

**EASTERN PLUMAS HEALTH CARE DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Thursday, February 28, 2013  
10:00 A.M.  
EPHC Education Center, Portola, CA**

***Agenda***

**REASONABLE ACCOMMODATIONS:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact the Clerk of the Board at (530) 832-6564. Notification 72 hours prior to the meeting will enable the Eastern Plumas Health Care to make reasonable arrangements to ensure accessibility.

	<u>Presenter(s)</u>	<u>I/D/A</u>	<u>Page(s)</u>
<b>1. Call to Order</b>	Gail McGrath	A	
<b>2. Roll Call</b>	Gail McGrath	I	
<b>3. Consent Calendar</b>	Gail McGrath	A	
(A) Agenda			1-2
(B) Meeting Minutes of 2.26.13 Standing Finance Meeting			3
(C) Meeting Minutes of 2.28.13 Regular Board Meeting			4-6
(D) Meeting Minutes of 3.13.13 Special Planning Meeting			7
<b>4. Board Chair Comments</b>	Gail McGrath	I/D	
• <b>ACHD 2013 Annual Meeting</b> 5/22-5/24, La Jolla, California			
<b>5. Board Comments</b>	Board Members	I	
<b>6. Public Comment</b>	Members of the Public	I	
<b>7. Auxiliary Report</b>	Kathy Davis	I/D	
<b>8. ER Update</b>	Paul Swanson, MD	I/D	
<b>9. Chief of Staff Report</b>	Eric Bugna, MD	I/D	
<b>10. Policies and Procedures</b>	Teresa Whitfield	I/D/A	
Reviewed on 3.18.2013			
• Central Supply Policies			
• Housekeeping/EVS Policies			
• Nursing Policies			
• Trauma Policies			
• MRI Policies			
• Elder/Dependent Adult Abuse-new Policy			
• Abuse Prevention-revision Policy			

- Transfer within the facility Policy
- Confidentiality & Access to Medical Records Policy
- Sepsis Early Goal Directed Therapy Policy
- Acute Pain Management Policy
- VTE Prophylaxis Policy
- General Admission Med/Surg Policy

<b>11. Resolution 239</b>	<b>Gail McGrath</b>	I/D/A	8
Amending the Chief Executive Officer Employment Agreement			
<b>12. Quality and Performance Improvement Plan Update</b>	<b>Gail McGrath</b>	I/D	9-16
<b>13. Committee Reports</b>	Board Members	I/D	
• Special Planning Committee	McGrath/Fites		
• Standing Finance Committee	Skutt/ McBride		
<b>14. Chief Financial Officer Report</b>	Jeri Nelson	I/D	
• February Financials			17-27
• Department of Health Care Service Letter			28-30
• Other			
<b>15. Chief Executive Officer Report</b>	Tom Hayes	I/D	
• DP/SNF reimbursement cuts update			
• CT Scanner replacement update			
• Employee Satisfaction Committee update			
• California Department of Public Health Recertification Survey			
• Other			
<b>16. Closed Session</b>	Gail McGrath	I/D/A	
I. Closed Session, pursuant to Health and Safety Code 32155, to review reports on Quality Assurance.			
II. Closed Session, pursuant to Government Code Section 54957 to consider the following appointments to the medical staff:			
<b>A. Recommendation for Two Year Courtesy Privileges</b>			
• Peter Taylor, M.D.	(OB/GYN)		
• Leon Jackson, M.D.	(Radiology)		
• Peter Bloomfield, M.D.	(ER/Hospitalist)		
<b>17. Open Session Report of Actions Taken in Closed Session</b>	Gail McGrath	I	
<b>18. Adjournment</b>	Gail McGrath	A	

**EASTERN PLUMAS HEALTH CARE DISTRICT  
SPECIAL MEETING OF THE STANDING FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
Tuesday, February 26, 2013  
9:00 A.M.  
EPHC's Administrative Conference Room**

