



NOTICE OF REGULAR MEETING OF THE BOARD OF DIRECTORS

MENDOCINO COAST HEALTH CARE DISTRICT

Thursday, October 24, 2024 - 6:00 PM

Redwoods Room, Adventist Health Mendocino Coast Hospital Campus
700 River Drive, Fort Bragg, CA.

Supporting documentation for this agenda is available on the website at:

<https://www.MendocinoChCd.gov>

Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the District at 707-937-3089 at least 72 hours prior to the meeting. The Board reserves the right to maintain meeting decorum, mute or remove a member of the public for inappropriate behavior which is disruptive. This Board Meeting is being held in person. Meeting attendees may also join virtually using the Zoom link below.

Join Zoom Meeting:

<https://zoom.us/j/92070818147?pwd=WpJZsmkmDbVDO8amvmQinCbNjlQjAl.1>

Meeting ID: 920 7081 8147

Passcode: 721036

CONDUCT OF BUSINESS

1. CALL MEETING TO ORDER

1a) Roll Call: Paul Garza Jr. (Chair), Paul Katzeff (Vice Chair), Susan Savage (Secretary), Sara Spring (Treasurer), Jan McGourty (Member).

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Members of the public are welcome to address the Board on items not listed on the agenda, but within the jurisdiction of the Board. Time is limited to 3 minutes per speaker with a 20-minute total time limit for all public comments. No action or discussion shall be taken on any item presented except that the Board may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters pertaining to the Board may be scheduled for discussion at a future meeting or referred to staff for clarification or a report, at the pleasure of the Board. If general public comment exceeds the 20 minute time limit, members of the public who have not had the opportunity to speak on items not on this agenda will have the opportunity to do so after the business on the agenda is concluded.



3. REPORTS

3a) Receive and file MCHCD Board Chair's Report - Paul Garza Jr.
Recommended Action: None. This item is for information only.

Attachments: *October 2024 Board Chair's Report.*

3b) Receive and file Check Register Report - 9/30/24; Actual vs. Budget Report - 9/30/24; Treasury Bill Inventory Portfolio - 9/30/24; and Summary of Cash Balances - 9/30/24, CFO Wayne Allen.

Recommended Action: None. This item is for information only.

Attachments: *Check Register Report - 9/30/24; Actual vs. Budget Report - 9/30/24; Treasury Bill Inventory Portfolio - 9/30/24; and Summary of Cash Balances - 9/30/24.*

3c) Receive Adventist Health Improvement Fund - Allocation Report for October 2024 - Judy Leach, President, and Peter Johnston, Facilities Manager, Adventist Health Mendocino Coast Hospital.

Recommended Action: Agendize this item for board consideration at the next board meeting.

Attachments: *AHMC - MCHCD Improvement Fund - Allocation Report for October 2024.pdf*

3d) Receive and file Agency Administrator's Report - Katharine Wylie.

Recommended Action: None. This item is for information only.

Attachments: *October 2024 Agency Administrator's Report.*

4. CONSENT CALENDAR

The Consent Calendar will be acted upon by the Board at one time without discussion. Any Board member may request that any item be removed from the Consent Calendar for individual consideration.

ITEMS RECOMMENDED FOR APPROVAL:

4a) Draft Minutes of the 9/26/2024 Regular Meeting; Draft Minutes of the 10/1/2024 Special Meeting; and Draft Minutes of the 10/17/2024 Special Meeting.

Attachments: *Draft 9/26/2024 Regular Meeting Minutes; Draft 10/1/2024 Special Meeting Minutes; and Draft 10/17/2024 Special Meeting Minutes.*

5. NEW BUSINESS

5a) Receive and consider approval of a contract with the Chartis Group, LLC, for Strategic & Operational Assessment services, Billy Balfour, the Chartis Group, LLC and Chair Garza.



Recommended Action: Approve contract for Strategic & Operational Assessment services with the Chartis Group, LLC.

Attachments: *Draft contract with the Chartis Group, LLC and the Chartis Group LLC Staff report.*

6. CLOSED SESSION

6a) Gov. Code §54956.8: Conference with Real Property Negotiators, 700 River Drive, Fort Bragg, Ca.
District Negotiators: Wayne Allen, Chief Restructuring Officer, MCHCD.
Negotiating party: Eric Stevens, President, Northern California Network, Adventist Health.

Under negotiation: Terms of the Lease Agreement, dated July 1, 2020.

6b) Report out from Closed Session.

7. COMMENTS FROM THE BOARD

8. ADJOURNMENT

The next Regular Meeting of the Board will be held on November 14, 2024, at 6:00 pm, at the Redwoods Room, 700 River Drive, Adventist Health Mendocino Coast Hospital, Fort Bragg, Ca.

Dated: October 21, 2024

Katharine D. Wylie

Katharine Wylie, MS Ed
Agency Administrator, MCHCD



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MENDOCINO COAST HEALTH CARE DISTRICT
775 RIVER DRIVE, FORT BRAGG 95437

MEMORANDUM

TO: MCHCD Board of Directors
FROM: Paul Garza, Jr.
DATE: October 24, 2024
SUBJECT: Monthly Report

CHAIR'S ADVISORY GROUP – HOSPITAL 2030

These meetings have been suspended for the time being because of the need to focus on the restructure negotiations. I am hopeful we will renew our work as soon as possible.

NEGOTIATIONS

There is very little to report as of this date (Monday, October 21). Adventist Health has not put anything in writing, as yet. They have mentioned wanting some 'minor changes' to our existing agreement. We anticipate more complete information in our session on Thursday morning. Director Katzeff has been included on the negotiating team. We will be following up each negotiating session with a special board meeting to confer on strategy and outcomes.

I much appreciate the many phone calls and emails I have received from the community. Please continue to communicate your concerns.

COMMUNICATIONS

Robin Serrahn, MD, Chief Medical Officer of our hospital, and I were interviewed on KZYX. Dr. Serrahn is also scheduling us for a presentation with his Shul. The Grass Roots Institute has also requested a presentation this coming Sunday from 3 to 5 PM at the Mendocino Community Center.

I am communicating with some of the key institutions in our area weekly. These include the County Supervisors, Fort Bragg City Manager, Fort Bragg Chief of Police, County Sheriff, the Fire Chiefs in our service area, the Fort Bragg and Mendocino School District Superintendents, the Mendocino Coast Clinic and the Mendocino Coast Healthcare Foundation.



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Mendocino Coast Health Care District			
Check Register- Month ended September 30, 2024			
Vendor	Date	Amount	Description
BETA Healthcare Group	9/6/2024	\$ 963.42	Monthly pymt- General Liab Insurance
CA Health Facilities Financing Authority	9/4/2024	\$ 13,802.02	Monthly pymt- HELP Loan
CBRE	9/6/2024	\$ 3,250.00	1/2 Deposit Fee for Clinic Appraisal
Devenney Group	9/6/2024	\$ 1,200.00	Seismic Engineering Services
K. McKee & Co, Inc.	9/3/2024	\$ 750.00	Monthly pymt- Contract Fee
K. McKee & Co, Inc.	9/3/2024	\$ 200.00	Monthly pymt- Software Fee
MCN	9/16/2024	\$ 94.23	Monthly pymt- Internet
Otilio Espinoza Services	9/26/2024	\$ 260.50	Trash Removal from Storage
Petrak & Associates	9/6/2024	\$ 937.50	Cost Report Audit Fees
Props & Measures	9/16/2024	\$ 4,500.00	Marketing, Research and Analysis
RWG Law	9/6/2024	\$ 1,842.50	Professional Legal Fees
Silverton Management Company	9/6/2024	\$ 3,000.00	Monthly Contract pymt- CFO Fees
The Bank of New York Mellon	9/3/2024	\$ 37,115.14	Monthly pymt- Revenue Bonds
	TOTAL	\$ 67,915.31	

