



To: MCHCD Board of Directors

From: Katharine Wylie, MS Ed.

Date: 01/23/2025

Subject: Agency Administrator's Report

Changes to In-Person Meeting Participation Requirements

Assembly Bill 2302 (2024) revises rules for when members of local legislative bodies may participate in meetings remotely. Specifically, it amends the number of meetings that may be attended remotely for just cause and under emergency circumstances and clarifies the definition of the term "meeting," for purposes of remote attendance. AB 2302 revisions now cap the number of remote meetings a member can attend each year based on the frequency of a legislative body's meetings:

- Two meetings per year for bodies that meet monthly or less.
- Five meetings per year for those meeting twice a month.
- Seven meetings per year for bodies meeting three or more times per month.

For purposes of AB 2302's cap, multiple sessions occurring on the same calendar day (e.g., open and closed sessions) count as one meeting. AB 2302 applies to all Board Standing (Planning, Finance, Measure B) Committee members.

AB 2302 applies to the total number of meetings a member may attend remotely for both just cause and emergency circumstances. The Bill does not make any changes to the terms "just cause" or "emergency circumstances," or otherwise affect traditional teleconferencing standards. Under existing law, these terms include a physical or family medical emergency that prevents a member from attending in person, a contagious illness that prevents in-person attendance, and travel while on official business.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2302

LAFCO/Grand Jury Report Followup

In December and January, I met again with the LAFCO Executive Board. We talked about the Board of Directors' responsibilities in managing district policies, planning for future facilities, and protecting and improving the district's assets. These responsibilities help make sure that Adventist Health Mendocino Coast Hospital, which rents the district's facility, can run a safe and licensed hospital to care for patients within the district.



The district's switch from running the hospital to becoming a landlord under a 30-year lease with Adventist Health is a big change. This shift highlights the importance of being clear about how taxpayer money is used for the 'construction and operation' of the Coast Hospital. Although funding a past Municipal Service Review (MSR) isn't possible, the district is working with LAFCO on plans to include funding for similar projects in future budgets.

The district is facing financial challenges, such as delayed audits and the high cost of retrofitting the hospital to keep its license. Because of this, the LAFCO board decided it's too early to do a Municipal Service Review (MSR) right now. Instead, they plan to start the MSR process after the district finishes its audits. Once the district's financial situation is clearer, LAFCO aims to give updates to the grand jury within six months.

Facilities Planning Process

The Standing Planning committee is responsible for facilities planning per the Board's Bylaws. I have prepared an agenda for the 2025 Planning Committee to begin the work of engaging the Board, Community and our tenant Adventist Health, in a facilities planning process to achieve the 2030 seismic retrofitting, required by the State of California. I expect that the Planning committee will put forth a recommended planning *process* that achieves a completed facilities plan, outlining all project costs, no later than Summer of this year.

Transamerica Retirement Account Administration

The district has responsibility to assist Transamerica in the administration of retirement funds for former district employees. All former employees have been notified that this Transamerica retirement account fund will be closing out and that they need to make plans to transfer their funds. Currently the fund balance is in excess of \$6 million dollars, held in trust by Transamerica for those former employees who are fully vested (100% ownership of their retirement benefits).

Transamerica is sending a copy of the letter that went to all former employees. Former employees may access their accounts online or they may still have a paper form they received earlier. Generally my administrative role is to forward a copy of the form to the Transamerica account contact for verification and then sign-off by either online or a paper version. There will be an ongoing need for some administrative support here.



Threats to Funding

The American Hospital Association, an influential industry group for hospitals nationwide, [laid out a list](#) of costly priorities for the year. Among the priorities:

- **Extend premium tax credits** on the Health Insurance Marketplace.
- **Reject site-neutral policies** that would result in equal payments for the same service, regardless of the type of facility where it takes place.
- **Guard government insurance programs**, such as Medicare or Medicaid, and current reimbursement levels for providers.
- **Boost the clinical workforce.**

But Republicans' focus on cutting federal spending could spell trouble for those goals.

Tax credits for insurance would add \$335 billion to the deficit from 2025 through 2034, according to a 2024 [Congressional Budget Office review](#), a cost that makes extending credits unappealing for some GOP lawmakers. Similar cost-savings motivations have led some Republicans to look to Medicaid or other health programs for cuts.

Measures to build the clinical workforce have often been bipartisan, but more ambitious legislation has at times faced hurdles because of costly initial price tags. And site-neutral policies have found a favorable audience among some in the GOP because of the potential for significant savings.

Why it matters: The financial well-being of hospitals is essential for both patient access to care and state and local economies. But hospital spending is a major cost for the U.S. health system, and policymakers are increasingly motivated to reduce it.

Even so: Some hospital leaders have argued that investment in the health system will save money because a weak health system can cause patients to put off care until it's far more costly. Likewise, labor shortages can make doctors and nurses more expensive for the system overall. (Excerpt - Politico.com)

The AHA Report is here:

<https://www.aha.org/system/files/media/file/2025/01/AHA-2025-Advocacy-Agenda-20250114.pdf>

A California Health Care Foundation reports on Proposed Medi-cal Cuts:

<https://www.chcf.org/blog/how-trump-administration-cuts-could-hurt-medi-cal/>