

**REGULAR MEETING OF THE BOARD OF DIRECTORS
OF OAK VALLEY HOSPITAL DISTRICT
OPEN SESSION**

**September 13, 2018, 5:30p.m.
1425 West H Street, Oakdale, CA 95361
Royal Oak Conference Room**

Board

Dan Cummins, Chair Person
Louise Sanders, Vice Chair Person
Director Wendell Chun, Secretary
Edward Chock, M.D., Director
Jim Teter, Director

Excused Absence:

Staff

John McCormick, President and CEO
Ann Croskrey, Chief Financial Officer
David Rodrigues, V.P., Administrative Svcs.
Jo Saporito, R.N., V.P., Director of Nursing
Brian Beck, V.P., Human Resources
Dave Hiatt, V.P., Oakdale Nursing & Rehab. Ctr.
C. Mahida, M.D., Chief of Staff
Susan Todd, R.N., DON, Oakdale Nursing & Rehab.
Chang Ahn, Controller

Excused Absence

Deborah Dunaj, R.N., V.P., Quality/Risk Mgmt.

MEETING CALLED TO ORDER

The District Board of Directors Meeting was called to order by Chair Person Cummins at 5:30p.m.

PUBLIC COMMENT

Public Comment was read.

CONSENT CALENDAR

The following items 1-4 will be acted on by one action, with discussion, unless a Director or other person requests that an item be considered separately. In the event of such a request, the item will be addressed, considered and acted upon separately.

1. Patient Care Services

Joann Saporito, R.N., Vice President, Nursing Services

2. Oakdale Nursing and Rehabilitation Center Report

David Hiatt, V.P., Oakdale Nursing and Rehabilitation Center

3. Approval of Administrative Policies

- Release of Medical Information (Medical Records)

4. Approval of Minutes

- August 2, 2018

Jim Teter made the motion to approve all Consent Calendar items. Ed Chock, M.D. made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

Financial Report for July 2018

Ann Croskrey presented the July 2018 Financial Report. For the month of July we posted a profit on operations before the new hospital expenses of \$801,000. After deducting new hospital expenses and adding non-operating income the year finished with a net income of \$386,000. The EBIDA was at 16% and our days of cash on hand are at 141 days.

Wendell Chun made the motion to approve the Financial Reports for July 2018. Vice Chair Person Sanders made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

MEDICAL STAFF REPORT –

John McCormick, President & CEO reported on behalf of C. Mahida, M.D., Chief of Staff

The following forms, policies, manuals and reports have been revised to meet current required The Joint Commission and CMS standards. They have been thoroughly reviewed by the Standards Committee and appropriate Medical Staff Committees.

The Medical Executive Committee requests the District Board’s approval of the following items forwarded from the August 21, 2018 meeting.

Delineation of Privileges

- Chiropractor

Announcement of Officers

Department of Surgery election results for the 2019-2020 Term:

Chair of Surgery	Edward Chock, MD
Vice Chair	James Yip, MD

Jim Teter made the motion to approve the Medical Staff Report. Wendell Chun made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

CHAIR PERSON REPORT

Chair Person Comments

Chair Person Cummins congratulated the Administrative Team, Employees and Board of Directors on the Hospital's outstanding financial report and thanked the entire Administrative Team for all of their hard work and continued efforts.

Special Board Meeting – Strategic Planning

Chair Person Cummins requested a Special Open Session Board meeting be scheduled to discuss the hospital's strategic plan for the next 12-18 months. The Board decided this meeting should be scheduled in January 2019 so the newly elected Board Member would be in attendance. John McCormick will present an update of the 2018 Strategic Plan at the next meeting in preparation of The Joint Commission survey.