MENDOCINO COAST HEALTH CARE DISTRICT
 FISCAL YEAR ENDING JUNE 30, 2025
 ACTUAL VS. BUDGET STATEMENT

OPERATIONS CHECKING ACCOUNT

	Three Months Ended Sept 30, 2024		
	Actual	Budget	(Over) Under
1. INCOME			
(a) Measure C Tax Revenue	110,095	387,501	277,406
(b) Property Tax Revenue	127,489	262,500	135,011
(c) AH Lease Revenue	875,000	875,000	0
(d) Investment Income	228,444	165,537	(62,907)
(e) Other Income	52,544	0	(52,544)
2. TOTAL INCOME	\$1,393,572	\$1,690,538	\$296,966

	Month Ended September 30, 2024		
	Actual	Budget	(Over) Under
(a) Measure C Tax Revenue	0	129,167	129,167
(b) Property Tax Revenue	0	87,500	87,500
(c) AH Lease Revenue	0	0	0
(d) Investment Income	16,336	55,179	38,843
(e) Other Income	52,115	0	(52,115)
2. TOTAL INCOME	\$68,451	\$271,846	\$203,395

3. EXPENSES- DISTRICT OPERATIONS

(a) Purchased Services- RGS Administrative	0	13,200	13,200
(b) Purchased Services- RGS Support Resources	0	2,083	2,083
(c) Projects/Consultants	8,950	4,167	(4,783)
(d) Community Organization & Outreach	0	4,167	4,167
(e) Communications Director	0	2,917	2,917
(f) Purchased Services- Audit	938	7,125	6,188
(g) Purchased Services- Legal	1,843	3,000	1,158
(h) Board Elections Fee	0	2,667	2,667
(i) Purchased Services- Financial Oversight	3,000	3,000	0
(j) Purchased Services- Bookkeeping	950	1,330	380
(k) Bond Trustee Fee	0	256	256
(l) Board Meetings & Postings	0	600	600
(m) Board Benefits	0	3,000	3,000
(n) Board Education	0	2,083	2,083
(o) Insurance (D & O and General Liability)	963	963	0
(p) Office Expenses (Supplies, Postage)	0	550	550
(q) Communication Expenses (Phone, Internet)	355	390	35
TOTAL- District Operating Expenses	\$16,998	\$51,498	\$34,500

4. RESTRICTED PAYMENTS

(A) Payments to Lease Improvements Fund	0	0	0
(B) Payments to BNY Revenue Bond Escrow	37,115	39,355	2,240
(C) Payments to HELP II Loan Amortization	13,802	13,802	0
TOTAL- Restricted Payments	\$50,917	\$53,157	\$2,240

5. TOTAL PAYMENTS

	\$1,387,357	\$1,454,303	\$57,986
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Mendocino Coast Health Care District
 Restricted Capital Fund
 Recap of Treasury Bill Inventory Portfolio (Current Holdings)
 Monthly Investment Board Report as of 09-30-2024

DESCRIPTION	PAR VALUE	PURCHASE PRICE	FOOTNOTE (A)		PURCHASE DATE	MATURITY DATE	INVESTMENT RATE %
			INVESTMENT INCOME	INVESTMENT INCOME			
8 WEEKS							
PURCHASE 1	\$1,000,000.00	\$991,864.44	\$8,135.56		08/06/24	10/01/24	5.346%
PURCHASE 2	\$2,000,000.00	\$1,984,055.56	\$15,944.44		08/27/24	10/22/24	5.238%
13 WEEKS							
PURCHASE 1	\$2,000,000.00	\$1,974,444.16	\$25,555.84		08/22/24	11/21/24	5.192%
PURCHASE 2	\$2,500,000.00	\$2,468,055.20	\$31,944.80		08/22/24	11/21/24	5.192%
PURCHASE 3	\$2,000,000.00	\$1,977,047.78	\$22,952.22		09/26/24	12/26/24	4.656%
17 WEEKS							
PURCHASE 1	\$2,700,000.00	\$2,655,553.49	\$44,446.51		08/20/24	12/17/24	5.134%
26 WEEKS							
PURCHASE 1	\$1,160,600.00	\$1,135,545.87	\$25,054.13		09/26/24	03/27/25	4.425%
TOTALS	\$13,360,600.00	\$13,186,566.50	\$174,033.50				

FOOTNOTE (A)

MATURITY MONTH	INVESTMENT INCOME
Jun-24	\$43,050.01
Jul-24	\$50,038.81
Aug-24	\$54,533.22
Sep-24	\$13,052.27
Sub Total	\$160,674.31

Mendocino Coast Health Care District
 Recap of Treasury Bill Inventory Portfolio (Matured)
 as of 09-30-2024

	PAR VALUE	PURCHASE PRICE	INVESTMENT INCOME	PURCHASE DATE	MATURITY DATE	INVESTMENT RATE %
4 WEEKS						
PURCHASE 1	\$3,000,000.00	\$2,987,691.66	\$12,308.34	05/07/24	06/04/24	5.370%
PURCHASE 2	\$2,500,000.00	\$2,489,752.78	\$10,247.22	05/14/24	06/11/24	5.365%
PURCHASE 3	\$4,000,000.00	\$3,983,604.44	\$16,395.56	05/21/24	06/18/24	5.365%
PURCHASE 4	\$1,000,000.00	\$995,901.11	\$4,098.89	05/28/24	06/25/24	5.365%
PURCHASE 5	\$3,043,000.00	\$3,030,527.08	\$12,472.92	06/11/24	07/09/24	5.365%
PURCHASE 6	\$2,700,000.00	\$2,688,933.00	\$11,067.00	06/11/24	07/09/24	5.365%
PURCHASE 7	\$2,500,000.00	\$2,489,772.23	\$10,227.77	06/18/24	07/16/24	5.355%
PURCHASE 8	\$4,000,000.00	\$3,983,728.88	\$16,271.12	06/25/24	07/23/24	5.324%
PURCHASE 9	\$1,000,000.00	\$995,901.11	\$4,098.89	07/02/24	07/30/24	5.365%
PURCHASE 10	\$3,093,000.00	\$3,080,322.13	\$12,677.87	07/16/24	08/13/24	5.365%
PURCHASE 11	\$2,700,000.00	\$2,688,933.00	\$11,067.00	07/16/24	08/13/24	5.365%
PURCHASE 12	\$2,500,000.00	\$2,489,752.78	\$10,247.22	07/23/24	08/20/24	5.365%
PURCHASE 13	\$4,000,000.00	\$3,983,557.76	\$16,442.24	07/30/24	08/27/24	5.381%
PURCHASE 14	\$1,198,000.00	\$1,193,098.85	\$4,901.15	08/20/24	09/17/24	5.355%
PURCHASE 15	\$2,000,000.00	\$1,991,848.88	\$8,151.12	08/27/24	09/24/24	5.335%
TOTALS	\$39,234,000.00	\$39,073,325.69	\$160,674.31			



Mendocino Coast Health Care District	
Summary of Cash Balances as of September 30, 2024	
Fiscal Year Ending June 30, 2025	
	9/30/2024
<u>Improvements & Measure C Fund:</u>	
Wells Fargo Bank- possession held by Adventist Health- Footnote 1	\$4,783,950
<u>Restricted Capital Fund:</u>	
Treasury Bills	\$13,186,567
<u>Operations Fund:</u>	
Tri Counties Bank	\$837,183
LAIF	\$610,919
TOTAL	<u>\$19,418,619</u>
Footnote 1: Currently being reconciled for recent AH CapEx purchases with supporting invoices.	



