



*Healing Hands Close To Home*

**LAST FRONTIER HEALTHCARE DISTRICT**  
*A Public Entity*

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**REGULAR MEETING MINUTES**  
**LAST FRONTIER HEALTHCARE DISTRICT**  
**BOARD OF DIRECTORS**  
**dba MODOC MEDICAL CENTER &**  
**dba LAST FRONTIER PHARMACY**

Thursday, November 29, 2018 at 1:00 pm  
Council Chambers, City Hall  
Alturas, California

Directors present: **Michael Anderson, Edouard (Jim) Cavasso, Carol Madison, Richard (Dick) Steyer and Guy Martin (Marty) Young**

Directors absent: None

Staff in attendance: **Kevin Kramer, CEO; Patrick Fields, Finance Director; Amber Mason, Human Resources Manager; and Dee White, District Clerk**

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.A.) D. White - Adoption of LFHD Board of Directors Regular Meeting Minutes – October 25, 2018** be moved to **CONSIDERATION/ACTION ITEM 6.B.)**.

**Dick** also requested that **CONSENT AGENDA ITEM 5.D.) K. Kramer - Policies & Procedures – November 2018** be moved to **CONSIDERATION/ACTION ITEM 6.C.)**.

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

**3. PUBLIC COMMENT**

**Patricia Cantrell.**

- She thanked the Board for the District; especially for the Emergency Department and the Skilled Nursing Facility. Thank you to **Kevin**, for all he has done. She was also appreciative that Veterans’ services are available again.

#### **Alice Bales.**

- **Ms. Bales** addressed the Board regarding difficulties she experienced in acquiring treatment at the Clinic without an appointment. She was unhappy about being referred to the Emergency Room, where she did receive the treatment she needed.
- Several of the Board members asked clarifying questions and she was told that she would be receiving a follow-up call from **Kevin**.
- **Kevin** explained to the Board that six “slots” are available every day for urgent care in the Clinic. The day **Ms. Bales** came to the Clinic, all slots had been filled.
- **Michael Anderson** will also follow up with **Ms. Bales** in writing.

### **REGULAR SESSION**

#### **4. DISCUSSION**

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

- Budgetary information updated.
- Site work is essentially finished.
- **Kevin** stated that he currently had Change Orders (\$132K) in front of him and was waiting for one more. These Change Orders included:
  - Field directive to work overtime to complete the paving before the weather changed.
  - OSHPD-initiated change from 4” to 6” water pipe and additional trenching.
  - He was still expecting a Change Order regarding the delays caused by unexpected required permitting.
  - Still within budget for the site work.
  - He is pleased with the work performed and happy Phase I was completed on time. He expects that the District will still be money ahead by using White Bear Construction.

**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 – HRG Financial Summary Report – October 2018**

**Kevin** presented HRG’s Financial Summary for October 2018, reporting mostly from the Financial Dashboard.

- October was a good cash collections month; thus, Accounts Payable came down.
- 3<sup>rd</sup> Party Aging – reduced Aged Over 30 Days a bit.
- Automated posting started in October. Thus, denial rate jumped way up. Working through to determine accuracy of the denials.
- Denials – 2 of last 3 months had high registration denials. Utilizing daily batched reporting. Authorizations are not performed by registration personnel. Each service is to acquire their own authorizations.
- Focusing on communication backlog to keep number as low as possible. Tracking each week. Revenue Cycle will focus on this into the future.
- FTEs/Contractuals/Bad Debt/ATV Write Off – hoping it will bring November numbers into line. If it does not, discussions will be held about changing the way we operate. **Kevin** is confident that numbers will come back into line.
- Supplemental reimbursements from the State are running a couple of months late.