Presentation of Plaque for Wendell Chun, Ed.D, Secretary, Board of Directors

Chair Person Dan Cummins, on behalf of the entire Board presented Wendell Chun, Ed.D with a Plaque in appreciation of his many years of service and dedication as a member of the Board of Directors which spanned from 2009-2018. Dan Cummins thanked Wendell Chun for the many years of proficient counsel he provided to the Board during his term on the Board of Directors and his stalwart dedication and service to the hospital, its employees and the District residents. The positions held by Dr. Chun while on the Board and the countless and invaluable contributions made during his tenure were highlighted. Dr. Chun stated he plans to continue to serve the community and will be spending more time with his family. Dr. Chun thanked the Board Members for their many years of dedicated service to the hospital, employees and those residing in the District. Dr. Chun also thanked John McCormick for his extraordinary foresight and commitment to the mission & vision of Oak Valley Hospital District and recognized the dedicated efforts of the Administrative Team.

PRESIDENT AND CEO REPORT

John reported that work has begun on the Shower Project at the Skilled Nursing Facility. The Sleep Quarters for the Hospitalist physicians located in the old OB area should be completed within the next 2-3 months. The empty lot across the street where Purchasing used to be located is being considered for a "Social Well-Being" setting. Grass would be planted to enhance an experience of nature and source of positive feelings which has been found to be very beneficial to urban communities.

FY 2019 Operating Budget

John McCormick presented the FY 2019 Operating Budget with a recommendation for Board approval. General Assumptions were reviewed. Inpatient days and inpatient ancillary services are projected to increase 2.7% from last year with no change to the average length of stay. The budget meets the bond covenants, which requires a debt service coverage ratio of 1.5. Days cash on hand data for the previous 5 years was reviewed. Admissions and census data in all areas was discussed. Employee health insurance costs are expected to increase but there will be no cost increase to employees. District Operating Income (before new hospital depreciation and interest) and Net Income (All Sources) were reviewed and discussed.

John McCormick gave special thanks to Ann Croskrey, CFO and Chang Ahn, Controller for all of their hard work in preparing the FY 2019 Budget.

Ed Chock, M.D. made the motion to approve the FY 2019 Operating Budget. Wendell Chun made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock
Nay:
Abstain:
Absent:

MOTION CARRIED

Increase Fees for Hospitalist Contract. This is to amend the contract with Rural Physicians Group

An increase of \$13,000 per month to the Rural Physicians Group contract was recommended for approval. Due to the high number of Managed Care patients and the decrease in payments for these types of patients, the hospitalist firm is having difficulty retaining the same physicians at our hospital. The monthly fee increase will allow the firm to maintain the same group of physicians without utilizing locum tenens services.

Jim Teter made the motion to approve increasing the Rural Physician Group contract by \$13,000 per month. Ed Chock, M.D. made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock
Nay:
Abstain:
Absent:

MOTION CARRIED

Pyxis Purchase at a Cost Not to Exceed \$225,000. This is to purchase a new pharmacy medication dispensing system for the Pharmacy Department

The new Pyxis Pharmacy Medication Dispensing System will replace the current outdated software. This new system will provide more drawers on each unit and will work with our MediTech program to accurately document medication information on the Electronic Medical Record to ensure correct dispensing of medication. State licensing is required and is part of the cost. Purchasing this system before September 30th will save \$70,000. Board approval is recommended.

Vice Chair Person Louise Sanders made the motion to approve the purchase of the PYXIS Medication Dispensing System at a cost not to exceed \$225,000. Wendell Chun made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock
Nay:
Abstain:
Absent:

MOTION CARRIED

Approval to Upgrade New Computer Equipment - Virtual Machine Environment at a Cost Not To Exceed \$50,000

This new computer equipment upgrade is necessary to stay current as well as meet the needs of our current applications and any new applications such as the new Pharmacy medication system. Board approval is recommended.

Ed Chock, M.D. made the motion to approve the Virtual Machine Environment Upgrade at a cost not to exceed \$50,000. Vice Chair Person Louise Sanders made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

Approval to Purchase Computer Back-up System Not To Exceed \$230,000. This is to update the hospital's backup system for all computers

Board approval is requested to purchase a Computer Back-up System not to exceed \$230,000. Our data back-up needs have grown exponentially and the new Back-up system is required to meet our capacity needs. This is Phase I of the required upgrade. Phase II will include the off-site back-up capacity and will be presented to the Board at a later date.