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**Mendocino Coast Health Care District
Adventist Health Mendocino Coast**

Approved MCHCD Expenditures

Presented to
MCHCD Board
10/24/2024



Priority October 2024	Sub	Capital Description	MCHCD Approved - Total	Capital in Progress YES/NO		Actual Estimated Cost - Q4 2024 and Q1 & Q2 2025	Notes on Prevailing Wage	Project planned Duration / Completion Date
Priority 1	4.24	Vacuum Pump Replacement	500,000	Yes	This mechanical equipment is EOL. The pump motors are drawing excessive electrical current. This puts a high load on the circuit breaker & distribution panel breaker. This has caused breaker failures resulting in a loss of Medical Vacuum. This high load also effects our Facility Breaker Coordination. We currently must have 17- Portable Suction Units that must remain onsite in the event of a system failure. Vacuum is a critical utility for Safe Patient Care. Rental of these units is expensive and should be limited. We hope to be able to retrofit the existing equipment. This is contingent on HCAi (the State) accepting this work as a repair. If we must do a HCAi permit and project, it could be >\$800k for a full replacement.	186,146	Needs to be updated to PW	6-8 weeks
Priority 2	1.3	Auto Transfer Switch - ED	1,700,000	Yes	This Switch Failed During the January 2024 Storm, A Temporary ATS Should be Installed As soon as Possible (Before November 2024) \$124,440.00 - Quote is well under the estimated cost however HCAi may require compliance with the current electrical code. If this happens we will likely have additional electrical retrofits to be compliant. The State found this necessary during the Main Hospital ATS Project.	252,440	Needs to be updated to PW	9 months
Priority 3	5.3	Two OR Rooms and Surgical Area Flooring Repairs	58,810	Yes	Infection control issues with cracked flooring and cleaning issues of damaged flooring.	58,810	Updated to PW	4-6 weeks
Priority 4	4.27	AHMC Lab Equipment Replacement	-	Yes	Clinical Lab Project to replace EOL Equipment, Bring Electrical Circuits into code requirement for the Lab, Bring HVAC airflow and cooling into Compliance	517,360	HCAi Project Cost, less Equipment \$ 343,815	Q2 2025
Priority 5	4.4	Auto Transfer Switch - Main	846,802	Yes	This historical project cannot be closed without additional work required by HCAi (The current state of the electrical circuit Breaker Coordination is not compliant) The state require 100% Coordination, we are 95%. The Vacuum Pump Electrical Service is undersized for the equipment installed. Replacement of the Pumps and control panel is required to reduce the loads. The project cannot be closed in compliance at this time.	98,315	Updated to PW	Q1 2025
Priority 6	5.6	Sterile Processing Dept. Renovation, (No Rental)	Needs Approval	Yes	Bring the CSS areas into compliance with Infection Control and Workflow requirements of a current OR	307,270	Updated to PW	Complete in 2025
Priority TJC		Fan coil replacement repair TJC finding airflow	Needs Approval	No	TJC Finding for Airflow	440,000	Updated to PW	Complete in 2025
Priority 7		Clinical Lab Equipment - Level 1 (Critical Instruments)	Needs Approval	No	Replace End of Life, High Maintenance cost Equipment	343,815	Equipment at Cost by AH	Complete in Q1 2025
Priority TJC		Door Replacement - Failed Exterior / Interior Damaged	Needs Approval	No	Ongoing Door replacements as identified during inspections, Staff entrance, Old OB as examples (TJC potential Finding)	110,000	TJC	6-10 weeks
Priority PS		Nurse Call System - Updates to integrate Beds "Alarms"	Needs Approval	No	Integrate bed alarms and nurse call for patient safety and fall prevention, existing panels will be upgraded (Patient Safety)	43,651	Patient Safety	4-6 weeks
Priority TJC		MedSurg - Pantry - Repairs	Needs Approval	No	Repair / replace casework and FFE to create a compliant space for food service (Infection Control, TJC Potential Finding)	55,000		8-10 weeks
Priority 1A		Electrical - Add outlets for Lab Refrigerators / Freezers	Needs Approval	No	Multiple pieces of Clinical Refrigeration Equipment single circuit breakers	110,000		4-6 weeks
Priority PS		CCTV System & Door Access "Security"	Needs Approval	No	Safety & Security of staff & patient (WPV Prevention, Overall Safety of the Facility)	59,892		Cameras Only

TJC = The Joint Commission
PS= Patient Safety

Total needed for approval to proceed October 2024

2,582,699



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To: MCHCD Board of Directors

From: Katharine Wylie, MS Ed.

Date: 10/24/2024

Subject: Agency Administrator's Report

Adventist Health Mendocino Coast Hospital 60-day Restructuring Notice

Press releases, a radio interview with Chair Garza, Director Katzeff, and Dr. Robin Serrahn, Chief Medical Officer - Adventist Health Mendocino Coast Hospital, as well as other information about the recent 60-day restructuring notice may be found at:

<https://www.mendocinohcd.gov/60-day-restructuring-notice-updates>.

Seismic Retrofit Extension

The seismic retrofit bill, AB 869 was signed by the Governor. The bill amends sections of the Health and Safety Code, extending the seismic retrofit deadline to 2033, among other changes. Dudley Campbell of the Devenney Group, recently reported on a modern hospital concept. A 15 minute Hospital modernization floor plan concept may be reviewed at: <https://www.mendocinohcd.gov/2030-hospital-concepts>. We continue to work with Adventist Health staff to understand medical insurance reimbursement rates for inpatient and outpatient services, and how they affect Adventist Health's ability to recover costs and maintain a sustainable business model. In the coming months the MCHCD Board will undergo a facility strategic planning process in order to engage the public in determining ongoing and future facilities management and modernization.

Community Resource Information

A Community Resource page - with links to Partnership Healthplan resources and a Community Resource Directory Service of the Mendocino County Library, are now both accessible through the district website:

<https://www.mendocinohcd.gov/community-resources-directory>

Board Member Handbook

Printed copies of the Board Policies and the newly-amended Board Bylaws have been made available to board members for their Board handbook. As this book is assembled, a digital version will be available online at the district's website:

<http://mendocinohcd.gov>



2024 LWV/MCHCD Board Candidate Forum

The League of Women Voters and the District co-hosted a local candidate forum on October 2, 2024, at Fort Bragg Town Hall. A video recording of the forum may be found at: <https://www.mendocinohcd.gov/candidate-profiles>.

Local Polling places - OPEN Election Day, Nov 5, 2024, 7am to 8pm:

C.V. STARR CENTER, 300 S Lincoln St – Fort Bragg

FB VETERANS MEMORIAL BLDG, 360 N. Harrison St – Fort Bragg

CASPAR COMMUNITY CENTER, 15051 Caspar Rd – Caspar

MENDOCINO FIRE – MEETING ROOM, 44700 Little Lake Rd – Mendocino

LITTLE RIVER INN- ABALONE ROOM, 7901 Hwy 1 – Little River

Official Ballot Drop Box Locations – until 8pm November 5, 2024

CITY OF FORT BRAGG by front door 416 N Franklin St – Fort Bragg

CITY OF POINT ARENA 451 School St – Point Arena

My focus on the management of this district continues to be:

- ⇒ Fiscal Responsibility and Transparency for the District Residents
- ⇒ Facilities Maintenance and Planning
- ⇒ Community Engagement
- ⇒ Compliance



REGULAR MEETING OF THE BOARD OF DIRECTORS
MENDOCINO COAST HEALTH CARE DISTRICT
MINUTES

Thursday, September 26, 2024, at 6:00 PM
Redwoods Room, Adventist Health Mendocino Coast Hospital Campus
700 River Drive, Fort Bragg, CA.

CONDUCT OF BUSINESS

1. CALL THE MEETING TO ORDER

Chair Garza called the meeting to order at 6:01 p.m.

This meeting was held in-person and by teleconference in accordance to the Brown Act.

Directors Present:	Chair Paul Garza, Jr.	Vice Chair Paul Katzeff
	Secretary Susan Savage	Treasurer Sara Spring
	Jan McGourty	

A quorum of the Board was present.

Management Team:	Agency Administrator Katharine Wylie
	Chief Financial Officer Wayne Allen
	District Legal Counsel Craig Steele
	Clerk of the Board Norma I. Alley, MMC

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Chair Garza called for public comment.

Malcolm Macdonald spoke on public comment opportunity on agendas and election endorsements.

Seeing no further comment, Chair Garza closed public comment.

3. REPORTS

3a) Receive and file MCHCD Board Chair's Report

Chair Garza reported on his written report and fielded inquiry from the Board.

Treasurer Spring requested a discussion on Measure C funds on a future agenda. Chair Garza directed staff to add a discussion item to a future agenda.

3b) Receive Mendocino Coast Healthcare Foundation

There was no report from the Mendocino Coast Healthcare Foundation.

