



AGENDA

LAST FRONTIER HEALTHCARE DISTRICT

BOARD OF DIRECTORS

Thursday, March 30, 2023, 1:00 pm
City Council Chambers; Alturas City Hall; Alturas, California

Parties with a disability, as provided by the American Disabilities Act, who require special accommodations or aids in order to participate in this public meeting should make requests for accommodation to the Modoc Medical Center Administration at least 48 hours prior to the meeting. Board Agenda packets are available to the public online at www.modocmedicalcenter.org or at the MMC Administration offices.

1:00 pm - CALL TO ORDER – A. Foster, Chair

1. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA – A. Foster, Chair

2. AGENDA APPROVAL - Additions/Deletions to the Agenda – A. Foster, Chair

3. PUBLIC COMMENT - This is the time set aside for citizens to address the Board on matters not on the Agenda or Consent Agenda. Comments should be limited to matters within the jurisdiction of the Board. If your comment concerns an item shown on the Agenda, please address the Board after that item is open for public comment. **By law, the Board cannot act on matters that are not on the Agenda.** The Chairperson reserves the right to limit the duration of each speaker to **three minutes**. Speakers may not cede their time. Agenda items with times noted, will be considered at that time. All other items will be considered as listed on the Agenda, or as deemed necessary by the Chairperson.

4. DISCUSSION

A.) K. Kramer – Ethics Training and Form 700 Information

Attachment A

B.) K. Kramer – 2021-2022 LFHD Tax Appeals and Redeemed Vouchers

Attachment B

REGULAR SESSION

5. CONSENT AGENDA - Items under the Consent Agenda heading do not require discussion before a vote. If discussion is needed, that item needs to be moved to the Consideration/Action part of the Agenda where discussion is allowed.

A.) D. King - Adoption of LFHD Board of Directors Regular Meeting Minutes – February 23, 2023

Attachment C

B.) J. Carrillo - Medical Staff Committee Meeting Minutes – February 22, 2023.

Attachment D

- Medical Staff Committee Meeting Minutes – January 25, 2023.
- Pathology Report – January 17, 2023
- New Business – Quality Update.

6. CONSIDERATION/ACTION

A.) P. Fields – January 2023 LFHD Financial Statement (unaudited)

Attachment E

B.) K. Kramer – Pool Funding

Attachment F

C.) K. Kramer – Dr. Richert Contract

Attachment G

D.) K. Kramer – Employee Discount Program for Board Members

Attachment H

7. VERBAL REPORTS

- A.) K. Kramer – CEO Report to the Board
- B.) E. Johnson – CNO Report to the Board
- C.) P. Fields – CFO Report to the Board
- D.) A. Vucina – CHRO Report to the Board
- F.) A. Willoughby – COO Report to the Board
- G.) Board Member Reports

EXECUTIVE SESSION

8. CONSIDERATION / ACTION

- A.) J. Carrillo – Medical Executive Committee Minutes & Credentialing Items – February 22, 2023. Attachment I
(Per Evidence Code 1157)
 - Medical Executive Committee Minutes & Credentialing Items OPPE 2019B – January 25, 2023.
- B.) A. Foster – CEO Evaluation (per Government Code 54957) Attachment J

REGULAR SESSION

9. CONSIDERATION / ACTION

- A.) J. Carrillo – Medical Executive Committee Minutes & Credentialing Items – January 25, 2023.
(Per Evidence Code 1157)
 - Medical Executive Committee Minutes & Credentialing Items OPPE 2019B – December 25, 2022.
- B.) A. Foster – CEO Evaluation (per Government Code 54957)

11. MOTION TO ADJOURN – A. Foster – Vice Chair

POSTED AT: MODOC COUNTY COURTHOUSE / ALTURAS CITY HALL / MMC WEBSITE-(www.modocmedicalcenter.org)
ON March 24, 2023.

ATTACHMENT A

**ETHICS TRAINING
AND FORM 700
INFORMATION**



Board Ethics Training and Form 700 Summary

Board members and officers are required to take ethics training for two hours every couple of years. The Fair Political Practices Commission offers a free online training to meet this requirement. That training can be found by following the link below:

<https://locaethics.fppc.ca.gov/login.aspx>

You will need to create a new account in order to take the training. You will be able to print a certificate of completion at the end of the course as well. Please complete this course by the end of next month and provide a copy of the certificate to Denise King for your file at the hospital so we can show compliance with this requirement.

Also, attached is a copy of Form 700 that we are supposed to have on file by April 3. Please also complete this form and submit it to Denise so she can have it on file for you. Please do not hesitate to contact Denise King or Kevin Kramer if you have any questions on either of these items. We can be reached at 530-708-8801 or 530-708-8802. Thanks.

ATTACHMENT B

2021-2022 LFHD Tax Appeals and Redeemed Vouchers



MEMORANDUM

Date: March 30, 2023
To: LFHD Board of Directors
From: Denise King, District Clerk
Subject: 2022/2023 LFHD Tax Appeals and Property Tax Vouchers

There were eight disbursements of checks for the 2022/2023 LFHD Tax Appeals summarized as follows:

- Number of Parcels: 29
- Total Number Refunded: \$3510.00

Rejection Letters were sent out to one individual on two parcels.

For the Fiscal Year 2022 the total number of District Vouchers redeemed was \$58,455.11

Thank you,

Denise King
Last Frontier District Clerk

Name & Address	Date Submitted	APN to Apply Tax	APN(s) to be Removed	Appealed APN Rejected*	Refund	Check Amount	CEO Approval
Jeff Bosmans 248 Bieber Drive San Jose, CA 95123 408-646-0795	10/28/2022	041-282-002-000	037-403-011-000 037-182-006-000 037-501-011-000 041-282-001-000		\$195.00 \$195.00 \$195.00 \$195.00	\$780.00	nk r nk
Steven Black 325 Staniford Ave Unit 30 Modesto, CA 95350	12/15/2022	035-164-007-000	036-332-008-000		\$195.00	\$195.00	nk r nk
Mikhail Venikov 2240 Provincetown Way Roseville, CA 95747 916-844-5531 mikhail@rangerroad.org	11/4/2022	041-362-017-000		041-572-008-000	\$0.00	\$0.00	nk r nk
Arminda Ruvalcaba 224 Highlands Rd PO Box 23 Alturas, CA 96101 530-708-2222	1/26/2023	037-091-045-000	040-172-004-000		\$195.00	\$195.00	nk r nk
Grigore Hreniuc 14239 N 48 Dr Glendale, AZ 85306	10/31/2022	037-383-004-000	035-214-016-000		\$195.00	\$195.00	nk r nk
James R. Hertel PO Box 867 Alturas, CA 96101 530-640-2016	12/16/2022	013-087-006-000 013-087-005-000	017-090-068-000		\$195.00	\$195.00	nk r nk
James Oberg PO Box 301 Alturas, CA 96101 916-496-0546	12/30/2022	003-044-013-000	022-420-001-000 036-192-017-000		\$195.00 \$195.00	\$390.00	nk r nk
Mokhtar M. Elgassier 6307 Briarstone Valley Katy, TX 77493 832-359-2067	1/26/2023	037-383-005-000	041-442-002-000		\$195.00	\$195.00	nk r nk
Matthew J Hesser PO Box 880 Arroyo Grande, CA 93421 805-215-9300	1/19/2023	037-272-003-000	037-452-029-000 035-373-008-000 037-381-008-000 035-281-030-000 037-383-011-000 037-262-003-000 037-481-027-000		\$195.00 \$195.00 \$195.00 \$195.00 \$195.00 \$195.00 \$195.00	\$1,365.00	nk r nk
Total:						\$3,510.00	

Respectfully Submitted:

Denise R. King 3/17/23
Denise King Date
Last Frontier Healthcare District Clerk

Approved:

nk r nk
Kevin Kramer, CEO

3/17/23
Date

ATTACHMENT C

LFHD BOARD OF DIRECTORS REGULAR MEETING MINUTES

(draft)

February 23, 2023



REGULAR MEETING MINUTES

LAST FRONTIER HEALTHCARE DISTRICT BOARD OF DIRECTORS

Thursday, February 23, 2023, at 1:00 pm
City Hall Chambers, 200 W North St.
Alturas, California

Directors present: Amy Foster, De Funk, Carol Madison, Edouard (Jim) Cavasso
Directors absent:
Staff in attendance: Kevin Kramer, CEO, Edward Johnson, CNO, Patrick Fields, CFO; Amber Vucina, CHRO; Adam Willoughby, COO; and Denise King, LFHD Clerk.
Staff absent:

CALL TO ORDER

Amy Foster, Chair called the meeting of the Last Frontier Healthcare District (LFHD) Board of Directors (Board) to order at 1:00 pm. The meeting location was City Hall, at 200 W. North Street in Alturas, California.

1. AGENDA – Additions/Deletions to the Agenda

Carol Madison moved that the agenda be approved with the modification of Discussion Item 4C be moved to Consideration/Action Item 6D, De Funk seconded, and the motion carried with all present voting “aye.”

2. PUBLIC COMMENT

4. DISCUSSION

A.) A. Doss – Risk Report

Alicia Doss presented the most recent Risk Management Report speaking from the information provided in the Board packet and answered any questions the Board had.

B.) P. Fields – HRG Report – January 2023

Patrick Fields presented the January 2023 HRG Financial Summary speaking mostly from the Dashboard of the report and in the Board Packet and answered any questions the Board had.

REGULAR SESSION

5. **CONSENT AGENDA** - Items under the Consent Agenda heading do not require discussion before a vote. If discussion is needed, that item needs to be moved to the Consideration/Action part of the Agenda where discussion is allowed.

A.) D. King - Adoption of LFHD Board of Directors Regular Meeting Minutes – January 26, 2023

B.) D. King - Adoption of LFHD Board of Directors Special Meeting Minutes – February 1, 2023

C.) J. Carrillo - Medical Staff Committee Meeting Minutes – January 25, 2023.

- Medical Staff Committee Meeting Minutes – December 28, 2022.

- Pathology Report – October 31, 2022
November 1, 2022
December 30, 2022

- Incomplete Records

Jim Cavasso moved that the Consent Agenda be approved as presented, Carol Madison seconded, and the motion carried with all present voting “aye.”

6. CONSIDERATION/ACTION

A.) P. Fields – January 2023 LFHD Financial Statement (*unaudited*).

Patrick Fields, CFO presented the *unaudited* Last Frontier Healthcare District Financial Statement for January 2023, from the narratives and financial statements provided in the Board meeting packet.

Carol Madison moved to approve the January 2023 LFHD Financial Statement (*unaudited*) as presented, **De Funk** seconded, and the motion carried with all present voting “aye.”

B.) P. Fields – Resolution #23-01 – Resolution Requesting the Board of Directors to Authorize Signers on District Accounts at Plumas Bank

Carol Madison moved to approve **Resolution #23-01 – Resolution Requesting the Board of Directors to Authorize Signers on District Accounts at Plumas Bank**, and **De Funk** seconded. **Amy Foster, Chair**, called for a roll call vote:

- | | |
|--------------------------------|-----|
| • Edouard (Jim) Cavasso | Aye |
| • Amy Foster | Aye |
| • De Funk | Aye |
| • Carol Madison | Aye |

The motion to approve **Resolution #23-01 – Resolution Requesting the Board of Directors to Authorize Signers on District Accounts at Plumas Bank** as presented carried with all present voting “aye” as shown in the roll call vote above.

C.) A. Foster – Compensation for Board Members Amy Foster, Board Chair

Jim Cavasso moved to approve Compensating Board Members in the form of the Modoc Medical Center Employee Discount, pending the results of a legal review that **Kevin Kramer** will initiate. **De Funk** seconded, and the motion carried with all present voting “aye.” **Kevin Kramer** will follow up with the Board regarding the results of the legal review regarding this form of compensation being offered to Board members.

D.) A. Foster – Board Member Vacancy Update

Amy Foster, Chair and Board Members reviewed the application received for Paul Dolby.

Carol Madison moved to appoint **Paul Dolby** for the vacancy on the Board as a Director/Member of the Board, **Jim Cavasso** seconded, and the motion carried with all present voting “aye.”

7. VERBAL REPORTS

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

- Still looking for a permanent Dentist for Canby Clinic.
- Still working on a shared Surgeon and CRNA team with Mayers Memorial Hospital.
- Still looking for permanent Physical Therapists with a retained recruiting firm.

SNF Project Update

- Working with MCM (Municipal Capital Markets), our Bond Counsel, and the USDA to figure out when we need to lock in our construction loan for the SNF project.
- If the USDA allows us to do this after construction has commenced and at a time that we feel we may need the additional cash based on Swinerton’s cash projections for the project, we will likely try to have the loan in place by the end of the calendar year, just to help save money on interest expense for that loan.
- Sent written correspondence to the Kosealekte Band regarding having a cultural monitor present for site work.
- Haven’t received response. Will continue to attempt to contact the appropriate representative to determine their wishes on having a monitor present for this project.

Lab Expansion

- Maintenance has started the remodel. Lab, purchasing, and maintenance have done a really good job getting the project organized and launched. We are hopeful this can be completed within a few months.

Hospital Financial Performance

- Gathering and sharing data on clinic provider practice patterns to try to increase clinic visits and in an effort to drive downstream revenue up. This data has focused on visits per day, cancellation patterns, acute patient volumes, downstream revenue, and other aspects of the clinic practice. It has been broken down by provider. Data will be shared with each provider in the coming month.
- Looking at some data related to revenue cycle as well to try to provide feedback on potential opportunities for driving AR days down.
- Will spend time getting staffing information from other healthcare providers in our region to determine if we have staffing levels that can be reduced. We may need to deploy a workforce reduction beginning of next fiscal year if this year continues on the same trajectory as it is on now.

Other Items

- Transfer of Old Hospital Property to the County is still very close. County has sent the agreement back to us with their Counsel's comments and edits. We are currently trying to get a preliminary title from Chicago Title so that we can move forward with getting this to our respective Boards. I hope we can accomplish this by our meeting in March.
- Dr. Edmonds and Raymond Mandel will represent our facility in a local coalition that was formed by County Health Services to actively work on continuing to reduce use of opioids in the County.
- Still need to work through some details with County Health Services regarding 5150 holds and new rules requiring patients to be notified of their hearing rights after the initial hold period is complete. County Health Services has been very helpful with resources regarding these new rules. After the process is complete we will train our staff on the process that should be followed.
- Contract and personnel evaluations will be focused on this coming month to get those all caught up and in compliance with our policies and regulations.

C.) E. Johnson – CNO Report to the Board

Warnerview

- Remains at a 3-star CMS rating.
- Census is at 48.
 - Goal is 50, we have three referrals pending.
 - Once we reach our goal, we will have an ice cream sundae party.
- Resident activities:
 - Restarted Family Game Night.
 - Taking the Resident to Bingo on every other Friday afternoon at the Vets Hall.
 - Tattoos and Booze for St. Patrick's Day.
 - Renting out the movie theater for residents – take a resident to the movie's day coming soon!
- Staff and residents are still being tested for Covid-19 once a week.
- Partnership HealthPlan of California LTC QIP.

Acute

- Census is at four with zero COVID positive admission.
- We are still requiring every that comes in the hospital and SNF to wear a mask.

Lab

- Remodel plan is currently being worked on to move in the clinic room behind micro.
- Still looking for a permanent Lab Manager.
- Working with CEO/HR to obtain working Visa's for a couple of CLS candidates.
 - Two CLS candidates are in the pipeline.

Radiology

- Working on PACS system transition to Infinitt.

C.) P. Fields – CFO Report to the Board

Accounting

- Working on supporting Wipfli with data for Canby Rate setting.
- RHC reconciliations are almost done, looking like \$321K for Alturas and \$37K for Clinic.

- Preparing for Budget time.
- The first Multiview meetings will be March 21st-23rd. Excited to get started on our portion of the conversion.

Office Workers/Floaters

- Floater pool is sitting at one full-time that has multiple daily tasks and one extra with a three day a week availability. Looking for another, had one decline due to unable to guarantee hours.

Purchasing

- No Changes.

Medical Records

- Continuing their emphasis on Com Log.
- Coding review is pending HRG getting the consultant access to Quadax.

Revenue Cycle/Business Office

- Continue to work with Medical Records and individual departments on any trends that are being recognized during the edit/denial meetings.
- Both Medical Records and Revenue Cycle have been in meetings with Cerner on the conversion.

D.) A. Vucina – CHRO Report to the Board

Compliance

- Performance Evaluations 79% compliant.
- TB 90% compliant.
- Physicals 91% compliant.

Covid-19 Vaccine Mandate for Healthcare Workers (total of employees)

- Fully vaccinated/boosted staff: 139
- Past Due for Booster: 0
- Staff with exemptions: 112

Affordable Care Act (ACA)

- The Affordable Care Act (ACA) report was completed and submitted to Paycom on the production of employees 1095-C forms. Forms are due to be out to employees by March 2, 2023.

E.) A. Willoughby – COO Report to the Board

Cerner Implementation

- The Cerner project has officially kicked off on the Cerner side of things. Internally, we kicked off a long time ago, but we are now having weekly meetings, workshops, alignments, etc. which means we are starting to build the system itself.
- Between now and go-live, which is 8/14/23, we have a lot of work to do to ensure the system is setup appropriately and that we have a successful implementation.

