



P. O. Box 95
San Andreas, CA 95249
(209) 754-4468 Phone
(209) 754-2537 Fax

**Special Meeting of the Board of Directors
Wednesday Dec. 19, 2018
7:30 am
Mark Twain Medical Center Classroom 2
768 Mountain Ranch Rd,
San Andreas, CA**

Agenda

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

- 1. Call to order:**
- 2. Roll Call:**
- 3. Approval of Agenda: Action**
- 4. Public Comment on matters not listed on the Agenda:**

The purpose of this section of the agenda is to allow comments and input from the public on matters within the jurisdiction of the Mark Twain Health Care District not listed on the Agenda. (The public may also comment on any item listed on the Agenda prior to Board action on such item.) **Limit of 3 minutes per speaker.** The Board appreciates your comments however it will not discuss and cannot act on items not on the agenda.

- 5. Consent Agenda: Action**

All Consent items are considered routine and may be approved by the District Board without any discussion by a single roll-call vote. Any Board Member or member of the public may remove any item from the Consent list. If an item is removed, it will be discussed separately following approval of the remainder of the Consent items.

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Agenda – Dec. 19, 2018 MTHCD Special Board Meeting

A. Un-Approved Minutes:

- Un-Approved Special Board Meeting Minutes for Nov. 7, 2018
- Un-Approved Special Finance Committee Meeting Minutes for Nov. 13, 2018
- Un-Approved Board Meeting Minutes for November 28, 2018

6. MTHCD Reports:

A. Presidents Report:Ms. Reed

- Association of California Health Care Districts (ACHD):

B. Ad Hoc Real Estate:Ms. Reed / Ms. Al-Rafiq

- **Update on the Valley Springs Health & Wellness Center:**.....Dr. Smart
 - Project Manager:.....Pat Van Lieshout
- **Update on Valley Springs Property - Phase II:**..... Al-Rafiq / Ms. Reed

C. Executive Director Report: **Action**.....Dr. Smart

• **VS H&W Center - Draft Policies:**

1. Accounts Payable:
2. After Hours Telephone Management:
3. Age Restriction:
4. Annual Clinic Evaluation:
5. Answering a phone Call;
6. Auxiliary Aids and Services for Persons with Disabilities:
7. Business Hours:
8. Communication with Persons with Limited English Proficiency:
9. Dissemination of Non-Discrimination Policy:
10. Equipment Management:
11. Incident Reports:
12. Laboratory Electrical Safety:
13. Laundry and Linen:
14. List of Services:
15. Litigation (Potential):
16. Medication Supply and Equipment Recall:
17. Mission Statement:
18. Non-Discrimination:
19. On Call Program
20. Par Levels:
21. Patient Left Without Being Seen:
22. Patient Portal:

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Agenda – Dec. 19, 2018 MTHCD Special Board Meeting

- 23. Patient Rights and Responsibilities:
- 24. Policy Development and Review:
- 25. Preventative Maintenance Inspections:
- 26. Scope of Services:
- 27. Section 504 Grievance:
- 28. Section 504 Notice of Program Accessibility:
- 29. Statement of Ownership and Governance:
- 30. Waste, Fraud and Abuse:

- Strategic Plan Matrix (Last Updated 12-1-2018):
- Public Messaging:
- Community Hospital Corporation:
- Homeless Task Force (NPLH):

D. Corp. Board Report:Ms. Reed / Ms. Atkinson

E. Stay Vertical Calaveras:.....Steve Shetzline

7. Committee Reports:

A. Finance Committee:.....Ms. Atkinson / Ms. Radford

- Annual Audit: **Action:**.....Ms. Atkinson
- Financial Update:..... Mr. Wood
- Recommendation-Approval of Nov. 2018 Financial Statements: **Action**.....Ms. Atkinson
- Investment Activities:.....Mr. Wood

B. Ad Hoc Lease Review Committee:.....Ms. Reed / Ms Atkinson

C. Ad Hoc Policy Committee:.....Ms. Atkinson / Ms Al-Rafiq

D. Ad Hoc Community Grant:.....Ms. Radford / Ms. Sellick

- Grants Calendar:.....Dr. Smart
- Grants - AB2019:.....Ms. Radford / Dr. Smart

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Agenda – Dec. 19, 2018 MTHCD Special Board Meeting

8. Board Comment and Request for Future Agenda Items:

A. Announcements of Interest to the Board or the Public:

9. Next Meeting:

A. Wed. January 30, 2019

10. Adjournment: Action:

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Agenda – Dec. 19, 2018 MTHCD Special Board Meeting



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**Special Board Meeting
Wednesday Nov. 7, 2018
2:00pm
Mark Twain Medical Center Education Center - Classroom 5
San Andreas, CA**

Un- Approved Minutes

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. Call to order:

Ms. Sellick, Chair, called the meeting to order at 2:03pm.

2. Roll Call:

Debbie Sellick, Chair; Talibah Al-Rafiq, Director; Susan Atkinson, Alternate; Lin Reed and Ann Radford are both Recused.

3. Approval of Agenda: Action

Ms. Atkinson moved to approve the agenda. Ms. Sellick provided her second and the motion passed. 2-0.

4. Public Comment On Matters Not Listed On The Agenda:

Hearing none.

5. San Andreas Sanitary District: Action

Dr. Smart: Explained that Ms. Reed is recused because she serves on the MTMC Corp. Board as well as the District Board. Ms. Radford is recused because she is an employee of the MTMC Corp. Ms. Atkinson serves as an alternate with the duty of breaking a possible tie vote.

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- **Term Sheet for MTMC Funding of Sanitary District Settlement:**
- **Sewer Capacity Settlement and Release Agreement:**

Dr. Smart: The MTMC sewer capacity was exceeding the permitted allotment so the San Andreas Sanitary District (SASD). SASD then submitted an invoice for increased capacity for \$1,072,053.00. Dr. Smart lead the negotiations between the SASD, MTHCD and MTMC Corp. officials and a term sheet was agreed upon wherein MTMC agrees to pay \$250,000.00. On Oct. 30, 2018 The MTMC Corp Board gave their approval. Today the term sheet and agreement are being presented to the District Board for consideration. The District agrees the \$250,000 will be treated as a capital asset by the MTMC Corp. and the District will be buying back the asset at a later time.

Ms. Al-Rafiq moved to authorize the Executive Director to negotiate the term sheet and to accept and execute the SASD settlement agreement. Ms. Sellick provided her second and the motion passed 2-0.

Dr. Smart: The SASD Board approval is conditioned on the approval of the MTMC Corp. Board and the District Board. With the MTMC Corp. Board approval and now the District's approval the SASD Board will meet on Nov. 15 to consider the above-mentioned term sheet and agreement.

6. Comment and Future Agenda Items:

Hearing none.

7. Next Meeting:

- The next meeting will be November 28, 2018

8. Adjournment: Action

Ms. Al-Rafiq moved to adjourn the meeting at 2:19pm. Ms. Sellick provided her second and the motion passed 2-0.

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P. O. Box 95
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Special Finance Committee Meeting
Tuesday November 13, 2018
1:00pm
Mark Twain Medical Center Education Center - Classroom 1
San Andreas, CA

Un- Approved Minutes

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. Call to order:

The meeting was called to order by Treasurer Susan Atkinson at 1:01pm.

2. Roll Call:

Present for roll call was Ms. Atkinson, MSW and Ms. Radford, FNP.

3. Approval of Agenda: Action

Ms. Radford moved to approve the agenda. Ms. Atkinson provided her second and the motion passed 2-0.

4. Public Comment On Matters Not Listed On The Agenda:

Hearing none.

5. Consent Agenda: Action

A. Un-Approved Minutes:

- Un-Approved Finance Committee Meeting Minutes for October 10, 2018:

B. Bank and Investment Statements:

- Bank of Stockton Statement:

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Minutes – November 13, 2018 MTHCD Special Finance Committee Meeting

- Umpqua Bank Statement:
- Five-Star Bank Statement:

Ms. Radford moved to approve the Consent Agenda. Ms. Atkinson provided her second and the motion passed 2-0.

6. JWT Auditors Presentation:

Dr. Smart: Had just received the draft report and forwarded his thoughts to Mr. Ware at JWT. Mr. Ware will present at the Dec. 12th Finance Committee meeting.

7. Controller's Report: Action

- **Financial Status, Trends, Long-Term Views and Cashflow:**
- **October Financials Were Presented to The Committee:**
- **Annual Audit – Update: Mr. Krieg and his Dept. forwarded audit items to Mr. Ware.**

Dr. Smart: It is expected the Attorney General will address the CHI merger and it will close by Dec. 31st. The District along with Dignity Health plan to complete their lease by late Jan. early Feb. 2019.

Mr. Krieg: His comments will focus on the prior year's figures instead of the budget since it reflects the lease which hasn't been completed; October's total revenues were 6% higher than last year; expenses were 35% lower than the prior year; the Minority Interest was down by \$119k (+/-).

Mr. Malcoun: Referring to the Renters & Leases statement will correct the Resource Connection Lease to show it is a 3-year lease not a 1-year. He will also prorate the accounting fees due from the District through the end of the contract which is Dec. 21th.

8. Executive Director's Report:

- **USDA Loan Draws:**

Dr. Smart: Currently the District has received 3 of a possible 10 draws in the amount of \$346k (+/-). Diede Construction was paid \$316,727.11. Diede Construction is ahead of schedule and expects to pour the slab on Nov. 22nd (+/-). In addition, the first of two asphalt layers will be laid so construction can continue through the winter months. The District pays the construction costs i.e. permit fees which becomes an asset once the construction is complete. Once completed and in service the cost becomes a fixed asset and depreciates over the its life.

- **Credit Card – Update:**

Ms. Stout: The Umpqua Commercial Credit Cards have been received and put into use, so the District can start getting rebates. The current Umpqua credit card will be phased out.

9. Treasurer's Report:

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- **Community Member Status:**

Ms. Atkinson: Community Member, Mr. Smith, has accepted a job in Stockton. Because of the holidays a replacement will be considered after the first of the year.

- **New Checking, Money Market and Credit Card accounts established:**

Ms. Atkinson: Funds have been transferred to new accounts at Five Star Bank.

- **Fund Transfers to new Account:**

Dr. Smart: Will be working with Mr. Wood to plan for managing the reserve fund and projecting expenses for the next two years.

- **New Debt Policy - Update:**

Dr. Smart: Will bring a draft debt policy to the Dec. 12th Finance Committee Meeting.

10. Comment and Future Agenda Items:

Dr. Smart: A selection has been made for the part-time accounting position and will come before the Board at the Nov. 28th meeting.

Mr. Malcoun: Will research CPPA/PG&E charges that are likely at locations not in use any longer i.e. Stelte Park.

11. Next Meeting:

- The next meeting will be December 12, 2018

12. Adjournment: Action

Ms. Radford moved to adjourn the meeting at 2:21pm. Ms. Atkinson provided her second and the motion passed 2-0.



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**Meeting of the Board of Directors
Wednesday Nov. 28, 2018
7:30 am
Mark Twain Medical Center Classroom 2
768 Mountain Ranch Rd,
San Andreas, CA**

Un - Approved Minutes

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. Call to order:

The meeting was called to order by President, Lin Reed at 7:30am.

2. Roll Call:

Present for roll call was Lin Reed, MBA OTR/L; Ann Radford, FNP; Susan Atkinson, MSW; Debbie Sellick CMP and Talibah Al-Rafiq.

3. Approval of Agenda: Action

Dr. Smart requested the VS H&W Project Manager’s report be heard when Mr. Van Lieshout arrives because he has another commitment.

Ms. Atkinson moved to approve the agenda as amended. Ms. Al-Rafiq provided her second and the motion passed 5-0.

4. Public Comment on matters not listed on the Agenda:

Hearing none.

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Minutes – Nov. 28, 2018 MTHCD Board Meeting

5. Consent Agenda: Action

Dr. Smart requested the Draft Policies: Admitting: (item C.) be pulled from the Consent Agenda and be heard during his report.

A. Correspondence:

- Calaveras County Seniors' Center, Inc – San Andreas
- Care Giver Conf – Evaluation and Thank you:

B. Un-Approved Minutes

- Un-Approved Finance Committee Meeting Minutes for Oct. 10, 2018
- Un-Approved Board Meeting Minutes Oct. 24, 2018

C. Draft Policies: Admitting: Moved and to be head during Executive Director's Report.

Ms. Atkinson moved to approve the Consent Agenda minus item C. Ms. Sellick provided her second and the motion passed 5-0.

6. Grant Recipients – Update:

Dr. Smart: Per the Board's request had invited the grant recipients to the meeting to give an update. Refer to your Board pkt (pg. 5) for a picture of the newly installed automatic door at the San Andreas Senior Center as reported at the last meeting: Common Ground could not be in attendance today put sent a letter (handout) thanking the District for supporting their Silver Streak Transport Program; since receiving the \$10k grant in April they have spent \$7,586.00 on providing 950 non-emergency medical transports for older adults, individuals with disabilities and veterans: The Board will hear an update on the Keep Calaveras Vertical later in the agenda.

Laurie Giannini, Calaveras County Fair Manager, 39th District Agricultural Association: Part of their emergency plan included the District's donation of Automated External Defibrillators (AED). Two were purchased and installed on the fair grounds. They are not behind locked doors/gates so readily accessible and luckily have not been needed yet. In addition, five staff members have been trained in their proper use. She would gladly be on a committee to help place AEDs throughout Calaveras County.

Peggy Carroll, Blue Mountain Coalition for Youth & Families: The volunteers appreciates the \$2,500 grant from the District. They purchased an all-wheel drive mower, weed eater, leaf blower and tiller which has been used to enhance the twice-weekly organic meals provided for the community.

Jerry Lucas, Board Member for Mind Matters: Thanked the District for their support in their efforts to serve autism, ADHD and learning disabilities. He also mentioned the need for donations to cover salaries which will provide more therapy. There is a bigger need for therapy and less of a need for materials. Without the salaries there is no program.

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Minutes – Nov. 28, 2018 MTHCD Board Meeting

Jerry Cadotte, Executive Director for Sierra Hope: Thanked the District for their \$12,500 Grant which helps them to provide emergency housing to assist the homeless or near homeless. They have partnered with other counties to help with assisting in such things as rent deposits and paying utilities to avoid the utilities being turned off etc. Their prior focus, the Sierra Aids Council for the Tri-Counties has turned into being the primary testing agency for HIV and Hep C. Future plans are to renovate a 40-room motel unit into studio apartments for additional housing in Calaveras County. For the elderly, near homeless or infirmed he'd refer them to Health and Human Services or Adult Protective Services.

Ms. Reed: Is pleased to see the District's mission in play to give access to care. She thanked the grant recipients for doing what they are doing as they are helping the District help the community.

7. MTHCD Reports:

A. Presidents Report:

- **Association of California Health Care Districts (ACHD):**

Ms. Reed: Sadly, Sheila Johnston has resigned from ACHD to work for the California Pharmacy Association; the District was featured twice in the ACHD newsletter (Stay Vertical Calaveras and the VS H&W Clinic.

B. Executive Director Report:

Dr. Smart: Asked the Board, per Kelly Hohenbrink, to fill out the top of pg. 34 of Form # 855; once completed return to staff and he will complete the rest of the form.

- **New Hire – Bookkeeper: Action**

Dr. Smart: The District received 12 (+/-) applications for a financial assistant to work with Rick Wood; an interview panel including three accountants selected Rosanna Dubon for the position however the personnel manual states it's necessary to seek board approval of the hiring.