3c) Receive and file Adventist Health Monthly Report

Adventist Health Mendocino Coast Hospital President Judy Leach and Facilities Manager Peter Johnston presented on general hospital matters pertaining to the District and fielded inquiry from the Board. President Leach introduced Physician Department Chief of Staff Dr. Robin Serrahn and General Surgeon Dr. Mauricio Heilbron.

3d) Receive and file Traditional Medicine Symposium Report

Vice Chair Katzeff reported on the symposium.

3e) Receive and file Agency Administrator's Report

Agency Administrator Wylie reported on her written report and provided updates on general matters of the District and fielded inquiry from the Board.

Chair Garza called for public comment on all reports provided.

Malcolm Macdonald provided general comments regarding reports provided.

Seeing no further comments, Chair Garza closed public comment.

4. CONSENT CALENDAR

There was a request to consider items separately.

4a) Draft Minutes of the 8/22/2024 Regular Meeting

Chair Garza called for public comment.

Malcolm Macdonald provided general comments regarding the agenda item.

Seeing no further comment, Chair Garza closed public comment.

Treasurer Spring requested the minutes be amended to include the pending litigation case heard during Closed Session.

Motion: Director McGourty made a motion to approve the August 22, 2024, minutes, as amended. Motion was seconded by Treasurer Spring. The motion was approved by a 5 Yes/0 No vote.

4b) Draft Minutes of the 9/9/2024 Regular Meeting

Treasurer Spring requested an amendment to remove requesting approval for her participating via teleconference.

Secretary Savage requested an amendment of striking “due to the Special Meeting” under Public Comment.

Motion: Secretary Savage made a motion to approve the September 9, 2024, minutes, as amended. Motion was seconded by Director McGourty. The motion was approved by a 5 Yes/0 No vote.

4c) MCHCD/LWV Candidate Forum, held in conjunction with the non-partisan Mendocino County League of Women Voters, on October 2, 2024, at Fort Bragg Town Hall, 6:00-7:30 pm.

Treasurer Spring expressed concern supporting the event.

General discussion ensued amongst the Board regarding the Forum location and the District financially supporting the event.

Motion: Chair Garza made a motion to approve financial support of facility rental costs. Motion was seconded by Vice Chair Katzeff. The motion was approved by a 5 Yes/0 No vote.

4d) Letter of Support to Governor Newsom, AB869

Motion: Secretary Savage made a motion to send a letter of support. Motion was seconded by Director McGourty. The motion was approved by a 5 Yes/0 No vote.

Chair Garza called a recess at 8:07 p.m. The meeting reconvened at 8:12 p.m.

5. NEW BUSINESS

5a) Receive and consider adoption of the Board Bylaws amendments

Secretary Savage and Director McGourty summarized the agenda report and fielded inquiry from the Board.

Chair Garza called for public comment.

Malcolm Macdonald provided general comments regarding the agenda item.

Seeing no further comment, Chair Garza closed public comment.

General discussion ensued amongst the Board regarding term of office and when service would end. District Legal Counsel Steele clarified stating Board Members serve until their successor is elected and seated into office.

Motion: Secretary Savage made a motion to approve the Bylaws. Motion was seconded by Director McGourty. The motion was approved by a 5 Yes/0 No vote.

5b) Receive and consider Board Travel and Reimbursement Policy

Secretary Savage and Director McGourty summarized the agenda report and fielded inquiry from the Board.

Chair Garza called for public comment. Seeing no one come forward, Chair Garza closed public comment.

General discussion ensued regarding the daily maximum amount allowable for reimbursement.

Motion: Secretary Savage made a motion to approve the policy with the additional language noting while traveling for District business, the maximum daily meal reimbursement will be \$80 per person per day and omit the starred examples. Motion was seconded by Treasurer Spring. The motion was approved by a 3 Yes/2 No (Garza/McGourty) vote.

5c) Consider a change of date in the Regular meeting calendar for October 2024

Agency Administrator Wylie provided a brief report.

Chair Garza called for public comment. Seeing no one come forward, Chair Garza closed public comment.

Motion: Treasurer Spring made a motion to approve changing the Regular Meeting to October 24, 2024. Motion was seconded by Secretary Savage. The motion was approved by a 5 Yes/0 No vote.

Chair Garza asked the Board if there were any objections to combining Items 5d, 5e, 5f, 5g. Seeing no objections the four items were collectively.

5d) Receive Check Register Report, as of 8/31/24, CFO Wayne Allen.

5e) Receive Actual vs. Budget Report, as of 8/31/24, CFO Wayne Allen.

5f) Receive Treasury Bill Inventory Portfolio as of 8/31/24, CFO Wayne Allen.

5g) Receive Summary of Cash Balances as of 8/31/24

Chief Financial Officer Allen reported on the District's financial matters and fielded inquiry from the Board.

Chair Garza called for public comment.

Malcolm Macdonald provided general comments regarding the agenda item.

Terry Ramos provided general comments regarding the agenda item.

Adventist Health Mendocino Coast Hospital President Judy Leach provided general comments regarding the agenda item.

Adventist Health Mendocino Coast Hospital Facilities Manager Peter Johnston provided general comments regarding the agenda item.

Linda Williams provided general comments regarding the agenda item.

Seeing no further comment, Chair Garza closed public comment.

6. CLOSED SESSION

6a) Gov. Code §54956.8: Conference with Real Property Negotiators, 721 River Drive, Fort Bragg. Ca.
District Negotiators: Appointed District ad hoc Subcommittee and legal counsel Negotiating parties: GL Bruno, Agent,
Mendocino Coast Medical Plaza, LLC.

Under negotiation: price and terms of payment of possible purchase.

Chair Garza called for public comment.

Adventist Health Mendocino Coast Hospital President Judy Leach provided general comments regarding the agenda item.

Seeing no further comment, Chair Garza closed public comment.

District Legal Counsel led the Board into Closed Session at 9:38 p.m.

The Closed Session adjourned and the Regular Meeting reconvened at 9:58 p.m.

6b) Report out from Closed Session

Chair Garza reported there was no reportable action.

7. COMMENTS FROM THE BOARD

There were no comments from the Board.

8. ADJOURNMENT

Seeing no further business, Chair Garza adjourned the meeting at 10:00 p.m.

Respectfully Submitted,

Norma I. Alley, MMC, Clerk of the Board



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MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

MENDOCINO COAST HEALTH CARE DISTRICT

Tuesday, October 1, 2024 - 1:00 PM

Redwoods Room, Adventist Health Mendocino Coast Hospital Campus,
700 River Drive, Fort Bragg, CA.

1. CALL THE MEETING TO ORDER

Chair Garza called the meeting to order at 3:03 pm. The meeting was held in person and via zoom, in accordance with the Brown Act.

Directors Present: Chair Paul Garza, Jr. Vice Chair Paul Katzeff
 Secretary Susan Savage Treasurer Sara Spring
 Jan McGourty (participated via teleconference)

A quorum of the Board was present.

Director McGourty requested the Board accept her participation by teleconference for just cause in accordance with AB2449. By consensus, the Board accepted Director McGourty's request to participate in the meeting by teleconference.

Management Team: Agency Administrator Katharine Wylie
 Chief Financial Officer Wayne Allen
 Board Counsel Craig Steele

2. PUBLIC COMMENT FOR ITEMS ON THE AGENDA

Malcolm Macdonald commented on the order of agenda items.

3. CLOSED SESSION

3a) The Board convened in closed session, per Gov. Code §54956.8: Conference with Real Property Negotiators, 700 River Drive, Fort Bragg, Ca.

District Negotiators: District *ad hoc* subcommittee and legal counsel

Negotiating party: Eric Stevens, President, Northern California Network, Adventist Health.

Under negotiation: Terms of the Lease Agreement, dated July 1, 2020.

3b) There was no reportable action taken in the closed session. Chair Garza read a statement to the public.



4. REGULAR CALENDAR

4a) The item to Consider the appointment of an ad hoc negotiation team for Lease Agreement Restructuring was tabled to a future meeting date.

4b) By a vote of 5:0, the Board approved a contract amendment for Silverton Management Services, LLC.