Picture Archiving and Communication System (PACS)

- Our current PACS system, EXA, is gearing up to setup the migration interface to our new PACS system, Infinitt.
- The studies have to be migrated first, then the reports, and, lastly, we migrate the scanned documents.
- The estimated go-live is currently 5/9/23.

IT

- The SNF phone system upgrade is just about done.

Canby Clinic

- Apex IT infrastructure upgrade for Canby clinic is officially done.
- We can now swap out the old Canby phones and implement the new phones that the rest of the facility is utilizing.
- Brenda Pacy, our Canby Clinic Manager, has tendered her resignation that will take effect on 5/26/2023.
- Dr. Terry Tinker, who we flew out from Oklahoma for a site visit is no longer in the running.
- Dr. Elsayed, who came through via Indeed.
- There is a new CA program that is set to start up soon that may be really beneficial to facilities like ours. It is an incentivized program designed to get new DDS graduates to sign on with rural facilities for 3-5 years with a substantial annual loan repayment made for that individual.

New SNF Project

- We are working through equipment planning meetings for the SNF and hospital addition to finalize everything on those fronts

Maintenance

- Maintenance is working through the Lab expansion currently as well since Lab has outgrown their current space.

F.) Board Member Reports

- **Jim Cavasso** – Put in the request for a Flag in the Education Room. Also advised the Board that there has been discussion in the New SNF Meetings regarding a new name for the new SNF.
- **Amy Foster** – Nothing to report.
- **De Funk** – Asked Kevin to look into the funding for the City Pool Project the hospital agreed to donate.
- **Carol Madison** – Childcare providers needed – one has closed down, and another looking to close down. Down to a total of eight.

Carol Madison moved to close the Regular Session of the Board of Directors, **De Funk** seconded, and the motion carried with all voting “aye.”

The Regular Session of the Last Frontier Healthcare District Board of Directors was adjourned at 2:07 pm.

EXECUTIVE SESSION

Executive Session was called to order by **Jim Cavasso, Vice Chair**, at 2:07 pm.

7. CONSIDERATION / ACTION

A.) J. Carrillo – Medical Executive Committee Minutes & Credentialing Items - January 25, 2023– (Per Evidence Code 1157).

- **Medical Executive Committee Minutes & Privileging / Credentialing items OPPE 2019B – December 28, 2022.**

Carol Madison moved to close the Executive Session and resume the Regular Session of the LFHD Board of Director’s meeting, **De Funk** seconded, and the motion carried with all voting “aye.”

The Executive Session of the Board of Directors was adjourned at 2:10 pm.

RESUME REGULAR SESSION

The Regular Session of the Board of Directors was called back to session by **Jim Cavasso, Vice Chair**, at 2:10 pm.

8. CONSIDERATION / ACTION

A.) J. Carrillo – Medical Executive Committee Minutes & Credentialing Items – January 25, 2023.

- **Medical Executive Committee Minutes & Privileging / Credentialing – December 28, 2022.**

Based upon character, competence, training, experience and judgment, favorable recommendation by peers and credentialing criteria fulfillments, the Medical Executive Committee recommended the following appointments for Last Frontier Healthcare District Board of Directors’ acceptance:

- **Richard Nielsen, D.P.M.** – Recommend appointment of Courtesy privileges in the Podiatry category.

Carol Madison moved to accept the Medical Executive Committee Meeting Minutes and Privileging / Credentialing as presented, **De Funk** seconded, and the motion carried with all voting “aye.”

11.) MOTION TO ADJOURN

De Funk moved to adjourn the meeting of the Last Frontier Healthcare District Board of Directors at 2:11 pm, **Carol Madison** seconded, and the motion carried with all present voting “aye.”

The next meeting of the Last Frontier Healthcare District’s Board of Directors will be held on March 30, 2023, at 1:00 pm in the Alturas City Council Chambers at City Hall in Alturas, California.

Respectfully Submitted:

Denise R. King
Last Frontier Healthcare District Clerk

Date

ATTACHMENT D

MEDICAL STAFF COMMITTEE MEETING MINUTES

February 22, 2023



DATE: MARCH 30, 2023

TO: GOVERNING BOARD

FROM: J. CARRILLO – CREDENTIALING AIDE

SUBJECT: MEDICAL STAFF COMMITTEE MINUTES

The following Medical Staff Committee minutes were reviewed and accepted at the February 22, 2023, meeting and are presented for Governing Board review:

A. Review of Minutes

1. Medical Staff Committee- January 25, 2023

B. Pathology Report

1. January 17, 2023

NEW BUSINESS

A. Quality Update



MEDICAL STAFF COMMITTEE MEETING January 25, 2023 – Education Building

MINUTES

In Attendance

Dr. M. Edmonds, MD Chief Medical Officer
Edward Richert, MD
Lisanne Burkholder, MD
James Helmer, MD
Kevin Kramer, CEO
Chelsea Pearson, PA-C

Mike Gracza - Pharmacist
Maria Morales – MSC/H.I.M Director
Julie Carrillo – Credentialing Aide

SUBJECT	DISCUSSION	ACTION
I. CALL TO ORDER	After noting that the required members were present to constitute a quorum, the regularly scheduled Medical Staff Committee meeting was called to order by Dr. M Edmonds, Chief Medical Officer, at 1203.	
II. CONSENT AGENDA ITEMS	A. The following minutes were reviewed: 1. Medical Staff Committee meeting of December 28, 2022	Minutes approved by motion, second and vote. Forward to Governing Board.
III. PATHOLOGY REPORT	October 2022, November 2022, December 2022	Report at next meeting
IV. CHIEF MEDICAL OFFICER REPORT	Tony Reynolds is seeing his own patients and reestablishing patients that have been seen before. Tony has been catching on and doing a good job. Chelsea will be moving over to rapid care / same day starting in February. This is a service that we really need to provide. This is an important step for us with how much we have grown. We are in the	Report at next meeting

SUBJECT	DISCUSSION	ACTION
	final phase for prescribing. Once Benzos are done, we will look at ADHD medications and depo steroids.	
V. EMERGENCY ROOM REPORT	Nothing to report.	
VI. CEO REPORT	Provider recruitment front, Dr. Tinker is here today he is a potential dentist for Canby. Landon Hagge is coming in August he will be doing work in the clinic and in the hospital as a hospitalist. Schedule is being worked out. Skilled Nursing Facility USDA application is completed and is in review. A USDA ERHC grant application that if approved will provide a one million grant for equipment. Mental Health has MSHA funding that they need to use. They are looking to fund 5150 stays in the ER. There will be talk about access to psych consults in the ER and will try to establish an IDT team for 5150 patients specifically in the ER. This team will meet on a monthly basis and try to establish a more solid program. Eventually Mental Health would like to build a safe room. DHCS QIP for the clinic will transfer to Alicia. We are trying to formalize some of the Care Coordinator / MA duties when their provider is not here. Full funding was received for 2021. 2022 will be based on performance improvements.	Report at next meeting
VII. CNO REPORT	Nothing to Report	Report at next meeting
VIII. PHARMACY REPORT	Currently have a good supply of flu vaccine both the high dose and the regular dose. Ibuprofen liquid and acetaminophen liquid for infants and children still on very short supply. Amoxicillin supply has loosened up a bit. Now available but on allocation. Update on the treatment for Covid -19 The choices of treatment now are Paxlovid or Remdesivir due to all the variances.	Report at next meeting
IX. SNF REPORT	Nothing to Report	Report at next meeting
NEW BUSINESS	A. Incomplete Records B. Bylaws and Rules	Report at next meeting

SUBJECT	DISCUSSION	ACTION
III. ADJOURNMENT	The meeting was adjourned at 1225	

Matthew Edmonds, Chief Medical Officer

Date



PATHOLOGIST ON-SITE VISIT REPORT

DATE OF VISIT: 01/17/2023

During the pathology on-site visit and visit to Canby Clinic, I spent approximately 5 ½ to 6 hours while in Medical Records, Laboratory, and at the Canby Clinic.

While in medical records, there were 8 surgical pathology reports compared with the clinical histories. There were 4 mortality reviews performed. There were 4 blood product reviews. There were no issues identified with any reports.

I spoke with the staff in the laboratory and everything appears to be going well. Walter is away on vacation and will be returning in February. I reviewed a number of lab reports that include November unity monthly eval for pediatrics, the Siemen hemostasis QAP program for December, the UA Quantrol level 2 for December, the UA Quantrol level 1 for October, the critical results summary for December 2022, the QC report for glucose testing for December 2022, the QC results glucose monitoring for September 2022, the instrument XN-L control levels QC for Oct 2022, the xn-550 control level for oct 2022, the XN-L control qc data DEC 2022, the antimicrobial percent interpreted report for 2022, the American proficiency institute eval for hematology/coagulation 2nd event, the AP institute proficiency testing for immunology/ immunohematology 3rd event, the API preview result form for immunology/immunochemistry 3rd event, the AIP transfusion service recipient record, the API immunology/immunohematology 3rd event 2020, the API preview result form for chemistry 2nd event 2022, the Alcor group coordinator report, the Sysmex XN-5000 instrument to instrument correlation, the Levey Jennings report for chemistry level 2.

I spoke with Kevin Kramer about the Laboratory and its staffing. At the present time the staffing is adequate. We are looking into bringing over CLS's from the Philippines who will be permanent and take the place of some travelers. We has a discussion about Walter and we hope that he will accept the Laboratory manager job on a permanent basis.

I spoke with Dr. McBride and he was happy with the laboratory and that it provided fast results for the ER patients.

ROBERT JAMES, MD, PhD
CONSULTING PATHOLOGIST

2/13/23
Date

Modoc Medical Center
Performance Improvement

Department/Service: Performance Improvement FY 2022-2023																			
PROCESS/OUTCOME PERFORMANCE MEASURE	Indicators	Threshold	July	Aug	Sept	1st Qtr	Oct	Nov	Dec	2nd Qtr	Jan	Feb	March	3rd Qtr	April	May	June	4th Qtr	ANNUAL 2022-2023
CLINICAL AREAS (2018 Survey, QC review)																			
Alturas Clinic	Registration errors insurance	>=98%																	Josh, Ed, front office
	Registration errors address current	>=98%																	Josh, Ed, front office
	Prima: smoking cessation	>=92%																	Josh, CC's
	Prima: depression screening	>=90%																	Josh, CC's
Canby Clinic	Mammogram referral	90.0%	Average Edmonds and Wendy			49%	Average Edmonds and Wendy			100%									Brenda P, Jill, Adam, Wendy
Retail Pharmacy																			Kendall
Pharmacy	Number of Overrides on MS Limited to 10% Overall	2%	3%	4%	2%	3%	3%	2%	3%	3%									Michael, Ed, Saurabh
	Number of Overrides on ER Limited to 10% Overall	2%	28%	30%	36%	31%	40%	29%	31%	33%									Michael, Ed, Saurabh
	Number of Overrides on IV Omsd Limited to 10% Overall	2%	12%	13%	12%	12%	10%	7%	4%	8%									Michael, Ed, Saurabh
EMS	STEMI Protocol C	90%	Cumulative			100%	Cumulative			100%	New Indicator								Megan, EMS Staff
	PCR completion W/ 24H of call	90%	New Indicator																
	Truck Check Compliance	90%	Cumulative			83%	Cumulative			42%									Megan EMS Staff
PT	Note Completion Compliance	100%	66%	65%	65%	87%	82%	80%	65%	76%									Stephanie, Ed, PT'S
Lab			Monitoring several QI indicators				Monitoring several QI indicators												Walter, Shannon
Radiology	Time to contact pt	<=5 days	Cumulative			2													Shelly
	Time to complete	<=8 days	Cumulative			12													Shelly
Infection Control	Inpatient HAI's	0					0	0	1	1									Judy
Surgery	ATP test	0-100	Average of 3 scopes over 3 mos			93.0%	Average of 3 scopes over 3 months			>100%									DeLinda
Med Surg/ER	After Hours Registration Form Completion	80%	75%	74%	79%	76%	75%	78%	40%	64%									Susan, Ed, RN team
	Pain Level Pre-Med Compliance M/S	90%	26%	60%	45%	44%	54%	62%	35%	50%									Susan, Ed, RN team
	VS Q4H	80%	66%	81%	33%	61%	42%	16%	83%	47%									Susan, Ed, RN team
	VS @ DC from ER	90%	87%	90%	72%	83%	65%	66%	43%	63%									Susan, Ed, RN team
	Pain Level Post-Med Compliance M/S	90%	10%	45%	35%	30%	72%	62%	42%	58%									Susan, Ed, RN team

Modoc Medical Center
Performance Improvement

Department/Service: Performance Improvement FY 2022-2023																				
PROCESS/OUTCOME PERFORMANCE MEASURE	Indicators	Threshold	July	Aug	Sept	1st Qtr	Oct	Nov	Dec	2nd Qtr	Jan	Feb	March	3rd Qtr	April	May	June	4th Qtr	ANNUAL 2022-2023	
Dietary	HT/WT @ Admit	>=90%	100%	100%	100%	100%	Indicator met													Tim, Ed, RD
	Nutritional Assessments	>=90%	87%	93%	96%	92%	Indicator met													Tim, Ed, RD
	Dietary Interviews w/ 24-32 Hours	>=90%	86%	82%	90%	88%	81%	74%	90%	82%										Tim, Ed, RD
Wound care	% of FAPU ACUTE	0	0	0	1	1	0	0	0	0										Judy Acute/RM
	% of FAPU SNF	0	0	0	0	0	0	1	0	1										Judy/SNF/RM
Falls & Med Errors	SNF - Falls	<= 5	3	7	8	15	10	4	7	21										RM/SNF
	# Med Errors Reported (SNF)	<= 5	0	0	0	0	0	0	1	1										SNF leadership team
	Acute/ER - Falls	<= 5	3	2	1	8	1	1	0	2										RM
	# Med Errors Reported (Acute)	<= 5	0	0	0	0	1	0	0	1										RM
NON CLINICAL AREAS (2018 Survey, QIC Review)																				
Medical Records	Cosignature Compliance Inpatient	90%	89%	91%	83%	88%	74%	98%	95%	89%										Maria, Wendy
	Cosignature Compliance OBS	90%	0	90%	100%	83%	75%	NA	100%	88%										Maria, Wendy
	Cosignature Compliance Swing	90%	75%	NA	100%	88%	86%	100%	92%	93%										Maria, Wendy
IT	WordHub Usage	90%			79%	79%	92%	97%												Andy, IT Team
Admin	Evaluations	95%	Continued work on the organization documentation retrieval for this indicator, may change PRN																	Kevin, Denise, Ed

Cautionary - VR
Variance Expected/ Acceptable
Naughty
Changed

Get Quarterly financials from Patrick

**Modoc Medical Center
Performance Improvement**

Department/Service: Performance Improvement FY 2020-2021																			
PROCESS/OUTCOME PERFORMANCE MEASURE	Indicators	Threshold	Jul-20	Aug	Sept	1st Qtr	Oct	Nov	Dec	2nd Qtr	Jan	Feb	March	3rd Qtr	April	May	Jun-21	4th Qtr	ANNUAL 2020-2021
CLINICAL AREAS (2018 Survey, QO review)																			
Clinic	Supply Outdate Log Completion	>=90%	100.0%	88.0%	88.0%	92.0%	Threshold met for 2 qtrs												Josh, Ed
	CG-CAHPS-Provider Rating (Overall)	>=90%																	Josh, Ed
	Registration-Insurance	>=90%					New indicator 1/1/21								98%	99%			Josh, Ed
	Registration-CoPay	>=90%																	Josh, Ed
Pharmacy	Hood Certification Every 6 Months	100%	Due in December				N/A new facility												Michael, Ed, Linda
	Laminar Flow Hood Cleaning Log Compliance	90%	83.0%	88.0%	89.0%	85.0%	85.0%	N/A in new facility											Michael, Ed, Linda
	Cleanroom cleaning protocols	90%									under	const	100.0%						
	Compliance with Crash Cart Seal Log MS										98.0%	100.0%	97.0%	98.0%					Michael, Linda, Ed
	Compliance with Crash Cart Seal Log ER	90%	93.0%	96.0%	95.0%	95.0%	98.0%	97.0%	92.0%	95.0%	100.0%	100.0%	100.0%	100.0%					Michael, Ed, Linda
Surgical Services	Humidity Temp Checks Log	90%	100.0%	100.0%	100.0%	100.0%	Move to new facility												DeLinda, Ed
	Sterilizer Cleaning Log Compliance	90%	100.0%	100.0%	100.0%	100.0%	indicator change												DeLinda, Ed
	Getting maintenance & cleaning	90%					start in January												DeLinda, Ed
	Medication outdates	90%					start in January				100.0%	100.0%	75.0%	92.0%					DeLinda, Ed
	Temp check warmer	90%						100.0%	100.0%		100.0%	100.0%	100.0%	100.0%					DeLinda, Ed
	Temp check medication	90%						100.0%	100.0%		100.0%	100.0%	100.0%	100.0%					DeLinda, Ed
	Temp check fluid warmer	90%						100.0%	100.0%		100.0%	100.0%	100.0%	100.0%					DeLinda, Ed
Med Surg/ER	Vital Signs 15 min Prior to Transfer	100%	73.0%	100.0%	100.0%	91.0%	100.0%	100.0%	100.0%	100.0%									Ed, Alicia, CN
	VS Doc at discharge ER	85%	91.0%	93.0%	95.0%	93.0%	90.0%	90.0%	100.0%	93.0%					66%	59%	69%	70%	85%
	Vital Signs every 4 Hours MS	90%	89%	67%	91%	82%	87%	87%	90%	88%					66%	75%	70%	70%	80%
	Pain Level Pre Med Compliance MS	90%	23%	57%	70%	50%	70%	62%	70%	67%									Ed, Alicia, CN
	Pain level post med compliance MS	90%	32%	26%	47%	35%	67%	30%	48%	48%									Ed, Alicia, CN
	Acute/ER - Falls	<= 5	0	1	1	2	3	4	4	11	4	1	3	8	1	1	2	4	24
	Acute/ER - Falls/Injury	0				0				0	1	0	0	1	0	0	0	1	1
	# Med Errors reported (Acute)	<= 5	0	3	1	4	1	5	1	7	3	4	8	15					Ed, Alicia, CN