Minutes

1. **Call to Order:** The meeting was called to order at 9:10 am by Jay Skutt
2. **Roll Call:**  
Present: Jay Skutt and Janie McBride. Staff: Tom Hayes, Jeri Nelson, and Tiffany Williams
3. **Approval of Agenda:** The agenda was approved as submitted.
4. **Board Comments:** None.
5. **Public Comments:** None.
6. **CFO Report January 2013:** Ms. Nelson reported that our expenses are up and revenues are down. Contractual adjustments were up during the month as well. Overall we are ahead of budget for the year but she stated she feels that now is the time to tighten down our expenses to ensure our positive net income by year end. Cash collections for the month were just under \$1.4 million. Skilled Nursing reimbursement rates vs. our cost was also discussed. ER prescriptions and observation denials continue to be a problem. Ms. Nelson provided a hand out for the Centrique purchase and transition.
7. **Plumas Bank Line of Credit:** Mr. Hayes reported that after we received a letter from Plumas Bank stating that they had frozen our line of credit he asked for a meeting with the Loan Officer and the President of Plumas Bank. At the meetings with Kerry Wilson and Andy Ryback Mr. Hayes stated that he addressed several issues including the lack of communication on the part of Plumas Bank. Mr. Hayes provided Mr. Wilson and Mr. Ryback with information regarding the DP/SNF cuts as well as EPHC's plan. Mr. Nelson is looking into other bank relationships.
8. **DPSNF Cuts:** Mr. Hayes provided an on the DP-SNF cuts. There was an in depth discussion.

**Adjournment:** Mr. Skutt adjourned the meeting at 10:50 am.

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Approved by

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Date

**EASTERN PLUMAS HEALTH CARE DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Thursday, February 28, 2013**

**10:00 A.M.**

**EPHC Education Center, Portola, CA**

**Minutes**

**1. Call to Order.**

The meeting was called to order at 10:00 am by Gail McGrath

**2. Roll Call.**

Present: Gail McGrath, Larry Fites, Janie McBride, and Jay Skutt

Absent: Lucie Kreth

Staff: Tom Hayes, CEO, Jeri Nelson, CFO, Dr. Eric Bugna, Chief of Staff, and Tiffany Williams, Administrative Assistant.

Visitors: Approximately 11 visitors were present at the start of the meeting

**3. Consent Calendar.**

There was a brief discussion regarding several minor changes to the minutes. Ms. McBride motioned to accept the consent calendar with the following changes; Page 5, #6 high should read high, # 7 should read; With the proposed cuts our daily rate that we will receive is \$249. This will result in a \$2.4 million retroactive reduction back to 2011 and 1.3 million reduction annually. Page 7 #6 should read Garner. A second was made by Mr. Fites. None opposed, the motion was approved.

Ms. Kreth arrived.

**4. Board Chair Comments.**

Ms. McGrath stated that she would like to take this opportunity to recognize Kathy Davis who has done so much for EPHC. Kathy Davis has served as the Auxiliary President for the last five years and has worked tirelessly for EPHC. She has also served on many committees including Leadership Council and the Foundation. Ms. McGrath presented Kathy Davis with a plaque.

- **Board Self Evaluation Discussion:** Ms. McGrath reported that the Board has spent a lot of time reviewing the Board Self Evaluation results and would like an ad hoc committee of herself and Mr. Skutt to review in more detail and to prioritize areas that the Board needs to work on. The ad hoc committee will then present its findings at the next regular Board meeting.

**5. Board Comments.**

None

**6. Public Comment.**

None

**7. Auxiliary Report**

Kathy Davis introduced President Elect, Katie Tanner as well as Auxiliary members Suzie Maddalena and Connie Kunsman. Ms. Davis reported that Nifty Thrifty grossed \$14,403 in

January and that they currently have \$237,000 in the bank of which \$4,500 is in the memorial fund for employee scholarships. The Auxiliary has committed \$150,000 for the down payment on the CT scanner.