Linda Williams spoke in favor of the contract amendment.

5. ADJOURNMENT

Seeing no further business, Chair Garza adjourned the meeting at 1:42 pm.

Dated: October 2, 2024

Katharine D. Wylie, MS Ed.
Agency Administrator
Mendocino Coast Health Care District



MINUTES of a SPECIAL MEETING OF THE BOARD OF DIRECTORS

MENDOCINO COAST HEALTH CARE DISTRICT

Thursday, October 17, 2024 - 1:00 PM

Redwoods Room, Adventist Health Mendocino Coast Hospital Campus,
700 River Drive, Fort Bragg, CA.

1. CALL THE MEETING TO ORDER

Chair Garza called the meeting to order at 1:01 pm. The meeting was held in person and via zoom, in accordance with the Brown Act.

Directors Present: Chair Paul Garza, Jr. Jan McGourty
 Secretary Susan Savage Treasurer Sara Spring

Director Katzeff was absent.

A quorum of the Board was present.

Management Team: Agency Administrator Katharine Wylie
 Chief Financial Officer Wayne Allen
 Board Counsel Craig Steele

2. PUBLIC COMMENT FOR ITEMS ON THE AGENDA

Malcolm Macdonald commented on public comment opportunity on agendas and closed session considerations.

3. CLOSED SESSION

3a) The Board convened in closed session, per Gov. Code §54956.8: Conference with Real Property Negotiators, 700 River Drive, Fort Bragg. Ca.

District Negotiators: Wayne Allen, Chief Restructuring Officer, MCHCD.

Negotiating party: Eric Stevens, President, Northern California Network, Adventist Health.

Under negotiation: Terms of the Lease Agreement, dated July 1, 2020.

Director Katzeff joined the meeting at 1:30 p.m.

3b) The Board convened in closed session, per Gov. Code §54956.8: Conference with Real Property Negotiators,

721 River Drive, Fort Bragg. Ca.

District Negotiators: Appointed District *ad hoc* Subcommittee and legal counsel.

Negotiating parties: GL Bruno, Agent, Mendocino Coast Medical Plaza, LLC.

Under negotiation: price and terms of payment for possible purchase.



3c) There was no reportable action taken in the closed session.

4. REGULAR CALENDAR

4a) By unanimous consent, the board tabled consideration of a contract with The Chartis Group, LLC, for Strategic & Operational Assessment services, to the October 24, 2024 Regular Board meeting.

Linda Williams commented on the contract.

5. ADJOURNMENT

Seeing no further business, Chair Garza entertained a motion to adjourn the meeting at 2:54 pm. It failed by a vote of 2 Ayes (Garza and McGourty) - 3 Noes (Spring, Savage and Katzeff). Chair Garza handed the gavel to Vice-Chair Katzeff, who entertained a comment from Malcolm Macdonald.

Vice-Chair Katzeff adjourned the meeting at 2:58 pm.

The next Regular Meeting of the Board will be held on October 24, 2024, at 6:00 pm, at the Redwoods Room, 700 River Drive, Adventist Health Mendocino Coast Hospital, Fort Bragg, Ca.

Dated: October 17, 2024

Katharine D. Wylie, MS Ed.
Agency Administrator
Mendocino Coast Health Care District



CHARTIS

The Chartis Center for Rural Health
Mendocino Coast Health Care District
October 2024

Engagement Opportunities for Consideration

The Chartis Center for Rural Health’s programming options combine advisory services, rural-relevant research, and comparative analytics to help rural hospitals measure performance and implement sustainable improvement initiatives. Whether the objective is to better understand market forces and patient outmigration, to deliver higher quality care at lower cost, measure and report for public reporting or to better understand and support population health disparities, The Chartis Center for Rural Health provides an accountable resource focused on helping rural hospitals fulfill their mission. Based on our discussion on August 22, 2024, we recommend the following two engagement opportunities.

Strategic & Operational Assessment

A Strategic & Operational Assessment offers rural hospital leadership teams an *in-depth*, visually engaging and comprehensive review of facility Financial Performance, Costs & Charges, local Population Health dynamics, patient outmigration, Market Share, and performance profiles of local rural competitors. Each assessment includes an extensive executive summary that informs and guides hospital leaders and frontline decision makers. As part of this deliverable, Chartis will conduct an assessment review session (conducted via Zoom) with hospital and board leadership.

Assessment Components

Community Impact metrics, including:

- Community Jobs (hospital and non-hospital jobs)
- Hospital Salary Expense
- Total GDP Contribution
- State and national rural medians

Medicare Market Share

- Inpatient and Outpatient data comparisons for:
 - Volume
 - Charges
 - Market Capture
 - Market Share by Service Line
 - Medicare Patient Outmigration

Financial Performance

- 22 Flex Financial indicators including CA Critical Access Hospital medians

Cost & Charge

- Inpatient and Outpatient comparisons for largest variance DRG/CPTs

Population Health

- Up to 25 metrics
- e.g., Adult Obesity, 65+, Diabetes Prevalence, Uninsured
- Service area percentile ranking along with state and national rural medians

Market Competitor Profiles

Summary

Time to Completion: Approximately 3 weeks. No additional resources are required.

Pricing: \$18,500 per hospital

Deep Expertise working with Rural Providers

As a national leader in providing research for rural health policy, The Chartis Center for Rural Health (CCRH) is uniquely positioned to provide analytic-based consulting services to rural health stakeholders. Serving as an expert technical and facilitative resource, CCRH is the retained advisor for numerous rural health providers, health networks and consortia.

The Chartis Center for Rural Health offers an unparalleled value proposition to rural health leaders and those advocating on their behalf. The combination of our extensive data set and benchmarks for rural healthcare, research and solution portfolio, and expertise allows us to deliver the leadership expertise needed to help rural providers, health systems, associations and state networks develop and implement performance improvement initiatives.

Whether the objective is to best understand market forces and patient leakage, to deliver higher quality care at lower cost, measure, and report for public reporting or to better understand and support health disparities and inequity, The Chartis Center for Rural Health provides an accountable resource focused on helping rural providers fulfill their mission.

We work with the rural healthcare community through:

- **Health System/IDN Rural Affiliate Collaboration:** Tailored programming and guidance to support peer collaboration and learning in priority areas such as market performance, quality improvement, patient safety, patient satisfaction, financial performance, and population health management.
- **Strategic and Operational Advisory:** Expert guidance on the internal operational and external market factors which impact the health and growth of a rural organization and create a data-driven foundation for achieving strategic goals.
- **Quality Improvement:** Technical assistance in the development of quality improvement initiatives including Value-based Purchasing-related improvement in areas of Process of Care, Outcomes of Care, Patient Satisfaction (HCAHPS), and Efficiency.
- **Advanced Analytics:** Rural-relevant analytics for detailed assessment and identification of improvement opportunities across finance, operations, quality, and population health.

Our unique approach, portfolio of solutions and expertise has helped more than 750 rural and Critical Access Hospitals leverage sophisticated analytics for benchmarking performance to aid strategic and operational decisions. At the core of our benchmarking and data analysis is the Chartis Rural Hospital Performance INDEX. The INDEX is the industry's most comprehensive and objective tool for assessing rural provider performance. INDEX data is the basis of many of rural healthcare's most prominent awards and is used by organizations such as the National Rural Health Association in support of its advocacy and legislative initiatives.

The Chartis Center for Rural Health Team



Michael Topchik, Executive Director

As the executive director of the Chartis Center for Rural Health, Michael has been focused exclusively on rural communities and their healthcare for 20 years. In his role, Michael advises the nation's largest health systems and their rural affiliates, state offices of rural health, and independent rural hospitals to assess operational and financial performance and develop strategies for improving the delivery of care. Michael directs Chartis' rural health safety net research analysis, which is used widely by rural healthcare organizations in support of public policy initiatives. He regularly shares his expertise with leading news outlets such as CNN, *USA Today*, *The New York Times*, PBS NewsHour, National Public Radio, *KFF Health News* and *Modern Healthcare*.