Ms. Atkinson moved to approve hiring Rosanna Dubon at \$17/hr. beginning today. Ms. Radford provided her second and the motion passed 5-0.

- **Strategic Plan Matrix (Last Updated 11-23-2018):**

Dr. Smart: Reviews the Strategic Plan monthly.

Ms. Radford: Would like to be included in the opioid task force.

Ms. Reed: Petaluma schools have included opioid awareness in schools; it is a larger population and community based.

- **Children's Advocacy Center – Tenant Improvements:**

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Minutes – Nov. 28, 2018 MTHCD Board Meeting

Dr. Smart: Has met with Kelli Coane. Three Rotary clubs i.e. Angels/Murphys, San Andreas and Valley Springs have volunteered and will finance property improvements i.e.: privacy fence, window coverings for the patio room, finish the attached (2-car) garage and landscaping (dry-scape).

- **San Andreas Sanitation District Settlement:**

Dr. Smart: Starting in 2017 the hospital exceeded the allotted waste capacity in the permit. Negotiations took place between MTMC Corp. the District and the SA Sanitary District. The Sanitary District agreed to accept \$250k from MTMC Corp. in addition to the changes the hospital had taken to remedy the overuse. The MTMC Corp. Board, the Mark Twain Health Care District and the SA Sanitary District Boards each had to approve the settlement. With MTHCD's legal direction a special Board meeting was held (Nov. 7, 2018) where in Ms. Sellick, Ms. Al-Rafiq and Ms. Atkinson (alternate) attended. Ms. Reed and Ms. Radford recused themselves. It was agreed the MTMC Corp. will pay the \$250k allowing the District to receive a valid permit and will monitor future use to stay within the permit requirements. Because of the agreement the District will have to buy back the depreciable asset and will in return receive an increased rent payment when the new lease is signed with Dignity Health. This is the third of three projects the District has approved i.e.; the pharmacy upgrade, the radiology machine and now the SA Sanitary Permit.

- **ACHD Recertification:** Action

Dr. Smart: The ACHD Recertification is due in April so he suggests beginning the process in January.

Ms. Reed: Noted there isn't enough staff to do the recertification so volunteered to appoint and serve on an Ad Hoc Committee using WebEx and to check other districts for ideas.

Ms. Radford. Volunteered to join the Ad Hoc Committee.

Ms. Atkinson moved to approve the Ad Hoc Committee to complete the ACHD Recertification. Ms. Sellick provided her second and the motion passed 5-0.

- **AB-2257 Web Site Requirements:**

Dr. Smart: AB-2257 was passed in 2016 and is to be implemented Jan. 2019. Streamline has assisted to make sure the District is in compliance with agendas properly appearing on the District's web page.

Mr. Wood: CSDA sponsored/wrote the law to assist the readability for ADA compliance.

- **Draft Policies: Admitting:**

- **Memorandum to Board Re: VS H&W Center Policies:**

Dr. Smart: Has been meeting with consultants, Kelly Hohenbrink and Cheryl Duncan regarding policies needed to open the VS H&W Center; between now and March there are 200 (+/-) required policies needed to run an RHC; most of the policies are CMS, State or Federally driven; his plan is to put a few on each of the upcoming agendas as Consent Items to make it easier for the Board; if

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Minutes – Nov. 28, 2018 MTHCD Board Meeting

necessary one or more policies may be pulled from the Consent Agenda to be discussed individually; this plan is to provide for the policies being reviewed and approved by the Board when there is no additional staff to do so.

Ms. Reed: In other bigger districts a nurse practitioner does the policy reviews and updates.

- ✓ Appointment Notification:
- ✓ Appointment Scheduling:
- ✓ Appointment Rescheduling:
- ✓ Blue Shield Eligibility Verification:
- ✓ Cash on Hand Management:
- ✓ Emergency Ambulance Transfer:
- ✓ Flat Rate Fee Program:
- ✓ Management of Referral Requests:
- ✓ MediCal Eligibility Verification:
- ✓ Registration Established Patient:
- ✓ Registration of New Patient:
- ✓ Sliding Fee Scale:

There was general discussion regarding the policies indicating the Board members had read the (above) policies and consider them routine.

Ms. Al-Rafiq moved to approve the 18 policies as presented. Ms. Atkinson provided her second and the motion passed 5-0.

C. Corp. Board Report:

Ms. Reed: Was not able to attend the finance or Corp Board meetings.

Ms. Atkinson: There was a total loss of \$238k; the clinics saw a \$484k loss in Oct. the census was (avg) 8; Karl Silberstein did an excellent presentation regarding the pending MTHCD and Dignity Health Lease with an array of documents for better understanding; since Mr. Silberstein is retiring in Jan. Dr. Griffin thanked him for his job working on the lease and presented him with two books depicting Calaveras and one on religion; the Corp Board also passed policies; Dr Singhal (cancer center) will be leaving effective Dec. 31st; Dr. D'Acquisto MD will return to fill in; there will be interviews on Dec. 6th for an internist; per interim CEO dirt has started to move at the Angels Camp Clinic site.`

D. Stay Vertical Calaveras:

Mr. Shetzline: Thanked Dr. Smart for referring patients to the program; Nov. has been a big month; Pinnacle to do an assessment: plans are being made for classes to be at the SA Senior Center; some instructors have agreed to continue the classes for free; Ranch Calaveras has agreed to keep the classes going and support them; it is a social connection for people.

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Ms. Reed: Would like to see classes in Copper; veteran and men's classes are also needed.

Ms. Atkinson: Would like to see classes along the Hwy 26 areas.

Ms. Radford: Requested an accounting of which Mr. Shetzline will email to the Board.

8. Committee Reports:

A. Finance Committee:

Ms. Atkinson: Finance Committee volunteer member, Mark Smith, took a job and will not be available for the Committee. A search for a new member will be started after the first of the year

- **Financial Update:**

Mr. Krieg: Their accounting service contract with the District will end Dec. 20, 2018; at the end of Jan. 2019 or early Feb. the District will receive a tax revenue equal to 55% (+/-); as predicted the total tax revenues for the month of Oct. was 6% above the prior year; the MTMC Corp. Minority Interest decreased by \$119,210.

Mr. Wood: Will be preparing an OPC equivalent for the Committee.

Ms. Atkinson: Announced Mr. Wood and Ms. Dubon will be the financial team moving forward.

- **Recommendation-Approval of Oct. 2018 Financial Statements:** Action

Ms. Radford moved to approve the Oct. Financial Statements. Ms. Al-Rafiq provided her second and the motion passed 5-0.

- **Annual Audit - Update:**

Ms. Atkinson: Announced Mr. Ware, JWT will be presenting the 2018 audit information at the Dec. 12th Finance Committee meeting and again for the Special Board Meeting on Dec. 19th.

- **Investment Activities:**

Dr. Smart: The District's finances will incorporate moving funds to Five Star Bank.

- **Credit Card:**

Dr. Smart: To utilize the 1% rebate option the credit card limit is in the process of being raised to \$250k.

B. Ad Hoc Lease Review Committee:

- **Common Spirit Health:**

Dr. Smart: After the Dignity Health and Catholic Health Initiatives merger the new name will be Common Spirit Health however the general public will not be aware.

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Minutes – Nov. 28, 2018 MTHCD Board Meeting

Ms. Atkinson: Nov. 2nd was perceived to be the final negotiation meeting with Dignity Health regarding the new lease. Now the agreement is in the hands of the attorneys to do the final review.

C. Ad Hoc Policy Committee:

- **Policy No: 15 - Director Compensation and Travel Reimbursement:** Action

Ms. Atkinson: After the District’s legal review a Director’s compensation was added to Policy 15 (item A). If approved the Board will receive \$100per meeting per month starting Nov. 2018.

Ms. Radford moved to approve the addition to Policy 15. Ms. Atkinson provided her second and the motion passed. 3-0. Ms. Sellick and Ms. Al-Rafiq had to leave prior to the vote.

D. Ad Hoc Real Estate:

- **Update on the Valley Springs Health & Wellness Center:**
 - **Project Manager:**

Mr. Van Lieshout: The project is coming along nicely and rain permitting should be able to pour the slab next week; the drainage is a work in progress with the last report being good; there will be no project meeting this week however they normally meet each Thurs. at 1pm at the site; the encroachment report and plan is ready for the architect to send to Diede Construction; USDA has been very responsive and accessible; the fourth draw is due this week.

Dr. Smart: The proposed shelled space had one interior door so a change order was prepared allowing a water fountain to be moved to make room for a second interior door; his IT research started with 12 vendors regarding cable, jacks, security cameras and services; the Real Estate committee will need to pick from 3 (+/-) of those proposals; he will be meeting with dental and regular furniture vendors which is also included in the \$600k segment of loan agreement; the design and color scheme will be revisited in the spring.

- **Update on Valley Springs Property - Phase II:**

Dr. Smart: There is nothing new to report.

E. Ad Hoc Community Grant:

- **Grants Calendar:**.....Dr. Smart
- **Grants - AB2019:**

Dr. Smart: There is more work to be done on the Grants.

Ms. Radford: The Grants Committee will be meeting on Dec. 13th. to discuss the items above.

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9. Board Comment and Request for Future Agenda Items:

A. Announcements of Interest to the Board or the Public:

Dr. Smart: Replying to an iPad update stated he has researched enough to know the basic iPad runs \$400-\$500 each. To add the bells and whistles (stylus) pushes the price to \$1k (+/-) each.

Ms. Atkinson / Ms. Radford: The iPad policy is in place, so they will research the model they might be interested in and report back.

10. Next Meeting:

A. Because of the holidays the December meeting will be Wed. December 19, 2018 (Special Board Meeting)

11. Adjournment: Action:

Ms. Sellick and Ms. Al-Rafiq had to leave the meeting prior to adjournment. Ms. Atkinson moved to adjourn the meeting at 9:35am. Ms. Radford provided her second and the motion passed 3-0.

ACHD Advocate

In This Edition

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From the Desk of Ken Cohen, Chief Executive Officer

It's hard to believe another year is nearly behind us as our ACHD team now turns our attention to welcoming newly elected Healthcare District Trustees. Congratulations to all of you who have recently been elected, I look forward to meeting and working with each of you.

One of the best ways ACHD members can prepare for our collective work ahead is by attending the [Leadership Academy on January 24-25 in Sacramento](#). Network with fellow Trustees and Executives while obtaining the resources and governance tools to be successful District leaders and advocates. We have a great lineup of sessions, including the full required AB 1234 Ethics Training. I urge you to start your new year off with specialized leadership and guidance you can only get at our Leadership Academy. [Register your team today](#).



The Legislature officially began its first year of the regular two-year session earlier this week with a swearing-in on December 3 for legislators, including 17 new members of the Assembly and Senate. ACHD's advocacy team looks forward to meeting with these new members and Governor Newsom's staff after his swearing in on January 7, 2019.

In other ACHD updates, Sheila Johnston, Vice President of Member Relations and Administration, accepted a position with the California Pharmacist Association. Her last day with ACHD was November 26. Sheila has been instrumental in many of ACHD's successful initiatives and we wish her the very best as she embarks on a new chapter in her career.

Finally, thank you to our members for your ongoing commitment to the ACHD community. As we wrap another successful year and look to start another, I'm grateful for your dedication to our Association and more importantly to the work you do to improve the health and wellness of your communities.

Happy Holidays and see you in the New Year.

Apply to Serve on the ACHD Board of Directors

The ACHD Board of Directors is seeking nominations from Member Healthcare Districts for an individual Trustee or CEO to immediately fill two vacant positions on the ACHD Board.

To apply, interested Members must submit a **resume or statement of qualifications** to Ken Cohen, Ken.Cohen@achd.org, by **January 3, 2019**. To find a statement of qualifications form, visit [ACHD's website](#).

Please note, no Member District may be represented on the Board by more than one voting Director at the same time. Individual Directors serve three-year terms and appointments become effective upon approval by the Board.

Learn more on [ACHD's website](#).

ACHD Webinar Education Series

January 18, 2019 at 10:00 AM:

California Physician Supply and Distribution: Headed for a Drought?

Join ACHD and Janet M. Coffman, MPP, PhD from the Philip R. Lee Institute for Health Policy Studies at University of California, San Francisco, as we forecast the future demand for primary care physicians in California and present recommendations for meeting California's physician workforce needs.

[Register your team for this free webinar.](#)

As a reminder, all past webinars are available on demand, including December's webinar, News Laws for 2019, where ACHD's Advocacy Team took an in-depth look at newly enacted laws impacting Healthcare Districts and what to expect for the new legislative session.

To access past webinar recordings, click [here](#).

Trustee Spotlight: Howard Salmon, Fallbrook Regional Health District

What inspired you to run for a seat on the Fallbrook Regional Health District Board?

During early 2014, I became aware that Fallbrook Regional Health District's hospital was having significant operating and financial problems. I recognized that my experience in operating hospitals and other healthcare organizations as well as a consultant to major health systems would be helpful in a financial turnaround.

What is one accomplishment that you and the Board have implemented that you are most proud of?

Together, we have created a new vision for the District that the community has embraced. The new vision - improving the health and well-being of its residents - has turned into a reality with the purchase of 4.7 acres of property, a church with many classrooms and other facilities to provide wellness services. Also, as a part of the new vision, the board has a goal for the community to become a Blue Zone by 2022.



What is unique about your District and the constituents you serve?

The communities of Fallbrook, Bonsall, Rainbow and De Luz are ethnically and socio-economically diverse. This includes being home to many retirees, veterans, a large Hispanic population and this wide variety contributes to a range of health conditions.

What is a goal you hope to see your District achieve during your tenure?

I would like us to fully develop the community's wellness and wellbeing programs and facilities.

How has being a member of ACHD helped you as a leader, your District and your residents and the community?

We moved to Fallbrook almost eight years ago, being on the Health District board has helped my integration into this close-knit community, developing friendships, and becoming more aware across the spectrum of community needs.

What advice or encouragement would you give someone considering running for the Healthcare District Board?

Serving is very fulfilling but it is not always a bed of roses and our Board has had to face difficult decisions to help the community's health and wellness.

When not serving your community, what do you like to do in your free time?

I am lucky enough to continue my healthcare career with nThrive, a major healthcare services and consulting company. We also like to fly fish, travel, and enjoy our family which includes five wonderful grandsons. And I enjoy serving on the ACHD Board of Directors as well as the Board of San Diego Organization of Healthcare Leaders.

About ACHD

The Association of California Healthcare Districts (ACHD) represents Healthcare Districts throughout the state. The Association serves the diverse needs of California's Healthcare Districts by enhancing public awareness, training and educating its members and advocating for legislation and regulatory policies that allow Healthcare Districts to deliver the best possible health services to Californians. Learn more at achd.org.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: ACCOUNTS PAYABLE	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Accounts Payable

Objective: To monitor the Accounts Payable system to insure accuracy, avoid duplication, and maintain an efficient record keeping system.

