

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

MEMORANDUM

TO: MCHCD Board of Directors

FROM: Paul Garza, Jr.

DATE: February 27, 2025

SUBJECT: Monthly Report

MEDICARE/MEDI-CAID FUNDING

The future of our hospital may be at risk from potential cuts in federal spending. Our hospital receives, like nearly all rural hospitals throughout the US, a large amount of its reimbursement for services from Medicare/Medicaid. While pledges have been made that no reductions will occur to Medicare (the program for Seniors), no such pledges have been made regarding Medicaid (the program that serves low-income and disabled individuals). California's Medi-Cal program is funded 60% by federal funds. This may seem high but most States actually receive 80% of their reimbursement for services to low-income individuals from federal funds.

It is estimated that the termination of Medicaid could cost California \$100 Billion. California's Medi-Cal program and State resources would not be able to cover such a reduction. Our hospital receives roughly 78% of its reimbursement from Medicare, Medicaid and Medi-Cal. Therefore, any reduction in funding of Medicare/Medi-caid at the federal level is a serious threat to the future viability of the hospital. I urge all of our citizens of our community to learn more and voice your concerns to federal elected officials.

For more information about the impact of these potential reductions, please visit our website where we have non-partisan analysis from the American Hospital Association, the California Health Care Foundation and other sources. We will continue to track this very closely.

ADVENTIST HEALTH LEADERSHIP

Adventist Health has announced several leadership changes in our region. Most significantly, Mr. Jeff Mock, formerly the Chief Financial Officer for the region, has been appointed as the Chief Operations Officer for the region. While transitions can take time to work through, I would observe that communication between the District and Adventist Health has significantly improved since the change. We are hopeful this will continue and grow.

HOSPITAL FACILITY PLANNING

The Board of Directors are seeking the broadest public participation in our process to determine the best alternative for facility seismic retrofit, modernization and upgrade. As an important part of that, it was our intention to appoint several citizens to our Planning Committee to closely assist with this process. We have learned that anyone appointed to a Standing Committee by our Board is subject to the Ralph M. Brown Opening Meetings Act. This means they would be very limited in any communication with each other outside of meetings. On the agenda this evening is a proposed By-Laws change that will remove the appointment of public members to Board Committees; this is not intended to reduce public participation but rather to enable it.