Troy Brown, Network Consultant and Performance Improvement Specialist

Troy spent 10 years in administration at Charles A. Dean Memorial Hospital, a critical access hospital in Maine. He also led C.A. Dean performance improvement and community relations and development. Troy leads similar initiatives with networks around the country and has become a trusted advisor to health systems, state network partners and dozens of rural health leaders around the country as they strive to improve performance.



Melanie Pinette, MEM, Data & Analytics Innovation Manager

Melanie possesses extensive experience working with analyzing healthcare data. She works closely with state network partners and individual hospital clients, providing insight and direction regarding the application of performance data to create sustainable improvement. Her knowledge and expertise of advanced statistical methodologies and models has played a key role in the refinement of the INDEX and development of CCRH's research into rural hospital vulnerability and health disparities.



Billy Balfour, Director, Communications

Billy leads The Chartis Center for Rural Health's marketing initiatives. In his role, he works closely with state offices of rural health to promote and coordinate various network initiatives designed to engage, educate and help participating hospitals optimize their use of INDEX-related benchmarks. As part of his role, Billy also oversees development and marketing of CCRH's thought leadership activities, including executive-level presentations at national conferences and ongoing research into the rural health safety net.



Ana Wiese, Data Analyst

In her role, Ana works closely with rural hospital leadership teams to help them better understand and assess performance through the lens of the Chartis Rural Hospital Performance INDEX. Ana is actively involved in the development of sophisticated analytic-based assessments for The Chartis Center for Rural Health's network clients that provide greater visibility into dynamic factors impacting market share, patient volumes, population health, quality and the delivery of care.



October 3, 2024

Paul Garza, Jr.
Chair, Board of Directors
Mendocino Coast Health Care District
775 River Drive
Fort Bragg, CA 95437

Re: Letter of engagement for Strategic & Operational Assessment

Dear Paul,

Thank you for giving The Chartis Group, LLC (Chartis) the opportunity to work with your team through the Strategic & Operational Assessment. Chartis has been privileged to work with rural hospitals like yours for more than a decade now, and our collective experience provides us with a deep knowledge base, client network, and perspective on what it takes to make meaningful and sustainable change. We are uniquely qualified to help rural hospital leadership teams better understand performance through the lens of objective, comparative analytics and industry-leading research.

The Strategic & Operational Assessment provides a comprehensive review of facility Financial Performance, Costs & Charges, local Population Health dynamics, patient outmigration, Market Share, and performance profiles of local rural competitors. The assessment includes an extensive executive summary that will help inform and guide the Board, hospital leaders and frontline decision makers. Once the assessment is delivered, Chartis will conduct a review session (conducted via Zoom) with your team.

The fee for the assessment is \$18,500. We expect the assessment to be delivered within 3 weeks of both parties signing this letter of engagement.

Should you choose to engage with Chartis for additional services, we will use the terms and conditions of this Letter of Engagement to govern any additional engagement.

We are looking forward to working with you and your team. Please do not hesitate to contact me directly if you have any questions or wish to discuss this engagement.

Please do not hesitate to contact me directly if you have any questions or wish to discuss this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Topchik". The signature is fluid and cursive, with a large loop at the end of the last name.

Michael Topchik
Executive Director, The Chartis Center for Rural Health
207-939-4618
mtopchik@chartis.com

The parties have executed this proposal as of the date first set forth below.

[Full legal name of client]

The Chartis Group, LLC

Authorized party

Name
Director

Date

Date

Name

Title

Appendix: Chartis Commercial Terms & Conditions

1. **Performance of services; data flow**

a) **Performance of services.** The Chartis Group, LLC ("Chartis") will perform consulting services for Mendocino Coast Health Care District ("Client") as described in the letter of engagement or proposal to which these Terms & Conditions are attached ("Services") in compliance with such letter of engagement or proposal ("LOE"), these Chartis Commercial Terms & Conditions ("Terms & Conditions") and all applicable federal, state, and local laws.

b) **Data flow.** Client shall provide to Chartis all documents, data and information that are reasonably requested by Chartis and that (i) are necessary for the performance of the Services; and (ii) may lawfully be shared by Client with Chartis. Chartis will use such documents, data and information only to perform the Services, using commercially reasonable efforts to prevent confidential information (as defined below) of Client from being disclosed to any third party in violation of these Terms & Conditions.

2. **Invoicing, reimbursement of expenses, remittance, IRS regulation, legal process.**

a) **Invoicing.** Client shall compensate Chartis for the performance of the Services in accordance with the LOE. Chartis will invoice Client for its professional fees and reimbursable travel and business-related expenses (as set forth in Section 2.b. below) to the billing contact person for Client listed below (a) in accordance with the payment schedule set forth in the LOE, or (b) if there is no payment schedule in the LOE, on a monthly basis.

Billing contact person for client: [name], [address], [email], [phone number]

b) **Travel and business-related expense reimbursement.** Client shall reimburse Chartis for travel and business-related expenses reasonably incurred in connection with the performance of the Services, including, without limitation, travel to Client's premises and travel to Chartis' premises for team work sessions, which expenses may include the following:

- i. air, auto, or other transit related travel expenses related to the Services;
- ii. meal expenses;
- iii. lodging expenses if the Services require overnight stays; and
- iv. miscellaneous travel-related expenses (taxi, parking and tolls, etc.).

c) **Remittance.** Client shall pay Chartis the amount stated on each invoice for its professional fees and reimburse all travel and business-related expenses within thirty days of the date of the invoice. All payments due of amounts not reasonably disputed shall be made by check, bank wire transfer, or ACH transaction to a bank account designated by Chartis on the

invoice. If Client in good faith, disputes the amount of an invoice issued by Chartis, Client shall pay Chartis the undisputed portion of the invoice within thirty (30) days of the date of the invoice, and provide Chartis with written notice of the portion of the invoice in dispute and the reasons for such dispute within fifteen (15) days of the date of the invoice. The parties shall use commercially reasonable efforts to reconcile the disputed amounts as soon as commercially practicable. If the parties agree that Client owes some or all of the disputed amount, then Client shall pay such amount within thirty (30) days from the date of the parties' agreement. All payments shall be made in U.S. dollars. Overdue amounts shall bear interest at an annual rate equal to 1.5% per month or the highest rate permitted by applicable law (whichever is lower) from thirty (30) days after the applicable due date until the date full payment is received by Chartis. In the event that the due date of any payment subject to this section is a Saturday, Sunday or national holiday, such payment may be paid on the next business day.

d) **Legal process.** If Chartis is requested by Client or any third-party, by subpoena, court order, investigation, or other legal or regulatory proceeding to produce documents or testimony pertaining to Client or the Services, and Chartis is not named as a party in the proceeding, Client will pay Chartis for its professional time, plus out-of-pocket expenses, costs, and fees, as well as reasonable attorney fees, incurred by Chartis in responding to such request.

3. **Client delays**

In addition to the events described under Section 9.d below, there are two specific situations that are beyond Chartis' control and that may cause Chartis to spend more time and/or incur more expenses to perform of the Services. The two situations are:

a) **Insufficient resources.** Client provides insufficient personnel, information, and/or other resources to fulfill its obligations under the LOE. Chartis will notify Client as soon as reasonably possible upon Chartis becoming aware that it appears that the Client-provided resources are, or will be, below agreed upon levels.

b) **Unforeseen schedule slippage.** Client fails to stay within the timeline agreed to in the LOE. Chartis will notify Client as soon as reasonably possible upon Chartis becoming aware that it appears that the Client is not keeping, or will not keep, pace with the agreed timeline.

The types of situations set forth above are not typically encountered during an engagement between Chartis and its clients. However, if such a situation arises, Chartis will notify Client promptly and work with Client to determine if Chartis will be required to provide any additional time and/or resources as a result of a situation under Sections 3.a or 3.b above. In the event that the parties determine that Chartis will be required to provide additional time and/or resources, then upon written agreement between Chartis and Client, Client shall pay Chartis the amount agreed upon for such additional time and/or resources.