Response Rating:

Required Equipment:

Procedure:

General Information:

1. Invoices for supplies, equipment, utilities, and all Clinic expenses are paid by the Mark Twain Health Care District.
2. Invoices will be reviewed by the District’s bookkeeper for accuracy and duplicate charges/payments, attached to a purchase order, and entered into the accounting system.
3. Packets will be submitted to the Clinic Director for review and comment.
3. After review by the Clinic Manager, each invoice packet will be submitted to the Executive Director for review and approval.
4. As required, the bookkeeper will print checks for approved invoices.
5. Checks, with the purchase order and invoice attached, will be presented to XXX designated signer(s).
6. Expenses in excess of \$XXX are subject to review and approval by the Finance Committee if not budgeted. Unbudgeted expenses of \$XXXX or above will be reviewed and approved by the Finance Committee and reviewed by the Board of Directors.
7. Checks will be released as funds permit, at the discretion of the Executive Director.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: AFTER HOURS TELEPHONE MANAGEMENT	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: After Hours Telephone Management

Objective: To ensure after hours calls placed by patients are answered and appropriate guidance is provided to callers, after the end of the business day, the Clinic will activate the after-hours on-call service.

Response Rating:

Required Equipment:

Procedure:

1. At the end of the business day, the Clinic Manager or designee will access the phone system and activate call forwarding.
2. At the start of the Clinic day, the Clinic Manager or designee will deactivate the call forwarding so that incoming calls may be answered by Clinic staff.
3. The practitioner schedule for coverage of the on-call service is managed by the **Medical Staff Office** and implemented with the approval of the Medical Director.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: Age Restriction	REVIEWED: 11/9/18
SECTION: Administration	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject:

Objective: The Clinic does not discriminate on the basis of age in admission or access to its programs and activities.

Response Rating:

Required Equipment:

Procedure

1. It is the policy of the Clinic to extend services to persons under and over the age of 18.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: ANNUAL CLINIC EVALUATION	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Annual Clinic Evaluation

Objective: Review of clinic operations will be completed monthly and compiled to develop an Annual Clinic Evaluation Report to be submitted to the Administrator and Board of Directors.

Response Rating:

Required Equipment:

Procedure

1. Evaluation is to determine if:
 - a. Utilization of services is appropriate
 - b. Established policies are followed
 - c. Budgetary goals are being met
 - d. Any amendments or additions to policies, operations, or services are required.
 - e. Quality Assurance/Performance Improvement elements are being performed, documented, and acted upon

2. The evaluation includes review of the following:
 - a. Utilization of clinic service, including number of patients served
 - b. A representative sample of clinical records (See QA Policies)
 - c. Clinic policies, processes, forms
 - d. Formulary
 - e. Laboratory processes and procedures, including Quality Control records
 - f. Financial analysis, by location, payment source, and/or service line
 - g. Staffing effectiveness
 - h. Staff development
 - i. Performance Improvement/Quality Assurance
 - j. Guidelines for medical management of health problems.

The evaluation shall be shared and discussed with the staff and Board of Directors, and if necessary, corrective action initiated, documented, and reviewed.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: ANSWERING A PHONE CALL	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Answering a phone call

Objective: To provide prompt, excellent customer service

Response Rating:

Required Equipment:

Procedure:

1. All staff members will answer the telephone in the same, approved manner.
2. Answer by stating, "Valley Springs Health and Wellness Center, this is (your name). How may I help you?"
3. Calls should be answered immediately, before the third ring.
4. Answer the caller's questions courteously. Give accurate answers. If you are unsure of the correct answer, place the caller on hold and seek assistance.
5. If you must place a caller on hold, ask permission to do so ("May I place you on hold for a moment please?"). Wait for the caller's response before placing them on hold. If there is an extended wait for the caller, go back on the line to inform them that they haven't been forgotten and that you continue to work on this issue. Offer the patient the opportunity to leave their number so you can complete your research and return their call.
6. If the person the caller is attempting to reach is unavailable, ask if you may take a message or if they would prefer to be transferred to voice mail. If the patient's issue is urgent, contact the Supervisor on duty to assist the caller.
 - a. If the caller is a patient, enter the telephone message in the EMR and forward the message to the appropriate medical practitioner.
7. When transferring a call, advise the patient to whom they are being transferred prior to taking that action.
8. When answering your telephone extension, answer "This is (your name). How may I help you?"

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: Auxiliary Aids and Services for Persons with Disabilities	REVIEWED: 11/9/18
SECTION: Administration	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Auxiliary Aids and Services for Persons with Disabilities

Objective: The Clinic will take appropriate steps to ensure that persons with disabilities, including persons who are deaf, hard of hearing, or blind, or who have other sensory or manual impairments, have an equal opportunity to participate in our services, activities, programs and other benefits. The procedures outlined below are intended to ensure effective communication with patients/clients involving their medical conditions, treatment, services and benefits. The procedures also apply to, among other types of communication, communication of information contained in important documents, including waivers of rights; consent to treatment forms, financial and insurance benefits forms. All necessary auxiliary aids and services shall be provided without cost to the person being served.

All staff will be provided written notice of this policy and procedure, and staff that may have direct contact with individuals with disabilities will be trained in effective communication techniques, including the effective use of interpreters.

Response Rating:

Required Equipment:

Procedure

1. Identification and assessment of need:

The Clinic provides notice of the availability of and procedure for requesting auxiliary aids and services through notices in our outreach documents and print advertisements and through notices posted in waiting rooms and treatment rooms. When an individual self-identifies as a person with a disability that affects the ability to communicate or to access or manipulate written materials or requests an auxiliary aid or service, staff will consult with the individual to determine what aids or services are necessary to provide effective communication in particular situations.

2. Provision of Auxiliary Aids and Services:

The Clinic shall provide the following services or aids to achieve effective communication with persons with disabilities:

a. For Persons Who Are Deaf or Hard of Hearing

- i. For persons who are deaf/hard of hearing and who use sign language as their primary means of communication, the Clinic Director (xxx) xxx-xxxx is responsible for providing effective interpretation or arranging for a qualified interpreter when needed.

In the event that an interpreter is needed, the Clinic Director is responsible for:

Maintaining a list of qualified interpreters on staff showing their names, phone numbers, qualifications and hours of availability;

Contacting the appropriate interpreter on staff to interpret, if one is available and qualified to interpret; or obtaining an outside interpreter if a qualified interpreter on staff is not available. XXXXXXXX has agreed to provide interpreter services. The agency's telephone number(s) is (xxx) xxx-xxxx (staff has access code), 24 hours per day, seven days per week, holidays included.

- ii. Communicating by Telephone with Persons Who Are Deaf or Hard of Hearing

The Clinic utilizes relay services for external telephone with TTY users. We accept and make calls through a relay service. The state relay service number is:

California Relay Service:

(For Deaf and Hard of Hearing Callers)

TTY/TDD Dial 711 or

English TTY/TDD (800) 735-2929

Spanish TTY/TDD (800) 855-3000

Voice (800) 735-2922

- iii. For the following auxiliary aids and services, staff will contact the Clinic Director (xxx) xxx-xxxx who is responsible to provide the aids and services in a timely manner: Note-takers; computer-aided transcription services; telephone handset amplifiers; written copies of oral announcements; assistive listening devices; assistive listening systems; telephones compatible with hearing aids; closed caption decoders; open and closed captioning; telecommunications devices for deaf persons (TDDs); videotext displays; or other effective methods that help make aurally delivered materials available to individuals who are deaf or hard of hearing.

- iv. Some persons who are deaf or hard of hearing may prefer or request to use a family member or friend as an interpreter. However, family members or friends of the person will not be used as interpreters unless specifically requested by that individual and after an offer of an interpreter at no charge to the person has been made by the facility. Such an offer and the response will be documented in the person's file. If the person chooses to use a family member or friend as an interpreter, issues of competency of interpretation, confidentiality, privacy and

conflict of interest will be considered. If the family member or friend is not competent or appropriate for any of these reasons, competent interpreter services will be provided.

NOTE: Children and other patients will not be used to interpret, in order to ensure confidentiality of information and accurate communication.

2. For Persons who are Blind or Who Have Low Vision

- i. Staff will communicate information contained in written materials concerning treatment, benefits, services, waivers of rights, and consent to treatment forms by reading out loud and explaining these forms to persons who are blind or who have low vision.
- ii. The following types of large print, taped, Braille, and electronically formatted materials are available: patient forms, patient education materials. These materials may be obtained by calling the Clinic Director at (xxx) xxx-xxxx.
- iii. For the following auxiliary aids and services, staff will contact the Clinic Director who is responsible to provide the aids and services in a timely manner:

Qualified readers; reformatting into large print; taping or recording of print materials not available in alternate format; or other effective methods that help make visually delivered materials available to individuals who are blind or who have low vision. In addition, staff are available to assist persons who are blind or who have low vision in filling out forms and in otherwise providing information in a written format.

3. For Persons with Speech Impairments

To ensure effective communication with persons with speech impairments, staff will contact the Clinic Director (xxx) xxx-xxxx, who is responsible to provide the aids and services in a timely manner:

Writing materials; TDDs; computers; communication boards; and other communication aids.

4. For Persons with Manual Impairments

Staff will assist those who have difficulty in manipulating print materials by holding the materials and turning pages as needed, or by providing one or more of the following: note-takers; computer-aided transcription services; speaker phones; or other effective methods that help to ensure effective communication by individuals with manual impairments. For these and other auxiliary aids and services, staff will contact the Clinic Director (xxx) xxx-xxxx who is responsible to provide the aids and services in a timely manner.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: BUSINESS HOURS	REVIEWED: 11/9/18
SECTION: ADMINISTRATION	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Business Hours

Objective: To ensure a predictable and organized operation of the Clinic, the Clinic will maintain posted hours of operation and will report permanent revisions to District Administration and California Department of Public Health.

Response Rating:

Required Equipment:

Procedure:

1. The Clinic will be open Monday through Friday, between X:00am and X:00pm and Saturday between X:00am and X:00pm.
2. The Clinic will be opened for holidays with abbreviated hours of operation.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: Communication with Persons with Limited English Proficiency	REVIEWED: 11/9/18
SECTION: Administration	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject:

Objective: The Clinic will take reasonable steps to ensure that persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in our services, activities, programs and other benefits. The policy of The Clinic is to ensure meaningful communication with LEP patients/clients and their authorized representatives involving their medical conditions and treatment. The policy also provides for communication of information contained in vital documents, including but not limited to, waivers of rights, consent to treatment forms, financial and insurance benefit forms, etc. All interpreters, translators and other aids needed to comply with this policy shall be provided without cost to the person being served, and patients/clients and their families will be informed of the availability of such assistance free of charge.

Language assistance will be provided through use of competent bilingual staff, staff interpreters, contracts or formal arrangements with local organizations providing interpretation or translation services, or technology and telephonic interpretation services. All staff will be provided notice of this policy and procedure, and staff that may have direct contact with LEP individuals will be trained in effective communication techniques, including the effective use of an interpreter.

The Clinic will conduct a regular review of the language access needs of our patient population, as well as update and monitor the implementation of this policy and these procedures, as necessary.

Response Rating:

Required Equipment:

Procedure

1. Identifying Limited English Proficiency (LEP) Persons

The Clinic will promptly identify the language and communication needs of the LEP person. If necessary, staff will use a language identification card (or “I speak cards,” available online at www.lep.gov) or posters to determine the language. In addition, when records are kept of past interactions with patients (clients/residents) or family members, the language used to communicate with the LEP person will be included as part of the record.

2. Obtaining a Qualified Interpreter

Clinic Director, (xxx) xxx-xxxx is responsible for:

- a. Maintaining an accurate and current list showing the name, language, phone number and hours of availability of bilingual staff (provide the list);
- b. Contacting the appropriate bilingual staff member to interpret, in the event that an interpreter is needed, if an employee who speaks the needed language is available and is qualified to interpret;
- c. Obtaining an outside interpreter if a bilingual staff or staff interpreter is not available or does not speak the needed language. The Clinic has made arrangements with XXX (xxx) xxx-xxxx (access code available from staff) to provide qualified interpreter services. XXX is available 24 hours a day, 365 days a year.
- d. Where the patient's insurance carrier provides a language line for the patient's use, Clinic staff will access the insurance provider's offered service to the patient.
- e. Where the patient requires a sign language interpreter, Clinic staff will contact the patient's insurance carrier to determine what resources are made available to the insured and will schedule those resources as needed. It is understood that a patient accessing same day care does not allow the Clinic to schedule a sign language interpreter as there is no lead time to obtain the assistance.

Some LEP persons may prefer or request to use a family member or friend as an interpreter. However, family members or friends of the LEP person will not be used as interpreters unless specifically requested by that individual and after the LEP person has understood that an offer of an interpreter at no charge to the person has been made by the facility. Such an offer and the response will be documented in the person's file. If the LEP person chooses to use a family member or friend as an interpreter, issues of competency of interpretation, confidentiality, privacy, and conflict of interest will be considered. If the family member or friend is not competent or appropriate for any of these reasons, competent interpreter services will be provided to the LEP person.

Children and other clients/patients will not be used to interpret, in order to ensure confidentiality of information and accurate communication.

3. Providing Written Translations

- a. When translation of vital documents is needed, The Clinic will submit documents for translation into frequently-encountered languages to XXX (xxx) xxx-xxxx. Original documents being submitted for translation will be in final, approved form with updated and accurate legal and medical information.
- b. Facilities will provide translation of other written materials, if needed, as well as written notice of the availability of translation, free of charge, for LEP individuals.
- c. The Clinic will set benchmarks for translation of vital documents into additional languages over time.

4. Providing Notice to LEP Persons

The Clinic will inform LEP persons of the availability of language assistance, free of charge, by providing written notice in languages LEP persons will understand. At a minimum, notices and signs will be posted and provided in intake areas and other points of entry, including but not limited to the waiting room and treatment rooms. Notification will also be provided through one or more of the following: outreach documents, telephone voice mail menus, local newspaper advertisements.

5. Monitoring Language Needs and Implementation

On an ongoing basis, the Clinic will assess changes in demographics, types of services, or other needs that may require reevaluation of this policy and its procedures. In addition, the Clinic will regularly assess the efficacy of these procedures, including but not limited to mechanisms for securing interpreter services, equipment used for the delivery of language assistance, complaints filed by LEP persons, feedback from patients and community organizations.

DRAFT

POLICY AND PROCEDURES

POLICY: Dissemination of Non-Discrimination Policy	REVIEWED:
SECTION: Civil Rights	REVISED:
EFFECTIVE	MEDICAL DIRECTOR:

Subject: Dissemination of Non-Discrimination Policy

Objective: To inform staff, patients, and the general public that the Clinic does not discriminate on the basis of race, color, national origin, religion, sex, sexual orientation, gender identity, disability (physical or mental), age, or status as a parent.

Response Rating: Mandatory

Required Equipment:

Procedure:

The Clinic disseminates the nondiscrimination statement in the following ways:

To the General Public:

- A copy of the nondiscrimination statement is posted in our facility for visitors, clients/patients to view.
- The nondiscrimination statement is printed in the brochure which is available for distributed to patients, referral sources, and the community.

For the Patients:

- The nondiscrimination statement is included in the patient admissions packet and contained within the Statement of Patient's Rights.
- The nondiscrimination statement is discussed with patients upon their initial visit with the facility.
- A copy of the nondiscrimination statement is available upon request.

To Employees:

- The nondiscrimination statement is included in employee advertisements.
- The nondiscrimination statement is included in the employee handbook.

- The nondiscrimination statement is discussed and distributed during employee orientation.