**8. Valic Presentation**

Doug Sulenta and Orlando Batturaro provided handouts and presented information on Valic, EPHC's voluntary retirement program. There was a discussion regarding new employee education as well as existing employee education. Mr. Barruraro stated that EPHC has a 12% voluntary participation which is low. There was also a discussion regarding physician participation which is allowed. Mr. Hayes noted that he will ask Cathy Conant and Valic to develop a plan to increase employee education and improve employee participation

**9. Chief of Staff**

Dr. Bugna stated that the providers are happy about the new CT. They are also concerned about the recent DP/SNF financial matters with the State.

**10. Policies and Procedures**

Ms. Whitfield presented the Administration and Pharmacy policies, which were reviewed by Ms. McGrath and Ms. McBride on February 14, 2013. Ms. McGrath stated that all policies are reviewed in detail before coming to the Board for approval. Ms. McGrath motioned to approve the Administration and Pharmacy Policies. A second was provided by Ms. McBride. None opposed, the motion approved.

**11. Committee Reports**

• **Finance Committee**

Mr. Skutt stated that the Finance Committee met and discussed the January financials. There was a long discussion regarding the upcoming skilled nursing cuts and Ms. Nelson will provide more detail in her report. There was also discussion regarding our efforts to reduce denials as well as looking for an alternate financial institution for EPHC's, payroll, payable, and line of credit.

**12. CFO Report:**

Purchased services were high for the month due to the MRI rental, recruitment fees and the use of a traveling x-ray tech. The CT rental was not budgeted. Lab and Radiology are down and the clinics are up slightly. Our Skilled Nursing census is down, which was planned due to the DP/SNF MediCal cuts. We are not accepting any skilled nursing MediCal admissions at this time pending decisions by the State regarding implementation of the cuts.

There was a brief discussion regarding denials. Mr. Hayes stated that he would ask Dr. Swanson to give a presentation regarding Observation vs. Acute at the next board meeting.

**13. CEO Report**

• **DP/SNF Reimbursement Cuts:** Mr. Hayes reported that he recently attended a meeting of the Democratic and Republican Central Committees in Sierraville to discuss the

- **CT Scanner replacement schedule:** Mr. Hayes reported that we are scheduled to remove the old CT scanner and begin remodel for the installation of the new unit on March 4, 2013. The mobile unit is currently on campus and being utilized. The installation will be complete in early April.
- **Employee Satisfaction Committee Update:** Mr. Hayes reported that the Employee Satisfaction meetings have begun and we have met with 85 employees and more meetings are scheduled.
- **Clinic Medical Director:** Mr. Hayes stated that he is talking to Dr. Kim regarding the Portola Clinic Medical Director position which would assist in the Portola Clinic efficiency and resolution of problems.

**14. Closed Session.**

Ms. McGrath announced the Board would move into closed session at 11:30 am., pursuant to Health and Safety Code 32155 and Government Code Section 54957.

**15. Open Session Report of Actions Taken in Closed Session.**

The Board returned at approximately 2:30 pm and announced with respect to Government Code Section 54957, appointments to the medical staff were approved as submitted.

With respect to Government Code Section 54957, Public Employee Performance Expectations and Evaluation, CEO, a public employee, Ms. McGrath reported that it was an extremely positive evaluation. No reportable action was taken.

With respect to Health and Safety Code 32155, no reportable action.

**16. Adjournment.** Ms. McGrath subsequently adjourned the meeting at 12:55 p.m.

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Approval

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Date

**EASTERN PLUMAS HEALTH CARE DISTRICT  
SPECIAL MEETING OF THE STANDING PLANNING COMMITTEE  
OF THE BOARD OF DIRECTORS  
Wednesday, March 13, 2013, 12:00 P.M.  
EPHC Administrative Conference Room**

**Minutes**

1. **Call to Order:** The meeting was called to order at 12:15 pm by Chairman McGrath.
2. **Roll Call:**  
Present: Chairman McGrath. Tom Hayes, CEO and Tiffany Williams, Administrative Assistant. Public member Jack Bridge. Aspen Street Architects representatives David Hitchcock and Nathan Morgan.
3. **Approval of agenda:** The agenda was approved as submitted.
4. **Board Comments:** None.
5. **Public Comments:** None.
6. **Aspen Architects update of the Master Plan:**  
The Aspen Architect representatives presented aerial photos of the EPHC Portola Campus as well as an overview of the existing hospital layout. He reviewed option A, a structure expansion to the north of the existing hospital, with street circulation extended continuously around the north perimeter of the developed core. A lot line adjustment would be undertaken by adding a triangular area from the District's 34 acre parcel, to result in a more compact and cohesive complex. All development would be done on relatively flat land. The committee felt the plan was very well done.  
  