**Modoc Medical Center
Performance Improvement**

Department/Service: Performance Improvement FY 2020-2021																				
PROCESS/OUTCOME PERFORMANCE MEASURE	Indicators	Threshold	Jul-20	Aug	Sept	1st Qtr	Oct	Nov	Dec	2nd Qtr	Jan	Feb	March	3rd Qtr	April	May	Jun-21	4th Qtr	ANNUAL 2020-2021	
Dietary	HT/WT @ admit	>=90%					71%	100%	90%	87%	22%	42%	69%	44%	94%	86%	90%	90%	74%	Tim, Sharon, Ed
	Nutritional Assessments	>=90%	76%	94%	61%	77%	71%	44%	38%	51%	33%	58%	54%	48%	31%	29%	62%	41%	54%	Tim, Sharon, Ed
	Dietary Interviews w/ 24-32 hours	>=90%	27%	62%	10%	33%	33%	64%	83%	50%	81%	83%	77%	80%	79%	67%	53%	66%	60%	Tim, Sharon, Lani, Ed
	Three Day Follow up completed	>=90%	57%	67%	33%	52%	0%	40%	44%	28%	80%	67%	80%	76%	100%	100%	73%	91%	62%	Tim, Sharon, Lani, Ed
Wound care	% of FAPU ACUTE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	% of FAPU SNF	0	3	2	3	8	4	1	0	5	0	1	0	1	0	0	0	0	14	
Warnerview	SNF - Falls	<= 6	7	7	4	18	1	5	1	7	3	8	5	18	8	3	4	15	58	Marci, Juanita, Chrstine,
	SNF - Falls w/ injury	<2																		Marci, Juanita, Christine,
	# Med Errors reported (SNF)	<= 6	0	1	2	3	0	0	0	0	1	2	1	4						Marci, Juanita, Christine,
NON CLINICAL AREAS (2018 Survey, QC Review)																				
Engineering/Plant Operations	Biomed Engineer Audits	Met/Not Met	Met				Met				Met				Met				Met	Marty, Danny
	Preventative Maintenance	Met/Not Met	Met				Met				Met				Met				Met	Marty Danny
Emergency Management	ICS Training	90%	Covid				Covid				Covid				Covid					Jeremy, Marty, Kevin, Amber
	Disaster Drills Conducted	1 Q 6mo	Pandemic				Pandemic				Pandemic				Pandemic					Jeremy, Marty, Kevin, Amber
Human Resources	Staff Turnover	Cum. 10%	0%	1%	3%	4%	1%	5%	3%	9%	2%	1%	1%	4%	5%	1%	1%	7%	24%	Amber, Susan

Cautionary - VR
Variance Expected/ Acceptable
Naughty
Changed

ATTACHMENT E

LFHD FINANCIAL STATEMENT January 2023 (unaudited)

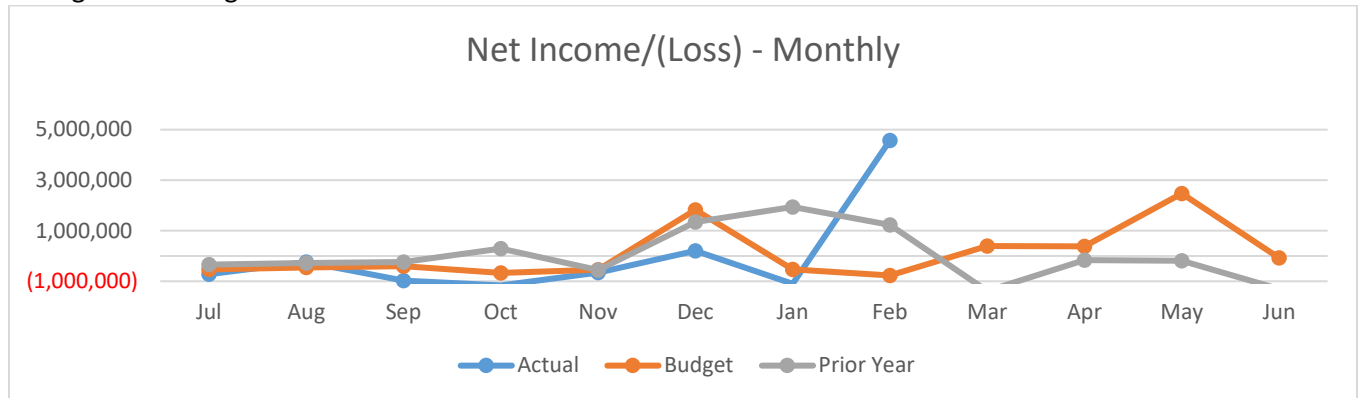


Modoc Medical Center
Financial Narrative
For the Month of February 2023

Prepared by Patrick Fields, CFO

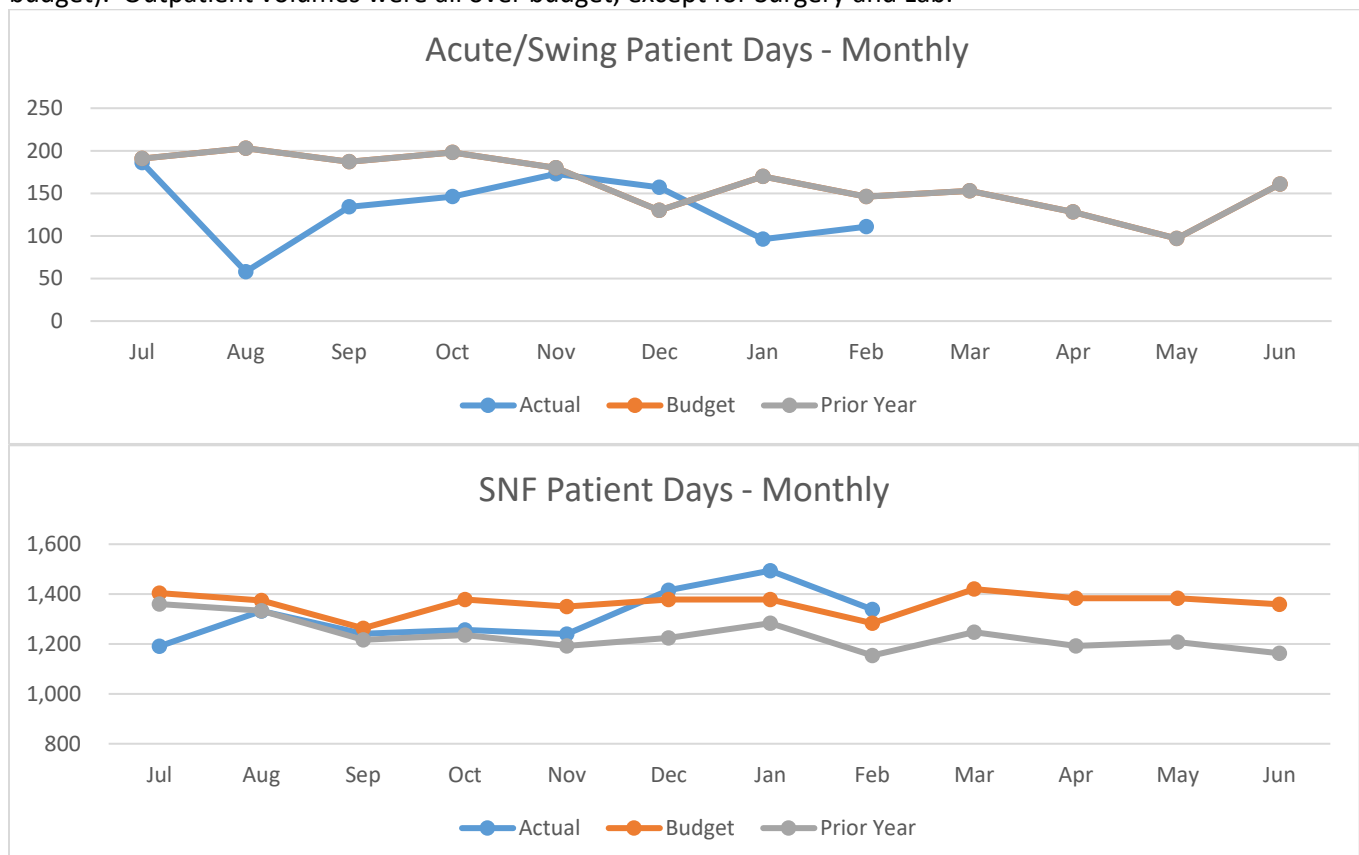
Summary

During the month of February, Modoc Medical Center reported a net income from operations of \$4,660,252 representing stronger than was budgeted, (\$685,221). Both Inpatient and outpatient revenue was down from the prior month, partially due to a shorter month. Total patient revenue was \$3,751,776 down from \$4,173,284. Net income, including Non-Operating Activity, of \$4,569,353 is stronger than budgeted.



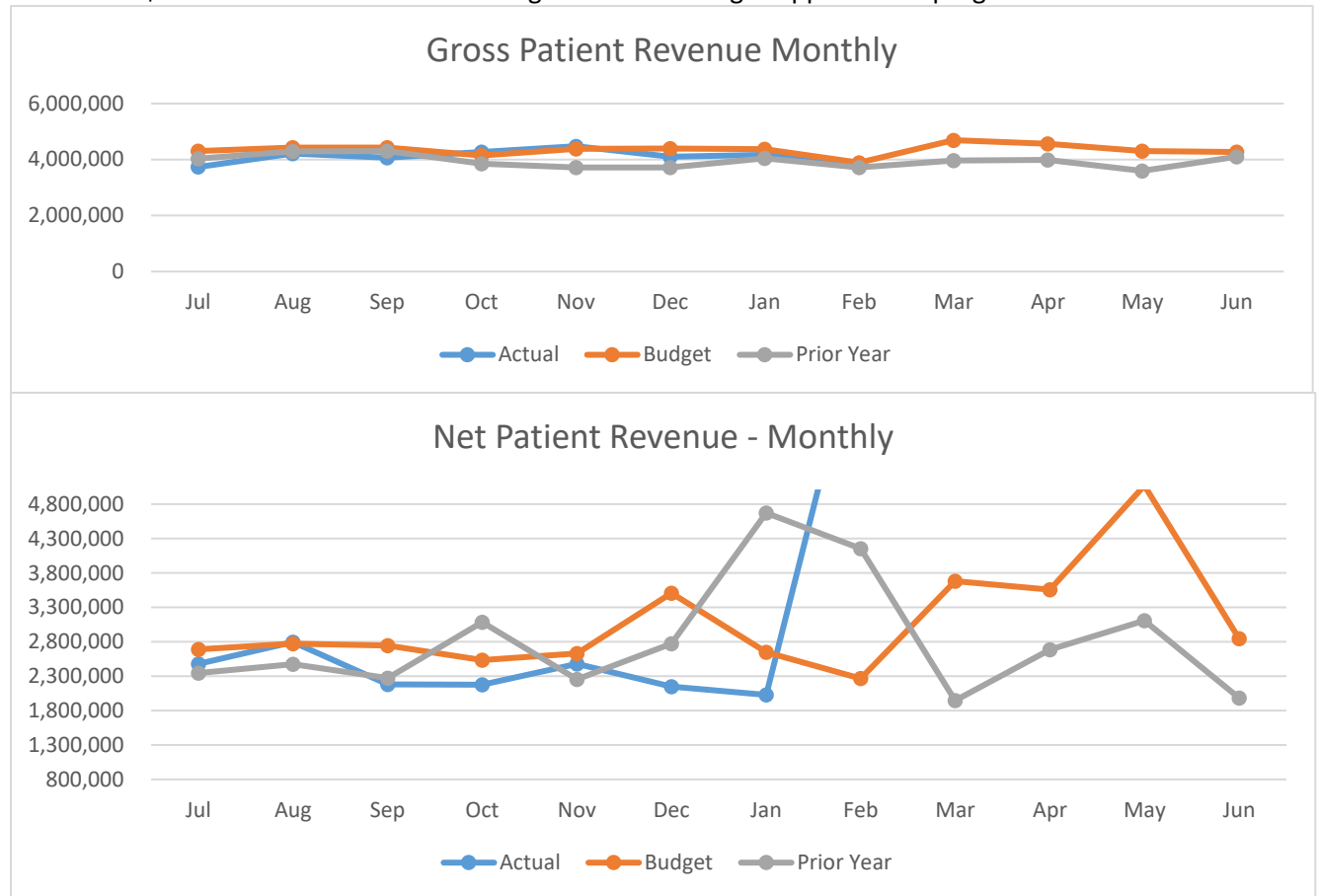
Patient Volumes

Combined Acute Days were under budget for the month by 35. The SNF Patient Days decreased to 1,339 over budget by 185 days. Overall Inpatient Days were over budget by 150 (1,450 actual vs. 1,300 budget). Outpatient volumes were all over budget, except for Surgery and Lab.



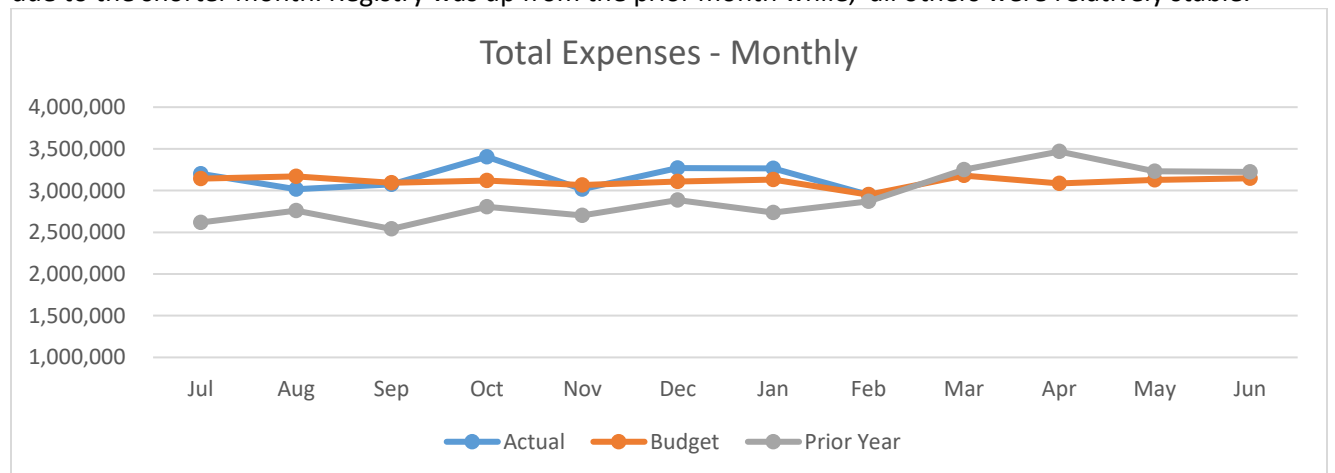
Revenues

Gross Patient Revenues were \$3.752 million, under budgeted of \$3.889 million. Of this, the Inpatient Revenue is under budget by \$158K and the Outpatient Revenue over budget by \$21K. Net Patient Revenue is \$7.609 million due to the booking of the Rate Range supplemental program.



Expenses

Total Operating Expenses were \$2.949 million this month, compared to a budget of \$2.950 million. Operating expenses were down \$317K from the prior month. The reduction from the prior month was due to the shorter month. Registry was up from the prior month while, all others were relatively stable.



Non-Operating Activity

Non-Operating expense for the month was \$90.9K. Interest income for the month was \$228, Retail Pharmacy reported a loss of (\$7.4K), District vouchers were (\$3.6K) and interest expense was (\$80K). Net income for the month was \$4,569,353.

Balance Sheet

Cash declined by \$6.675 million during the month to \$22.438 million. The decline in cash was due to funding of the Rate Range and QIP supplemental programs combined at \$5.456 million and new SNF construction in process. Total assets increased \$3.882 million during the month, while total liabilities declined by \$687K. Days in Cash declined to 215. Days in AP declined from 15 to 12. Net AR as a percent of Gross AR declined to 42.9%. Current ratio increased to 13.79 times.

