

FILED

MAY 28 2009

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA HANDLER, DEPUTY CLERK**

**TRINITY COUNTY GRAND JURY
2008-2009**

**HEALTH AND HUMAN SERVICES COMMITTEE
FINAL REPORT**

MOUNTAIN COMMUNITY HEALTHCARE DISTRICT

**This Report was Approved
On May 18, 2009**

**2008-2009 TRINITY COUNTY GRAND JURY
HEALTH & HUMAN SERVICES COMMITTEE
FINAL REPORT**

MOUNTAIN COMMUNITY HEALTHCARE DISTRICT

PURPOSE:

The Health & Human Services Committee has assumed an ongoing role as an oversight committee, following the decision-making and progress of Mountain Community Healthcare District (MCHD) since a governing Board of Directors was elected by the District in 2007. Our continuing observations serve the interests of the community and follow the recommendation of the 2007-08 Grand Jury.

BACKGROUND:

The 2007-08 Grand Jury conducted an investigation of the viability and operations of Trinity Hospital after ownership transferred from Trinity Public Utilities District to Mountain Community Healthcare District. A special tax assessment was levied which continues to support the hospital; community concern continues as well. The 2008-09 Grand Jury accepted a patient's complaint in October 2008. Upon investigation this committee learned that the complaint was handled in accordance with hospital policy.

METHOD OF INVESTIGATION:

One or more Health & Human Services Committee members have attended monthly MCHD Board meetings from August 2008 through April 2009.

Monthly agendas have been acquired and perused, including Chief Executive Officer's and Chief Financial Officer's reports, Medical Staff and Chief Nursing Officer's reports and general information and operations updates.

A Town Hall Meeting was attended on October 9, 2009, regarding purchase of the Hayfork Clinic.

Interviews were held with hospital administration officials on December 2, 2008, and December 8, 2008.

A follow-up discussion was held with a hospital administration official on May 5, 2009.

FINDING #1

Based on results of the District 2008 Audit, the financial status of MCHD has improved. The Skilled Nursing Facility, Weaverville Health and Dental Clinics, and the Hayfork Clinic (which began to provide services on January 7, 2009 as part of MCHD) are all showing a profit. Vendor

debt is still a problem; however, short-term loans have been repaid. It should be noted that the Dental Clinic faces an uncertain future. Medi-Cal, which accounts for about 2/3 of current revenues, soon ends for adult dental care.

RECOMMENDATION #1

The improved financial status of MCHD is encouraging. This year, due to the uncertainty of state and federal budgets, MCHD needs to continue improving the District's credit rating and its ability to secure loans. Attention should be given to advertising the fact that the Dental Clinic will still accept children on Medi-Cal and welcomes private-pay clients.

FINDING #2

Physician and nursing recruitment has been a continuing problem. Currently a physician is needed to practice half time in both the Weaverville and Hayfork Clinics or to be half time in one clinic and practice half time privately. The nursing staff is becoming more locally based, so less costly. Funding has been secured for local Certified Nursing Aide (CNA) classes now in progress. Other needed services are advertised in the Northern California area, including Weaverville.

RECOMMENDATION #2

The MCHD Administration is to be commended for making CNA classes available, allowing for local training of nursing personnel. Physician recruiting must continue. Skilled Trinity County residents should be encouraged to respond with bids, whenever possible, to the District's needed services.

FINDING #3

In order to keep an Emergency Room (ER) Credential, California State regulations require 24-hour coverage. Local physicians are currently unavailable for these extended hours, so contracting for this service is necessary. MCHD contracts with Valley Emergency Group. Our physicians may work under this contract if they wish. The contract with Valley Emergency Group has provided our hospital with reliable capable physicians at a reasonable price.

RECOMMENDATION #3

Even though contracting for ER physicians is a large expense, it is a service that is being successfully provided by Valley Emergency Group and should be continued.

FINDING #4

MCHD is addressing and fixing problems. The following are some of the positive steps that have been taken in recent months:

- a. Installation of the new Computerized Records System, fully funded by grant money, has been approved. It is expected to save the District \$5,500 each month.
- b. Trinity Home Health Services was on the verge of having its doors closed in early 2008. Consultants were brought in to reorganize the department, from billing to nursing policies. Home Health Services is now financially stable.
- c. The second annual Strategic Planning Meeting was held on April 10, 2009. Ideas for new and expanded projects were suggested – an inspiration to community members who hope to see some of these proposals come to fruition.
- d. Following several months of discussion and planning, the new non-profit Healthcare Foundation is being established solely to support MCHD by accepting donations and possibly grant money.
- e. A “critical access designation” has been attained for MCHD, which increases cost reimbursement from Medicare and makes available a line of credit in case of payment delays.
- f. New equipment has been purchased with funds from grants and donations.

RECOMMENDATION #4

No recommendation.

FINDING #5

The parcel tax, which sunsets in two more years, continues to provide partial operating expenses for the hospital. Community support for continuing the parcel tax will be especially important considering the uncertainty of Medicare and Medi-Cal reimbursements.

RECOMMENDATION #5

Initiate an intensive public relations campaign to help the community understand the importance of supporting an ongoing parcel tax. Town hall meetings and increased news coverage in the *Trinity Journal* would be helpful.

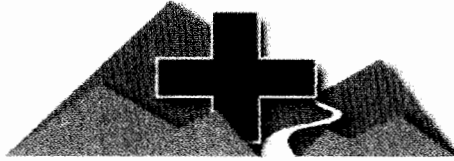
CONCLUSION

Measurable progress has been made in the past year. We commend the administration, board and staff for their diligence and perseverance and for their increased sensitivity to keeping the community fully aware of plans, projects and progress. Due to current State and Federal economic uncertainty, continuation of the parcel tax cannot be emphasized enough.

RESPONSES REQUIRED:

<u>Entity</u>	<u>Finding/Recommendation</u>	<u>Respond in</u>
Chief Executive Officer, MCHD	1, 2, 3, 5	60 days
Board of Directors, MCHD	1, 2, 3, 5	90 days

RECEIVED
JUN 8 - 2009
TRINITY COUNTY
SUPERIOR COURT



Mountain Communities Healthcare District

June 4, 2009

To: James P. Woodward
Presiding Judge of Trinity Superior Court

From: Claire M. Kuczowski *cmk*
Chief Executive Officer

Re: Response to Finding/Recommendation Number 1,2,3,5 of the
2008-2009 Trinity Grand Jury Report for Mountain Communities
Healthcare District

I am in receipt of the 2008-2009 Trinity County Grand Jury Report from the Health and Human Services Committee – Final Report dated May 18, 2009 for Mountain Communities Healthcare District. Thank you for your review and thoughtful comments regarding the District.

I am pleased to report to the required findings/recommendations as requested:

- No.1 Of course Mountain Communities Healthcare District needs to, and will continue to, improve its financial standing. This is needed even without the uncertainty of federal and state budgets. Vendor debt has now been resolved as a loan was secured for this purpose. The idea of advertising our dental clinic and perhaps our community clinics is an excellent one
- No. 2 Our recruiting for providers will continue on an ongoing basis as our personnel requirements need to be met
- No. 3 Obviously the emergency department must be staffed on a continuous basis 24 hours per day, 7 days a week. Mountain Communities Healthcare District contracts with an emergency physician group to successfully meet the need for care in this vital department
- No. 5 The Board of Directors and the administrative staff have already began the planning for the consideration of financial options including the possibility of campaigning for an ongoing parcel tax. The Board understands that community support for continuing the parcel tax is needed regardless of possible changes in government programs

cc: Wendy Tyler
Clerk of the Board and Administrative Analyst