

Mayers Memorial Hospital District  
Board of Directors – Regular Board Meeting

Date: July 24, 2013  
Time: 1:00 P.M.  
Location: Mayers Memorial Hospital  
Fall River Mills, California

*(These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.)*

**1. CALL MEETING TO ORDER:** President Albaugh called the regular meeting to order at 1:01 p.m. on the above date with the following present:

Allen Albaugh, President  
Brenda Brubaker, Vice President  
Mike Kerns, Secretary  
Art Whitney, Director  
Abe Hathaway, Treasurer

Board Members Absent: None

Staff Present: Matt Rees, CEO; Sherry Wilson, CNO; Travis Lakey, DOF; Marlene McArthur, Board Clerk.

**2. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS:**

No public comments.

**3. APPROVAL OF MINUTES – A motion/second (Brubaker/Whitney), and unanimously carried, the Board of Directors accepted the minutes for the regular meeting held June 26, 2013.** In response to inquiry from Brubaker pertaining to progress made on pharmacy after-hours service, Rees responded research is still being conducted on regulations before considering options.

**4. OPERATIONS REPORT:** In addition to the written operations report included in the board packet, the following verbal reports are summarized below:

▶ Matt Rees, CEO:

- Contracts pending: 1) Sierra Valley Health Care District to share corporate compliance program; 2) Modoc Medical Center to assist them with accounting needs on short-term basis. Contracts will be beneficial to both entities and improve relations.
- AB 900 passed out of the Assembly 78-0 and will be heard in the Senate Appropriations Committee in Aug. 12.
- USDA construction loan application finalized and includes SNF Medi-Cal cuts. WIPFLi CPA is optimistic about the loan approval even with cuts included. It will assist with the construction project but also provide cash flow to move the organization forward.
- Financial status pertaining to upcoming reimbursements: Medicare cost report estimated at \$500,000 expected in August 2013; Medi-Cal cost report estimated at \$150,000.
- Cash flow is tight currently. USDA loan will pay EMR loan and provide 30 days+ cash on hand and fund a depreciation account by March 2014. There have been many recent accomplishments on the quality side as well as facility improvements—and now the goal is to improve financial status.
- 299 Collaborative meeting held yesterday and group heard from attorney (conference call) how to plan and bring specialist doctors to the collaborative providers through a \$300,000/year grant for three years.
- PT remodel to be completed next week.
- Business office structure and in-house billing: SNF billing in-house is effective 8.1.13. A billing consultant is contracted to train billing staff and to assess internal operation to advise us how and what is needed before making any future decisions pertaining to other in-house billing. Other business office notes:
  - RHIT reviews provided through contract with consultant
  - Business Office Manager hired to provide better auditing skills and management
  - New EMR system provides opportunity to bring billing back in-house (undecided though at this time)
- LEAN training being implemented at Mayers to create more efficiencies

Albaugh noted that the new EMR system has met “meaningful use” for CMS and the federal government but had concern that it has not yet met our requirements, particularly issues pertaining to the increase in ARs, inaccurate billing statements, and yet to produce factual financial reports that is necessary to make good decisions. Rees agreed and conveyed there is not historical data yet because the system is new but it will be providing meaningful data very soon. In fact the revenue cycle team has recently re-organized due to data now being collected for analysis. He also noted the federal “meaningful use” requirement recently attested is important to Mayers because of the \$1.9 million in reimbursement that the District will soon receive among the multitude of components now available to the organization with the implementation of the new EMR system and brings the District in compliance with the federal mandate. Director Kerns noted that the billing must be done right. In response to a question from Brubaker, the HRG billing contract has been extended for 90 days (end of October) stated Rees and we are working internally to resolve billing issues currently and in the future.