Modoc Medical Center
Income Statement
For the month of February 2023

	Month	Budget	Variance	Prior Year Month	YTD	Budget	Variance	Prior Year YTD
Revenues								
Room & Board - Acute	245,685	317,986	(72,301)	321,176	2,359,086	3,121,483	(762,397)	3,028,532
Room & Board - SNF	727,047	697,311	29,736	611,220	5,710,037	5,874,149	(164,112)	5,133,894
Ancillary	149,641	265,122	(115,481)	220,587	2,015,716	2,635,538	(619,822)	2,472,394
<u>Total Inpatient Revenue</u>	<u>1,122,373</u>	<u>1,280,419</u>	<u>(158,046)</u>	<u>1,152,983</u>	<u>10,084,839</u>	<u>11,631,170</u>	<u>(1,546,331)</u>	<u>10,634,819</u>
Outpatient Revenue	2,629,403	2,608,677	20,726	2,560,742	22,692,582	22,700,452	(7,870)	21,054,305
<u>Total Patient Revenue</u>	<u>3,751,776</u>	<u>3,889,096</u>	<u>(137,320)</u>	<u>3,713,725</u>	<u>32,777,421</u>	<u>34,331,622</u>	<u>(1,554,201)</u>	<u>31,689,124</u>
Bad Debts	6,304	128,661	(122,357)	19,461	780,554	1,135,420	(354,866)	990,109
Contractuals Adjs	(3,802,666)	1,544,881	(5,347,547)	(544,857)	7,426,866	11,700,124	(4,273,258)	5,861,554
Admin Adjs	78,648	43,971	34,677	85,967	901,860	384,531	517,329	812,981
<u>Total Revenue Deductions</u>	<u>(3,717,715)</u>	<u>1,717,513</u>	<u>(5,435,228)</u>	<u>(439,429)</u>	<u>9,109,279</u>	<u>13,220,075</u>	<u>(4,110,796)</u>	<u>7,664,643</u>
<u>Net Patient Revenue</u>	<u>7,469,490</u>	<u>2,171,583</u>	<u>5,297,907</u>	<u>4,153,154</u>	<u>23,668,142</u>	<u>21,111,547</u>	<u>2,556,595</u>	<u>24,024,481</u>
% of Charges	199.1%	55.8%	143.3%	111.8%	72.2%	61.5%	10.7%	75.8%
Other Revenue	139,843	93,994	45,849	21,147	450,505	680,163	(229,658)	348,328
<u>Total Net Revenue</u>	<u>7,609,333</u>	<u>2,265,577</u>	<u>5,343,756</u>	<u>4,174,301</u>	<u>24,118,647</u>	<u>21,791,710</u>	<u>2,326,937</u>	<u>24,372,809</u>
Expenses								
Salaries	1,190,511	1,123,132	67,379	1,072,101	9,779,101	9,472,565	306,536	8,520,198
Benefits and Taxes	253,736	248,302	5,434	203,492	2,034,389	2,041,155	(6,766)	1,968,913
Registry	312,756	412,379	(99,623)	451,243	2,902,481	3,299,032	(396,551)	2,589,633
Professional Fees	415,592	383,884	31,708	441,869	3,830,407	3,102,401	728,006	2,724,453
Purchased Services	131,096	117,026	14,070	126,489	1,158,276	1,099,904	58,372	982,679
Supplies	310,289	275,637	34,652	248,516	2,534,476	2,567,203	(32,727)	2,504,646
Repairs and Maint	12,516	24,016	(11,500)	21,018	189,205	211,348	(22,143)	135,869
Lease and Rental	3,164	6,693	(3,529)	3,440	29,739	53,544	(23,805)	50,763
Utilities	37,923	49,997	(12,074)	40,892	406,010	466,156	(60,146)	402,421
Insurance	34,878	27,060	7,818	27,414	263,559	216,480	47,079	227,802
Depreciation	177,216	173,609	3,607	175,132	1,392,089	1,388,707	3,382	1,394,088
Other	69,403	109,063	(39,660)	59,303	731,810	866,750	(134,940)	542,563
<u>Total Operating Expenses</u>	<u>2,949,081</u>	<u>2,950,798</u>	<u>(1,717)</u>	<u>2,870,910</u>	<u>25,251,541</u>	<u>24,785,245</u>	<u>466,296</u>	<u>22,044,028</u>
<u>Income from Operations</u>	<u>4,660,252</u>	<u>(685,221)</u>	<u>5,345,473</u>	<u>1,303,391</u>	<u>(1,132,894)</u>	<u>(2,993,535)</u>	<u>1,860,641</u>	<u>2,328,780</u>
Property Tax Revenue	(3,595)	(5,621)	2,026	(4,766)	1,372,516	1,427,856	(55,340)	1,429,657
Interest Income	228	180	48	118	329,877	56,580	273,297	44,532
Interest Expense	(80,174)	(75,361)	(4,813)	(78,480)	(671,813)	(653,024)	(18,789)	(677,236)
Gain/Loss on Asset Disposal	0	0	0	0	0	0	0	0
Retail Pharmacy Net Activity	(7,358)	(4,130)	(3,228)	14,717	(40,210)	75,198	(115,408)	162,401
Other Non-Operating Income	0	0	0	0	0	0	0	0
<u>Total Non-Operating Revenue</u>	<u>(90,899)</u>	<u>(84,932)</u>	<u>(5,967)</u>	<u>(68,412)</u>	<u>990,370</u>	<u>906,610</u>	<u>83,760</u>	<u>959,354</u>
<u>Net Income/(Loss)</u>	<u>4,569,353</u>	<u>(770,153)</u>	<u>5,339,506</u>	<u>1,234,979</u>	<u>(142,524)</u>	<u>(2,086,925)</u>	<u>1,944,401</u>	<u>3,288,134</u>
<u>EBIDA</u>	<u>4,826,743</u>	<u>(521,183)</u>	<u>5,347,926</u>	<u>1,488,592</u>	<u>1,921,378</u>	<u>(45,194)</u>	<u>1,966,572</u>	<u>5,359,458</u>
Operating Margin %	61.2%	-30.2%	91.5%	31.2%	-4.7%	-13.7%	9.0%	9.6%
Net Margin %	60.0%	-34.0%	94.0%	29.6%	-0.6%	-9.6%	9.0%	13.5%
EBIDA Margin %	63.4%	-23.0%	86.4%	35.7%	8.0%	-0.2%	8.2%	22.0%

Modoc Medical Center
Income Statement Trend

	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>	<u>Jan-23</u>	<u>Feb-23</u>
Revenues												
Room & Board - Acute	322,913	284,713	190,721	274,801	390,638	147,605	296,310	315,833	383,878	360,283	218,853	245,685
Room & Board - SNF	637,727	609,123	617,397	620,439	647,144	723,078	674,245	681,936	673,990	771,185	811,413	727,047
Ancillary	316,103	342,176	199,225	303,101	354,825	223,401	248,530	236,727	390,086	216,360	196,146	149,641
<u>Total Inpatient Revenue</u>	<u>1,276,743</u>	<u>1,236,012</u>	<u>1,007,342</u>	<u>1,198,341</u>	<u>1,392,607</u>	<u>1,094,084</u>	<u>1,219,086</u>	<u>1,234,497</u>	<u>1,447,954</u>	<u>1,347,828</u>	<u>1,226,412</u>	<u>1,122,373</u>
Outpatient Revenue	2,684,027	2,750,668	2,588,337	2,903,952	2,341,359	3,114,722	2,845,765	3,033,583	3,028,322	2,752,557	2,946,872	2,629,403
<u>Total Patient Revenue</u>	<u>3,960,770</u>	<u>3,986,680</u>	<u>3,595,679</u>	<u>4,102,294</u>	<u>3,733,966</u>	<u>4,208,806</u>	<u>4,064,851</u>	<u>4,268,080</u>	<u>4,476,275</u>	<u>4,100,385</u>	<u>4,173,284</u>	<u>3,751,776</u>
Bad Debts	125,799	168,628	(14,014)	81,636	(25,219)	88,665	132,343	2,052	139,595	378,483	58,332	6,304
Contractual Adjts	1,815,760	1,107,655	408,339	1,871,138	1,234,965	1,238,264	1,480,421	1,958,091	1,836,928	1,635,304	1,845,559	(3,802,666)
Admin Adjts	73,379	23,743	95,926	167,302	46,662	86,502	272,702	134,166	21,989	49,953	211,239	78,648
<u>Total Revenue Deductions</u>	<u>2,014,938</u>	<u>1,300,025</u>	<u>490,250</u>	<u>2,120,076</u>	<u>1,256,408</u>	<u>1,413,431</u>	<u>1,885,466</u>	<u>2,094,308</u>	<u>1,998,512</u>	<u>2,063,740</u>	<u>2,115,129</u>	<u>(3,717,715)</u>
<u>Net Patient Revenue</u>	<u>1,945,832</u>	<u>2,686,654</u>	<u>3,105,429</u>	<u>1,982,218</u>	<u>2,477,557</u>	<u>2,795,375</u>	<u>2,179,385</u>	<u>2,173,771</u>	<u>2,477,763</u>	<u>2,036,645</u>	<u>2,058,155</u>	<u>7,469,490</u>
% of Charges	49.1%	67.4%	86.4%	48.3%	66.4%	66.4%	53.6%	50.9%	55.4%	49.7%	49.3%	199.1%
Other Revenue	96,960	89,801	18,519	27,617	33,005	11,157	26,662	68,749	34,260	113,433	23,396	139,843
<u>Total Net Revenue</u>	<u>2,042,791</u>	<u>2,776,455</u>	<u>3,123,948</u>	<u>2,009,835</u>	<u>2,510,562</u>	<u>2,806,532</u>	<u>2,206,047</u>	<u>2,242,520</u>	<u>2,512,023</u>	<u>2,150,078</u>	<u>2,081,551</u>	<u>7,609,333</u>
Expenses												
Salaries	1,176,240	1,116,498	1,115,949	1,128,341	1,193,758	1,183,945	1,203,080	1,235,516	1,153,843	1,254,493	1,363,954	1,190,511
Benefits and Taxes	165,211	323,435	245,314	247,108	240,273	241,064	237,439	363,246	147,051	259,605	291,975	253,736
Registry	565,066	630,679	595,782	619,634	487,550	365,429	357,934	501,782	329,304	330,222	208,026	312,756
Professional Fees	460,848	468,674	470,412	415,236	481,482	451,272	479,445	477,075	480,277	470,755	522,401	415,592
Purchased Services	173,644	126,855	153,328	148,239	71,797	129,535	137,112	143,903	206,410	193,825	143,853	131,096
Supplies	298,767	459,442	316,870	300,043	352,387	275,006	317,318	308,157	322,115	335,354	313,846	310,289
Repairs and Maint	28,098	16,647	17,854	20,277	33,038	12,021	30,399	10,272	30,430	28,579	31,950	12,516
Lease and Rental	3,218	4,245	3,622	3,382	5,837	3,543	3,222	3,804	3,357	3,316	3,496	3,164
Utilities	98,854	54,551	44,526	60,539	40,460	67,656	35,652	58,470	48,915	64,956	49,880	37,923
Insurance	27,414	27,905	27,906	27,805	32,409	32,409	32,409	32,409	32,409	32,409	34,228	34,878
Depreciation	174,761	174,757	173,453	172,910	171,815	170,952	170,336	175,617	177,436	171,501	177,216	177,216
Other	80,057	64,262	65,295	81,628	79,402	83,785	69,639	94,744	83,608	125,768	125,411	69,403
<u>Total Operating Expenses</u>	<u>3,252,178</u>	<u>3,467,950</u>	<u>3,230,311</u>	<u>3,225,142</u>	<u>3,190,208</u>	<u>3,016,617</u>	<u>3,073,986</u>	<u>3,404,996</u>	<u>3,015,154</u>	<u>3,270,781</u>	<u>3,266,236</u>	<u>2,949,081</u>
<u>Income from Operations</u>	<u>(1,209,387)</u>	<u>(691,495)</u>	<u>(106,363)</u>	<u>(1,215,307)</u>	<u>(679,646)</u>	<u>(210,085)</u>	<u>(867,938)</u>	<u>(1,162,476)</u>	<u>(503,130)</u>	<u>(1,120,703)</u>	<u>(1,184,685)</u>	<u>4,660,252</u>
Property Tax Revenue	(8,890)	591,070	(6,675)	(4,712)	(3,116)	(4,708)	(2,352)	(2,326)	(4,054)	1,398,172	(5,505)	(3,595)
Interest Income	120	26,903	143	143	65,455	133	128	109,352	144	163	154,275	228
Interest Expense	(86,407)	(84,726)	(86,829)	(88,708)	(85,713)	(85,986)	(82,814)	(86,039)	(82,648)	(82,093)	(86,347)	(80,174)
Gain/Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0	0	0
Retail Pharmacy Net Activity	(78,020)	(9,312)	10,289	11,723	(16,795)	63,299	(26,409)	(23,442)	(61,407)	9,893	22,008	(7,358)
Other Non-Operating Income	0	0	0	0	0	0	0	0	0	0	0	0
<u>Total Non-Operating Revenue</u>	<u>(173,197)</u>	<u>523,934</u>	<u>(83,072)</u>	<u>(81,553)</u>	<u>(40,169)</u>	<u>(27,262)</u>	<u>(111,447)</u>	<u>(2,455)</u>	<u>(147,964)</u>	<u>1,326,135</u>	<u>84,431</u>	<u>(90,899)</u>
<u>Net Income</u>	<u>(1,382,584)</u>	<u>(167,561)</u>	<u>(189,435)</u>	<u>(1,296,860)</u>	<u>(719,815)</u>	<u>(237,347)</u>	<u>(979,385)</u>	<u>(1,164,930)</u>	<u>(651,095)</u>	<u>205,432</u>	<u>(1,100,253)</u>	<u>4,569,353</u>
<u>EBIDA</u>	<u>(1,121,416)</u>	<u>91,923</u>	<u>70,847</u>	<u>(1,035,243)</u>	<u>(462,287)</u>	<u>19,591</u>	<u>(726,235)</u>	<u>(903,275)</u>	<u>(391,012)</u>	<u>459,026</u>	<u>(836,690)</u>	<u>4,826,743</u>
Operating Margin %	-59.2%	-24.9%	-3.4%	-60.5%	-27.1%	-7.5%	-39.3%	-51.8%	-20.0%	-52.1%	-56.9%	61.2%
Net Margin %	-67.7%	-6.0%	-6.1%	-64.5%	-28.7%	-8.5%	-44.4%	-51.9%	-25.9%	9.6%	-52.9%	60.0%
EBIDA Margin %	-54.9%	3.3%	2.3%	-51.5%	-18.4%	0.7%	-32.9%	-40.3%	-15.6%	21.3%	-40.2%	63.4%

