

**FILED**

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CLERK OF THE SUPERIOR COURT  
COUNTY OF TRINITY  
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**TRINITY COUNTY GRAND JURY  
2010-2011**

*Reviews  
2/18/11  
JPN*

**Hospital Assessment Committee  
HHR2010/2011-002**

**Trinity Hospital  
Owned and Operated By  
Mountain Communities Healthcare District  
Strategic Planning Investigation**

Approved



**John Hamilton, Foreperson Pro-Tem  
for Jerry Brasuell, Foreperson**

**2010-2011 Trinity County Grand Jury  
Hospital Assessment Committee  
Mountain Communities Healthcare District Strategic Planning Investigation**

**Summary**

The Trinity County Grand Jury elected to review the status and results of strategic planning policies and procedures for the Mountain Communities Healthcare District (MCHD). Since public funds, through an annual parcel tax, are being used to supplement MCHD, in addition to being a LAFCO Special District, the Grand Jury has authority to investigate matters pertaining to its operations. The Grand Jury considers strategic planning essential to the future viability of MCHD and specifically the hospital operations.

Over the last two years MCHD has made significant progress in creating a strategic plan. A formalized plan was issued in March 2010 and is titled *Mountain Communities Healthcare District Strategic Plan* (hereafter called Plan). The Plan has been rigorously worked upon since its issuance. As of the end of 2010, many of the major near term goals had been accomplished. MCHD plans to continue the strategic planning processes and has scheduled formal planning activities in early 2011. It is anticipated that the Plan will be expanded to cover three to five year time horizons, together with financial forecasts and projections.

**Background**

In 2007 the MCHD was formed. Previously hospital operations had been under the authority of the Trinity County Board of Supervisors. Major changes have been implemented in management, administrative personnel, systems and procedures with generally positive results. The parcel tax appears to have helped insure the financial viability of the Hospital during the time of its existence (2007 to present). Including the parcel tax revenue, calendar year 2009 showed income in excess of expenses, and management forecasts the same for 2010.

**Method of Investigation**

A committee of the Trinity County Grand Jury conducted this investigation. The committee interviewed the Hospital Chief Executive Officer and select members of the MCHD Board of Directors. Various updates of the Plan, analytical reports, original documents, and relevant source documents were reviewed and examined.

**Discussion**

The management and viability of MCHD, and specifically the Hospital, is very challenging. This is not unique to Trinity County. The difficulties of maintaining rural hospitals and adequate medical support in rural counties are well publicized and documented. In most rural counties substantial sums must be generated via taxes or other non-operating financial sources to keep the

county health organizations viable. Therefore, it is critical that strategic planning techniques be utilized to ensure the long-term viability of adequate health facilities and operations.

The Board of MCHD is aware of the importance of strategic planning. In 2009 the Board initiated strategic planning activities using an independent facilitator. Members of the MCHD Board, the Mountain communities Healthcare Foundation Board, Hospital management personnel, medical staff and other interested parties participated in the planning process. In March 2010 a document *Mountain Communities Healthcare District Strategic Plan (Plan)* was created by the facilitator. It contains four *Strategic Direction* statements as follows:

1. *Enhancing Health Care Services*, with nine defined tasks.
2. *Continuing to Earn Community Support*, with six defined tasks.
3. *Developing a Strong Valued Team People Want to Join*, with five defined tasks.
4. *Recruiting and Retaining Providers*, with four defined tasks.

The progress on the defined tasks has been continually monitored. The majority of the defined tasks of the "Strategic Directions" were completed as of the end of 2010.

A planning conference is scheduled for February 2011 utilizing an independent facilitator. It will use an approach similar to that used in 2009.

### **Findings/Recommendations**

#### **Finding 1:**

Without the District Parcel Tax starting in 2007, MCHD would have had substantial operating losses. It is the opinion of the Hospital CEO and the MCHD Board Officers interviewed that this would have resulted in the closing of the Hospital and emergency room. It should be noted that California law does not allow an emergency room to operate without a full service hospital.

#### **Recommendation 1:**

Strategic planning should emphasize the steps to be taken to ensure the continuance of the District Parcel Tax, renewable every five years, to ensure the continuation of Hospital and emergency room operations.

#### **Finding 2:**

There exists a document *Mountain Communities Healthcare District Strategic Plan (Plan)* issued in 2010 from 2009 facilitated Hospital staff and MCHD Board inputs. It has been monitored and updated through December 2010.

**Recommendation 2:**

Expand future strategic planning to include three to five year time horizons and related financial projections.

**Finding 3:**

The Plan contains a vision statement composed of elements that are to be in place in five years.

**Recommendation 3:**

Develop a broad and overall vision statement beyond strategic objectives/elements.

**Finding 4:**

The Plan contains four statements of "Strategic Directions" based on discussions from the planning sessions.

**Recommendation 4:**

Expand the Plan's "Strategic Directions" to include time horizons and financial projections.

**Finding 5:**

The Plan does not contain a capital asset plan or related projections in any quantified form beyond current activities.

**Recommendation 5:**

Develop a capital budget plan for a minimum three to five year period.

**Responses Required**

In accordance with the California Penal Code 933.05, a response is required as indicated below:

<u>Respondent</u>	<u>Findings/Recommendations</u>	<u>Due Date</u>
Hospital CEO	1, 2, 3, 4, 5	60 days
MCHD Board of Directors	1, 2, 3, 4, 5	90 days

The governing bodies indicated above should be aware that comment or response of the governing body must be conducted subject to the notice, agenda, and open meeting requirements of the Brown Act.