4. **Termination.**

a) **Completion of services.** Unless earlier terminated under Section 4.b below, the LOE shall terminate upon the completion of the Services by Chartis in accordance with the LOE.

b) **Material breach.** If either party (the "non-breaching party") believes that the other party (the "breaching party") has materially breached one or more of its obligations under the LOE or these Terms & Conditions, then the non-breaching party shall deliver written notice of such material breach to the breaching party specifying the nature of the alleged breach in reasonable detail (a "default notice"). The non-breaching party shall have the right to terminate a LOE upon written notice to the breaching party if the breach set forth in the default notice has not been cured within thirty (30) days after breaching party receives the default notice. Notwithstanding the foregoing sentence, if such material breach, by its nature, cannot be remedied within such thirty (30) day cure period, but can be remedied over a longer period not expected to exceed sixty (60) days, then such thirty (30) day period shall be extended for up to an additional thirty (30) days, provided that the breaching party supplies the non-breaching party with a reasonable written plan for curing the material breach and uses commercially reasonable efforts to cure the material breach in accordance with such written plan.

c) **Termination of the services of a member of the team.** If Client judges the performance of the Services by a member of Chartis' team unsatisfactory for any reason other than reasons that violate applicable law, Client may request in writing the removal of that member from the engagement, and Client shall not be liable for any fees for the performance of Services by that member after the date of such removal.

d) **Effect of termination.** Upon termination of the LOE:

- i. Client shall promptly pay Chartis for Services provided and expenses incurred through the date of termination; and
- ii. the receiving party will (a) return to the disclosing party all of the disclosing party's confidential information in its possession; or (b) destroy such confidential information in accordance with applicable National Institute of Standards and Technology (NIST) and Department of Defense (DoD) standards; provided that the receiving party may retain one (1) copy of such confidential information solely for purposes of ensuring compliance with the terms of this agreement. Notwithstanding the above, the receiving party may retain any of disclosing party's confidential information that is contained or embedded in receiving party's archived computer back-up systems in accordance with automated document retention, security, or disaster recovery procedures, provided such confidential information shall remain subject to the terms of Section 8.a of these Terms & Conditions as long as it is retained by receiving party.

e) **Survival.** The provisions of Sections 2 (Invoicing, reimbursement of expenses, remittance, IRS regulation, legal process), 4.d (Effect of termination), 4.e (Survival), 5 (Solicitation or hiring of employees), 6 (Indemnification and insurance), 7 (Limitation of liability), 8 (Confidentiality and proprietary information; intellectual property; non-reliance and regulatory disclosures), and 9 (Miscellaneous) of these Terms & Conditions will survive the expiration or termination of the LOE.

5. **Solicitation or hiring of employees.**

During the term of the LOE and for a period of twelve (12) months thereafter, neither party will knowingly employ or solicit for employment any employee, contractor or consultant of the other party who performed any of such party's obligations under the LOE without the prior written consent of the other party. This section shall not restrict either party from offering employment or employing any employees, contractors or consultants of the other party who responds to any general advertisement or other general recruiting method used in the ordinary course of business. For the avoidance of doubt, each party understands and agrees that its violation of this section may cause the other party to suffer significant damages, including, but not limited to, loss of revenues, loss of profits and loss of business opportunities.

6. **Indemnification and insurance.**

Chartis shall indemnify, defend and hold harmless Client from and against any against any third party claims, demands, actions, liabilities, damages, losses, costs and expenses (including reasonable attorney's fees) (each, a "claim") arising from (a) the negligence or willful misconduct of Chartis in the performance of the Services, or (b) a violation of the LOE, Terms & Conditions or any applicable regulations or laws by Chartis.

Client shall indemnify, defend and hold harmless Chartis from and against any claim arising from (a) the negligence or willful misconduct of Client, (b) a violation of the LOE, Terms & Conditions or any applicable regulations or laws by Client, or (c) Client's use of any deliverables (as defined in Section 8.b).

Each party must notify the other party within thirty (30) days after learning of any claim made for which the other party is obligated to provide indemnification as set forth above. The indemnifying party will have the sole right to defend, negotiate, and settle any such claim. The indemnified party will be entitled to participate in the defense of such claim and to employ counsel at its expense to assist in such defense; provided, however, that the indemnifying party will have final decision-making authority regarding all aspects of the defense of any claim for which it is providing indemnification. The indemnified party will provide the indemnifying party with such information and assistance as the indemnifying party may reasonably request, at the expense of the indemnifying party. Neither party will be responsible or bound by any settlement of any claim made without its prior written consent, which will not be unreasonably withheld or

delayed. Further, the indemnifying party may not admit liability on the part of the indemnified party without the indemnified party's prior written consent, which shall not be unreasonably withheld or delayed.

Each party shall maintain sufficient insurance or a program of self-insurance to cover its indemnification obligations set forth above. Upon written request, each party will provide evidence of such insurance to the other party.

7. Limitation of liability.

Excluding any liability resulting from a party's indemnification obligations under Section 6 of these Terms & Conditions or a party's breach of Section 8 of these Terms & Conditions, neither party shall be responsible or liable to the other party with respect to the subject matter of the LOE for any indirect, incidental, special or consequential damages, including, but not limited to, loss of profits, loss of revenues, or loss of business opportunity. With the exception of injunctive relief and specific performance, monetary damages shall be Client's exclusive remedy for any claims arising from the LOE and these Terms & Conditions. Chartis' liability to Client arising from the LOE and/or these Terms & Conditions shall be limited to actual damages and shall not exceed the total amount paid by Client to Chartis for the Services under which such liability arises.

8. Confidentiality and proprietary information; intellectual property; non-reliance and regulatory disclosures.

a) **Confidential information.** For purposes of these Terms & Conditions, "confidential information" means confidential or proprietary information furnished by a party ("disclosing party") to the other party ("receiving party") pursuant to the LOE, including, without limitation, such information relating to the disclosing party's business strategy, information systems, patients, software and hardware. The receiving party shall treat all confidential information of the disclosing party as proprietary and confidential and will use such confidential information only to perform its obligations under the LOE. The receiving party shall not disclose the disclosing party's confidential information to any third party except to (i) those third parties who have entered into confidentiality agreements that provide the same protection that disclosing party's confidential information has under these Terms & Conditions, and (ii) those employees and third parties that have a need to know disclosing party's confidential information in order to perform receiving party's obligations under the LOE. The obligations of confidentiality and non-use set forth herein shall not apply to any confidential information that:

i. at the time of disclosure or after disclosure is generally known by the public other than as a result of a breach of this Section 8.a by the receiving party;

- ii. is generally known to receiving party prior to the disclosure hereunder as evidenced by receiving party's written records;
- iii. is disclosed to receiving party by a third party having no obligation of confidentiality to the disclosing party;
- iv. is developed by receiving party independent of the LOE or these Terms & Conditions and without any use of or reliance upon the disclosing party's confidential information; or
- v. is approved in writing for disclosure by disclosing party.

In the event that the receiving party is required by applicable regulation or law to disclose any of the disclosing party's confidential information to a third party, the receiving party shall, if legally permitted to do so, promptly notify the disclosing party in writing of such requirement. Upon the written request of the disclosing party, the receiving party shall cooperate in any lawful efforts by the disclosing party to seek a protective order or otherwise limit or prevent such disclosure, and if no such order or prevention is obtained, the receiving party shall only disclose such portion of the disclosing party's confidential information that it is legally required to disclose.

The confidentiality obligations set forth above shall survive for five (5) years after the expiration or termination of the LOE.

If any of Client's confidential information is "Protected Health Information" as defined by the U.S. Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time, Chartis' duties and obligations relating to such information shall be governed by a separate business associate agreement entered into by Client and Chartis, and not the LOE and/or these Terms & Conditions.