Modoc Medical Center
Balance Sheet
For the month of February 23

	Unaudited 23-Feb	Unaudited 23-Jan	Unaudited 22-Dec	Unaudited 22-Nov	Unaudited 22-Oct	Unaudited 22-Sep	Unaudited 22-Aug	Unaudited 22-Jul	Audited Jun-21
Cash	640,648	1,015,360	2,968,718	175,616	623,043	1,033,738	1,004,713	557,452	3,542,328
Investments	21,186,275	27,486,275	27,332,196	31,332,196	32,332,196	32,222,996	33,222,996	34,222,996	36,242,487
Designated Funds	610,987	611,597	610,018	609,729	609,602	609,847	309,821	310,316	309,510
Total Cash	22,437,909	29,113,231	30,910,931	32,117,541	33,564,841	33,866,582	34,537,530	35,090,764	40,094,325
Gross Patient AR	12,732,001	12,714,459	12,669,086	12,272,688	12,170,770	11,819,224	11,480,900	11,153,785	9,322,923
Allowances	(7,270,630)	(7,236,053)	(7,310,557)	(7,039,750)	(7,034,614)	(6,771,749)	(6,529,383)	(6,410,209)	(5,216,427)
Net Patient AR	5,461,371	5,478,406	5,358,529	5,232,938	5,136,156	5,047,474	4,951,517	4,743,575	4,106,496
% of Gross	42.9%	43.1%	42.3%	42.6%	42.2%	42.7%	43.1%	42.5%	44.0%
Third Party Receivable	10,510,424	0	0	0	0	0	0	334,771	972,649
Other AR	197,283	213,529	223,566	200,096	215,534	372,704	418,177	359,967	303,983
Inventory	493,802	505,187	474,466	479,041	485,239	490,534	486,639	482,498	544,039
Prepays	416,902	477,632	525,496	542,738	422,282	515,246	538,336	592,759	257,264
Total Current Assets	39,517,692	35,787,985	37,492,988	38,572,354	39,824,052	40,292,540	40,932,199	41,604,335	46,278,755
Land	713,540	713,540	713,540	713,540	713,540	713,540	713,540	713,540	713,540
Bldg & Improvements	47,707,055	47,707,055	47,707,055	47,707,055	47,560,879	47,560,879	47,542,679	47,542,679	47,021,524
Equipment	12,618,550	12,618,550	12,134,101	12,134,101	12,134,101	12,134,101	12,134,101	12,134,101	11,920,537
Construction In Progress	5,322,449	4,992,475	5,025,836	2,914,803	3,045,904	2,798,020	2,772,315	2,747,503	1,097,827
Fixed Assets	66,361,594	66,031,619	65,580,532	63,469,499	63,454,424	63,206,540	63,162,635	63,137,823	60,753,429
Accum Depreciation	(16,038,176)	(15,860,892)	(15,683,607)	(15,512,039)	(15,334,535)	(15,158,850)	(14,988,446)	(14,817,425)	(12,554,756)
Net Fixed Assets	50,323,418	50,170,728	49,896,924	47,957,460	48,119,889	48,047,690	48,174,189	48,320,398	48,198,673
Other Assets	0	0	0	0	0	0	0	0	0
Total Assets	89,841,110	85,958,713	87,389,912	86,529,814	87,943,941	88,340,230	89,106,388	89,924,733	94,477,428
Accounts Payable	1,266,125	1,633,025	1,765,879	1,266,405	1,653,032	976,751	948,017	1,730,454	1,051,936
Accrued Payroll	961,880	951,180	749,262	672,268	1,128,288	1,074,650	960,031	840,225	1,155,316
Patient Trust Accounts	5,666	6,198	4,715	4,695	4,630	4,933	4,933	5,453	4,972
Third Party Payables	469,622	874,141	874,141	874,141	874,141	874,141	874,141	874,141	2,348,170
Accrued Interest	156,357	82,154	483,647	405,469	325,965	243,811	164,307	82,154	478,888
Other Current Liabilities	5,479	5,479	5,480	5,479	5,479	5,479	5,479	5,479	5,479
Total Current Liabilities	2,865,129	3,552,177	3,883,124	3,228,457	3,991,534	3,179,765	2,956,909	3,537,905	5,044,760
Long Term Liabilities	33,165,000	33,165,000	33,165,000	33,165,000	33,165,000	33,165,000	33,165,000	33,165,000	33,119,968
Total Liabilities	36,030,129	36,717,177	37,048,124	36,393,457	37,156,534	36,344,765	36,121,909	36,702,905	38,164,728
Fund Balance	53,953,505	53,953,505	53,953,505	53,953,505	53,953,505	53,953,505	53,953,505	53,953,505	46,222,940
Current Year Income/(Loss)	-142,524	-4,711,969	-3,611,716	-3,817,148	-3,166,098	-1,958,039	-969,025	-731,677	10,089,759
Total Equity	53,810,981	49,241,535	50,341,789	50,136,357	50,787,407	51,995,466	52,984,479	53,221,828	56,312,700
Total Liabilities and Equity	89,841,110	85,958,713	87,389,912	86,529,814	87,943,941	88,340,230	89,106,388	89,924,733	94,477,428
Days in Cash	215	279	297	308	322	325	331	337	385
Days in AR (Gross)	178	178	178	172	171	166	161	156	131
Days in AP	12	15	16	29	37	22	21	39	24
Current Ratio	13.79	10.07	9.66	11.95	9.98	12.67	13.84	11.76	9.17

STATEMENT OF CASH FLOWS

February-23

	CURRENT MONTH	FISCAL YEAR
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME	4,569,353	-142,524
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
DEPRECIATION EXPENSE	177,284	1,392,634
CHANGE IN PATIENT ACCOUNTS RECEIVABLE	17,035	-911,381
CHANGE IN OTHER RECEIVABLES	-10,494,178	-10,037,572
CHANGE IN INVENTORIES	11,385	-6,958
CHANGE IN PREPAID EXPENSES	60,729	142,978
CHANGE IN ACCOUNTS PAYABLE	-366,900	-246,905
CHANGE IN ACCURED EXPENSES PAYABLE	74,203	-334,621
CHANGE IN ACCRUED SALARIES AND RELATED TAXES	10,792	227,792
CHANGE IN OTHER PAYABLES	-404,519	-404,519
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-10,914,168	-10,178,553
CASH FLOWS FROM INVESTMENT ACTIVITIES		
PURCHASE OF EQUIPMENT/CIP	-329,975	-3,296,002
CUSTODIAL HOLDINGS	-532	353
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-330,507	-3,295,649
CASH FROM FINANCING ACTIVITIES		
	0	-510,000
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	0	-510,000
CASH AT BEGINNING OF PERIOD	29,113,231	36,564,635
NET INCREASE (DECREASE) IN CASH	-6,675,322	-14,126,726
CASH AT END OF PERIOD	22,437,909	22,437,909

MODOC MEDICAL CENTER

"KEY STATISTICS"

Twelve Months Ending, February 28, 2023

	Feb-23		Jan-23		Dec-22		Nov-22		Oct-22		Sep-22		Aug-22		Jul-22		Jun-22		May-22		Apr-22		Mar-22		FY 23 YTD	FY 22 YTD	12 Mos.
	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.	Act.	Bud.			
Patient-Days																											
Adults/Peds	70	101	76	139	114	127	126	116	111	140	119	133	58	141	144	139	107	132	66	55	94	84	103	87	818	1,036	1,188
Swing	41	45	17	31	43	3	47	64	35	58	15	54	-	62	42	52	22	29	18	42	34	80	50	67	240	369	364
SNF	1,339	1,154	1,494	1,283	1,416	1,224	1,240	1,192	1,256	1,236	1,241	1,217	1,332	1,334	1,191	1,360	1,163	1,361	1,208	1,317	1,192	1,216	1,248	1,224	10,509	10,000	15,320
Total "Patient Days"	1,450	1,300	1,587	1,453	1,573	1,354	1,413	1,372	1,402	1,434	1,375	1,404	1,390	1,537	1,377	1,551	1,292	1,522	1,292	1,414	1,320	1,380	1,401	1,378	11,567	11,405	16,872
ADC																											
Adults/Peds	2.50	3.61	2.45	4.48	3.68	4.10	4.20	3.87	3.58	4.52	3.97	4.43	1.87	4.55	4.65	4.48	3.57	4.40	2.13	1.77	3.13	2.80	3.32	3.11	3.37	4.26	3.25
Swing	1.46	1.61	0.55	1.00	1.39	0.10	1.57	2.13	1.13	1.87	0.50	1.80	-	2.00	1.35	1.68	0.73	0.97	0.58	1.35	1.13	2.67	1.61	2.39	0.99	1.52	1.00
SNF	47.82	41.21	48.19	41.39	45.68	39.48	41.33	39.73	40.52	39.87	41.37	40.57	42.97	43.03	38.42	43.87	38.77	45.37	38.97	42.48	39.73	40.53	40.26	43.71	43.25	41.15	41.97
Total "Average Daily Census"	51.79	46.43	51.19	46.87	50.74	43.68	47.10	45.73	45.23	46.26	45.83	46.80	44.84	49.58	44.42	50.03	43.07	50.73	41.68	45.61	44.00	46.00	45.19	49.21	47.60	46.93	46.22
ALOS																											
Adults/Peds	3.89		5.43		4.22		5.04		6.53		6.61		3.87		10.29		4.86		5.08		4.48		4.29		5.53	6.32	5.21
Swing	5.86		5.67		10.75		7.83		17.50		5.00		#DIV/0!		14.00		7.33		9.00		17.00		12.50		8.57	18.45	9.33
Admissions																											
Adults/Peds	18	13	14	21	27	22	25	21	17	25	18	19	15	19	14	24	22	22	13	7	21	16	24	15	148	164	228
Swing	7	5	3	2	4	1	6	2	2	3	3	4	1	1	3	2	3	2	2	2	2	2	4	5	28	20	39
SNF	3	1	4	4	6	4	9	2	1	5	3	1	6	1	4	3	1	2	2	4	1	3	3	7	36	18	43
Total "Admissions"	28	19	21	27	37	27	40	25	20	33	24	24	21	21	21	29	26	26	17	13	24	21	31	27	212	202	310
Discharges																											
SNF	3		4		1		5		2		4		4		3		1		1		4		2		26	24	34
Days in Period	28		31		31		30		31		30		31		31		30		31		30		31		243	243	365
Amulatory Service Statistics																											
Emergency Visits	417	362	460	469	567	418	537	489	527	452	512	485	470	458	528	459	482	459	500	412	497	366	448	385	4,018	3,592	5,945
Ambulance Rur Visits	64	48	79	67	103	65	83	65	82	68	76	67	57	63	60	69	65	79	48	73	64	73	60	66	604	512	841
Clinic Visits	1,062	872	1,160	882	891	794	935	955	981	881	941	1,020	1,022	1,029	756	904	802	977	890	966	831	1,013	1,025	1,164	7,748	7,337	11,296
Canby Clinic Visits	195	209	239	157	174	160	171	162	206	213	102	210	187	249	162	234	187	241	210	239	228	276	251	252	1,436	1,594	2,312
Canby Dental	170	187	238	185	162	181	212	203	229	203	229	180	212	193	246			249		205		211			943	1,655	1,608
Observation Admits	5	8	4	2	3	2	3	2	4	2	3	2	8	8	1	2	2	8	3	8	1	5	2	5	31	28	39
Observation Ca Hours		425	157.0	57	94.3	162	177.3	24		134		78	368.8	259		68		136.3	270	45.5		83.6	210		797	1,206	1,063
Ancillary Services Statistics																											
Surgeries	1	6	2	2	10	12	1	7	6	4	7	6	15	3	9	3	2	3	12	16	15	16	15	22	51	43	95
Endoscopies	20	25	23	19	7	17	11	23	13	26	19	9	21	9	5	16	21	24	19	20	21	26	13	134	130	220	
Surgery & Reco Minutes	538	730	774	533	556	492	413	478	809	556	1,099	798	695	541	368	327	490	574	641	765	691	714	833	688	5,252	4,455	7,907
Anesthesia Minutes	871	1,727	1,088	1,353	990	1,245	618	654	842	1,285	2,192	1,652	1,527	885	915	610	977	1,278	1,693	1,757	1,780	1,709	2,269	1,498	9,043	9,411	15,762
Laboratory Tests	4,355	5,554	4,730	7,463	5,267	6,066	5,194	6,312	5,437	6,481	5,492	6,994	5,987	7,172	6,835	6,015	6,959	6,040	6,322	6,299	5,309	5,777	5,860	5,580	43,297	52,057	67,747
EKG Tests-Acut Proc	116	91	109	117	131	96	133	84	118	15	124	99	119	127	114	122	115	115	90	114	110	116	109	110	964	751	1,388
EKG Tests-Clinic Proc	2	7	5	11	5	5	5	4	5	6	8	8	7	2	8	3	5	2	7	2	7	4	11	6	45	46	75
Radiology-Diag Proc	298	271	285	281	279	276	314	259	332	249	278	251	285	267	236	311	290	288	268	302	270	252	273	280	2,307	2,165	3,408
Ultrasonounds Proc	104	83	71	96	109	112	110	95	47	106	104	115	126	73	99	117	123	113	111	101	97	121	126	138	770	797	1,227
CT Scans Proc	122	125	112	94	135	105	130	110	182	64	107	107	126	107	128	97	143	91	129	84	123	113	135	95	1,042	809	1,572
MRI Proc	32	23	14		10		13	24	17		9		42		9	20	22		31		10		13		146	47	222
Physical Therap Sessions	597	255	575	569	576	546	601	333	438	352	536	520	615	653	367	804	541	520	455	520	614	622	637	532	4,305	4,022	6,552
Retail Pharmacy-Scripts	2,239	2,454	2,700	2,784	2,701	2,759	2,767	2,821	2,580	2,870	2,645	2,805	2,755	2,885	2,486	2,799	2,755	3,012	2,612	2,631	2,531	3,090	2,846	3,320	20,873	22,177	31,617
Dietician Consults		1																			1		1		-	2	2

MODOC MEDICAL CENTER
"FULL TIME EQUIVALENT REPORT"
 Twelve Months Ending: February 28, 2023

Department	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	12 Mo Ave
Med / Surg	13.44	16.17	15.25	14.62	14.59	13.03	13.27	15.35	13.64	14.02	17.24	20.07	15.06
Comm Disease Care			0.03	0.06	0.06	0.1	0.07	0.3	0.14	0.19	0.52	0.34	0.18
Swing Beds													#DIV/0!
Long Term - SNF	45.54	45	43.54	45.03	44.25	46.06	46.78	46.08	46.82	45.47	48.65	45.52	45.73
Emergency Dept	10.01	8.56	10.00	11.31	9.32	9.73	7.97	9.46	8.43	8.37	8.75	8.44	9.20
Ambulance - Alturas	9.43	10.17	9.31	9.8	10.00	10.06	10.09	9.29	9.75	10.15	9.48	9.13	9.72
Clinic	23.12	21.28	22.10	21.52	21.59	20.56	20.67	20.77	21.79	21.67	20.58	19.09	21.23
Canby Clinic	8.37	7.68	8.10	7.99	7.26	7.31	8.21	9.82	10.85	10.76	10.89	10.96	9.02
Canby Dental	2.87	3.23	3.03	2.83	3.39	3.79	3.73	4.83	4.15	3.47	3.48	3.09	3.49
Surgery	5.58	3.96	3.46	3.65	4.59	5.77	4.01	3.83	4.52	4.91	5.22	4.96	4.54
IRR									0.06			0.19	0.13
Lab	7.94	7.37	8.41	8.91	7.97	7.89	8.18	8.82	8.27	7.51	6.89	8.05	8.02
Radiology	3.87	3.77	4.27	6.04	4.56	4.7	3.71	3.8	3.65	3.51	3.93	4.52	4.19
MRI												0.17	0.17
Ultrasound	1.42	1.26	1.08	1.09	1.18	1.44	1.18	1.66	1.59	1.49	1.49	1.33	1.35
CT	1.50	1.35	1.63	1.54	1.62	1.36	2.25	1.47	1.65	1.5	1.68	1.74	1.61
Pharmacy	1.92	1.76	2.02	1.93	1.74	1.63	1.93	1.7	1.76	1.74	1.82	1.76	1.81
Physical Therapy	5.55	5.22	6.41	5.01	6.01	6.68	8.21	6.11	5.87	6.26	6.81	7.27	6.28
Other PT				0.11	0.08	0.11	0.04	0.03	0.15	0.17	0.15	0.18	0.11
Dietary	18.63	17.8	17.85	18.16	17.62	18.5	18.41	18.51	18.45	18.89	18.85	18.73	18.37
Laundry	1.08	1.05	1.02	1	0.94	0.96	1.81	1.02	2.12	1.33	1.72	1.77	1.32
Activities	3.62	3.49	3.06	3.05	2.86	2.93	1.40	2.93	3.08	3.03	2.76	2.97	2.93
Social Services	1.84	1.72	1.66	1.1	1.91	1.9	1.87	1.81	1.95	2.08	1.94	1.98	1.81
Purchasing	3.08	3.03	3.05	3.03	3.15	3.1	3.00	2.77	3.01	3.04	3.06	2.96	3.02
Housekeeping	12.62	11.79	11.27	12.14	10.99	11.45	10.94	12.52	10.31	10.92	10.55	10.78	11.36
Maintenance	6.06	5.86	6.06	5.73	5.99	5.94	4.97	4.95	5.17	4.96	5.30	5.52	5.54
Data Processing	5.78	5.24	5.43	5.46	5.45	5.19	5.04	5.27	4.48	4.56	4.40	4.27	5.05
General Accounting	4.25	4.07	4.08	4.05	4.03	4.04	4.23	4.08	4.06	3.94	4.10	4.11	4.09
Patient Accounting	5.49	5.52	5.59	4.97	5.71	5.51	7.43	4.99	4.20	4.25	4.11	4.84	5.22
Administration	3.45	3.34	3.45	3.31	3.51	3.32	3.40	3.42	3.24	3.34	3.44	4.27	3.46
Human Resources	1.99	1.98	2.00	2.04	2.00	2.01	2.00	1.99	1.99	1.98	1.99	2	2.00
Medical Records	7.73	7.54	7.76	7.62	7.78	7.43	7.73	7.27	6.83	6.96	7.74	8.28	7.56
Nurse Administration	1.83	2.68	2.09	2.73	2.91	2.81	2.89	2.93	2.68	2.72	2.73	1.64	2.55
In-Service	1.01	1.06	1.02	1.03	1.00	1.00	1.04	1.12	1.19	1.18	1.00	1.00	1.05
Utilization Review	1.50	1.5	1.49	1.2	0.50	0.5	0.48	0.63	0.48	0.5	0.45	0.25	0.79
Quality Assurance	0.51	0.51	0.51	0.58	0.50	0.5	0.53	0.19	0.50	0.48	0.55	0.64	0.50
Infection Control	0.61	0.28	0.55	0.62	0.64	0.62	0.53	0.54	0.62	0.59	0.64	0.57	0.57
Retail Pharmacy	4.32	3.99	4.00	4.3	3.61	3.78	3.57	4.19	4.48	3.94	3.84	4.2	4.02
TOTAL	225.96	219.23	220.58	223.56	219.31	221.71	221.57	224.45	221.93	219.88	226.75	227.59	222.71