DRAFT

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: EQUIPMENT MANAGEMENT	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Equipment Management

Objective: Designated equipment in service for the care and treatment of patients will be inspected, tagged, and in good working order. The Clinic will maintain a current inventory of all equipment and will interface with an appropriate biomedical vendor to provide a Preventative Maintenance program that will ensure all equipment used in the diagnosis, treatment, and therapy of patients is properly maintained and will meet the standards required by Title 22 and community standards.

Response Rating:

Required Equipment:

Procedure:

1. All equipment in the Clinic will be evaluated for inclusion in a Preventative Maintenance program that will:
 - a. Prolong the life or improve the operation of the device.
 - b. Identify a failure or discrepancy not readily apparent to the normal user.
 - c. Assure that the items in electrical-sensitive patient locations meet the requirements of ANSI/AAMI, safe current limit stands, as specified by California Title 22.
 - d. Provide management reporting of equipment history reports and failure modes.
2. A current accurate inventory of all diagnostic and therapeutic equipment utilized within the facility will be available and updated when new equipment is delivered and used equipment is retired.
3. New equipment delivered to the Clinic may not be placed until it has received a Bio-Medical Inspection and sticker and is cleared for use. Where required, staff will be trained and competency documented before the equipment is placed into use.
4. Preventative Maintenance will be performed for all patient care equipment that is available to the Clinic. Inspections will be performed consistent with manufacturer recommended specifications. If no manufacturer recommendations are made, inspections will occur annually.
4. All equipment service will be documented.

- a. A copy of all service work paperwork will be kept in the department.
 - b. A summary of service history will be provided periodically to help identify failure trends.
 - c. Repairs that may affect the calibration, operation, or electrical integrity of any device will have an inspection completed after the repair, and such will be documented.
5. Inspection and repair of equipment is the responsibility of the Clinic Manager and/or designee.
- a. Defective equipment discovered by personnel is to be marked defective, removed from use and reported to the Clinic Manager.
 - b. A maintenance request form will be completed for each instance of equipment removed from use for malfunction. The maintenance form will be returned to the Clinic Manager upon completion of the repair with the completed form retained to demonstrate compliance with policy and procedure.
 - c. Equipment requiring service or repair will be assigned to personnel or vendor(s) with appropriate training and necessary credentials.

DRAFT

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: INCIDENT REPORTS	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Incident Reports

Objective: All unusual events shall be documented on an incident report form to provide proper documentation and follow-up and to support risk identification and trends.

Response Rating:

Required Equipment:

Procedure:

1. An incident report shall be completed promptly when any of the following events occur:
 - a. Medication error
 - b. Adverse drug reaction
 - c. Non-reconcilable narcotic medication inventory error
 - d. Patient accident
 - e. Employee accident
 - f. Visitor accident
 - g. Cardiac or respiratory arrest
 - h. Newborn delivery
 - i. Death
 - j. Hostile or threatening person
 - k. Theft of Clinic, patient, or employee possessions
 - l. Vandalism
2. The completed Incident Report will be forwarded to the Executive Director as soon as possible after the event occurs, but no later than 24 hours after the event.
3. The problem description will be precise, concise, and accurate. It is not necessary to include details regarding any patient care treatment rendered. The description should include the result of action(s) taken and disposition(s).
4. All Incident Reports will be reviewed by both the Medical Director and Clinic Director. Follow-up action(s) shall be recorded in the Quality Assurance Performance Improvement meeting minutes.
5. The Incident Report is a confidential document and will be handled as such. Incident Reports are not

part of the patient's medical record and will not be filed therein.

DRAFT

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: LABORATORY ELECTRICAL SAFETY	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Laboratory Electrical Safety

Objective: To present an overview of the Laboratory electrical safety policy.

Response Rating: Mandatory

Required Equipment:

Procedure:

All employees will be educated in and follow these guidelines for electrical safety:

- All electrical equipment will be regularly inspected and serviced per the Clinic’s preventive maintenance program.
- All employees will be trained in the proper handling and operation of equipment prior to use.
- All electrical equipment will be inspected prior to use. If any damage is noted to the electrical cords, junction, or casing, do not use.
- Never use electrical equipment on wet surfaces.
- Never yank electrical cords from outlets.
- Never leave electrical cords across walkways or door openings.
- Never use electrical equipment that does not have a grounded plug.
- All laboratory instruments and appliances are adequately grounded and checked for current leakage before initial use, after repair or modification and when a problem is suspected. If a new instrument is installed or initially checked by the manufacturer, the laboratory will have the required check performed at the next preventive maintenance cycle.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: LAUNDRY AND LINEN	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Laundry and linen

Objective: To ensure use of sanitary gowns, drapes, and other laundry/linen, wherever possible disposable patient gowns, drapes, and sheets will be utilized.

Response Rating:

Required Equipment:

Procedure

1. Disposable patient gowns will be available in a variety of sizes, consistent with the patients served in the Clinic.
2. Disposable drapes will be available in a variety of sizes, consistent with the procedures performed in the Clinic.
3. Disposable table paper will be utilized to cover examination tables/chairs and will be replaced between patients.
4. Cloth sheets will be utilized to cover any gurney located in the Clinic and will be replaced between patients.
5. Soiled sheets will be placed in the covered soiled laundry bin located in the locked housekeeping closet.
6. Should a patient require a blanket during their visit to the Clinic, a blanket will be provided.
7. When the patient no longer requires the blanket, the used blanket will be placed in the covered soiled laundry bin located in the locked housekeeping closet.
8. Linen/laundry service vendor will replace any used blankets and sheets once a week.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: List of Services	REVIEWED: 11/9/18
SECTION: Operations	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: List of Services

Objective: The Clinic is an outpatient service. The clinic is designated and licensed as rural health clinics, offering a variety of patient services.

Response Rating:

Required Equipment:

Procedure

Practice includes:

Adult Medicine

Gynecology

Obstetrics

Pediatrics

Geriatrics

Well Baby Visits

Well Child Visits

Immunizations

Minor Surgery

Primary Dental

Specialty Services available by referral:

Cardiology

Obstetrics

Gastroenterology

Specialty Services available by referral (continued):

Pulmonology

Dermatology

Neurology

Internal Medicine

Surgery

Ophthalmology

Psycho-social

Chiropractic

ENT

Allergy

Dental

Telemedicine:

As needed, and when available, the Clinic will provide telemedicine services using secure connections and approved practitioners, including but not limited to:

XXX

XXX

XXX

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: LITIGATION (POTENTIAL)	REVIEWED: 11/12/18
SECTION: ADMINISTRATION	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Litigation and requested documentation

Objective: All cases involved in litigation or potential litigation cases are viewed by the Medical Director and the District Executive Director.

Response Rating:

Required Equipment:

Procedure:

1. Service of all subpoenas or legal request for medical records will be directed immediately to the Clinic Director. The request will then be noted and an impound file will be created. Any litigation case is referred to the malpractice carrier of XXX.
2. The request will be forwarded to the Clinic Manager and/or the Medical Director for review of the request and the electronic medical records as well as any paper documents will be copied and forwarded to the District office to be retained in the established impound file. The Electronic Health Record will be annotated that such a file exists.
3. The Executive Director, after review, will ensure records are forwarded to the malpractice carrier.
4. The carrier will determine the need for an attorney to be assigned to the clinic and/or the Medical staff and the Clinic staff.
5. All inquiries regarding the impounded medical records, with the exception of that pertinent as medical history in the assessment and treatment of a current medical problem, will be referred to the Executive Director.
6. At no time will management or Clinic staff speak with the patient, family or any family representative regarding any potential litigation, without the prior written approval of the malpractice carrier, Executive Director, or the Clinic's legal counsel.
7. The Board President will be notified of potential litigation action.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: MEDICATION, SUPPLY, AND EQUIPMENT RECALLS/WARNINGS	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Medication, Supply, and Equipment Recalls and Warnings

Objective: To ensure patient safety, recall/Blacks Box warnings will be addressed immediately upon receipt, with the items in question removed from patient care areas and inventory. Medical staff and Clinic personnel will be advised of the recalls and warnings (including Black Box warnings) immediately upon issuance and after affected items are removed from service.

Response Rating: Mandatory

Required Equipment:

Definitions:

Black Box warning: The strictest warning put in the labeling of prescription drugs or drug products by the Food and Drug Administration (FDA) when there is reasonable evidence of an association of a serious hazard with the drug.

Recall: A recall is a method of removing or correcting products that are in violation of laws administered by the Food and Drug Administration (FDA). Recall is a voluntary action that takes place because manufacturers and distributors carry out their responsibility to protect the public health and well-being from products that present a risk of injury or gross deception or are otherwise defective. [21 CFR 7](#) provides guidance so that responsible firms may conduct an effective recall.

Medical device recalls are usually conducted voluntarily by the manufacturer under [21 CFR 7](#). In rare instances, where the manufacturer or importer fails to voluntarily recall a device that is a risk to health, FDA may issue a recall order to the manufacturer under [21 CFR 810](#), Medical Device Recall Authority. [21 CFR 810](#) describes the procedures the FDA will follow in exercising its medical device recall authority under section 518(e) of the Federal Food, Drug, and Cosmetic Act (Act).

Procedure:

Medication Black Box Warnings

1. Black box warnings will be transmitted to the Clinic’s designated contact(s) by the pharmacy vendor using US Mail and email transmission. Designated contacts include but are not limited to Clinic Manager and Health Care District Office Manager.

2. Immediately upon notice from the pharmacy vendor, the Clinic Manager will review the Clinic Formulary to confirm whether the medication in question is on the Formulary List.
3. If the medications are on the Formulary List, the Clinic Director will follow the Removal of Recalled Medications protocol and segregate the medication in question and remove it from the active inventory.
4. The Clinic Manager will document on the written Black Box Warning notice that the Clinic Formulary has been reviewed, indicate the actions taken, and will date that entry.
5. The Clinic Manager will print a copy of the written Black Box Warning notice for each Clinic practitioner and ensure each practitioner receives that notice.
6. Distribution of notice to practitioners will be documented on the Clinic Director copy of the Black Box Warning.
7. The documented notice will be placed in the file titled Recall/Black Box Warning (Year).
 - a. Medication Recall/Black Box Warning (Year) files will be retained in the Clinic's permanent files and not be deleted.
8. The Clinic Manager will update the Clinic Formulary List.
 - a. Note on the current list the date of the Black Box warning next to the name of the affected medication.
 - b. Save the Clinic Formulary List by renaming the file with the current date, replacing the former date.
 - c. Remove the affected medication from the Clinic Formulary list.
9. When the Clinic Manager has completed these tasks, they will notify the Medical Director, in writing, that the process has been completed.

Product (supply, medication, equipment) Recall

1. Supply, medication, and equipment recalls are conducted by a company's own initiative, by FDA request, or by FDA order under statutory authority.
2. Upon notification from the manufacturer, supplier, or the FDA on the recall of a supply, medication, or patient care equipment item, the Clinic will initiate removal of items from the patient care area.
 - a. After printing the Notice of Recall, review Supply Listing, Clinic Formulary List, and/or Equipment Inventory List to determine whether recalled item is being utilized in the Clinic.
 - b. If the medication is not found, document on the printed recall notice that the list was reviewed and the item was not found. Date the notice.
 1. The documented printed recall notice will be placed in an online file titled Recall (Year).

2. Medication Recall (Year) files will be retained in the Clinic's permanent files and not removed to off-site storage.
3. If the item is found, remove the item from the Clinic appropriate inventory. If a supply or medication, place it in a zip-top plastic bag with a copy of the recall notice. Document on the printed recall notice that the list was reviewed, the item found and removed from inventory. Date the documentation.
 - a. The documented printed recall notice will be placed in a file titled Recall/Black Box Warning (Year).
 - b. Recall/Black Box Warning (Year) files will be retained in the Clinic's permanent files and not deleted.
 - c. Place recalled, packaged medications in the DO NOT USE box. Contents of the box will be removed and destroyed.
4. Upon notification from the manufacturer, supplier, or the FDA on the recall of a drug product, the Clinic will initiate review of patient medical records to determine whether patients were given prescriptions for the recalled medications.
 - a. Utilizing the Clinic's Electronic Medical Record, the Clinic Manager or designee will generate a drug utilization report, requesting a list of all patients to whom the medication was prescribed.
 - b. Based upon the type of recall action necessary, individual patients will be contacted by telephone, e-mail or letter. The content and method of notification will be determined after consultation with the Medical Director.
 - c. The report listing the patients affected, along with a copy of the correspondence sent to those patients will be filed with the recall notice and retained in the Recall/Black Box Warning (Year) file.
 - d. The Electronic Medical Record of all patients contacted regarding recalled medications will be noted with the date of recall, medication name, type of recall, and type of contact initiated to notify the patient.
 1. If correspondence advising the patient of the recall is returned as undeliverable, this information will also be entered into the patient's Medical Record.
 2. Patient will be given the recall information during their next Clinic visit.
5. The Clinic Manager will update the Clinic Supply List, Clinic Formulary List and Clinic Equipment Inventory List should any items be removed due to recall.
 1. Note on the current list the date of the recall notice next to the name of the affected medication.

2. Save the appropriate Clinic List by renaming the file with the current date, replacing the former date.
3. Remove the affected medication from the appropriate Clinic list.
6. When the Clinic Manager has completed these tasks, they will notify the Medical Director, in writing, that the process has been completed.

DRAFT

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: MISSION STATEMENT	REVIEWED: 11/9/18
SECTION: ADMINISTRATION	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: XXX Mission Statement

Objective:

Response Rating:

Required Equipment:

Procedure:

1. As an entity wholly-owned by Mark Twain Health Care District, the Clinic's Mission is the District's Mission:

Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality professional and compassionate health care.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: Non-Discrimination	REVIEWED: 11/9/18
SECTION: Administration	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject:

Objective: As a recipient of Federal financial assistance, the Clinic does not exclude, deny benefits to, or otherwise discriminate against any person on the grounds of race, color, or national origin, or on the basis of disability or age in admission to, participation in, or receipt of the services and benefits under any of its programs and activities, whether carried out by the Clinic directly or through a contractor or any other entity with which the Clinic arranges to carry out its programs and activities.

Response Rating:

Required Equipment:

Procedure

This statement is in accordance with the provisions of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Regulations of the U.S. Department of Health and Human Services issued pursuant to these statutes at Title 45 Code of Federal Regulations Parts 80, 84, and 91.

In case of questions, please contact: Facility Name: XXX

Contact Person/Section 504 Coordinator: XXX (Clinic Director)

Telephone number: xxx-xxx-xxxx

State Relay number:

California Relay Service:

(For Deaf and Hard of Hearing Callers)

TTY/TDD

Dial 711 or

English TTY/TDD (800) 735-2929

Spanish TTY/TDD (800) 855-3000

Voice (800) 735-2922

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: ON-CALL PROGRAM	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: On Call Program

Objective: To ensure the development and operation of an after-hours on-call program in compliance with contractual obligations and to meet patient need.

Response Rating: Mandatory

Required Equipment:

Procedure:

1. The Medical Director, with the support of the XXX, will be responsible for establishing the schedule to staff the On-Call Program.
2. Medical staff members (Physicians and Mid-level providers) will participate in the On-Call Program, with staffing determined based first, upon volunteer's availability; and, then assignments made by the Medical Director to cover any open slots.
3. Maintenance of the application's calendar is the responsibility of the XXX.
 - a. The on-call "shift-day" schedule template will be as follows:
 - i. Monday 1800 – Tuesday 0800
 - ii. Tuesday 1800 – Wednesday 0800
 - iii. Wednesday 1800 – Thursday 0800
 - iv. Thursday 1800 – Friday 0800
 - v. Friday 1800 – Monday 0800
 - vi. Holidays – 1800 the night before until 0800 the day after
4. Maintenance of the on-call schedule with the practitioners assigned to each day is the responsibility of XXX who will receive the schedule from the Medical Director and make the appropriate entries.