There was a brief discussion regarding the structural, mechanical/plumbing and site/civil assessments which included parking and zoning requirements. Mr. Hitchcock also noted that they will have a finalized version of the master plan by next month.  
  
David Hitchcock and Nathan Morgan also presented the phases necessary to achieve option A. It was stated that once we receive the site evaluation there will be more details regarding specific needs.
7. **Bio Mass boiler consideration:** Mr. Hitchcock reported that he spoke to both Jonathan Kusel, Sierra Institute as well as OSHPD consultants regarding bio mass boiler options. He stated that while the concept has sound objectives it would be a more expansive option as we would need to put in a separate boiler that could restart within 10 seconds if there is a power outage. Bio Mass boilers cannot restart this quickly.
8. **Other:** None.
9. **Adjournment:** Chairman McGrath adjourned the meeting at 1:15 p.m.

**RESOLUTION NO. 239**

Resolution of the Board of Directors of the Eastern)  
Plumas Health Care District Amending the Chief )  
Executive Officer Employment Agreement )  
\_\_\_\_\_ )

**WHEREAS**, the Eastern Plumas Health Care District, “District,” executed an employment agreement, “CEO Agreement,” with Tom Hayes on January 28, 2010 to serve as District chief executive officer, “CEO,” which CEO Agreement has a termination date of January 20, 2014; and

**WHEREAS**, said CEO Agreement provides for a fixed compensation rate, for thirty (30) hours per week of executive time and also provides that District may consider a bonus or incentive system for the future; and

**WHEREAS**, CEO Hayes has prepared through the course of the CEO Agreement annual Operations Plans and Operating Budgets, and has successfully directed the activities of District and its employees in achieving the goals and benchmarks of said Plan and Budget, which accomplishments are acknowledged to have required more than the requisite thirty hours per week; and

**WHEREAS**, this Board of Directors recognizes the accomplishments of District during the tenure of CEO Hayes, and desires to increase the CEO compensation commensurate with the increases granted to other District employees and with the achievements that District has realized in the last 3 ½ years.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby amends CEO Agreement by increasing the monthly compensation to thirty-three (33) hours per week at the existing hourly rate, including proportional increases in Paid Time Off and Deferred Compensation , as provided in the CEO Agreement; and

**BE IT FURTHER RESOLVED**, that said Amendment shall be effective as of March 1, 2013.

**ADOPTED** by the Board of Directors of the Eastern Plumas Health Care District at a regular meeting of said Board on March 28, 2013, by the following roll call vote:


Chairman McGrath\_\_\_\_\_ Vice Chairman Fites\_\_\_\_\_ Secretary Kreth\_\_\_\_\_  
Director McBride \_\_\_\_\_ Director Skutt\_\_\_\_\_

\_\_\_\_\_  
Gail McGrath, Chairman

ATTEST: \_\_\_\_\_  
Lucie Kreth, Secretary

**CONCURRENCE:** \_\_\_\_\_  
Tom Hayes, Chief Executive Officer



 Eastern Plumas Health Care <i>People Helping People</i>	SUBJECT: Quality and Performance Improvement Plan
POLICY # AD066	Page 1 of 5
DEPARTMENT: Administration	EFFECTIVE: 7.29.2010
APPROVED BY: EPHC BOD 2.2013	REVIEWED: 11.2012, 2.2013 REVISED: 3.2013

## I. Introduction and Purpose Statement

Eastern Plumas Health Care (EPHC) is committed to developing, implementing and maintaining an effective, ongoing, hospital-wide, data-driven quality and performance improvement program in order to assess and continuously improve the care and service we deliver to our patients. EPHC has created systematic mechanisms and methods to support this commitment to quality.