Canby Dental**23-Jan YTD FY 23**

Gross Rev	\$39,357.00	\$477,136.50
Salaries	\$13,514.87	\$134,028.86
Benefits	\$614.28	\$13,338.53
Registry	\$0.00	\$0.00
Pro Fees	\$12,000.00	\$100,442.00
Purch Svcs	\$693.74	\$28,116.98
Supplies	\$1,910.32	\$26,224.18
Minor Equip	\$0.00	\$468.75
Repairs	\$173.70	\$2,127.40
Lease	\$0.00	\$0.00
Dues & Subscriptions	\$0.00	\$2,925.89
Outside Training	\$0.00	\$65.00
Travel	\$102.56	\$2,387.63
Utils	\$0.00	\$0.00
Ins	\$0.00	\$0.00
Depr	\$499.11	\$1,497.66
Other	\$0.00	\$11,494.45
Total Expenses	\$29,508.58	\$323,117.33
Net Income	\$9,848.42	\$154,019.17
Patient Visits	170	1,606

Canby Clinic**Feb-23 YTD FY23**

Gross Rev	<u>\$57,423.12</u>	<u>\$421,545.88</u>
Salaries	\$45,520.77	\$381,326.92
Benefits	\$4,235.79	\$34,042.56
Registry	\$0.00	\$0.00
Pro Fees	\$0.00	\$0.00
Supplies	\$1,318.83	\$38,751.44
Minor Equip	\$106.49	\$1,385.51
Purch Svcs	\$0.00	\$1,957.88
Repairs	\$56.58	\$9,477.03
Depr	\$4,020.28	\$32,162.24
Lease	\$0.00	\$0.00
Utils	\$515.87	\$13,582.15
Lic & Taxes	\$568.00	\$4,206.01
Due & Subscriptions	\$1,387.01	\$19,336.70
Outside Training	\$0.00	\$1,104.99
Travel	\$0.00	\$1,167.77
Recruiting	\$0.00	\$5,000.00
Other	<u>\$294.36</u>	<u>\$5,204.06</u>
Total Expenses	\$58,023.98	\$548,705.26
Gross Contribution	<u><u>-\$600.86</u></u>	<u><u>-\$127,159.38</u></u>
Patient Visits	195	1,424

RETAIL PHARMACY OPERATIONS

	Feb-23	Jan-23	Dec-22
RETAIL PHARM - PRESCRIPTIONS	222,143.14	255,688.27	257,637.91
RETAIL PHARM - OVER THE COUNTER	1,122.95	1,051.57	1,616.30
RETAIL PHARM - REBATES & REFUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL REVENUE	223,266.09	256,739.84	259,254.21
Scripts per Stats	2,239	2,700	2,710
RETAIL PHARM - MANAGEMENT	16,069.85	13,698.02	16,192.74
RETAIL PHARM - TECH & SPECIALIST	15,977.01	16,151.33	14,287.42
RETAIL PHARM - FICA	2,391.95	2,823.36	1,234.46
RETAIL PHARM - VAC & HOL PAY	2,446.46	2,286.68	2,687.50
RETAIL PHARM - PRO FEES OR CONTRACT SE	0.00	0.00	0.00
RETAIL PHARM - CONSULTANT FEES	0.00	0.00	0.00
RETAIL PHARM - PHARMACEUTICALS	171,024.31	187,450.80	192,962.16
RETAIL PHARM - MED SUPPLIES	0.00	0.00	58.00
RETAIL PHARM - MINOR EQUIPMENT	0.00	0.00	0.00
RETAIL PHARM - NON-MED SUPPLIES	199.71	306.65	1,587.57
RETAIL PHARM - REPAIRS & MAINT	0.00	0.00	0.00
RETAIL PHARM - OTHER PURCH SVCS	8,015.20	-17,959.01	9,012.03
RETAIL PHARM - DEPRECIATION	68.12	68.12	68.12
RETAIL PHARM - RENTS & LEASES	7,029.16	21,087.48	0.00
RETAIL PHARM - UTILITIES-ELECTRICITY	0.00	0.00	0.00
RETAIL PHARM - WATER	0.00	0.00	0.00
RETAIL PHARM - LICENSES & TAXES	0.00	0.00	54.00
RETAIL PHARMACY - TELEPHONE	0.00	0.00	0.00
RETAIL PHARM - DUES & SUBSCR	0.00	0.00	0.00
RETAIL PHARM - TRAVEL	0.00	0.00	0.00
RETAIL PHARM - RECRUITING	0.00	0.00	0.00
RETAIL PHARM - OTHER	7.99	0.00	-2.09
RETAIL PHARM - 340B DRUGS	<u>7,394.80</u>	<u>8,818.01</u>	<u>11,218.92</u>
TOTAL EXPENSES	230,624.56	234,731.44	249,360.83
COGS	178,419.11	196,268.81	204,181.08
OP Exp	52,205.45	38,462.63	45,179.75
NET INCOME	-7,358.47	22,008.40	9,893.38
Sales	223,266.09	256,739.84	259,254.21
COGS	178,419.11	196,268.81	204,181.08
Gross Margin	20.09%	23.55%	21.24%
Avg Gross per Script	99.72	95.09	95.67
Avg COGS per Script	79.69	72.69	75.34
Accumulative Income since opening	410,318.89	417,677.36	395,668.96

ATTACHMENT F

POOL FUNDING



John Wall Pool Funding

In our Board meeting on 9/29/2016, the board passed a motion to contribute \$100,000.00 of its John Wall Trust Funds to the City of Alturas to be paid upon the City's approval to proceed with the pool project. We have not yet paid that money to the City. It is my understanding that in recent months the City has received a grant to put in some infrastructure for a future pool and a splash pad. I am not certain that the splash pad and pool infrastructure would constitute "City's approval to proceed with the pool project" or would meet the intent of the action item in the Board meeting of September 2016. Back then, the conversations was about a city pool and funding a new city pool.

I would like the Board to make a decision on whether or not we should fund the \$100,000.00 to the City at this time. My interpretation of the wording in our minutes from the September 2016 Board meeting is that the initial funding approval was tied to the replacement of the city pool and not a splash pad and so my interpretation of this action item is that it should not be funded until the city pool is funded and approved by the City but if the Board wants to fund this now, they certainly have the authority to do that. Thank you for any further direction you can provide on this item.

Submitted by: Kevin Kramer
Date: 3/30/2023

ATTACHMENT G

DR. RICHERT CONTRACT



PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES CONTRACT** (“Agreement”) is entered into as of the Effective Date, by and between **MODOC MEDICAL CENTER** (“MMC”) and **EDWARD P. RICHERT, MD, INC.** (“Professional Corporation”). MMC and Professional Corporation are sometimes referred to in this Agreement as a “Party” or collectively, as the “Parties.” Other capitalized terms are defined in this Agreement, including the Decision-Making Guidance, attached as **EXHIBIT E**.

I. RECITALS

- A.** MMC is a licensed acute care hospital facility in Alturas, California, providing inpatient, outpatient and other health care services to Alturas and surrounding communities. MMC owns, maintains and operates, in conjunction with its general acute hospital (“Hospital”) a skilled nursing facility (“SNF”), a rural health clinic (“Clinic”) and other services that are, to provide professional medical and ancillary services to the population residing in MMC’S geographic area, and MMC desires to assure adequate physician coverage for services provided at the Hospital, SNF, and Clinic.
- B.** Professional Corporation is a professional medical corporation that employs **EDWARD P. RICHERT, MD** (“Physician”), who is duly licensed to practice medicine in California, and is qualified to provide professional medical services, as described in this Agreement.
- C.** MMC believes that high standards of patient care can be achieved if Physician assumes the responsibilities set forth in this Agreement and desires to obtain professional medical services from Physician through this Agreement with Professional Corporation, as an independent contractor for the patients of the Hospital and Clinic, and for the residents of the SNF at the locations listed in **EXHIBIT A** or as they may be relocated to another location within reasonable proximity to such locations, and Physician desires to furnish such services upon the terms and conditions set forth in this Agreement.



THEREFORE, THE PARTIES AGREE:

1. PHYSICIAN RESPONSIBILITIES

- 1.1 Professional Services.** Physician shall personally provide the following services, consistent with the policies and procedures of MMC, to the Hospital, SNF, and Clinic and patients or residents thereof, provided that Physician's obligations hereunder are limited to the provision of services within Physician's professional capabilities.
- A. Medical Services.** Physician shall provide professional health care services to patients and residents of MMC Physician's medical subspecialty. Professional health care services include Medicare services, Medi-Cal services, workers compensation services, commercial insurance services, private payer services, and charity care. If, with the Joint Approval of MMC and the Medical Executive Committee, one or more allied health professionals shall be engaged to provide services to MMC's patients and residents, Physician shall share in providing professional supervision of allied health professionals employed by MMC in the Hospital, SNF, and Clinic without additional compensation. Physician shall cooperate with MMC to enable the MMC's participation in the Medicare, Medi-Cal, workers compensation services and commercial payor programs. Physician shall provide services to all patients, including Medicare, Medi-Cal and workers compensation services beneficiaries, in a non-discriminatory manner and in accordance with all applicable laws and MMC policies and procedures. Physician shall provide in addition to the foregoing services, the services described in **EXHIBIT B**.
- B. Schedule.** Physician will provide professional services for the number of hours per week and number of weeks per year as set forth in **EXHIBIT D**.
- C. Inpatient Services.** Physician shall share in attending to SNF and Clinic patients who are hospital inpatients except in cases when the care of the patient has been assumed by a hospitalist.
- 1.2 No Substitutions.** Physician shall personally perform services under this Agreement. Neither Professional Corporation nor Physician shall engage a substitute or subcontractor to provide these services, except with the Joint Approval of MMC and the Medical Executive Committee on a case by case basis, which Joint Approval may be withheld or conditioned in MMC's and the Medical Executive Committee's discretion. Any discontinuation of service by Physician, or any attempted substitution of Physician or any attempted delegation of Physician's obligations under this Agreement, without the required approval consent, shall be deemed a material breach of Physician's obligations. Any approved substitute or subcontractor physician shall be subject to the provisions of Section 7.1 (Licensure and Standards) and shall be deemed to be a "Physician," as defined in and subject to the applicable provisions of this Agreement, and shall comply with the terms of this Agreement. Physician shall be solely responsible to pay all compensation due and owing to any approved subcontractor or substitute used outside the terms outlined in **EXHIBIT C** if hours of service in **EXHIBIT D** are not met.



1.3 Exclusivity; Non-Competition.

- A. Physician shall give first priority to performing all professional medical services to MMC patients or residents consistent with the terms of this Agreement and Physician shall not undertake to perform any non-MMC activities if they would interfere with Physician's performance of Physician's obligations under this Agreement. Except as provided in **EXHIBIT C**, Physician may only engage in a non-MMC activity during MMC's business hours with the prior written consent of a responsible representative of MMC, who may condition such consent upon requiring assignment and remittance to MMC of any compensation received by Physician in connection with such activity.
- B. Physician shall not:
 - (i) provide services of the kind required by this Agreement to any facility or entity located in Alturas, California without the prior written consent of MMC, and
 - (ii) directly or indirectly own, operate, manage, be employed by or contract with any entity or organization that provides similar and/or competitive services within a twenty-five (25) mile radius of MMC, without the prior written consent of MMC and except as provided in **EXHIBIT C**.
- C. On request of MMC, not more often than quarterly, Physician shall attest in writing that Physician is in full compliance with this section.
- D. The Parties recognize that if any provision of this section is breached, in whole or in part, by Physician, then MMC will be irreparably harmed thereby. In the event of such breach, MMC shall be entitled, upon application to any court of proper jurisdiction, to a temporary restraining order or preliminary injunction to restrain and enjoin Physician from such violation without prejudice as to any other remedies MMC may have at law or in equity. If any restriction contained in this section is held by any court to be unenforceable, or unreasonable, as to time, geographic area or business limitation, then such provisions shall be and are hereby reformed to the maximum time, geographic area or business limitation permitted by applicable laws.

1.4 Limitation on Use. All items and services provided by MMC to Physician pursuant to the terms of this Agreement shall exclusively be used by Physician to satisfy Physician's contractual obligations hereunder. Without limiting the foregoing, such items, including MMC premises, shall not be used by Physician in the operation of a private practice of medicine or any activity unrelated to the treatment of MMC patients or residents.

1.5 Notification of Certain Events and Noncompliance.

- A. Professional Corporation shall notify MMC in writing as soon as possible, and within a maximum of five (5) days, after Professional Corporation becomes aware that: (a)



Physician has become the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by any state or federal health care program, any state's medical board or professional board, any agency responsible for professional licensing, standards or behavior, or MMC's medical staff, or (b) Professional Corporation or Physician has become the subject of any legal action or legal proceeding arising out of the provision of services under this Agreement.

- B. Professional Corporation shall notify MMC in writing within twenty-four (24) hours after Physician becomes aware of any event occurring that would materially alter the status or ability of Physician's compliance with this Article 1 (Physician Responsibilities), including, without limitation, the imposition of any integrity agreement, consent decree or settlement agreement with any state or federal agency having jurisdiction over Physician.

1.6 Financial Conflict of Interest. Professional Corporation shall immediately report to MMC any financial conflict or potential financial conflict of interest of Professional Corporation or Physician with the interests of MMC and shall give full disclosure of the facts pertaining to any relationship, transaction or other activity of Professional Corporation or Physician, or an immediate family member of Physician, that may be reasonably construed to involve a financial conflict of interest with MMC or that would have an adverse effect on Professional Corporation's or Physician's satisfactory performance of Professional Corporation's or Physician's obligations under this Agreement.

1.7 Promoting Interoperability, MIPS, and Other Incentive Programs.

- A. **EHR Incentive Programs.** Physician shall use best efforts to participate in, and qualify for the maximum payments under, the Medicare EHR Incentive Program, and if applicable the Medicaid EHR Incentive Program as described in 42 Code of Federal Regulations Part 495, in part by becoming proficient in use of Clinic's EHR system and participating in EHR training programs. Proceeds received by MMC pursuant to such programs that are attributable to Physician's qualification shall be retained by MMC.
- B. **Other Incentive Programs.** At the request of MMC, Physician shall participate in a program sponsored by the federal or state governments, commercial third party payers and other parties to incentive MMC and Physician to improve quality of services, utilize appropriate technology or otherwise enhance services provided at the Clinic.

2. HIPAA/STATE PRIVACY LAW COMPLIANCE; LEGAL COMPLIANCE

2.1 Compliance with Privacy Standards.

- A. MMC, Professional Corporation and Physician are each Covered Entities as defined under the Health Insurance Portability and Accountability Act ("HIPAA"). MMC, Professional Corporation and Physician will use and disclose "protected health information," as defined in HIPAA, as amended, and the regulations thereunder,



and patient confidential information exclusively for treatment, payment Clinic health care operations, and as otherwise authorized by HIPAA and state law.

- B.** Professional Corporation and Physician shall take all reasonable steps to use and disclose protected health information obtained in the course of providing services to MMC patients and residents in a manner such that the security and privacy of such information will be maintained and use appropriate safeguards to prevent use or disclosure of the information other than as described herein. Specifically, Professional Corporation and Physician shall:
- (1) Use and disclose protected health information solely for the benefit of MMC or for MMC's internal administration or management, and shall not use any such information for purposes unrelated to providing services to Clinic patients or disclose any such information to third parties except as required by law or as explicitly authorized by MMC.
 - (2) Ensure that all of Professional Corporation's and Physician's agents, employees, subcontractors or affiliates to whom Professional Corporation or Physician provides protected health information or confidential patient information agree to the same restrictions and conditions for use and disclosure of protected health information that apply to Physician.
 - (3) Amend records, account for disclosures by Professional Corporation and Physician of Protected Health Information, and make records available so that the individual to whom the protected health information pertains may review, access and obtain a copy of such record, consistent with the policies and procedures of MMC.
 - (4) Abide by MMC's policies and procedures for patient information privacy and security and notify MMC promptly in the event Professional Corporation or Physician becomes aware of that any confidential patient information or protected health information has been compromised or accessed in a legally impermissible or unauthorized manner.
- C.** Professional Corporation and Physician shall provide to MMC on request at any time a statement of assurance from Professional Corporation and Physician that Professional Corporation and Physician will manage all protected health information and confidential information related to MMC patients and residents in a manner such that the security and privacy of such information will be maintained. Failure to abide by the provisions of this section is a material breach of this Agreement.

2.2 Compliance Program

- A.** Professional Corporation and Physician acknowledges that MMC has implemented a Compliance Program for the purpose of ensuring that the provision of, and billing for, care provided to Hospital, SNF, and Clinic patients and residents are in



compliance with applicable federal and state laws (“Compliance Program”). Professional Corporation and Physician shall acknowledge that each of them has received information relating to the Compliance Program, including MMC’s Code of Ethics. Professional Corporation and Physician shall adhere to, abide by and support the Compliance Program. Physician shall participate in training and education sessions relating to the Compliance Program as requested by MMC.