5. Changes in the entered on-call schedule will be the responsibility of XXX who will receive notice of such changes from the Medical Director and/or providers by email.
6. Content of the message patients will hear when they contact the clinic after hours is the responsibility of XXX, who will interface with the vendor/staff to ensure the message is current and accurately reflects how the practice wants after hours contacts managed.
 - a. Message content will include:
 - a. Statement that the Clinic is closed
 - b. Statement that the message is available in English and Spanish
 - c. A Reminder that if the patient is calling to report a medical emergency they must hang up and contact 911 immediately
 - d. Statement that XXX patients may call the 24 hour Nurses Line for advice
 - e. Options to schedule an appointment by phone, leave a message for someone, or contact the practitioner on-call.
7. Practitioners will be expected to be available to cover the on-call schedule a minimum of one shift/day a month. The Medical Director will then assign shifts/days; first, on a volunteer basis; and, then as required in rotation to ensure fairness. Holiday shifts/days will be rotated as necessary.
8. Practitioner compensation for on-call shifts will be accrued per shift assigned and paid .
9. Practitioners on-call will be required to respond to patient outreach within a 30 minute timeframe. Compliance will be confirmed by XXX.
10. Practitioners will document their interaction with the patient using the XXX to ensure the patient's medical record is accurately and thoroughly updated.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: PAR LEVELS	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Par Levels

Objective: To ensure that the Clinic is not overstocked with materials that may outdate and be wasted, the Clinic will be provided with inventory par levels for general medical supply and medications inventories.

Response Rating:

Required Equipment:

Procedure:

1. As a part of Clinic Operations and QAPI processes, Clinic Manager and Medical Director will consult, at least quarterly, and determine appropriate par levels of medical supplies and medications based upon current patient census projections and historical census data. Should a new service line be added or an unanticipated spike in patient census occur, review of par levels will happen immediately.
2. The par level information will be documented on a spreadsheet and available for reference purposes.
3. The par level document may also serve as an order form.
4. Medications will not be added to the Clinic formulary without consideration by the Medical Director and Clinic Manager and completion of the appropriate documentation and staff orientation.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: PATIENT LEFT: NOT SEEN OR TREATED (NSOT)	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Patient left without being seen or treated (NSOT)

Objective: To track patients that leave the Clinic before being seen/treated by the practitioner.

Response Rating:

Required Equipment:

Procedure:

1. When a patient advises a staff member that they are leaving before being seen or treated by the practitioner, advise the nurse or medical assistant and have him/her speak with the patient.
2. The nurse or medical assistant will review the sign in sheet and complete the NSOT form, documenting whether the patient was interviewed, had their vital signs taken and recorded, and their observations of the patient's condition.
3. If the patient refuses to speak with the nurse or medical assistant before they leave, ask the patient why they are leaving before seeing the practitioner.
4. Mark the sign in sheet "NSOT" and document the reason the patient gave for leaving before seeing the practitioner.
5. Add the patient to the electronic scheduler by choosing the NSOT appointment type and adding the patient's reason for leaving.
6. Scan the sign in sheet into the patient's EMR under other and mark as NSOT add the current date.
7. Place all documentation in the NSOT binder.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: PATIENT PORTAL INFORMATION	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Policy: Patients, parents and/or guardians are entitled and encouraged to have access to their health information to enable them to understand and participate in their care and treatment with our Clinic providers. Such information will be made available by granting secure access through a patient portal in the Mark Twain Health Care District website.

Objective: Each patient, parent or guardian will be informed on how to access the online patient portal. An information flyer or brochure will be developed that indicates the website is available for general information regarding the portal. An individual portal on the website will enable the patient to have private and secure access to make/keep appointments; view their medical record, view selected laboratory/radiology results and update their demographic information.

Required Equipment: None

Procedure:

1. During the patient check-in process, the clinic will provide the patient with an instructional flyer on how to register on the online patient portal. The flyer will include the following instructions:
 - a. Go to **XXX** website, [XXX](#).
 - b. Click on 'Patient Portal Login' link
 - c. Click on 'Sign up today' link
 - d. Enter required information and click 'continue'
 - e. Choose an option to receive a temporary passcode
 - f. Retrieve temporary passcode and enter passcode
 - g. Choose a primary care provider and click 'continue'
 - h. Set a new password, click 'I have read and accepted Terms...' and click 'continue'

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: Patient Rights and Responsibilities Statement	REVIEWED: 11/7/18
SECTION: Civil Rights	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Patient Rights and Responsibilities

Objective: To ensure that all staff and patients are aware of Patient Rights; to ensure that patients have free access to exercise their rights as needed. The patient has the fundamental right to a dignified existence, self-determination, and communication with and access to persons and services inside and outside the Clinic. The Clinic has identified and established particular patient rights and has imposed specific requirements for consent under certain conditions.

Response Rating:

Required Equipment: None

Procedure

- A. Patient Rights include, but are not limited to:
1. The exercise of these rights without regard to sex, culture, economic status, education, religion, or the source of payment for care.
 2. Considerate and respectful care.
 3. Knowledge of the name of the practitioner who has primary responsibility for coordinating the care and the names and professional relationships of physicians and non-physicians who will see the patient.
 4. Receive information about the illness, the course of the treatment, and prospects for recovery in terms that the patient can understand.
 5. Receive as much information about any proposed treatment or procedure as the patient may need in order to give informed consent or to refuse this course of treatment. Except in emergencies, this information shall include a description of the procedure or treatment, the medically significant risks involved in this treatment, alternate courses of treatment or non-treatment and the risks involved in each and to know the name of the person who will carry out the procedures of treatment.

6. Participate actively in decisions regarding medical care. To the extent permitted by law, this includes the right to refuse treatment.
7. Full consideration of privacy concerning the medical care program. Case discussion, consultation, examination, and treatment are confidential and should be conducted discreetly. The patient has the right to be advised as to the reason for the presence of any individual.
8. Confidential treatment of all communications and records pertaining to the care and treatment received at the clinic. Written permission shall be obtained before the medical records can be made available to anyone not directly concerned with the patient's care.
9. Reasonable responses to any reasonable requests made for service.
10. Reasonable continuity of care and to know, in advance, the time and location of appointment as well as the identity of persons providing the care.
11. Be advised if Clinic physician proposes to engage in or perform human experimentation affecting care or treatment. The patient has the right to refuse to participate in such research projects.
12. Be informed of continuing health care requirements following treatment.
13. Examine and receive an explanation of the bill regardless of source of payment.
14. Know which rules and policies apply to the patient's conduct while a patient.
15. Have all patient's rights apply to the person who may have legal responsibility to make decisions regarding medical care on behalf of the patient.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: POLICY DEVELOPMENT AND REVIEW	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Policy development and review

Objective: To ensure prompt, collaborative development, and review of Clinic policies to define appropriate management, operation, and patient safety.

Response Rating:

Required Equipment:

Procedure

Policy Development

1. Clinic will develop policies as required
 - a. By licensing agencies
 - b. By accreditation bodies
 - c. By payor groups and/or when required by contract
 - d. By organization leadership
 - e. To resolve operational or patient safety issues
 - f. When patient care service lines are added
2. Policies will be drafted using the approved Policy Template.
3. Policies will be developed with collaboration between leadership (Executive Director, Medical Director, Clinic Director, Department Head), clinicians (Physician, Dentist, Mid-level Practitioner, Nurse Midwife, Nurse), line staff (Medical Assistant, Receptionist, Biller/Coder).
4. Policies will be drafted and submitted for approval by the Medical Director.
5. Policy Manual will be submitted to the Board for approval, with 1/12 of policies reviewed monthly to ensure the manual is reviewed and edited annually.
 - a. The Board may, at its discretion, delegate responsibility for review and oversight of the Clinic Policy Manual to the Executive Director.

Policy Review

1. New Clinic policies will be submitted for approval to the Medical Director at the time they are written.
2. Policy Manual will be reviewed by the Clinic Manager and at least one Mid-Level Practitioner on an annual basis, with changes being made as required.
3. When a policy is written, the date will be documented in the policy development documentation block located in the header of the policy.
4. When a policy is revised, the date of the revision will be documented in the policy development documentation block located in the header of the policy.
5. When a policy is reviewed with no changes, the date of the review will be documented in the policy development documentation block located in the header of the policy.
6. When a policy is approved, the date of the approval will be documented in the policy development documentation block located in the header of the policy. The Medical Director approving the policy will initial the original paper document in the designated signature block.
7. When the policy is discontinued, the discontinuation date will be documented in the policy development documentation block located in the header of the policy. All discontinued policies will be retained in a file labeled "Retired Clinic Policies" and the file will be retained in perpetuity.
8. The Policy Manual Approval document shall be updated on a regular basis, signed by the Clinic Manager, Mid-Level Practitioners(s) who participated in the annual review, the Medical Director, and members of the Board.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: PREVENTATIVE MAINTENANCE INSPECTIONS	REVIEWED: 11/12/18
SECTION: OPERATIONS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Preventative maintenance inspections

Objective: The Clinic will interface with an appropriate Biomedical vendor to provide a Preventive Maintenance program that will ensure all equipment used in the diagnosis, treatment, and therapy of patients is properly maintained and will meet the standards required by Title 22 and community standards. Designated equipment in service for the care and treatment of patients will be inspected, safe and in good working order, inspected annually, with inspections and repairs documented.

Response Rating:

Required Equipment:

General Information:

1. All equipment in the Clinic will be evaluated for inclusion in a preventative maintenance program that will:
 - a. Prolong the life or improve the operation of the device.
 - b. Identify a failure or discrepancy not readily apparent to the normal user.
 - c. Assure that the items in electrical-sensitive patient locations meet the requirements of ANSI/AAMI, safe current limit stands, as specified by California Title 22.
 - d. Provide management reporting of equipment history reports and failure modes.

2. A current accurate inventory of all diagnostic and therapeutic equipment utilized within the facility will be available.

3. A Preventative Maintenance process will be developed for each equipment type that is available to the Clinic. Each process will:
 - a. Identify inspection frequency.
 - b. Include manufacturer recommended specifications, where applicable.
 - c. Verify compliance with JCAHO and/or Title 22

4. All service to equipment will be documented.

- a. A copy of all service work will be kept in the department.
 - b. A summary of service history will be provided periodically to help identify failure trends.
 - c. Repairs that may affect the calibration, operation, or electrical integrity of any device will have an inspection completed after the repair, and such will be documented.
5. Inspection and request for repair of equipment is the responsibility of the Clinical Director and/or designee.

Procedure:

1. The Bio-Medical Vendor will make annual inspections on all Clinic equipment.
2. New or borrowed equipment will be inspected by the Bio-Medical Vendor and tagged as inspected before being put into service.
3. The Clinic Director will insure new equipment is added to the asset list and retired equipment removed from the asset list, as the asset list must be accurate at all times.
5. Defective equipment discovered by personnel is to be marked defective, removed from use and reported to the Clinical Director.
6. Clinic Director or their designee will contact complete Maintenance Request form and contact appropriate vendor.
7. Equipment requiring service or repair will be assigned to personnel or vendor(s) with appropriate training and any necessary credentials.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: Scope of Services	REVIEWED: 11/8/18
SECTION: Civil Rights	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Scope of Services

Objective: The Clinic’s scope of services shall include, but not be limited to, the following list of services:

Response Rating:

Required Equipment: None

Procedure:

Services shall be rendered to anyone, regardless of sex, race, color, creed, age, national origin, handicap or ability to pay for services rendered.

Professional:

A physician and/or a physician assistant (PA, PA-C) or family nurse practitioner (FNP) shall staff the Clinic during posted working hours to provide medical services within the scope of his/her training.

Medical staff will be available to perform:

- Complete medical histories
- Physical examinations (pre-employment, sports, school, health maintenance)
- Assessment of health status, routine laboratory and diagnostic testing
- Treatment for common acute and chronic health problems and medical conditions

Tele-Health:

A physician, made available to the Clinic through a third party vendor and upon receipt of prior authorization, will provide tele-health consultations and patient care for a variety of specialties, including:

Mental Health

Endocrinology

Infectious Disease

Dermatology

Laboratory:

Point-of-care testing, under a CLIA Certificate and California Laboratory license will be provided for some modalities.

Unaffiliated laboratories will provide reference laboratory services.

Unaffiliated laboratories will provide pathology laboratory services.

X-Ray:

Plain film x-rays are performed in the Clinic and over read by physicians affiliated with *Insert Name of Radiology Group*.

Patients requiring other testing modalities will be referred to the service provider authorized by their insurance coverage.

Medical Procedures:

Minor surgical procedures and basic diagnostic procedures shall be performed within the scope of the medical staff's training; including but not limited to minor laceration repairs, IV hydration, IV antibiotic therapy, splinting, and medical stabilization of medical emergencies for transfer to high acuity facilities.

Pharmacy:

The Clinic will provide stock pharmacy items according to the Clinic formulary.

Prescriptions will be submitted to the patient's pharmacy via ePrescribe.

Higher Level of Care:

Referral for medical cause when the Clinic is operating will be provided on an as needed basis.

Hospitals used for transfer of patients requiring a higher level of care include:

Mark Twain Medical Center

Discharge Instructions:

All patients will be given written notes instructions, and explanations of the treatment they received in the Clinic, as well as written follow up instructions.

Policies and Procedures:

Written policies and procedures and medical protocols/Standardized Procedures governing the services of the Clinic providers are developed, executed, and annually evaluated by the Medical Committee and the Governing Body. The Committee will consist of the Medical Director, physician assistants/nurse practitioners, Clinic Director, Executive Director and any other assigned personnel.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: SECTION 504 GRIEVANCE	REVIEWED: 11/8/18
SECTION: civil rights	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject:

Objective: It is the policy of the Clinic not to discriminate on the basis of disability. The Clinic has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) or the U.S. Department of Health and Human Services regulations implementing the Act. Section 504 states, in part, that “no otherwise qualified handicapped individual...shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance...”The Law and Regulations may be examined in the office of Clinic Director, (661) 765-1935 who has been designated to coordinate the efforts of The Clinic to comply with Section 504.

Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for the Clinic to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.

Response Rating:

Required Equipment:

Procedure

1. Grievances must be submitted to the Section 504 Coordinator within seven (7) days of the date the person filing the grievance becomes aware of the alleged discriminatory action.
2. A complaint must be in writing, containing the name and address of the person filing it. The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought.
3. The Section 504 Coordinator (or her/his designee) shall conduct an investigation of the complaint. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant to the complaint. The Section 504 Coordinator will maintain the files and records of West Side Health Care District relating to such grievances.
4. The Section 504 Coordinator will issue a written decision on the grievance no later than 30 days after its filing.