Performance Improvement is a continuous process and focuses on improving the outcomes of care, treatment and services while identifying and reducing medical errors. The purpose of this Quality and Performance Improvement Plan (QPIP) is two-fold: 1) to provide a framework using a scientific approach (FOCUS-PDCA Model) to identifying, assessing, and improving clinical care, service and safety to our patients and; 2) Assist hospital and medical staff members in understanding how EPHC is organized around quality/performance improvement and what their roles and responsibilities would be.

An important aspect of improving organization performance is effectively reducing factors that contribute to unanticipated adverse events and/or outcomes. Unanticipated adverse events and/or outcomes may be caused by poorly designed systems, system failures, or errors. Reducing unanticipated adverse events and/or unanticipated outcomes requires an environment in which patients, their families, and EPHC hospital staff and leaders can identify and manage actual and potential risks to safety. Such an environment encourages the following:

- Recognizing and acknowledging risks and unanticipated adverse events
- Initiating actions to reduce these risks and unanticipated adverse events
- Reporting internally on risk reduction initiatives and their effectiveness
- Focusing on processes and systems
- Minimizing individual blame or retribution for involvement in an unanticipated adverse event
- Investigating factors that contribute to unanticipated adverse events and sharing that acquired knowledge both internally and with other hospitals

## II. Goals of Q/PI

The goals for Q/PI cascade from and are based on the strategic direction and goals of EPHC. These include:


1. Systematically collect, aggregate and analyze data on an on-going basis to assess operational performance and results of improvement activities
2. Use appropriate statistical techniques to analyze and display data
3. Conduct timely and intensive assessments when sentinel events occur and when there are undesirable trends or patterns in performance and reduce risks for our patients we serve
4. Evaluate medial action and follow-up activities to determine if identified issues have been resolved or improved, and implement methods for sustaining improvement
5. Implement and maintain mechanisms for appropriate vertical and horizontal communication of quality and PI findings and recommendations

## III. Organizational Structure

The Quality Management Department, under direction of the Director of Quality & Operations:

1. Provides services assessing the quality of service, care and treatment provided to our members
2. Assists in tracking medical errors and adverse patient events, analyze their causes, and implement preventative actions and mechanisms that include feedback and learning throughout EPHC
3. Organizes and coordinates Root Cause Analysis (RCA) and Failure Mode and Effects Analysis (FMEA) team activities
4. Provides oversight and support to various quality and performance improvement (Q/PI) initiatives, Performance Improvement (PI) teams, and select committees
5. Coordinates readiness activities for accreditation and regulatory surveys.

## IV. Committees/Departments/PI Teams Vertical Reporting Structure


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#### V. Committee Duties and Reporting Requirements Grid

Committee	Q/PI Duties	Frequency	Reports To
Quality Management Board Committee	Ultimate accountability for the quality of care and service delivery to all members	Monthly	Governing Body
Medical Executive Committee	<ul style="list-style-type: none"> <li>Receive and act on reports from medical staff departments, divisions, committees, and assigned activity groups</li> <li>Evaluate the medical care rendered to patients</li> </ul>	Scheduled 10 times/year	Governing Body
Quality Management Committee	<ul style="list-style-type: none"> <li>Evaluate the quality of both clinical care and service across all settings and for the full spectrum of services provided</li> <li>Establish systems to identify potential problems in patient care</li> <li>Refer priority problems for assessment and corrective action to appropriate departments or committees</li> <li>Prioritize, sponsor, approve and supervise quality and PI activities</li> </ul>	Scheduled 10 times/year	Medical Executive Committee
Nursing Operations	<ul style="list-style-type: none"> <li>Receive and act on reports from various sources</li> <li>Action Planning and Evaluation</li> <li>Refer priority problems for assessment and corrective action to appropriate depts. or committees</li> </ul>	Monthly	Quality Committee
Environment of Care Committee		Monthly	

#### VI. Quality/PI Conceptual Model (FOCUS-PDCA)

F	Find an Opportunity
O	Organize a Team
C	Clarify Knowledge
U	Understand Variation
S	Select an Improvement
P	Plan
D	Do
C	Check
A	Act