- B.** Professional Corporation and Physician each agree, represent and warrant that Professional Corporation and Physician shall maintain full compliance with all applicable federal, state and local laws and regulations, including without limitation laws and regulations regarding billing for services. Nothing in this Agreement shall be construed to require MMC or Professional Corporation and Physician to make referrals of patients to the other. No payment is made under this Agreement in return for the referral of patients or in return for the ordering, purchasing or leasing of products or services from MMC.

2.3 Warranty. As of the execution date of this Agreement, Professional Corporation and Physician agree, represent and warrant that neither Professional Corporation nor Physician

- A.** Has been convicted of a criminal offense related to healthcare (or Professional Corporation and Physician have been officially reinstated into the federal healthcare programs by the Office of Inspector General of the Department of Health and Human Services and provided proof of such reinstatement to MMC);
- B.** Is currently under sanction, exclusion or investigation (civil or criminal) by any federal or state agency or is ineligible for federal or state program participation; or
- C.** Is listed on the General Services Administration’s list of parties excluded from federal procurement and non-procurement programs. Professional Corporation and Physician shall immediately notify MMC if Professional Corporation or Physician becomes involved in a pending criminal investigation or proposed civil debarment or exclusion related to any federal or state healthcare program.

3. MMC RESPONSIBILITIES

3.1 MMC Services.

- A. Space.** MMC shall make available to Physician reasonably necessary facilities for the operation of Clinic and other services. Such space shall include an office furnished with a desk.
- B. Equipment.** MMC shall have Shared Decision-Making Authority (with a formal recommendation from the Clinic Medical Director) to select and shall acquire such equipment as may be reasonably necessary for the proper operation and conduct of Hospital, SNF and Clinic.



- 3.2 General Services.** MMC shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Hospital, SNF and Clinic.
- 3.3 Supplies.** MMC shall have Shared Decision-Making Authority (with the Clinic Medical Director) over the selection of and shall purchase and provide all supplies as may be reasonably required for the proper treatment of Hospital, SNF and Clinic patients and residents, including prescription pads printed with Physician's name. Physician shall inform MMC of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.
- 3.4 Business Operations.** MMC shall be responsible for all business operations related to operation of the Hospital, SNF and Clinic, including personnel management, billing and payroll functions.
- 3.5 MMC Performance.** The responsibilities of MMC under this Article shall be subject to MMC's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations. Finance and budgeting decisions will be made upon MMC's and the Clinic Medical Director's Joint Approval.
- 3.6 Professional Liability Insurance.** Except as otherwise provided in **EXHIBIT F**, MMC shall maintain professional liability insurance that provides coverage for any act of Physician that may have occurred during the term of this Agreement while providing the services contemplated hereunder notwithstanding the termination or expiration of the term of this Agreement. Subject to MMC's and the Medical Executive Committee's Joint Approval, such policies must have limits of liability per each Physician of at least one million dollars (\$1,000,000) per claim and three million dollars (\$3,000,000) annual aggregate "claims made" insurance coverage. MMC will provide Directors and Officers liability insurance for coverage of activities for duties performed as a Director under **EXHIBIT B**. Upon termination of this Agreement, either in the event that this Agreement is terminated pursuant to Section 6.2 (Termination) or in the event that the term of this Agreement expires and is not renewed, MMC shall continue the current policy, obtain prior acts coverage or "extended discovery period" or "extended reporting period" coverage, or otherwise take steps to insure that no lapse of coverage occurs for the period of time covered by this Agreement.
- 3.7 Workers Compensation.** Physician shall not be afforded coverage under MMC's workers compensation indemnity program.

4. COMPENSATION

- 4.1 Compensation for Professional Services.** Professional Corporation shall be entitled to compensation as set forth in **EXHIBIT D**.
- 4.2 Benefits.** Professional Corporation shall not be entitled to any benefits provided by MMC.



- 4.3 Continuing Medical Education.** Neither Professional Corporation nor Physician shall be entitled to reimbursement for continuing medical education expense.
- 4.4 Recordkeeping.** Professional Corporation and Physician shall cooperate with the MMC administrator to provide access to a report of daily direct patient care hours and non-direct patient care hours as required for MMC's annual cost report. Additional reports will include appropriate documentation of patient services provided by Physician to enable MMC timely and accurately to bill and collect for such services, including preparation and submission of charge sheets to responsible parties.
- 4.5 Limitations.** Except as specifically set forth in this Article, neither Professional Corporation nor Physician shall have any claims under this Agreement or otherwise against MMC for any compensation, benefits or reimbursement of expenses or costs incurred in connection with this Agreement or Professional Corporation's or Physician's performance of its obligations hereunder.

5. BILLING FOR PROFESSIONAL SERVICES

- 5.1 Assignment.** Professional Corporation and Physician hereby assign to MMC all claims, demands and rights of Professional Corporation and Physician to bill and collect for all professional services rendered to MMC patients and residents, regardless of site of service. Neither Professional Corporation nor Physician shall bill or collect for any services rendered to MMC patients or residents, and all receivables and billings shall be the sole and exclusive property of MMC. Any payments made pursuant to a payor agreement (including co-payments made by patients) shall constitute revenue of MMC. In the event any payment is made to Professional Corporation or Physician pursuant to any payor agreement, Professional Corporation and Physician shall promptly remit such payment directly to MMC. Professional Corporation and Physician shall cooperate in the completion of any documents or forms necessary to document the assignment set forth in this section.
- 5.2 MMC Responsibility.** MMC shall be solely responsible for billing and collecting for all professional services provided to MMC patients and residents, and for managing all MMC receivables and payables, including those related to Medicare and Medi-Cal beneficiaries. The Medical Executive Committee shall have Exclusive Decision-Making Authority in determining policies related to assigning billing codes for Professional Services.

6. TERM AND TERMINATION; SUSPENSION

- 6.1 Term.** The term of this Agreement shall begin on the Effective Date and shall continue through and until March 31, 2024 unless earlier terminated as provided in this Agreement.
- 6.2 Termination.** Notwithstanding the provisions of Section 6.1 (Term), this Agreement may be terminated:
- A.** By either MMC or Professional Corporation, effective on or after the first anniversary of the Effective Date, upon ninety (90) days written notice to the other Party.



- B. By either MMC or Professional Corporation in the event of a material breach by the other Party, and in such event, the non-breaching Party shall have the right to terminate this Agreement after providing fifteen (15) days' written notice to the breaching Party, unless such breach is cured to the satisfaction of the non-breaching Party within the fifteen (15) days.
- C. By either MMC or Professional Corporation upon written notice to the other Party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either Party's rights or obligations under this Agreement.
- D. By MMC upon written notice to Professional Corporation in the event Professional Corporation or Physician is charged with or convicted of a crime involving moral turpitude or Professional Corporation or Physician is charged with or convicted of any act or thing that will tend to degrade Professional Corporation or Physician in society or bring Professional Corporation or Physician into public contempt, scorn or ridicule, or that will tend to shock, insult or offend the community or ridicule public morals or decency.

6.3 Effect of Termination. Upon any termination or expiration of this Agreement:

- A. All rights and obligations of the Parties shall cease except (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration, and (ii) those rights and obligations that expressly survive termination or expiration of this Agreement;
- B. Professional Corporation and Physician shall vacate MMC premises as soon as practicable, no later than seven (7) business days after the effective date of termination, removing any and all of Professional Corporation's and Physician's personal property, and MMC may remove and store, at Professional Corporation's expense, any personal property that Professional Corporation or Physician has not so removed;
- C. Professional Corporation and Physician shall immediately return to MMC all of MMC's property, including equipment, supplies, furniture, furnishings and patient records (subject to Section 11.2 [Records]), in Professional Corporation's or Physician's possession or under Professional Corporation's or Physician's control; and
- D. Neither Professional Corporation nor Physician shall do anything or cause any other person to do anything that interferes with MMC's efforts to engage any other person or entity for the provision of professional medical services, or interferes in any way with any relationship between MMC and any other person or entity who may be engaged to provide services to MMC.



- 6.4 Suspension.** MMC may suspend with pay Professional Corporation and Physician on written notice to Professional Corporation from performance of this Agreement if any matter or event described in Section 6.2.D. has occurred and is continuing, such suspension to extend only for such time as MMC may reasonably require to investigate such matter or event and determine whether it constitutes a basis for termination of this Agreement.
- 6.5 No Hearing Rights.** Expiration or termination of this Agreement for any reason shall not provide Physician with the right to a “fair hearing” or any other similar rights or procedures. Notwithstanding the foregoing, Physician shall be entitled to hearing rights in accordance with MMC policies and procedures in the event that any expiration or termination of this Agreement should result in a report being made concerning Physician to the Medical Board of California or the National Practitioner Data Bank.
- 6.6 Non-Renewal.** In the event that this Agreement is terminated pursuant to Section 6.2 (Termination) prior to the expiration of the term or any renewal term, the Parties shall not enter into any agreement between them for the same or substantially the same services for one (1) year after the termination.
- 6.7 Rights Upon Termination.** Upon any termination or expiration of this Agreement, all rights and obligations of the Parties shall cease except those rights and obligations that have accrued or expressly survive termination.
- 6.8 Survival.** The provisions of Sections 3.6 (Professional Liability Insurance), 5.1 (Assignment), 5.2 (MMC Responsibility), 6.5 (No Hearing Rights), 9.2 (Indemnification), 11.1 (No Sharing of Proprietary Information), 11.2 (Records), 11.3 (No Existing Obligations Preventing Agreement), 11.4 (Confidential Proprietary and Trade Secret Information of Others), 11.5 (Access to Records), 11.7 (Arbitration and Dispute Resolution), 11.9 (Attorneys’ Fees), 11.11 (Choice of Law), and 11.13 (Notices) shall survive the termination of this Agreement.

7. PROFESSIONAL STANDARDS

- 7.1 Licensure and Standards.** Physician shall:
- A.** Be licensed to practice medicine in the State of California without restriction;
 - B.** Be certified as a participating physician in the Medicare and Medi-Cal programs;
 - C.** Comply with all policies, bylaws, rules and regulations of MMC and its medical staff, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;
 - D.** Be a member in good standing of the medical staff of MMC;
 - E.** Participate in continuing education as necessary to maintain licensure and the current standard of practice; and



- F. Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission.

8. NON-PHYSICIAN PERSONNEL

All non-physician personnel required for the proper operation and conduct of Hospital, SNF, and Clinic shall be employed and paid by MMC, not physician. MMC shall establish and classify all non-physician positions and shall designate the persons assigned to each non-physician position. MMC shall retain Shared Decision-Making Authority with The Medical Executive Committee over selecting key administrative or non-physician positions. Relating to the performance of non-key administrative or non-physician personnel, MMC shall have Exclusive Decision-Making Authority to control, select, schedule and discharge such employees, and to take any direct disciplinary measures as needed.

9. RELATIONSHIP BETWEEN THE PARTIES

- 9.1 **No Control Over Methods, Medical Decision-making.** It is the intent of the Parties to comply with all applicable limitations imposed by California Business and Professions Code §§ 2052 and 2400 (commonly referred to as “the prohibition on the corporate practice of medicine”) (the “Prohibition”). MMC shall not have or exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement or Physician’s medical decision-making and, notwithstanding any other provision of this Agreement or otherwise, MMC shall cooperate with Physician to enable them to exert appropriate control over such methods and carryout such decision-making. All work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician’s professional specialty and in accordance with the standards set forth in this Agreement. The sole interest of MMC is to insure that such services are performed and rendered in a competent and cost effective manner.

10. PROGRAM ADMINISTRATION

- 10.1 **Medical Executive Committee.** Consistent with Medical Staff bylaws and hospital policy, the Medical Executive Committee is charged with oversight of the medical decision-making at MMC (“Medical Executive Committee”). If appointed to the Medical Executive Committee, Physician shall serve without additional compensation.
- 10.2 **Compliant Policies and Procedures.** MMC and the Medical Executive Committee shall develop policies and procedures to ensure compliance with the Prohibition, and the principles illustrated in **EXHIBIT E**. On request of the Medical Executive Committee, Physician shall attend meetings of the Medical Executive Committee and participate in the Medical Executive Committee’s activities.
- 10.3 **Operational Guidelines.** The Hospital, SNF and Clinic shall be operated according to current policies, procedures and guidelines. The Parties acknowledge that MMC shall have



Consultative Decision-Making Authority (with the Medical Executive Committee) to amend such policies, procedures and guidelines may be amended by MMC, at any time in order to accommodate the patient or business needs of the Hospital, SNF and Clinic.

- 10.4 Standards of Conduct.** Physician shall abide by MMC's Standards of Conduct in the Medical Executive Committee's bylaws. MMC shall have Consultative Decision-Making Authority (with the Medical Executive Committee) to amend the Standards of Conduct from time to time.

11. GENERAL PROVISIONS

- 11.1 No Sharing of Proprietary Information.** MMC and Professional Corporation and Physician mutually acknowledge that they or their agents may obtain or have access to certain information that is confidential, including but not limited to patient information, medical records, confidential financial, operational, business and planning information, Hospital, SNF and Clinic procedures and manuals, know-how, and trade secrets (the "Proprietary Information") whether such information is disclosed orally, visually, or in writing, and whether or not bearing any legend or marking indicating that such information or data is confidential or proprietary. Professional Corporation and Physician shall keep such Proprietary Information confidential and shall not directly or indirectly disclose such Proprietary Information to a third party, except as required to perform their obligations hereunder, or as required by law, or with the prior written consent of MMC. The foregoing sentence shall not apply to information:
- A.** Provided to voluntary accreditation agencies, government agencies, or third party payers as required by law or consented to by MMC;
 - B.** Reasonably required by other health care providers involved in a particular patient's case;
 - C.** Which Physician can show was known to Professional Corporation or Physicians prior to disclosure by MMC; or
 - D.** Which is or becomes public knowledge through no fault of Professional Corporation or Physician. Neither Professional Corporation nor Physician shall use any Proprietary Information in a manner adverse to the interests of MMC and recognizes MMC's right to obtain judicial relief, including injunctive relief and damages, for any violation of this provision.

Professional Corporation and Physician shall return to MMC all Proprietary Information and all copies thereof, in their or their employee's or contractor's possession or control and permanently erase all electronic copies of such Proprietary Information promptly upon the written request of MMC, or the termination or expiration of this Agreement, which obligation shall override any conflicting obligation to maintain records or documents under this Agreement to the extent such records or documents contain Proprietary Information. Physician shall not copy, duplicate or reproduce any Proprietary Information without the prior written consent of MMC or as otherwise permitted under this Agreement.



- 11.2 Records.** All files, charts and records, medical or otherwise, generated by Physician or any other medical professional in connection with services furnished pursuant to this Agreement are the property of MMC. Physician shall maintain medical records according to MMC policies and procedures and in accordance with community standards, provided that, through such policies and procedures, MMC exercises no control or direction over Physician's clinical decisions. Each Party shall retain the confidentiality of all records and materials in accordance with all applicable state and federal laws. MMC shall permit Physician to have access during or after the term of this Agreement to medical records generated by Physician as necessary in connection with claims, litigation, investigations or treatment of patients. Such obligation shall only extend for the period of time that MMC normally retains such records. Physician shall be entitled to maintain and utilize such medical records in Physician's provision of patient care to those patients of the Clinic who authorize MMC to provide a copy to Physician. MMC shall provide such copies on receipt of written authorization in accordance with MMC's applicable procedures and upon receipt of payment, all in accordance with Civil Code Section 123110.
- 11.3 No Existing Obligations Preventing Agreement.** Professional Corporation and Physician represent and acknowledge that neither Professional Corporation nor Physician is under any obligation (whether contractual or otherwise) to any former employer or third party that would prevent Professional Corporation or Physician from performing the services contemplated under this Agreement and otherwise to satisfy all of Professional Corporation's or Physician's duties and obligations hereunder. Professional Corporation agrees to defend and indemnify MMC for all costs, expenses, demands and judgments that may occur as a result of Professional Corporation's or Physician's breach of this Section 11.3 (No Existing Obligations Preventing Agreement).
- 11.4 Confidential Proprietary and Trade Secret Information of Others.** Professional Corporation and Physician each represent that Physician has disclosed to MMC any agreement to which Professional Corporation or Physician is or has been a party regarding the confidential information or trade secrets of others and Professional Corporation and Physician understand that performance of services under this Agreement will not require Professional Corporation Physician to breach any such agreement. Neither Professional Corporation nor Physician shall disclose protected confidential information or trade secrets of third parties to MMC nor induce MMC to use any such protected confidential information or trade secrets received from another under an agreement or understanding prohibiting such use or disclosure.
- 11.5 Access to Records.** To the extent required by Section 1861(v)(1)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that section, Professional Corporation and Physician agree to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Professional Corporation and Physician to the extent that such books, documents and records are necessary to certify the nature and extent of MMC's costs for services provided by Professional Corporation.