Jim Teter made the motion to approve the purchase of the Computer Back-up System at a cost not to exceed \$230,000. Wendell Chun made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

Approval of Tuition Reimbursement Policy. This is revised policy of tuition reimbursement for OVHD employees

Board approval of the revised Tuition Reimbursement policy was recommended. Revisions include increases to tuition assistance benefits for approved courses to be more in line with today's cost structure. Also included are new classifications for those seeking a High School Certificate as well as a Doctorate Degree. One additional change was approved; the word "expected" was removed regarding completion years for each of the courses.

Jim Teter made the motion to approve the revised Tuition Reimbursement Policy. Wendell Chun made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

Approval of Charity Care Policy. This is an updated policy to reflect the most recent approved parameters

Board approval of the Charity Care Policy was recommended.

Jim Teter made the motion to approve the updated Charity Care Policy. Vice Chair Person Louise Sanders made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

Approval of Bereavement Section in Leave of Absence Policy. This is a revised policy for all OVHD employees

A recommendation to approve the revised Bereavement Leave policy to include a change from 3 days to 5 days of paid time off for loss of an immediate family member was requested.

Vice Chair Person Louise Sanders made the motion to approve the revised Bereavement Leave policy. Jim Teter made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

Removal of Asset: 1996 Chevrolet Pick-up Truck. This is to remove 20 year old hospital vehicle from accounting records.

Board approval was requested for the removal of a 1996 Chevrolet Pick-up Truck from our asset listing. The Board suggested the vehicle be donated. John McCormick will look into this suggestion and obtain a legal opinion.

Ed Chock, M.D. made the motion to approve the removal of asset for the 1996 Chevrolet Pick-up Truck. Vice Chair Person Sanders made the second. No public input.

Aye: Cummins, Sanders, Chun, Teter, Chock

Nay:

Abstain:

Absent:

MOTION CARRIED

Legislative Update (distributed at meeting)

Ambulance Services in Stanislaus County

The County of Stanislaus announced during the next year they would go out to bid for one contractor to provide ambulance services. They have requested our financial information, which is permissible via the contract and we will be meeting with them on September 14th to better understand their next step.

Mr. McCormick gave an update on the following Senate Bills:

SB 1152 (Hernandez) Restrictions on Placement of Homeless Patients at time of Discharge.

SB 2798 (Maienschien, R-San Diego) – Establishing a 100-day time frame for the California Department of Public Health (CDPH) to process all hospital applications. Requires CDPH, if the application is to expand a service that the hospital already provides, to approve the expansion within 30 days. Also includes other set timelines for CDPH action.

SB 1125 (Atkins) – This bill is for Federally qualified health centers and rural health clinic services to allow them to bill a medical visit and a mental health visit separately so they can take place on the same day at a single location.

CORRESPONDENCE – None

ADJOURN TO CLOSED SESSION

Jim Teter made the motion to adjourn to closed session. Wendell Chun made the second.

The Oak Valley Hospital District Board meeting was adjourned to closed session at 6:10p.m.

ANNOUNCEMENT OF CLOSED SESSION

Board meeting minutes for August 2, 2018 & April 5, 2018 were approved.

Medical Staff Credentials Report was approved.

Quality Report – Long Term Care.

Quality Improvement Report – No Report.

President and C.E.O. Report – Personnel Issues presented.

Conferences with Labor Negotiators – Update presented.

Conferences with Real Property Negotiators – Update presented.

Liability Claim – Juanita Burdette – Deferred

Liability Claim – Janet Johnson – Deferred

Report on Trade Secrets – Report was presented.

ADJOURNMENT

Jim Teter made the motion to adjourn the District Board of Directors meeting. Wendell Chun made the second.

The Board of Directors meeting was adjourned at 7:19pm.

Recorder: Jill Andersen, Clerk of the Board.

APPROVED: _____
Louise Sanders, Vice Chair Person

DATE: _____