- ▶ Sherry Wilson, CNO:
  - Acute Manager, Theresa Overton, RN, and OB Manager, Jeni Pevehouse, RN, were both present and introduced. Pevehouse discussed OB goals and objectives that include increasing volume compared to past years with the new additional doctors coming to the area with OB expertise and the newly remodeled and redecorated OB rooms. She reported that training for the nursing staff has been obtained through Mercy’s OB Department. On behalf of the Acute Manager that had to excuse herself, Wilson reported the acute floor has been busy and orientation of new nurses is still underway. A ward clerk and a CNA will be scheduled for day shift to assist with the patient experience.
  - SNF: The plan of correction (POC) was officially accepted and the facility awaits State Licensing and Certification to return for the re-survey. Once cleared, the Burney facility will start to re-admit patients again; FRM will not re-admit until outcome of the Medi-Cal SNF cuts.
- ▶ Facilities Management Report: Erik Nielsen, Facilities Manager, reported the following projects:
  - PT clinic is being finalized
  - Upcoming MVHC office space project (remodel)
  - Painting projects
  - Records storage being moved from maintenance building to new metal building
  - Vacuum (suction) system issue resolved
  - PG&E power line volts causing AC issue resolved
  - Life and Safety Survey conducted by state inspector resulting in 25 deficiencies for both facilities, mostly pertaining to the lack of documentation—also cited for not conducting generator capacity load tests from a contracted vendor.
  - Construction project: work continues with OSHPD to obtain permit—current issue is the Fall River Valley Community Service District is unable to supply enough water for fire suppression; therefore, District is working with Pace Engineering, Redding, to resolve.

**5. EMR UPDATE:** Louis Ward, EMR Co-Project Sponsor, reported the clinical component of EMR is working well with training offered internally for new and registry nurses. With the financial component, there were billing issues due to flawed system design which has now been built correctly and is being addressed and closely audited. There is a training lab being developed within the hospital for proactive learning for nurses, physicians, billers, etc. EMR meetings are still conducted weekly to review logs and assign tasks to resolve if necessary; however, the log is not being utilized as often due to colleagues helping each other more now. Moving toward EMR Stage 2 with purchase of a series of services from McKesson. McKesson staff will be on site the first week of August for test environment before live in September; and then meaningful use services in October and completed by November. The new year will start up with the use of McKesson’s physician document and ED documentation. The ultimate goal to start attestation period is April 1, 2014.

Currently, batch testing sets for lab with system. A Lab Corp rep will be on site today or tomorrow to start pricing structure. Mayers will be a beta site for vendors and Paragon servers, thus, collaborative work will be necessary to develop the software from hardware (vendor) to EMR systems. In regard to

question regarding efficiencies created internally, Ward answered the capabilities are there and efficiencies will be achieved but we still need employees to carefully audit paper version to confirm EMR is processing correctly.

#### 6. AD HOC COMMITTEES:

- ▶ **Employee Health Benefits Plan:** The board ad hoc committee (Brubaker/Whitney) along with Louis Ward, committee member, provided the CalPERS health benefit plan options (**Exhibit A**): 1) Choice; 2) Select; 3) Care. After review and comparison of plans, including premiums to be covered by the District and employee, ***a motion/second (Kerns/Hathaway), and unanimously carried, the Board of Directors approved the CalPERS Health Benefit "Select" Plan (Option A). The plan will result in a savings totaling \$105,302.04 annually to the District.***
- ▶ **CEO Evaluation Process & Format:** The board ad hoc committee (Kerns/Albaugh) had not met, therefore, had nothing to present or report to the board.

#### 7. BOARD COMMITTEES:

##### 7.1 Finance Committee – Chair Allen Albaugh

7.1.1 : Albaugh conveyed unfavorable opinion for USDA loan application, mostly due to indebting the District for the next 40 years with unknown government reimbursements in the future. Lakey noted that a final resolution authorizing the loan will come before the board if approved by USDA. Rees reported the USDA loan will enable the District to comply with the seismic mandate by 2020 and construct the new facility financed at a fairly low interest rate. Other board finance committee (BFC) business reported:

- AP \$1.3 million ( as of yesterday)
- AR 71.49 days due to billing statement issue and impact from new system conversion

7.1.2 FYE June 30, 2013 Financial Overview: There were no official financial reports available for the board meeting. Lakey stated it's primarily due to the new system and conversion of data, as well as the USDA loan application that was also due this month. He did report that he would have meaningful financial reports available for the board at the August board meeting.

