- Chantele Sahli has started as our second permanent hospitalist.
- Joseph Chiong, a midlevel provider is supposed to come November 8-11.
- Steve Harmon, D.O., signed a contract and then, early this week, opted out of coming.

New Facility

- Hoping to get final internal design review and sign off by department heads finished next week.
- Adam Willoughby has been busy working with department heads to finalize our equipment list for the New Facility project.
- Kevin will be working on closing our loan and getting the appropriate bonds in place for the USDA so we can close the loan in a February or March 2018 timeline.

Other Items

- RLN – should have a legal summary from our attorney on this by next Board meeting. Only option for us to be able to share profit with this is to invest in the company. Profit sharing would have to match our percentage of equity in the company. Kevin will gather some of the financial information on this over the next month so he can present a recommendation back to the Board on where he feels we should head with this.
- Still looking for a permanent CNO and Director of Nursing.
- CNA class cannot be conducted for 2 years again due to a self-reported fall of a resident at the SNF. We will finish training the current class. In order to have more CNA trainings over this time, will require delivery through College of Siskiyous or some other avenue moving forward again. This deficiency also resulted in monetary penalties.

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

Compliance

- Performance Evaluations: 96% compliant
- TB Tests: 99% compliant
- Physicals: 89% compliant

Halloween Festivities

- Potluck on October 31st from 12:00-2:00 pm in the hallway outside of Administration.
- Dessert/Costume Contest/Game from 2:00-3:00 pm in the Warnerview Dining Room.

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

Patrick Fields reported on the Accounting Department.

- Continuing the work on the Cost Report.

D.) Board Member Reports

- Michael Anderson - Because his house sale fell through, he is committed to continue on the Board until his house sells.
- Jim Cavasso – He has visited the New Facility site a few times. Clean operation.
- Dick Steyer – Joe Picotte’s office at 3:30 this afternoon – Swimming Pool meeting. Further delays, possibly a 1-year delay, maybe even 2 years. Bid came in way over the budget. State of California grants may be available for recreational projects.

Dick Steyer read, for the record, the items for the Executive Session.

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

The Regular Session of the Last Frontier Healthcare District Board of Directors was adjourned at 2:26 pm.

EXECUTIVE SESSION

Executive Session was called to order by **Dick Steyer**, Acting Chair, at 2:28 pm.

8. CONSIDERATION/ACTION

A.) M. Kresge – Medical Executive Committee Privileging & Credentialing Items (Per Evidence Code 1157)

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

The Executive Session of the Board of Directors was adjourned at 2:30 pm.

RESUME REGULAR SESSION

The Regular Session of the Board of Directors was called back to session by **Dick Steyer**, Acting Chair, at 2:30 pm.

9. CONSIDERATION/ACTION – RESULTS OF EXECUTIVE SESSION

A.) M. Kresge – Medical Executive Committee Privileging & Credentialing Items

Michael Anderson moved to accept the Medical Executive Committee Privileging and Credentialing of Providers as presented, **Jim Cavasso** seconded and the motion carried with all present 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 By-Proxy Telemedicine Credentialing/Request for Waiver of Provisional Status (24 months) for Last Frontier Healthcare District Board of Directors approval for:

1. Hannah Bae, MD – Radiology
2. Daniel Baker, MD – Radiology
3. John Boardman, MD – Radiology
4. James Brull, DO – Radiology
5. Anne Marie Buadu, MD – Radiology
6. Joanna Carlson, MD – Radiology
7. Richard Carregalo, DO – Radiology
8. Courtney Carter, MD – Radiology
9. Lilian Cavin, MD – Radiology
10. Todd Greenberg, MD – Radiology
11. Jeffrey Grossman, MD – Radiology
12. Kristen Grubb, MD – Radiology
13. Morgan Haile, MD – Radiology
14. Kyle Henneberry, MD – Radiology
15. Perry Kaneriyia, MD – Radiology
16. Russell Kosik, MD – Radiology
17. William Phillips, MD – Radiology
18. Asti Pilika, MD – Radiology
19. Teppe Popovich, MD – Radiology
20. William Randazzo, MD – Radiology
21. Charles Westin, MD – Radiology
22. William Woodard, MD - Radiology

10.) MOTION TO ADJOURN

Michael Anderson moved to adjourn the meeting of the Last Frontier Healthcare District Board of Directors at 2:31 pm, **Jim Cavasso** seconded and the motion carried with all present voting "aye."

The next meeting of the Last Frontier Healthcare District's Board of Directors will be held on November 29, 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