**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 – October 25, 2018. - MOVED TO CONSIDERATION/ACTION ITEM 6.B.).**

**B.) D. White – Adoption of LFHD Board of Directors Special Meeting Minutes – November 14, 2018.**

**C.) M. Kresge – MMC Medical Staff Committee Minutes – November 26, 2018**

- Environment of Care Meeting Minutes – July 3, 2018
- Pathologist On-Site Visit Reports
  - July 5, 2018

- August 29, 2018
- September 12, 2018

~~D.) K. Kramer – Policies & Procedures – November 2018 – **MOVED TO CONSIDERATION/ACTION ITEM 6.C.)**~~

- ~~Purchasing~~
  - ~~List of Chemical Not to be Mixed~~
- ~~Warnerview Skilled Nursing Facility~~
  - ~~Staffing Patterns/Scheduling~~

Jim Cavasso moved to approve the Consent Agenda as amended, Marty Young seconded and the motion carried with all voting “aye.”

## 6. CONSIDERATION/ACTION

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

Patrick presented the October 2018 LFHD Financial Statement (*unaudited*):

#### Summary

- During the month of October, Modoc Medical Center reported Net Loss from Operations of (\$457,378), representing a higher loss than was budgeted (\$233,894).
- The loss for the month was partially due to increased Operating Expenses during the month.
- Inpatient Revenue increased from the prior month while Outpatient Revenue declined slightly from the prior month.
- Total Patient Revenue was \$2,304,094, down from \$2,326,552.
- Year-to-Date, the Operating Loss of (\$1,313,613) was higher than budgeted (\$605,409).
- Net Loss, including Non-Operating Activity, is (\$421,130), which is above budget by \$199,326.
- Year-to-Date Net Loss is (\$1,288,585) against budgeted (\$541,281).

#### Balance Sheet

- Cash declined this month by (\$734.6K) to \$14.710 million. The decline in cash was due to the Net Loss coupled with a continued funding of the New Hospital Facility construction, \$568K.
- Total Assets saw a decline of \$422K, the net effect of cash reductions and the construction in process increases.
- Total Liabilities remained stable.
- Days in Cash are 333 while Days in Accounts Payable were 15.
- Net Accounts Receivable, as a percent of Gross Accounts Receivable, remained stable this month at 41.9%.
- Current Ratio remains strong at 14.56 times.

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

### B.) D. White - Adoption of LFHD Board of Directors Regular Meeting Minutes – October 25, 2018 - **MOVED FROM CONSENT AGENDA ITEM 5.A.)**

Dick had some question regarding **CONSIDERATION/ACTION ITEM 6.B.) P. Fields – Expiring CD(s)**. After some discussion, it was determined that the minutes were correct.

Dick Steyer moved to approve the minutes of the regular LFHD Board of Directors meeting as presented, Jim Cavasso seconded and the motion carried with all voting “aye.”

### 6.D.) K. Kramer – Policies & Procedures – November 2018 - **MOVED FROM CONSENT AGENDA ITEM 5.D.)**

- Purchasing
  - List of Chemical Not to be Mixed
- Warnerview Skilled Nursing Facility
  - Staffing Patterns/Scheduling

Dick is concerned about Managers not taking the responsibility of ensuring that policies presented to the Board of Directors are correct and/or written well. He wants Policy Committee to do a better job and Managers to step up.

**Marty Young** moved to approve the policies and procedures as presented, **Dick Steyer** seconded and the motion carried with all voting “aye.”

## **7. VERBAL REPORTS**

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

#### **Provider Recruitment**

- He is currently interviewing a couple of prospects for the Mid-Level Provider position at the Clinic.
- He spoke with **Dr. Lee** recently. **Dr. Lee** has expressed a continued interest in working here, but cannot speed up the California licensing process.

#### **New Facility**

- **Kevin** handed out an updated version of the Geothermal MOU, as reviewed by our attorney. He would like to send this to the School District, but wanted the Board to have a look at it prior to doing so. He believes that he has captured the changes requested by the Board a couple of months ago.