5. The person filing the grievance may appeal the decision of the Section 504 Coordinator by writing to Mark Twain Health Care District Executive Director within 15 days of receiving the Section 504 Coordinator's decision.
6. The Mark Twain Health Care District Executive Director shall issue a written decision in response to the appeal no later than 30 days after its filing.
7. The availability and use of this grievance procedure does not prevent a person from filing a complaint of discrimination on the basis of disability with the:
 - a. U. S. Department of Health and Human Services
 - b. Office for Civil Rights

The Clinic will make appropriate arrangements to ensure that disabled persons are provided other accommodations if needed to participate in this grievance process. Such arrangements may include, but are not limited to, providing interpreters for the deaf, providing taped cassettes of material for the blind, or assuring a barrier-free location for the proceedings. The Section 504 Coordinator will be responsible for such arrangements.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: SECTION 504 NOTICE OF PROGRAM ACCESSIBILITY	REVIEWED: 11/8/18
SECTION: CIVIL RIGHTS	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Section 504 Notice of Program Accessibility

Objective:

The Clinic will post a Section 504 Notice of Program Accessibility in the Clinic waiting area. Such notice will state:

The regulation implementing Section 504 requires that an agency/facility "*...adopt and implement procedures to ensure that interested persons, including persons with impaired vision or hearing, can obtain information as to the existence and location of services, activities, and facilities that are accessible to and usable by disabled persons.*" **(45 C.F.R. §84.22(f))**

The Clinic and all of its programs and activities are accessible to and useable by disabled persons, including persons who are deaf, hard of hearing, or blind, or who have other sensory impairments. Access features include:

- Convenient off-street parking designated specifically for disabled persons.
- Curb cuts and ramps between parking areas and buildings.
- Level access into first floor level.
- Fully accessible offices, meeting rooms, bathrooms, public waiting areas, patient treatment areas, including examining rooms.
- A full range of assistive and communication aids provided to persons who are deaf, hard of hearing, or blind, or with other sensory impairments. There is no additional charge for such aids. Some of these aids include:
 - Qualified sign language interpreters for persons who are deaf or hard of hearing.
 - A twenty-four hour (24) telecommunication device (TTY/TDD) which can connect the caller to all extensions within the facility and/or portable (TTY/TDD) units, for use by persons who are deaf, hard of hearing, or speech impaired.
 - Readers and taped material for the blind and large print materials for the visually impaired.
 - Flash Cards, Alphabet boards and other communication boards.
 - Assistive devices for persons with impaired manual skills.

If you require any of the aids listed above, please let the receptionist or your medical assistant know.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: Ownership and Governance Statement	REVIEWED: 11/1/18
SECTION: Civil Rights	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Clinic Ownership and Governance

Objective: To make available to the public a clear and concise statement of Clinic ownership and governance.

Response Rating:

Required Equipment:

Procedure:

The Mark Twain Health Care District owns and operates Rural Health Clinic(s).

The District was formed in 1946 and governance is comprised of a Board of five members who are elected during the general election or appointed as/if required in accordance with Sec 32000 et. seq of the State Code. Board members serve four year terms. As of November 2018, Board Members are:

Lin Read, MBA, OTR/L: Board President

Ann Radford, FNP: Board Secretary

Susan Atkinson, MSW: Treasurer

Debbie Sellick, CMP: Member-at-Large

Talibah Al-Rafiq: Member-at-Large

The District has appointed a District Executive Director who is responsible for the overall supervision of the District and its operations, including the Clinic(s).

The District has engaged a physician to serve as Medical Director/Laboratory Director. The Medical Director will provide patient care and Medical Staff leadership, including supervision of mid-level practitioners (nurse practitioner, physician assistant) and licensed physicians providing medical care to patients.

The District has appointed a Clinic Director who, in cooperation with the District Administrator and Medical Director, is responsible for the daily operation of the Clinic and the supervision of the non-provider staff members.

**MARK TWAIN HEALTH CARE DISTRICT
RURAL HEALTH CLINICS
POLICY AND PROCEDURES**

POLICY: WASTE, FRAUD, AND ABUSE	REVIEWED: 11/9/18
SECTION: ADMINISTRATION	REVISED:
EFFECTIVE:	MEDICAL DIRECTOR:

Subject: Prevention, Detection, and Reporting of Waste, Fraud, and Abuse

Objective: The Clinic will utilize ethical and conscientious practices in the care of patients, use of clinic resources, in documentation and billing practices.

Response Rating: Mandatory

Required Equipment:

Definitions:

Fraud: wrongful or criminal deception intended to result in financial or personal gain.

Abuse: practices that, either directly or indirectly, result in unnecessary costs to the health insurance program. includes any practice that is not consistent with the goals of providing patients with services that are medically necessary, meet professionally recognized standards, and are priced fairly.

False claim: overcharging or selling substandard goods and/or services

Kick-Back: pay, solicit, or receive remuneration (payment) directly or indirectly to induce or reward referrals of items or services reimbursable by a health care program.

Physician Self-Referral: physicians are prohibited from making a referral for certain designated health services to an entity in which the physician or a member of their immediate family has an ownership/investment interest or with which they have a compensation arrangement unless a specific exception applies.

Identity theft: the appropriation or misuse of a patient's or [provider's] unique medical identifying information to obtain or bill public or private payers for fraudulent medical goods or services.

Procedure:

1. The following actions, considered fraud, are forbidden by employees, contractors, and/or vendors of the Clinic:

- A. Knowingly submitting false statements or making misrepresentations of fact to obtain a health care payment for which no entitlement would otherwise exist
 - B. Knowingly soliciting, paying, and/or accepting remuneration to induce or reward referrals for items or services for which reimbursement is received
 - C. Making prohibited referrals for certain designated health services as defined by Medicare (CMS).
 - D. Knowingly bill for services not furnished supplies not provided or both
 - E. Falsifying records that show delivery of services or supplies that were not provided
 - F. Billing Medicare for appointments that patients did not keep
 - G. Knowingly billing for services at a level of complexity higher than the service actually provided or documented in the medical record
2. The following actions, considered abuse are forbidden by employees, contractors, and/or vendors of the Clinic:
 - A. Billing for services that were not medically necessary
 - B. Charging excessively for service or supplies
 - C. Misusing codes on a claim, such as upcoding or unbundling codes
 3. Fraud and abuse expose personnel to criminal and civil liability.
 4. Federal laws, including the False Claims Act, Anti-Kickback Statute, Physician Self-Referral Law (Stark Law), the Criminal Health Care Fraud statute, Social Security Act and United States Criminal Code govern Medicare and Medicaid (MediCal) fraud and abuse.
 5. Scheduled and random audits of billing practices will be performed and documented.
 - A. The Chief Compliance Officer (the District Executive Director) and the Medical Director will ensure billing audits are performed and resulting documentation reviewed and discussed during the course of regularly scheduled Quality Assurance Performance Improvement meetings.
 6. In addition to billing practice audits, personnel are encouraged to report any concerns regarding waste, fraud, and/or abuse to the Compliance Officer.

7. Reports of suspected waste, fraud, and/or abuse will be thoroughly investigated utilizing Clinic resources, vendors, consultants, or other qualified persons or entities.
 - A. Written documentation including the medical record.
 - B. Statements from the reporting party, as well as other witnesses.
 - C. Ancillary information from third parties, including but not limited to payors, vendors, billings services.
8. If research identifies that waste, fraud, and/or abuse have occurred, the Compliance Officer will ensure proper consequences are applied, up to and/or including termination and reporting to governing bodies.
9. Supervisors, managers, or employees are not permitted to engage in retaliation, retribution, or any form of harassment directed against any employee who, in good faith, reports a compliance concern.

Reference:

“Medicare Fraud * & Abuse, Prevention, Detection, And Reporting”, Medicare Learning Network . Downloaded May 19 from https://www.cms.gov/Outreach-Education/Medicare-Learning-Network-MLN/MNLProducts/downloads/Fraud_and_Abuse.pdf.

“Common Types of Health Care Fraud”, Medicare Learning Network. Downloaded June 2, 2016 from <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/downloads/fwa-factsheet.pdf> .

Mark Twain Health Care District Strategic Matrix 2018

	A	B	C	D
1	Strategic Action Item			
2		Person Resonsible	Expected Date	Completed
3				
4	Valley Springs RHC	Real Estate Com		
5	Develop Budget /Operational Plan for VS RHC 1206B	Smart		10/2/2018
6	Electronic Medical Records linked to billing & compatik	Smart	12/20/2018	
7	Explore leasing ancillary functions from MTMC	Smart	on going	
8	Gantt Chart From Walter	Smart		3/12/2018
9	Physical Address (Pending Name for Access Street)	Stout		6/14/2018
10				
11				
12	MTHCD Public Image and Communication			
13	District Name Change			
14	Public Relations Strategy			
15	In-Kind Funding			
16	Doodle Scheduling On-Line	Stout		4/28/2018
17	Explore Options as District "convener" of County Care			
18				
19	Accounting Service	Finance Comm		
20	Plan/Contract for New District Accounting Services			11/1/2018
21	Written Plan for reserve accounts (ex. Seismic Retrofit)	Smart & Krieg		12/20/2018
22	Storage boxes	Smart		1/1/2019
23	Financial Report Dashboard	Wood		TBD
24				
25	District Records			
26	Fine-Tune District Records Disaster Plan	Stout & Computer		TBD
27	Develop Record retention plan (state law) Attny	Policy Committee		1/1/2019
28	District Records-Back UP	Stout		6/14/2018
29				
30	Committee Structure	Reed		
31	Executive Committee			
32	Community Advisory Committee			
33				
34	Phase II Development	Al-Rafiq		
35	Pace Program - Welbe Health - July Open House Set up	Al-Rafiq		TBD
36	Senior Living Opportunities	Al-Rafiq		on-going
37				
38	Explore Potential Partnerships in County	Sellick & Reed		
39	Behavioral Health-Proposal to Follow	Sellick & Reed		
40	Veterans - On Hold	Atkinson & Radford		6/5/2018
41	Opioid Coalition	Radford & Dr. Smart		Nov. 2018
42				
43				
44				
45				

Audited Financial Statements

**MARK TWAIN
HEALTH CARE DISTRICT**

June 30, 2018

**JWT & Associates, LLP
Certified Public Accountants**

Audited Financial Statements

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2018

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Audited Financial Statements

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Management's Discussion and Analysis

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2018

The management of the Mark Twain Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2018 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the District's financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2018 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

Financial Highlights

The District's financial statements consist of three statements: balance sheet; statement of revenues, expenses, and changes in net position; and statement of cash flows. These financial statements and related notes provide information about the activities of the District, including resources held by the District but restricted for specific purposes by contributors, grantors, or enabling legislation.

The balance sheet includes all of the District's assets and liabilities, using the accrual basis of accounting, as well as an indication about which assets can be used for general purposes and which are designated for a specific purpose.

Highlights within the balance sheet for the year ended June 30, 2018 were:

- (1) Total assets decreased by \$224,933 due mainly to a \$587,223 decrease in the District's interest in Mark Twain Medical Center;
- (2) Cash and cash equivalents increased by \$102,702. Cash inflows totaled a net \$421,858 from operations. Net property and equipment purchases were \$245,158 and other assets capitalized were \$73,998, both of which were funded mainly by operating cash during the year;
- (3) Other receivables decreased by \$25,119 due to the timing of collections from one year to the other;
- (4) Property and equipment increased by \$219,704 as additions were \$245,158, less depreciation expense of \$25,454. The additions of \$245,158 were for the continued capitalized costs of preparing the property in Valley Springs, California for the new rural health care clinic location.
- (5) Other assets increased due mainly to the further capitalization of lease negotiation costs of \$73,998 during the year.
- (6) Accounts payable decreased by \$86,907 due to the closeness of the timing of certain services towards the 2017 year end which were paid subsequent to that year end, transactions which were not present for 2018.

Management's Discussion and Analysis (continued)

MARK TWAIN HEALTH CARE DISTRICT

The statement of revenues, expenses and changes in net position reports all of the revenues earned and expenses incurred during the time period indicated. Net position (the difference between total assets and total liabilities) is one way to measure the financial health of the District.

Highlights within the statement of revenues, expenses and changes in net position for the year ended June 30, 2018 were:

(1) An excess of operating revenues over operating expenses of \$473,244 as compared to the prior year excess of \$143,499. Operating revenues were \$1,545,045 (an increase of \$61,244 over the prior year) while operating expenses were \$1,071,801 (a decrease of \$268,501 over the prior year);

(2) A \$587,223 loss in the interest in Mark Twain Medical Center for the year ended June 30, 2018 as compared to the 2017 loss of 1,871,561.

The statement of cash flows reports the cash provided by and used by the District's operating activities, as well as other cash sources such as investment income and cash payments for capital additions and improvements. This statement provides meaningful information on how the District's cash was generated and how it was used during the fiscal year.

Cash and Investments

For the fiscal year ended June 30, 2018, the District's operating cash and investments totaled \$1,859,305 as compared to \$1,756,603 in fiscal year 2017. At June 30, 2018, days cash on hand were 649 as compared to June 30, 2017 when days cash on hand were 491. The District maintains sufficient cash and cash equivalent balances to pay all short-term liabilities.

Current Assets and Liabilities

Current assets increased by \$69,716 due mainly to an increase in cash and investments as previously described. Accounts payable of the District increased by \$86,907 as the average pay period decreased from 75 days in 2017 to 66 days in 2018. These changes also produced a current ratio of 8.61 for June 30, 2018 as compared to 5.67 for June 30, 2017.

Management's Discussion and Analysis (continued)

MARK TWAIN HEALTH CARE DISTRICT

Capital and Other Assets

Property and equipment increased by \$219,704 as additions were \$245,158, less depreciation expense of \$25,454. The additions of \$245,158 were for the continued capitalized costs of preparing the property in Valley Springs, California for the new rural health care clinic location.

The District also spent an additional \$73,998 in costs towards the lease negotiations for a new long-term lease with Mark Twain Medical Center, Inc. These costs have been capitalized as an other asset for an accumulated total of \$341,143 as of June 30, 2018.

District Revenues and Rental Income

The District receives approximately 65% of its operating support from property taxes. These funds are used to support operations of the District. They are classified as operating revenue as the revenue is directly linked to the operations of the District. Property taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. Property taxes increased in 2018 by \$64,022 from 2017.

The District also rents and/or leases hospital facilities, private offices for physicians and land to various entities and individuals for purposes of supplying healthcare to the residents in the surrounding area. Rental income for the year ended June 30, 2018 decreased slightly by \$3,365 over the previous year due to a vacancy for a short period of time during the year.

Operating Expenses

Total operating expenses were \$1,071,801 for fiscal year 2018 compared to \$1,340,302 for the prior fiscal year. The decrease is mainly due primarily to:

(1) A \$60,621 decrease in professional fees due to fewer issues the District had to deal with this year. However other professional fees have been capitalized as they pertained to the new clinic site and the negotiations of the new lease with Mark Twain Medical Center, Inc.

(2) A \$26,746 decrease in program and event expenses.

(3) A \$387,973 decrease in utilities due to the exercise of the 90-day notice with Mark Twain Medical Center, Inc., to stop utility payments.

(4) A \$167,399 increase in salaries, wages and administrative benefits due to a full year of employment as compared to a partial year in 2017.

Management's Discussion and Analysis (continued)

MARK TWAIN HEALTH CARE DISTRICT

Economic Factors and Next Fiscal Year's Budget

The District's board approved the fiscal year ending June 30, 2019 budget at a recent 2018 Board meeting. For fiscal year 2019, the District's budget has the following assumptions:

Property taxes were budgeted at the approximately the same levels of 2018 while rents increase.