Professional Corporation and Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of Professional Corporation's or Physician's duties under this Agreement at a cost of ten thousand dollars (\$10,000) or more over a twelve (12) month period, and if that subcontractor is affiliated with or related to Professional Corporation or Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Professional Corporation and Physician pursuant to this Agreement. If Professional Corporation or Physician is requested to disclose books, documents or records pursuant to this Section 11.5 (Access to Records) for purposes of an audit, Professional Corporation shall notify MMC of the nature and scope of such request, and shall make available, upon written request of MMC, all such books, documents or records.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Professional Corporation under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements of those provisions are reduced or eliminated, the obligations of the Parties under this section shall likewise be reduced or eliminated.

- 11.6 Amendment.** This Agreement may be amended at any time by mutual agreement of the Parties, but any such amendment must be in writing, dated, signed by the Parties and attached hereto. Notwithstanding the foregoing, in the event MMC intends to seek tax-exempt financing, Professional Corporation and Physician agree to amend this Agreement as may be necessary for MMC to obtain such financing.
- 11.7 Arbitration and Dispute Resolution.**
- A. Non-Medical Disagreements.** In the event that disagreements arise between the Parties concerning performance under this Agreement, or on other matters, such disagreements will be discussed with the Chief Executive Officer of MMC.
 - B. Medical Disagreement.** Any questions or disagreements concerning standards of professional practice or the medical aspects of the service furnished in the Hospital, SNF, and Clinic shall be resolved by the Medical Staff.
 - C. Arbitration.** Following exhaustion of all dispute resolution procedures provided for under the terms of this Agreement, the Parties shall submit such disputes to binding arbitration in accordance with the applicable arbitration rules of the American Arbitration Association. The proceeding shall be held in Modoc County.
- 11.8 Assignment.** Professional Corporation shall not assign, sell, transfer or delegate any of Professional Corporation's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of MMC.



- 11.9 Attorneys' Fees.** If any legal action or other proceeding is commenced which is related to this Agreement, the losing Party shall pay the prevailing Party's reasonable attorneys' fees and expenses incurred in the preparation for, conduct of or appeal or enforcement of judgment from the proceeding. The phrase "prevailing Party" shall mean the Party who is determined in the proceeding to have prevailed or who prevails by dismissal, default, settlement or otherwise.
- 11.10 Captions.** The captions used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 11.11 Choice of Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.
- 11.12 Exhibits.** All Exhibits attached and referred to herein are fully incorporated by this reference.
- 11.13 Notices.** All notices or other communications under this Agreement shall be sent to the Parties at the addresses set forth on the signature page of this Agreement or such other address as a Party provides pursuant to notice. Notices given by mail deposited in a mail facility located in Modoc County shall be deemed received two (2) business days after mailing.
- 11.14 Prior or Other Agreements.** This Agreement represents the entire understanding and agreement of the Parties as to those matters contained in it. No other oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement, unless attached to this Agreement as an exhibit or subsequent amendment.
- 11.15 Referrals.** This Agreement does not create any obligation or requirement that MMC shall make any referral of patients to Professional Corporation or Physician and/or Professional Corporation or Physician shall make any referral of patients to MMC. The payment of compensation hereunder is not based or conditioned in any way on referrals of patients to MMC, Hospital, SNF Clinic or any other entity.
- 11.16 Severability.** If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the Parties.
- 11.17 Waiver.** No waiver of any provision of this Agreement shall be effective against either Party unless it is in writing and signed by the Party granting the waiver. The failure by either Party to exercise any rights under this section shall not operate as a waiver of such rights.
- 11.18 Authority and Execution.** By their signature below, each of the Parties represents that it has the authority to execute this Agreement and does hereby bind the Party on whose behalf the execution is made.
- 11.19 Independent Representation.** Each Party has had the opportunity to be represented by and to have this Agreement reviewed by its own separate legal, accounting, and tax



counsel. The Parties to this Agreement have been represented by separate independent legal, accounting and tax counsel. Each Party has looked to such independent counsel representing that Party for advice regarding this Agreement. No Party makes or represents to the other any representation of law or fact except as specifically provided in this Agreement.

- 11.20 Other Agreements.** This Agreement may be one of other agreements between MMC and Professional Corporation or Physician or an immediate family member of Physician. MMC maintains a master list of such agreements, together with true and complete copies of such agreements, that is available for review by the Secretary of the Department of Health and Human Services in accordance with the requirements of 42 CFR § 411.357(d)(1)(ii).
- 11.21 Effective Date.** The “Effective Date” as used in this Agreement means such specified on the signature page(s) hereof.
- 11.22 Counterparts.** This Agreement may be executed in multiple counterparts, each of which together shall be deemed one and the same instrument.

[Signature Page Follows]



SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Agreement as of April 1, 2023 (the “Effective Date”).

“MMC”

Modoc Medical Center

“PROFESSIONAL CORPORATION”

Edward P. Richert, MD, Inc.

By:

Kevin Kramer

Its:

Chief Executive Officer

By:

Edward P. Richert, M.D.

Its:

President

Date:

Date:

Address for Notices:

**Administration
Modoc Medical Center
PO Box 190
Alturas, CA 96101**

Address for Notices:

**Edward P. Richert, M.D.
Edward P. Richert, M.D., Inc.
710 East 5th Street
Alturas, CA 96101**

Joinder of Physician

Physician hereby joins in this Agreement for the purpose of acknowledging receipt of a true and complete copy of this Agreement and to signify Physician’s agreement to abide by and be bound by the provisions of this Agreement applicable to Physician.

Edward P. Richert, M.D.



EXHIBIT A

LOCATIONS

Modoc Medical Center Family Practice Clinic

1111 N. Nagle Street

Alturas, CA 96101

Warnerview Convalescent Hospital

225 W. McDowell Avenue

Alturas, CA 96101

Modoc Medical Center

1111 N. Nagle Street

Alturas, CA 96101

Home Visits that are billed under MMC's NPI number thereby having rights to charges billed.

Other hospitals as a means of enhancing skillsets or proctoring that are billed under MMC's NPI number.



EXHIBIT B

FURTHER DESCRIPTION OF SERVICES

Physician shall:

- A.** Participate in utilization review program as reasonably requested by Hospital;
- B.** Participate in risk management and quality assurance programs as reasonably requested by Hospital;
- C.** Assist Hospital management with preparation for and conduct of any inspections and onsite surveys of Hospital conducted by government agencies or accrediting organizations, as reasonably requested by Hospital;
- D.** Cooperate with Hospital in all litigation matters affecting Physician or Hospital, consistent with advice from Physician's legal counsel;
- E.** Share supervision of all staff nurse practitioners and physician assistants while providing professional services according to the requirements set by the State of California;
- F.** Serve as Medical Director of the Skilled Nursing Facility (SNF);
- G.** Participate in long term planning of Modoc Medical Center to ensure the needs of the community's health are being met;
- H.** Participate with Administration and other physicians and mid-level practitioners in developing and updating any Physician and Nurse Practitioner practice agreements. This will facilitate coordination between participating physicians, mid-level practitioners, and Hospital staff to better delineate shared medical practice responsibilities;
- I.** Actively participate on various committees and advisory organizations in compliance with the bylaws, guidelines, policies, and rules of the Medical Staff.
- J.** Supply medical services at the SNF and Clinic as needed. SNF services are to be shared evenly among the physicians working at the clinic at any given time and are supplementary to hospitalist coverage which is provided by midlevel providers.



EXHIBIT C

EXCEPTIONS TO EXCLUSIVITY OF SERVICES

County Medical Officer. Physician holds position of Medical Officer for the County of Modoc. Administration acknowledges this exception to exclusive services to Modoc Medical Center and concedes so long as the appointment does not interfere with the provisions of services to be provided in this Agreement.



EXHIBIT D

HOURS OF SERVICE; COMPENSATION AND BENEFITS

- A. **Hours of Service.** Physician shall provide Professional Services to Hospital, SNF, and Clinic patients and residents a minimum of 25 hours per week in a SNF, clinic, or hospital setting. Physician shall provide any necessary on-call coverage for SNF and clinic. Physician shall provide a schedule of availability of professional service coverage 30 days prior to the beginning of each month. Physician will provide 47-weeks of service under this contract. Time away will be coordinated with office staff to provide necessary coverage during Physician's absence.
- B. **Base Compensation.** The annual base compensation will be \$154,500.00. Payments will be paid by MMC in monthly installments of \$12,875.00. Physician shall submit invoice for services by the 15th of the current month. The invoice will be paid by the last day of the month for which services are delivered.
- C. **Extra ½ Day Compensation.** In addition to the base compensation listed above if Physician is asked to work extra ½ days during the course of this contract, Physician will be reimbursed at a rate of \$657.45 per ½ day of work provided in excess of the contracted amount of hours in this agreement.
- D. **Form 1099.** Compensation to Physician shall be reported on IRS form 1099.
- E. **Benefits.** Physician shall not be entitled to benefits in accordance with standard practices applied to independent contractors.
- F. **Continued Medical Education.** Physician shall not be entitled to reimbursement of CME expenses and is required to utilize time outside of the required 47 weeks of provided service for this contract period.
- G. **Clinic On-Call Coverage.** Physician shall be paid a stipend of \$300 per week that Physician provides on-call coverage for the clinic after hours call service.

EXHIBIT E

DECISION-MAKING GUIDANCE

This Agreement contains provisions conferring decision-making authority on the Parties. In order that the relationship created and implemented pursuant to this Agreement complies with the California prohibition against the corporate practice of medicine, certain decisions are listed as requiring, the Parties have adopted the following principles:

Exclusive Decision-Making Authority: The Party with “Exclusive Decision-Making Authority” has no obligation to consult with the other, even on an informal basis.

Consultative Decision-Making Authority: The Party with “Consultative Authority” is encouraged to informally seek input from the other; nevertheless such Party retains final decision-making authority.

Shared Decision-Making Authority: The Party with “Shared Decision-Making Authority” over a particular decision retains the power to make the final decision, however such Party shall seek a recommendation from the other through a formal process.

Joint Approval: A decision requiring “Joint Approval” requires both Parties to agree upon formal consultation.

The following table sets forth guidance to interpreting the Parties’ respective decision-making authority in the context of this Agreement.

Practicing Physicians Make Ultimate Decision			Neither Party May Solely Make Ultimate Decision	Lay Entity Makes Ultimate Decision		
No Duty to Consult	Informal Advice	Formal Recommendation	Formal Consultation and Agreement	Formal Recommendation	Informal Advice	No duty to Consult
↓ Exclusive	↓ Consultative	↓ Shared	↓ Joint	↓ Shared	↓ Consultative	↓ Exclusive
<ul style="list-style-type: none"> • Setting purely medical practice policies • What conditions can be referred to another physician specialist • What diagnostic tests are 	<ul style="list-style-type: none"> • Practice parameters • Making treatment decisions that involve bioethical issues • Credentialing for specific procedure: establishing 	<ul style="list-style-type: none"> • Establishing bioethics policies • *Credentialing-establishing the standards • *Credentialing-acting on an individual application • *Developing a UR & QA plan • Implementing a UR & QA plan • Enforcing the UR & QA plan (except termination) 	<ul style="list-style-type: none"> • How many hours a physician should work • Non-clinical decisions concerning medical records • Level and scope of malpractice coverage • *Whether and when to utilize limited license practitioners • Selecting independent LLPs 	<ul style="list-style-type: none"> • Approving annual budget • Contractual relationships with third-party payors • Types of technology which should be employed 	<ul style="list-style-type: none"> • Coding and billing procedures • Controlling administrative data 	<ul style="list-style-type: none"> • Compensation for allied health and lay staff • Selecting purely administrative staff that do not hold key positions

Practicing Physicians Make Ultimate Decision			Neither Party May Solely Make Ultimate Decision	Lay Entity Makes Ultimate Decision		
No Duty to Consult	Informal Advice	Formal Recommendation	Formal Consultation and Agreement	Formal Recommendation	Informal Advice	No duty to Consult
↓ Exclusive	↓ Consultative	↓ Shared	↓ Joint	↓ Shared	↓ Consultative	↓ Exclusive
<p>appropriate for a particular condition</p> <ul style="list-style-type: none"> • What gets included in a particular patient's medical records • Whether a particular patient visit requires a particular billing code • Communications of a purely clinical nature with patient • Determination as to whether an emergency medical condition exists • Which CME courses should be taken • To whom a physician can refer 	<p>general standards and as applied to individuals</p> <ul style="list-style-type: none"> • Handling impaired physicians • Terminating physicians from practice arrangements on discretionary grounds, i.e., quality of care and business concerns, failure to comply with UR procedures, "without cause" 	<ul style="list-style-type: none"> • Developing drug formularies • Selecting key administrative-medical officers • *How many patients a physician should see • Controlling medical data 	<p>and "physician extenders"</p> <ul style="list-style-type: none"> • Settling cases for all parties named • Marketing • Establishing grievance policies 	<ul style="list-style-type: none"> • Selecting key administrative positions • Purchasing, replacing and repairing equipment • *How much patients should pay 		
				<p>*Note: In these "shared" decisions, approval of the recommendations must not be withheld absent convincing justification transmitted in writing.</p>		



EXHIBIT F

PROFESSIONAL LIABILITY INSURANCE ALTERNATE PROVISIONS

No alternate provisions are noted at this time.

ATTACHMENT H

EMPLOYEE DISCOUNT PROGRAM FOR BOARD MEMBERS

Memorandum

VIA E-MAIL

To: Kevin Kramer, Chief Executive Officer
Modoc Medical Center
File No.: 38190.00001

From: Alison S. Bassett, Esq.

Date: March 20, 2023

Re: Application of the Employee Discount Policy to District Board Members

QUESTIONS PRESENTED

Can the District's Board members participate in the District's Employee Discount Policy? More specifically, can the District's waiver of employee cost-sharing amounts (e.g., co-pays or deductibles) extend to its Board members?

SHORT ANSWER

No. Absent a determination of financial hardship, the waiver of cost-sharing amounts for Board members who receive services at Modoc Medical Center may violate federal and state fraud and abuse laws and/or third party payor contracts. The federal Anti-Kickback Statute "bona fide employee safe harbor" does not apply because the District's Board members are not in a bona fide employment relationship with the District and, thus, are not covered by the safe harbor.

ANALYSIS

The federal Anti-Kickback Statute is a criminal and civil statute that prohibits any person from knowingly and willfully paying, offering, soliciting or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, in exchange for or to induce the referral of any item or service covered by a federal health care program, or in exchange for arranging for or recommending purchasing, leasing or ordering any good, facility, service or item covered by a federal health care program, including Medicare and Medicaid.

The routine waiver of copays, coinsurance or deductibles can be problematic for Medicare patients as well as patients covered by a third party payor plan. The concern is that if patient discounts are unrelated to financial need, they could be viewed by regulators as an illegal

inducement under the federal Anti-Kickback Statute, especially if patients know that their bills will be written off for services not covered by their insurance. The U.S. Department of Health and Human Services Office of Inspector General has articulated an exception to the general prohibition against waiving Medicare cost-sharing amounts, but this exception requires a determination that the patient is in financial need or reasonable collection efforts have failed. The California Anti-Kickback Law (Cal. Bus. & Prof. Code section 650) is also implicated and is broader than the federal Anti-Kickback Statute, for it includes not only goods and services billed under Medicare and Medi-Cal, but also those billed under private insurer payor services and workers' compensation. In addition, and almost without exception, private insurers impose a contractual duty on providers to make a reasonable effort to collect applicable copayment amounts from patients.

The federal government adopted "safe harbors" to protect certain arrangements that might otherwise violate the Anti-Kickback Statute and subject the participants to potential civil and criminal liability. The "bona fide employee safe harbor" excepts from its reach "any amount paid by an employer to an employee (who has a bona fide employment relationship with such employer) for employment in the provision of covered items or services." See 42 U.S.C section 1320a – 7b(b)(3)(B) and 42 C.F.R section 1001.952(i). This safe harbor is used by some healthcare entities to support the practice of waiving co-pays and deductibles.

The employee safe harbor regulation defines the term "employee" pursuant to 26 U.S.C. section 3121(d)(2). Under this statute, an employee is any worker that satisfies the common law rules for establishing employer-employee relationship.

Factors for determining common law employees include employer control, supervision, and training of the employee. In addition, the courts have held that substance is more important than form, and that the following factors should be considered when analyzing if an individual or entity qualifies under the bona fide employee safe harbor:

- the hiring party's right to control the manner and means by which the product is accomplished;
- the skill required;
- the source of the instrumentalities and tools;
- the location of the work;
- the duration of the relationship between the parties;
- whether the hiring party has the right to assign additional projects to the hired party;
- the extent of the hired party's discretion over when and how long to work;
- the method of payment;
- the hired party's role in hiring and paying assistants;
- whether the work is part of the regular business of the hiring party;
- whether the hiring party is in business;
- the provision of employee benefits; and
- the tax treatment of the hired party.

No one factor is determinative – all of the incidents of the relationship must be assessed and weighed.

Here, the District arguably does not have sufficient control over the manner and means of the work performed by the Board members to characterize this as a bona fide employment relationship. Moreover, the Board members do not receive a stipend and, thus, are not issued a Form W-2 or a Form 1099-MISC. Board members who receive no remuneration for their services (other than meals, transportation, lodging or reimbursement for incidental expenses) are more properly classified as a volunteer of a public agency as opposed to an employee. See, e.g., California Labor Code section 3352(a)(9).

* * *