7.1.3 FY14 Operational Budget Update: Albaugh reported the committee (BFC) accepted a draft operating budget FY14 to work from until the final budget is presented to board for approval at the next board meeting for submission to the county.

7.1.4 2013-3 Resolution: ***A motion/second (Hathaway/Kerns), and unanimously carried, the Board of Directors approved the resolution designating Sherry Wilson, CNO, and Travis Lakey, Director of Finance, the authority to sign on behalf of the District in the absence of Matt Rees, CEO.***

7.1.5 MMHD Organizational Chart: In review of the proposed organizational, Brubaker questioned all the direct reports to the CNO. In response to her concern, CNO Wilson is comfortable with the org chart along with the assistance from the Acute Manager. ***A motion/second (Kerns/Hathaway), and unanimously carried, the Board of Directors approved the Mayers' organizational chart as presented.***

##### 7.2 Strategic Planning Committee – Chair Abe Hathaway

Committee Chair Hathaway reported business conducted at the committee meeting held July 8<sup>th</sup>: 1) the annexation application has slowed due to management issues at Shasta LAFCO; 2) draft strategic planning documents (binder) already provided to the board members for preliminary review is being developed to include managers' goals and objectives before coming to the board for approval; 3) ACOs are experiencing some fallout, thus, Mayers will wait for stabilizing before considering membership; 4) and discussions regarding essential community providers (ECPs). Rees explained providers need to be a DSH or 340B facility to be considered as an ECP—and, therefore, Mayers fits the ECP criteria. However, he expressed concern that Mayers might be eliminated from a managed care contract since only 15% ECP contracts are necessary in Region 1. Region 1 is a significantly large geographic area that is basically the North State including a small portion south of Sacramento. Rees concluded that these issues need brought before legislators so that we can either negotiate or be guaranteed 100% reimbursement of our charges to protect ourselves.

**7.3 Quality Committee – Chair Brenda Brubaker**

Committee Chair Brubaker highlighted the meeting topics and reports that were presented to the committee on July 10, 2013, along with the Chief of Staff in attendance. Keynotes as follows:

- ▶ Departmental quality reports from:
  - CRNA (Ben Nuti): overview of the anesthesia department and functions, specifically those pertaining to quality improvements. Keynotes: updating P&Ps; OB admission packets revised; updating anesthesia forms; new glidescope (video-assisted) equipment for intubations that was acquired through grant funding (\$17K); working with doctors to streamline processes and communications. Lastly, he reported backordered anesthesia medications and how the department is resolving issue through acceptable alternatives.
  - Business Office (Travis Lakey): overview of the operations of the business office and functions, specifically those pertaining to quality improvements, quality concerns and quality goals. Primarily, SNF billing and training from Paragon to correct issues with the new billing component—and assessment of capabilities for future expanded billing.
  - SNF Activities was unavailable but on her behalf, Sherry Wilson, CNO, reported the activity department’s functions and goals. The activity rooms started to undergo remodeling but project ceased until outcome of the Medi-Cal cuts. A new plan was developed for activities including added arts and crafts, cooking and gardening. Also, the resident council monthly meetings were re-organized and now include various hospital department managers. Dietary and the facilities departments are among the managers that have agreed to participate.
- ▶ SNF State Licensing & Certification (L&C) Annual Survey: Sherry Wilson, CNO, reviewed and discussed, during the committee meeting, the SNF survey conducted on June 13, 2013, and the plan of correction (POC) that has been accepted by L&C.

To conclude the quality report to the board of directors, Rees and Wilson both discussed a quality survey offered free through the EmCare contract. The paper survey is used to evaluate EmCare doctors in ER and could be developed to use in other areas of the hospital to improve quality, which is being evaluated by staff.

**8. INFORMATION/REPORTS/BOARD EDUCATION:**

- ▶ Board Education – QHR Webinar 2<sup>nd</sup> Tuesday each month, 10 a.m. PST
- ▶ ACHD Legislative Staff Visit @ Mayers – October 17<sup>th</sup>

**9. ADJOURNMENT:** There being no further business, at the hour of 3:10 p.m., President Albaugh declared the meeting adjourned.