Professional fees and other operating expenses are expected to remain fairly consistent for the year as compared to 2018

As noted in the subsequent events footnote of the audited financial statements, the District is in process of building a new rural health care clinic in Valley Springs which it plans on operating upon completion. Planning is underway both for the completion of the building and for the operations of the clinic.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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Report of Independent Auditors

The Board of Directors
Mark Twain Health Care District
San Andreas, California

We have audited the accompanying financial statements of the Mark Twain Health Care District, (the District) which comprise the balance sheets as of June 30, 2018 and 2017, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the California Code of Regulations, Title 2, Section 1131.2 State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

JW7 & Associates, LLP

Fresno, California
November 5, 2018

Balance Sheets

MARK TWAIN HEALTH CARE DISTRICT

	June 30	
	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,859,305	\$ 1,756,603
Other receivables	170,422	195,541
Prepaid expenses and deposits	<u>16,601</u>	<u>24,468</u>
Total current assets	2,046,328	1,976,612
Property and equipment (capital assets):		
Land	1,189,256	1,189,256
Land improvements	150,308	150,308
Buildings and improvements	4,568,729	4,568,729
Equipment	698,156	698,156
Construction in progress	<u>601,422</u>	<u>356,264</u>
	7,207,871	6,962,713
Less accumulated depreciation	<u>(5,318,899)</u>	<u>(5,293,445)</u>
Total property and equipment	1,888,972	1,669,268
Interest in Mark Twain Medical Center	14,840,434	15,427,656
Other assets	<u>343,194</u>	<u>270,325</u>
Total assets	<u>\$ 19,118,928</u>	<u>\$ 19,343,861</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable and accrued expenses	\$ 173,266	\$ 260,173
Accrued payroll and related liabilities	16,984	9,392
Due to Mark Twain Medical Center	<u>47,458</u>	<u>79,097</u>
Total current liabilities	237,708	348,662
Net position		
Invested in capital assets	1,888,972	1,669,268
Unrestricted net position	<u>16,992,248</u>	<u>17,325,931</u>
	<u>18,881,220</u>	<u>18,995,199</u>
Total liabilities and net position	<u>\$ 19,118,928</u>	<u>\$ 19,343,861</u>

See accompanying notes and auditor's report

Statements of Revenues, Expenses and Changes in Net Position

MARK TWAIN HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2018</u>	<u>2017</u>
Operating revenues:		
District taxes	\$ 999,443	\$ 935,421
Rental income	538,610	541,975
Interest and other income	<u>6,992</u>	<u>6,405</u>
Total revenues, gains and losses	1,545,045	1,483,801
Operating expenses:		
Salaries, wages and administrative benefits	236,193	68,794
Professional fees	332,287	392,908
Programs and events	47,413	74,159
Tenant services	72,662	72,662
Medical office building rent	226,237	220,659
Utilities and phone		387,973
Insurance	17,043	16,578
Repairs and maintenance	57,593	11,198
Depreciation and amortization	26,582	35,556
Other operating expenses	<u>55,791</u>	<u>59,815</u>
Total expenses	<u>1,071,801</u>	<u>1,340,302</u>
Excess of revenues over expenses	473,244	143,499
Nonoperating revenues (expenses):		
Gain (loss) in interest in Mark Twain Medical Center	<u>(587,223)</u>	<u>(1,871,561)</u>
Increase (decrease) in net position	(113,979)	(1,728,062)
Net position at the beginning of the year	<u>18,995,199</u>	<u>20,723,261</u>
Net position at the end of the year	<u>\$ 18,881,220</u>	<u>\$ 18,995,199</u>

See accompanying notes and auditor's report

Statements of Cash Flows

MARK TWAIN HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from district taxes	\$ 1,006,790	\$ 914,364
Cash received from rental & other activities	459,073	316,439
Cash paid for salaries, wages and administrative benefits	(228,601)	(65,576)
Cash paid for suppliers and outside vendors	<u>(815,404)</u>	<u>(1,025,658)</u>
Net cash provided by operating activities	421,858	139,569
Cash flows from financing and investing activities:		
Purchases of property and equipment, net of disposals	(245,158)	(87,001)
Change in other assets	<u>(73,998)</u>	<u>(61,740)</u>
Net cash used in financing activities	<u>(319,156)</u>	<u>(148,741)</u>
Net increase (decrease) in cash and cash equivalents	102,702	(9,172)
Cash and cash equivalents at beginning of year	<u>1,756,603</u>	<u>1,765,775</u>
Cash and cash equivalents at end of year	<u>\$ 1,859,305</u>	<u>\$ 1,756,603</u>
Reconciliation of changes in net position to net cash provided by operating activities		
Excess of revenues over expenses	\$ 473,244	\$ 143,499
Adjustments to reconcile changes in net position to net cash provided by operating activities:		
Depreciation and amortization	26,582	35,556
Changes in operating assets and liabilities:		
District tax and other receivables	25,119	(148,697)
Prepaid expenses	7,867	(22,643)
Accounts payable and accrued expenses	(86,907)	160,275
Accrued payroll and related liabilities	7,592	3,218
Due to Mark Twain Medical Center	<u>(31,639)</u>	<u>(31,639)</u>
Net cash provided by operating activities	<u>\$ 421,858</u>	<u>\$ 139,569</u>

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Mark Twain Health Care District (the District) is a tax-exempt political subdivision of the State of California operating under the California Health and Safety Code and is governed by a five-member elected Board of Directors. The District was organized in 1946, and began operating a healthcare facility located in San Andreas, California, in 1951.

In 1989, the District arranged with St. Joseph's Regional Health System (SJRHS), who later became Catholic Health Care West (CHW), who then renamed to Dignity Health (DH) (a California-based not-for-profit public benefit corporation) to manage the District-owned Mark Twain Hospital, which later became known as the Mark Twain Medical Center Corporation (the Corporation). DH entered into an agreement with the District at that time to lease the Corporation under the "1989 Lease". The 1989 lease will expire on December 31, 2019.

The Corporation's Board of Trustees is appointed by the District and DH whereby DH appoints three members of the seven-member Corporation Board of Trustees and holds significant reserve powers. In the event of its dissolution, the Corporation's bylaws require that its net position be divided equally between the District and DH.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Changes in Financial Statement Presentation: The District has adopted the provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. The impact of this change was related to the format of the financial statements; the inclusion of management's discussion and analysis; and the preparation of the statement of cash flows on the direct method. The application of these accounting standards had no impact on the total net position.

MARK TWAIN HEALTH CARE DISTRICT

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported results of operations for the period. Actual results could differ from those estimates.

Risk Management: To cover the District against various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accidental benefits, commercial insurance coverage is purchased.

Cash and Cash Equivalents and Investments: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

Property and Equipment: Property and equipment are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 5 to 40 years for buildings and improvements, and 5 to 20 years for equipment.

Net Position: Net position, under the new GASB requirements, are to be presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets. The second category is “restricted” net position. This category consists of externally designated constraints placed on certain assets by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation. The third category is “unrestricted” net position. This category consists of the net position that does not meet the definition or criteria of the previous two categories. As of June 30, 2018 and 2017, the District is only required to present unrestricted net position in the presentation of the financial statements as there are no restrictions present under category one or two.

Statements of Cash Flows: For purposes of the statements of cash flows, all highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

MARK TWAIN HEALTH CARE DISTRICT

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)

District Tax Revenues: The District receives approximately 65% of its operating support from property taxes. These funds are used to support operations of the District. They are classified as operating revenue as the revenue is directly linked to the operations of the District. Property taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date.

Grants and Contributions: From time to time, the District may receive grants from various governmental agencies and private organizations. The District may also receive contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

Operating Revenues and Expenses: The District's statement of revenues, expenses and changes in net position distinguishes only operating revenues and expenses. Operating revenues result from exchange transactions associated with supporting health care services, which is the District's principal activity. Operating expenses are all expenses incurred to support health care services.

NOTE B - BANK DEPOSITS

Collateral: As of June 30, 2018 and 2017, the District had deposits invested in a bank of \$1,859,305 and \$1,756,603, respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), or federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Investments, at times, may consist of state and local agency funds invested in various permissible securities and are stated at quoted market values. Changes in market value between years are reflected as a component of investment income in the accompanying statement of revenues, expenses and changes in net position.

MARK TWAIN HEALTH CARE DISTRICT

NOTE C - TRANSACTIONS BETWEEN RELATED ORGANIZATIONS

The Corporation provides the District with accounting and administrative services for which the Corporation charges a fee to cover the salaries and benefits of the personnel. This fee totaled \$72,662 and \$72,662 for the years ended June 30, 2018 and 2017, respectively. At June 30, 2018 and 2017, the District had \$47,458 and \$79,097, respectively, in unamortized prepaid rent income resulting from the redemption of the 1986 Bonds made by the Corporation. This amount is being amortized over the period of the lease agreement.

The Corporation leases the District's healthcare facilities in order to conduct patient care services in an acute-care hospital setting. Lease revenue from the Corporation for the years ended June 30, 2018 and 2017 were \$310,039 and \$310,039, respectively.

The hospital facility lease expires on December 31, 2019. The lease payments were initially in amounts adequate to cover payment of utilities, debt service and insurance on the Series 1986A Bonds not covered by the tax and other revenues of the District, and to maintain ratios and fund accounts pursuant to the terms of a Joint Obligor Agreement between the District and the Corporation dated December 31, 1989, and the Bond Indenture dated August 1, 1986, between the District and Harris Trust Company of California, the bond trustee.

As outlined in Note E, the Corporation repaid the Series 1986A Bond debt of the District in exchange for a prepayment of rent originally intended to fund the District's principal debt service. As of June 30, 2005, the prepaid rent transactions have completed their term.

During the year ended June 30, 2008, the District entered into a land and medical office building lease agreement with San Andreas Medical and Professional Office Building (SAMPO). The District leases land located at 704 Mountain Ranch Road in San Andreas to SAMPO at no cost due to the fact that the development of the property by SAMPO was deemed sufficient to offset any future lease payments. SAMPO built and owns the medical office building (MOB) located on the aforementioned land and then leases the MOB to the District. Lease expense for the years ended June 30, 2018 and 2017 regarding this agreement were \$226,237 and \$220,659, respectively. The District has subleased portions of the MOB to the Stockton Cardiology Medical Group and others, and to the Corporation. Lease revenues under the subleasing arrangements and other arrangements were \$219,956 and \$217,159 for the years ended June 30, 2018 and 2017, respectively.

Notes to Financial Statements (continued)

MARK TWAIN HEALTH CARE DISTRICT

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2018 and 2017 were comprised of the following:

	<u>Balance at June 30, 2017</u>	<u>Transfers & Additions</u>	<u>Disposals & Retirements</u>	<u>Balance at June 30, 2018</u>
Land and land improvements	\$ 1,339,564			\$ 1,339,564
Buildings and improvements	4,568,729			4,568,729
Equipment	698,156			698,156
Construction-in-progress	<u>356,264</u>	<u>245,158</u>	<u> </u>	<u>601,422</u>
Totals at historical cost	6,962,713	245,158		7,207,871
Less accumulated depreciation for:				
Land and land improvements	(132,011)	(2,386)		(134,397)
Buildings and improvements	(4,470,389)	(21,128)		(4,491,517)
Equipment	<u>(691,045)</u>	<u>(1,940)</u>	<u> </u>	<u>(692,985)</u>
Total accumulated depreciation	<u>(5,293,445)</u>	<u>(25,454)</u>	<u> </u>	<u>(5,318,899)</u>
Total property and equipment, net	<u>\$ 1,669,268</u>	<u>\$ 219,704</u>	<u>\$ </u>	<u>\$ 1,669,268</u>

	<u>Balance at June 30, 2016</u>	<u>Transfers & Additions</u>	<u>Disposals & Retirements</u>	<u>Balance at June 30, 2017</u>
Land and land improvements	\$ 1,339,564			\$ 1,339,564
Buildings and improvements	4,570,497		(1,768)	4,568,729
Equipment	698,156			698,156
Construction-in-progress	<u>267,495</u>	<u>88,769</u>	<u> </u>	<u>356,264</u>
Totals at historical cost	6,875,712	88,769	(1,768)	6,962,713
Less accumulated depreciation for:				
Land and land improvements	(129,625)	(2,386)		(132,011)
Buildings and improvements	(4,444,257)	(26,132)		(4,470,389)
Equipment	<u>(685,135)</u>	<u>(5,910)</u>	<u> </u>	<u>(691,045)</u>
Total accumulated depreciation	<u>(5,259,017)</u>	<u>(34,428)</u>	<u> </u>	<u>(5,293,445)</u>
Total property and equipment, net	<u>\$ 1,616,695</u>	<u>\$ 54,341</u>	<u>\$ (1,768)</u>	<u>\$ 1,669,268</u>

MARK TWAIN HEALTH CARE DISTRICT

NOTE E - DEBT BORROWINGS

On May 1, 1996, the Corporation borrowed \$11,175,000 to finance a new health facility and to defease the Mark Twain Hospital District Insured Revenue Bonds Series 1986A (the Series 1986A Bonds) previously issued by the District. In exchange for assuming the District's debt obligation, the Corporation has been granted a prepaid lease payment to the District that has been recorded as a long-term liability in the accompanying financial statements. The prepaid rent is being amortized over the life of the lease agreement with the Corporation.

NOTE F - INTEREST IN MARK TWAIN MEDICAL CENTER

In an agreement between the Corporation and the District, in the event of a dissolution or a winding up of the Corporation, 50% of its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation, shall be distributed to Dignity Health, a California nonprofit public benefit corporation. The other 50% shall be distributed to the District. As a result of this agreement, the District has recorded \$14,480,434 and \$15,427,656 as of June 30, 2018 and 2017, respectively, as its portion of its interest in the Corporation. These amounts represent the 50% of the net difference between the assets and the liabilities of the Corporation as of its June 30, 2018 and 2017 audited financial statements.

NOTE G - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2018 the District has recorded \$601,422 as construction-in-progress representing cost capitalized towards the purchase of land and construction of a rural health care clinic in Valley Springs, California. Future costs to complete this project as of June 30, 2018 is approximately \$8,100,000.

Medical Office Building Rent: The District leases various office space under operating leases expiring at various dates. Total building rent expense for the years ended June 30, 2018 and 2017, was \$226,237 and \$220,659, respectively. Future minimum lease payments for the succeeding years under these leases as of June 30, 2018, that have initial or remaining lease terms in excess of one year are not significant for disclosure.

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2018 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

MARK TWAIN HEALTH CARE DISTRICT

NOTE G - COMMITMENTS AND CONTINGENCIES (continued)

Regulatory Environment: The District is subject to several laws and regulations. These laws and regulations include matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to possible violations of statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with all applicable government laws and regulations and is not aware of any future actions or unasserted claims at this time.

NOTE H - SUBSEQUENT EVENTS

Management Services: Subsequent to year end, the District terminated the “Management Services Agreement” with the Corporation which will be effective December 21, 2018. This former agreement obligated the District to pay \$77,100 to the Corporation for accounting services. Upon effective termination in December, the District will save approximately \$38,550 annually as a result of the termination of this agreement and in retaining other avenues for these services.

USDA Loan: Subsequent to year end, the District closed on a loan with the United States Department of Agriculture (USDA) for a Rural Development Loan amounting to \$7,460,000. This loan is to be used for construction of the Valley Springs Health & Wellness Center (VSHWC) in Valley Springs, California. The lowest responsible bid for the VSHWC was \$5,555,000 which was approximately \$1,900,000 above the projected budget. As a result, the District then applied to the USDA for the additional funding. The USDA then returned to the original loan amount of \$6,782,000 (Series A at 3.625%), and in addition approved a second loan for \$678,000 (Series B at 3.875%). The District’s equity contribution will be \$1,805,455 of which \$1,205,455 has already been spent leaving approximately \$600,000 in furniture and computer equipment yet to be purchased towards the VSHWC project.