Except for the immediately preceding paragraph, to the extent that these provisions conflict with the terms of any confidentiality agreement between the parties previously entered into in connection with the Services, these terms will govern.

b) **Deliverables.** All data, information and reports generated by Chartis solely in the performance of the Services in accordance with the LOE ("Deliverables") shall be owned by Client.

c) **Pre-existing property.** Notwithstanding any other provision of the LOE or these Terms & Conditions, Chartis' pre-existing solutions, methodologies, processes, tools, and materials ("Chartis pre-existing property") are and shall remain the sole and exclusive property of Chartis. Chartis may use, for itself or others, without permission from Client, all pre-existing solutions, methodologies, processes, tools, and materials that may be included in, or be a basis for the deliverables. Further, the Chartis pre-existing property is proprietary to Chartis, and Client shall not disclose any Chartis pre-existing property to any third party without Chartis'

prior written consent. If Chartis uses any Chartis pre-existing property in any of the deliverables, Chartis agrees to grant to Client, as of the date Client receives such deliverables from Chartis and Chartis receives payment for such deliverables in accordance with the LOE and these Terms & Conditions, a non-exclusive, non-transferable license to use such Chartis pre-existing property in the form included in the deliverables in order to use such deliverables for their intended purpose.

d) **Non-reliance.** In the event that Client discloses any of the deliverables to a third party ("recipient"), Client shall (i) ensure that prior to such disclosure each recipient signs a non-reliance letter approved by Chartis; and (ii) be responsible for such recipient's use, reliance upon or disclosure of such deliverables. Chartis and its affiliates and each of their respective directors, officers, employees, agents, advisors and representatives shall have no liability to Client or recipient, whether direct or indirect, in contract, tort or otherwise, regardless of the nature of the allegation or claim, arising from or in connection with the use, reliance upon or disclosure of any of the deliverables by Client and/or any recipient. Client shall indemnify, defend and hold harmless Chartis and its affiliates and each of their respective directors, officers, employees, agents, advisors and representatives from and against any claims arising from the use, reliance upon or disclosure of any of the deliverables by Client and/or any recipient.

e) **Regulatory disclosures.** Prior to disclosing any deliverables to a regulatory or governmental authority, Client shall obtain the prior written approval of Chartis, which approval shall not be unreasonably withheld or delayed.

9. **Miscellaneous provisions.**

a) **Modification or amendment.** No modification or amendment of the LOE will be valid unless it is in writing and signed by the authorized representatives of both parties.

b) **Insurance.** Chartis shall carry, at its own cost and expense, commercial general liability insurance coverage in an amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

c) **Notices.** All notices, requests, demands, or other communications required or permitted by the applicable LOE or these Terms & Conditions will be given in writing and delivered to the respective party at the following addresses:

For The Chartis Group, LLC:
Attn: _____
The Chartis Group, LLC
220 West Kinzie Street, 3rd floor
Chicago, IL 60654

For Client:

[Insert legal entity name of client]

Attn: [Name and Title of Contact Person]

[Address]

[Address]

or to such other address as either party may from time to time notify the other party in writing and will be deemed to be properly delivered (i) immediately upon being served personally, (ii) two days after being deposited with the postal service if served by registered mail, or (iii) the following day after being deposited with an overnight courier.

d) **Force majeure.** Neither party shall be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is due to circumstances beyond its control, including but not limited to, governmental actions or restrictions, war, terrorism or insurrections, strikes, fires, floods, work stoppages, embargoes, pandemics, equipment, telecommunications, power, or electrical failures; provided that, if possible, the affected party promptly notifies the other party of the cause and its effects on the obligations to be performed hereunder by the affected party. The affected party shall use its reasonable efforts to mitigate the effect of the event of force majeure upon its performance of its obligations under the LOE. Upon conclusion of the event of force majeure the affected party shall as soon as reasonably practicable notify the other party of such conclusion and recommence the performance of its obligations under the LOE. In the event that the affected party fails to recommence the performance of its obligations under the LOE, the other party may terminate the LOE upon thirty (30) days written notice to the affected party.

e) **Independent contractor.** Chartis will perform the Services in its capacity as an independent contractor for Client. Chartis and employees are not employees of Client and are not entitled to participate in health or disability insurance, retirement benefits, or pension benefits to which employees of Client may be entitled. Neither party will not hold itself out as a partner, agent, employee or joint venture partner of the other party.

f) **Entire agreement.** The LOE, these Terms & Conditions and any attachments, as well as any separate business associate agreement between the parties, constitute the entire agreement between the parties regarding the Services and supersedes any prior and contemporaneous agreements, representations and understandings of the parties regarding the Services.

g) **Governing law and jurisdiction.** The LOE and these Terms & Conditions will be governed by and interpreted in accordance with the laws of the State of Illinois, without regard to its conflict of laws rules. Chartis and Client specifically consent and agree that the courts of the State of Illinois and/or the federal courts located in Chicago, Illinois will have exclusive

jurisdiction over each of the parties in any proceedings arising from the LOE or these Terms & Conditions.

h) **Taxes.** Client shall pay all taxes relating to the LOE and the Services, including any sales or gross receipts taxes, but excluding any taxes measured by the income of Chartis and excluding any employment taxes relating to employees of Chartis. Notwithstanding the preceding sentence, if Client is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code of the United States, as amended, Chartis shall take all reasonable actions to cause the provision of the Services under the LOE to be treated as a tax-exempt transaction. Upon written request, Client shall provide Chartis with certificates evidencing its tax-exempt status.

i) **Assignment; binding effect.** Neither party may assign any of its rights or delegate any of its respective obligations under the LOE or these Terms & Conditions without the prior written consent of the other party. A LOE and these Terms & Conditions shall be binding on and inure to the benefit of the parties hereto and their permitted successors and assignees.

j) **Section and other headings.** Section and other headings in the LOE and these Terms & Conditions are for reference purposes only and shall not be used in any way to govern, limit, modify, construe, or otherwise affect the LOE or these Terms & Conditions.

k) **Counterparts; delivery by facsimile or email.** The LOE and/or these Terms & Conditions may be executed in any number of counterparts with the same effect as if both parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same agreement. The LOE and these Terms & Conditions and any amendments, to the extent signed and delivered by means of a facsimile machine or email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version delivered in person.

Signature page

By signing below, both parties acknowledge that they have read, understood, and agree to these Terms & Conditions.

ACCEPTED AND AGREED TO:

The Chartis Group, LLC

By: _____

Printed name: _____

Title: _____

Date: _____

ACCEPTED AND AGREED TO:

[INSERT LEGAL ENTITY NAME OF CLIENT]

By: _____

Printed name: _____

Title: _____

Date: _____



TO: BOARD OF DIRECTORS **BOD Meeting: 10/24/2024**
FROM: Katharine Wylie, Agency Administrator **Item: 5a)**
SUBJECT: THE CHARTIS GROUP, LLC - CONTRACT FOR STRATEGIC & OPERATIONS ASSESSMENT SERVICES

RECOMMENDATION

It is recommended that the Mendocino Coast Health Care District Board of Directors approve a contract with The Chartis Group, LLC, for strategic and operations assessment services. This action is advised based on the conclusion that the report will provide critical data for future facilities and services planning.

BACKGROUND

Chartis has a group that focuses exclusively on the rural hospitals. They have worked with over 150 rural hospitals. The community impact metrics include community jobs, hospital salary expense, total GDP contribution and state and national rural Medians. They analyze Adventist Health's overall and local financial performance, inpatient and outpatient comparisons and local population health and provide a deeper understanding of the private-pay insured patients who choose to go elsewhere for Medical services. The Chartis report will be a source of valuable data and analysis that will give the MCHCD Board the tools to communicate clearly with Adventist Health and better understand the community's needs for both medical services and facilities. They have committed to report delivery within 3 weeks.

ANALYSIS

While the AHD.com subscription can provide the reports using the same data sets, the Chartis report can help us understand the shifting demographics and those needs, as the MCHCD Board directs itself towards determining what kind of hospital this community needs in the future.

1. **Immediate Expertise:** This expertise is vital as we look to modernize our facility and move beyond the outdated 1972 hospital structure.
2. **Cost-Effective:** At \$18,500, this is a relatively low-cost investment compared to the strategic value we will gain.
3. **Community-Specific Small Rural Hospital Focus:** Their understanding of this community's shift towards outpatient services that reflect modern healthcare demands in our small community will provide the data, expertise, and strategic direction necessary to address both immediate and long-term issues.

FISCAL IMPACT

The contract amount is \$18,500.