#### **Other Items**

- RLN – He still has not received the written legal opinion from our attorney and followed up with him earlier this week about it. **Kevin** will evaluate the financial projections of RLN after we receive the written legal opinion from our attorney.
- CMS Citation – **Kevin** feels that it is best to waive our right to appeal and pay the monetary penalty associated with the CMS finding reported last month.
- CA 299 Collaborative has received a grant to focus on the opioid epidemic in Modoc, Lassen and Siskiyou Counties. It is likely that we would be able to hire an LCSW to work in the Clinic four days a week through this grant. **Alicia Doss** is going to participate in the initial committee meetings to develop programs that would help reduce the instance of opioid abuse in our county through standardizing what providers are doing with patients currently on narcotics for chronic pain and by making sure they have access to the medical services needed to be tapered off narcotics over time.
- Large Guarantor Balances Plan – **Kevin** is hoping to be able to acquire more information on what technology is available prior to submitting a plan to the Board for review, such as estate/net worth verification. The availability of this technology/resource may change what we decide to do with accounts that are carrying large balances with the District.

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

#### **Compliance**

- Performance Evaluations: 90% compliant
- TB Tests: 100% compliant
- Physicals: 86% compliant

#### **Legislation**

- SB 1343 – As of January 1, 2020, the State will require employers with five or more employees to provide sexual harassment prevention training within six months of hire and annually thereafter.

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

**Patrick Fields** reported on the Accounting Department.

- Cost Report is in review and will be submitted.

### **D.) Board Member Reports**

- **Michael Anderson** - Nothing at this time.
- **Jim Cavasso** – Retail Pharmacy – still hearing complaints about Rite Aid. None about Last Frontier. **Kevin** responded that the Pharmacy’s reputation is building.
- **Carol Madison** - No December meeting.
- **Dick Steyer** – Last ad in the paper for the Retail Pharmacy looked really sharp.
- **Guy Martin Young** Medicare provides better things? Ad on television. They list home care. If they are paying, maybe it will make it worthwhile to look into. **Kevin** responded that a feasibility study for hospice/home health will be included in next year’s budget.

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

**Marty Young** moved to close the Regular Session of the Board of Directors, **Dick Steyer** seconded and the motion carried with all voting “aye.”

The Regular Session of the Last Frontier Healthcare District Board of Directors was adjourned at 2:21 pm.

***EXECUTIVE SESSION***

Executive Session was called to order by **Carol Madison**, Chair, at 2:22 pm.

**8. CONSIDERATION/ACTION**

- A.) **M. Kresge – Medical Executive Committee Minutes & Credentialing Items – October 31, 2018 (Per Evidence Code 1157)**
- B.) **K. Kramer –Update on Potential Litigation [Per Gov’t Code Section 54956.9(d)(1)]**

**Michael Anderson** 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 2:31 pm.

***RESUME REGULAR SESSION***

The Regular Session of the Board of Directors was called back to session by **Carol Madison**, Chair, at 2:31 pm.

**9. CONSIDERATION/ACTION – RESULTS OF EXECUTIVE SESSION**

- A.) **M. Kresge – Medical Executive Committee Minutes & Credentialing Items – October 31, 2018**

**Jim Cavasso** moved to accept the Medical Executive Committee Minutes and Credentialing of Providers as presented, **Michael Anderson** 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 appointments for Last Frontier Healthcare District Board of Directors approval:

- **Terisa Chantele Sahli, PA-C** – Provisional AHP status and Hospitalist privileges in the Emergency and Family Medicine categories.
- **Benjamin Nuti, CRNA** – Reappointment of AHP status/privileges in the Anesthesia category.
- **Mindy Cooper-Smith, M.D.** – Reappointment of Consulting privileges in the Pathology setting.

**10.) MOTION TO ADJOURN**

**Michael Anderson** moved to adjourn the meeting of the Last Frontier Healthcare District Board of Directors at 2:35 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 January 31, 2019 at 1:00 pm in the Council Chambers of Alturas City Hall in Alturas, California.

**Respectfully Submitted:**

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**Dee White**  
Last Frontier Healthcare District Clerk

\_\_\_\_\_  
**Date**