Settlement with the San Andreas Sanitary District: Subsequent to year end, the District’ Board approved a sanitary permit settlement with San Andreas Sanitary District and term sheet with the Corporation. This agreement would obligate the District to buy back the permit for \$250,000 from the Corporation as an asset. This buy back will raise the total leased amount to over \$8,000,000 with the Corporation. The District would then increase hospital lease payments to approximately \$103,000 a month.

NOTE H - SUBSEQUENT EVENTS (continued)

Lease Termination and New Lease: The District, as noted in this report, has a 30 year lease with Mark Twain Medical Center Corporation. That lease expires on December 31, 2019. The District has been negotiating a new 30-year lease with Dignity Health, who is representing the Mark Twain Medical Center Corporation. The lease will entail the District's potential buy back of 50% of assets from the Corporation and then lease all assets back to the Corporation (buy-back lease transaction). The proposal would provide a one-time payment to the District by Dignity Health for the District's 49% operating interest, while the District retains a 1% interest in the Corporation. The one-time cash payment to the District is estimated to be between \$1 to \$8 million. The District in return would receive monthly rent payments estimated to be between \$85,000 to \$105,000 per month.

The new lease agreement has been delayed due to the ongoing Dignity Health/Catholic Healthcare Initiatives merger (the Merger) in process, which is projected to close December 31, 2018. The Merger was delayed by the California Attorney General's review process. Due to this situation, it was also determined that the new District/Corporation hospital 30-year lease could not proceed until the Merger has been completed. As a result, the new District/Corporation lease is anticipated to close in early 2019.

Other: The District's management has evaluated the effect of other significant subsequent events on the financial statements through November 5, 2018, the date the financial statements are issued, and determined that there are no other material subsequent events that have not been disclosed.

Board Report

**MARK TWAIN
HEALTH CARE DISTRICT**

June 30, 2018

**JWT & Associates, LLP
Certified Public Accountants**

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon Avenue, Suite 211, Fresno, California 93720

Voice: (559) 431-7708 Fax: (559) 431-7685 Email: rjctepa@aol.com

The Board of Directors
Mark Twain Health Care District
San Andreas, California

We have audited the financial statements of the Mark Twain Health Care District (the District) for the year ended June 30, 2018, and have issued our report thereon dated November 5, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you within the contents of this letter dated November 5, 2018. Professional standards also require that we communicate to you other information as noted below related to our audit:

OUR RESPONSIBILITIES

Our Responsibility under U. S. Generally Accepted Auditing Standards - As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U. S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the District as of June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of an entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be considered deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Planned Scope and Timing of the Audit - We performed the audit according to the planned scope and timing previously communicated to management. Planning for the audit was performed in October, 2018 and the testing for the audit was performed also in October, 2018.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices - Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note A of the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the period of July 1, 2017 through June 30, 2018. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events, as well as current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. In our opinion, there were no significant areas within the audit which required the use of significant accounting estimates.

Financial Statement Disclosures - Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures, in our opinion, affecting the financial statements were the related party transactions with Mark Twain Medical Center (the Corporation). In particular is the ongoing asset valuation of the interest in the Corporation, often referred to within the District's management and Board of Directors, as the "minority interest" The District, per agreement with the Corporation, is entitled to/or responsible for the cumulative affect 50% of the earnings and/or losses of the hospital operations by the Corporation for the duration of the agreement. As of June 30, 2018, that cumulative amount is \$14,840,434.

Significant Audit Adjustments - For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that in our judgment, may not have been detected except through our auditing procedures. There were no significant adjustments made during the audit.

The decrease in net position after all District proposed post-closing adjustments and our proposed audit entries was an additional decrease in net position of \$3,223. There were six post closing adjustments made during the audit.

Corrected and Uncorrected Misstatements - Professional standards require us to accumulate all known and likely misstatements noted during the audit, other than those that are trivial and insignificant, and communicate them to the appropriate level of management. We are pleased to report that there were no significant misstatements and that

management has determined that the effects of noted misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreement with Management or Difficulties Encountered in Performing the Audit - For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit. In addition, we are pleased to report that we encountered no difficulties in dealing with management in performing the audit and were very pleased with their cooperation which helped to greatly expedite the audit process.

Management Representation - We have requested certain representations from management that are included in the management representation letter dated November 5, 2018.

Other Audit Findings or Issues - We generally discuss a variety of accounting matters, including the application of accounting principles and standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention as your auditors.

Management Consultations with Other Independent Accountants - In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultant involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants during the past year that are subject to the requirements of AU section 543.

Other Matters - Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Restriction on Use - This information is intended solely for the use of the Finance Committee, Board of Directors, and management of the District and is not intended to be and should not be, used by anyone other than the specified parties.

Sincerely,

JW7 & Associates, LLP

November 5, 2018



**MARK TWAIN
HEALTH CARE DISTRICT**

P. O. Box 95
San Andreas, CA 95249
(209) 754-4468 Telephone
(209) 754-2537 Fax

November 5, 2018

JWT & Associates, LLP
1111 E. Herndon Avenue, Suite 211
Fresno, California 93720

This representation letter is provided in connection with your audit of the financial statements of the Mark Twain Health Care District (the District), which comprise the balance sheets as of June 30, 2018 and 2017, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 12, 2018, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

Information Provided

We have provided you with:

Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as

- Records, documentation and other matters
- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.

We have no knowledge of any fraud or suspected fraud that affects the District and involve:

- Management
- Employees who have significant roles in internal control; or
- Others when the fraud could have a material effect on the financial statements

We have no knowledge of any allegations of fraud, or suspected fraud, affecting the District's financial statements communicated by employees, former employees, analysts, regulators or others.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Adequate provision and allowances have been accrued for any material losses from:

- Uncollectible receivables.
- Other third-party contractual agreements.
- Reducing obsolete or excess inventories to estimated net realizable value.
- Purchase commitments in excess of normal requirements or above prevailing market prices.

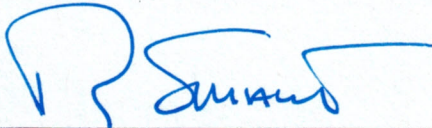
As a political subdivision of the State of California, we are an organization exempt from income tax under Section 115 of the Internal Revenue Code and a similar provision of state law and, except as disclosed in the financial statements, there are no activities that would jeopardize our tax-exempt status or subject us to income tax on unrelated business income or excise tax on prohibited transactions and events.

The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.

The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.

We have identified to you any activities conducted having both fund raising and program or management and general components (joint activities) and have allocated the costs of any joint activities in accordance with the provisions of FASB ASC 958-720-45.

We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the District's financial statements. Further, management and the Board are solely responsible for all aspects of managing the District, including questioning the quality and valuation of investments and other assets, reviewing allowances for uncollectible amounts and evaluating capital needs and liquidity plans.



Chief Administrative Officer

Ex D.R

12/13/18

Mark Twain Healthcare District

BALANCE SHEET

As of November 30, 2018

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
100.30 Umpqua Bank Checking	186,382.96
100.40 Money Market - Umpqua	272,106.28
100.50 Stockton Bank of	419,648.96
100.60 Five Star Bank	55,892.02
100.70 Five Star Bank - MMA	451,321.24
Total Bank Accounts	\$1,385,351.46
Accounts Receivable	
1200 Accounts Receivable	49,349.36
1201 Allowance for Doubtful Accounts	0.00
Total Accounts Receivable	\$49,349.36
Other Current Assets	
101.00 Umpqua Investments	712,399.85
102.00 CDARS Investments	0.00
115.05 Due From Calaveras County	413,335.00
115.10 Due from MTSJHC	555.87
115.20 Accrued Lease Revenue	0.00
115.30 Due from Deide Construction	0.00
115.40 Accrued Interest Receivable	0.00
120. Rent Receivable	0.00
130.00 Prepaid Expenses	
130.20 Prepaid Malpractice	9,144.61
130.30 Other Prepaid Expenses	0.00
Total 130.00 Prepaid Expenses	9,144.61
135 Security Deposit	0.00
140 Assets Whose Use is Limited	
145.00 Board Designated Assets	
145.10 Ukiah Valley Sanitation Dist.	0.00
Total 145.00 Board Designated Assets	0.00
Total 140 Assets Whose Use is Limited	0.00
1499 Undeposited Funds	3,873.22
Total Other Current Assets	\$1,139,308.55
Total Current Assets	\$2,574,009.37
Fixed Assets	
150.00 Land and Land Improvements	0.00
150.10 Land	1,189,256.50
150.20 Land Improvements	150,307.79
Total 150.00 Land and Land Improvements	1,339,564.29
151.00 Buildings and Improvements	0.00
151.10 Building	2,123,677.81

	TOTAL
151.20 Building Improvements	2,276,955.79
151.30 Building Service Equipment	168,095.20
Total 151.00 Buildings and Improvements	4,568,728.80
152 CIP	431,729.25
152.10 Fixed Equipment	698,156.25
152.15 Furniture & Furnishings	0.00
152.2 CIP Admin	0.00
152.3 CIP - HVAC	0.00
152.4 CIP Education Center	0.00
152.5 CIP Boiler Room	0.00
152.6 CIP Parking Lot	0.00
152.7 CIP North Wing Renovation	0.00
152.8 CIP Financial Services Offices	0.00
152.9 CNE Office Remodel	0.00
152.91 CIP - Angels Clinic Land Costs	0.00
152.92 CIP - VS Clinc Land Costs	1,034,714.83
153.20 Cap. Interest Income & Expenses	0.00
153.30 Cap. Interest & Issue Costs	0.00
160.00 Accumulated Depreciation	-5,328,577.00
Total Fixed Assets	\$2,744,316.42
Other Assets	
168 Suspense	0.00
169 Payroll Clearing	0.00
170.00 Minority Interest in MTMC	14,510,261.00
171.00 Due from State - Prop 1A funds	0.00
180.00 Bond Issue Costs	
180.10 Bond Issue Costs	141,088.00
180.20 Accumulated Amortization	-141,088.00
Total 180.00 Bond Issue Costs	0.00
180.30 Intangible Assets	0.00
180.40 Creekside - Intangible	0.00
180.50 Land Lease Legal Fees	28,081.11
180.55 Accumulated Amortization-LLLF	-26,500.11
180.60 Capitalized Lease Negotiations	360,348.49
Total 180.30 Intangible Assets	361,929.49
185.00 Notes Receivable	
185.10 Professional Office - Angels	0.00
Total 185.00 Notes Receivable	0.00
195.10 Due from MTSJHC	0.00
Total Other Assets	\$14,872,190.49
TOTAL ASSETS	\$20,190,516.28
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	9,518.69

	TOTAL
Total Accounts Payable	\$9,518.69
Other Current Liabilities	
200.00 Accts Payable & Accrued Expenses	
200.10 Other Accounts Payable	5,692.34
200.20 Accrued Interest	
200.30 Accrued Professional Fees	0.00
200.40 Accrued Utilities	39,793.70
200.50 Accrued County Fees	0.00
Total 200.00 Accts Payable & Accrued Expenses	45,486.04
205.00 Prepaid Rent Revenue	0.00
210.00 Deide Security Deposit	2,275.00
211.00 Valley Springs Security Deposit	1,000.00
215.10 Due to MTSJHC	0.00
220.10 Due to MTSJH - Rental Clearing	34,275.29
225.00 Current Maturities	
225.10 Current Maturities - N/P Cal.	0.00
225.15 Current Maturities - GE CLO	0.00
Total 225.00 Current Maturities	0.00
226 Deferred Rental Revenue	38,545.42
24000 Payroll Liabilities	12,408.73
Total Other Current Liabilities	\$133,990.48
Total Current Liabilities	\$143,509.17
Long-Term Liabilities	
250.00 Notes Payable - Long Term	
250.10 USDA Loan - VS Clinic	1,236,261.07
Total 250.00 Notes Payable - Long Term	1,236,261.07
Total Long-Term Liabilities	\$1,236,261.07
Total Liabilities	\$1,379,770.24
Equity	
290.00 Fund Balance	648,149.41
291.00 PY - Minority Interest MTSJH	19,720,638.00
3000 Opening Bal Equity	0.03
3900 Retained Earnings	-1,485,827.71
3901 CY - Minority Interest MTSJH	293,463.50
Net Income	-365,677.19
Total Equity	\$18,810,746.04
TOTAL LIABILITIES AND EQUITY	\$20,190,516.28

Mark Twain Healthcare District

PROFIT AND LOSS

July - November, 2018

	TOTAL
Income	
550.10 Rental Revenue	132,932.85
550.20 Land Rental Revenue	2,888.52
550.30 MOB Rental Revenue	97,037.11
560.10 District Tax Revenue	413,697.35
570.00 Interest and Other Income	1,429.24
570.10 Interest Income	771.00
570.20 Other Miscellaneous Income	0.00
Total 570.00 Interest and Other Income	2,200.24
580.10 Investment Income	2,102.07
Total Income	\$650,858.14
GROSS PROFIT	\$650,858.14
Expenses	
65000 Salaries and Benefits	85,121.64
66000 Payroll Expenses	1,202.54
710.00 Insurance	
710.81 Insurance - D & O	6,250.00
710.82 Insurance - Other	2,183.17
Total 710.00 Insurance	8,433.17
715.00 Professional Fees	
715.22 Accounting Fees	3,030.44
715.23 Legal Fees	11,051.50
715.24 Audit Fees	13,635.00
715.25 Management Consulting	3,114.72
715.26 Operational Consulting	19,854.73
Total 715.00 Professional Fees	50,686.39
716 Programs & Events	
716.16 Stay Vertical	17,500.00
Total 716 Programs & Events	17,500.00
717 Golden Health Community Grants	31,638.51
720.64 Administrative Services	18,364.77
730.00 Utilities	
730.77 Electricity	120,619.28
730.78 Natural Gas	32,004.31
730.79 Water/Sewer	42,197.96
730.85 Telephone	11,781.65
730.92 Other Utilities	-205,624.38
Total 730.00 Utilities	978.82
734.00 MOB Rent	96,659.45
735.00 Depreciation & Amortization	
735.72 D & A - Buildings	9,678.00
735.75 Amortization of Intangible	470.00
Total 735.00 Depreciation & Amortization	10,148.00

	TOTAL
737.00 Repairs & Maintenance	
737.01 Valley Springs Rental	764.69
Total 737.00 Repairs & Maintenance	764.69
740.00 Miscellaneous	
740.86 Dues & Subscriptions	11,766.00
740.87 Outside Training/Conferences	9,521.41
740.88 Travel, Meals & Lodging	2,250.12
740.89 Office Supplies and Expense	10,180.78
740.90 Other Miscellaneous Expenses	34,163.54
Total 740.00 Miscellaneous	67,881.85
Total Expenses	\$389,379.83
NET OPERATING INCOME	\$261,478.31
Other Income	
750.03 Minority Interest MTSJ Ops	-628,231.50
750.04 Minority Interest MTSJ Invest	1,076.00
Total Other Income	\$ -627,155.50
NET OTHER INCOME	\$ -627,155.50
NET INCOME	\$ -365,677.19