 Eastern Plains Health Care "People Helping People"	SUBJECT: Quality and Performance Improvement Plan
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## VII. PI Projects

As part of our Q/PI program we identify and prioritize PI projects through various mechanisms. Opportunities would be identified through various mechanisms including:

- Nominations from committee or department/division level
- Ongoing rounds conducted throughout the facility
- Aggregated and analyzed data from regional activities


## VIII. Prioritizing Opportunities

The criteria-based decision making model used by EPHC is based on PI activities that are high-risk, high-volume, or problem-prone areas or affect health outcomes, patient safety, and quality of care.

## IX. Collection and Organization of Quality Indicator Data

Data is collected from a variety of sources using indicators to monitor the effectiveness and safety of services and quality of care while identifying opportunities for improvement and making the essential changes necessary for improvement and reduce the risks of sentinel events

Activity	Reported To/Through
• Quality Control (Nursing and Ancillary Services Indicators)	• QM Committee
• Peer Review that supports credentialing and privileging	• QM then MEC Committee
• Operative and Invasive Procedures Review	• QM Committee
• Blood and Blood Product Review (Including Confirmed Transfusion Reactions)	• QM Committee
• Utilization Review/Medical Management	• QM Committee
• Medication Management (Including Medication Errors and Adverse Drug Events)	• QM Committee
• Medical Record Reviews	• QM Committee
• Infection Control	• P & T/Infection Control Committee
• Sentinel Events	• QM Committee
• Risk Management	• QM Committee
• Medical Staff Indicators	• Component of Peer Review
• Care Management Indicators/Core Measures	• Care Management/ QM Committee
• Restraint	• Nursing Operations/ QM Committee
• Sedation	• P & T/Infection Control Committee
• Resuscitation and Its Outcomes	• Code Blue Committee/ QM Committee
• Pain Management	• QM Committee
• Staffing Effectiveness	• Nursing Operations/ QM Committee
• Staff Opinions and Needs, Perceptions Risk/Safety to Patients and Willingness to Report Events	• Executive Committee through suggestion boxes and EE satisfaction surveys
• Patient Satisfaction	• QM Committee
• Patient Safety/ National Patient Safety Goals	• QM Committee
• Environment of Care Rounding/QC	• EOCC Committee/ QM Committee
• Organ Procurement	• QM committee

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<b>Comparative Measures</b>	<b>Indicators</b>
<ul style="list-style-type: none"> <li>Acute MI</li> </ul>	<ul style="list-style-type: none"> <li>ASA Within 24 Hours of Arrival</li> <li>ASA Prescribed at Discharge</li> <li>Beta Blocker Within 24 hours of Arrival</li> <li>Beta Blockers Prescribed at Discharge</li> <li>Thrombolytics Within 30 Minutes of Arrival</li> <li>PCI Within 90 Minutes of Arrival</li> <li>Smoking Cessation Advice</li> </ul>
<ul style="list-style-type: none"> <li>Community Acquired Pneumonia</li> </ul>	<ul style="list-style-type: none"> <li>Oxygenation</li> <li>Pneumococcal Screening/ Vaccination</li> <li>Flu Screening/ Vaccination</li> <li>Blood Cultures Before Antibiotic Smoking Cessation Advice</li> <li>Antibiotic Within 4 Hours of Arrival</li> <li>Antibiotic Selection Immunocompetent Patient</li> </ul>
<ul style="list-style-type: none"> <li>Heart Failure</li> </ul>	<ul style="list-style-type: none"> <li>Discharge Instructions</li> <li>LVF Assessment</li> <li>ACEI for LVSD</li> </ul>
<ul style="list-style-type: none"> <li>Surgical Infection Prevention</li> </ul>	<ul style="list-style-type: none"> <li>Pre-operative Antibiotic Timing</li> <li>Timeliness of Post-operative Antibiotic DC</li> </ul>


### **X. Data Analysis**

An analysis is performed for the following:

- All confirmed transfusion reactions
- All serious adverse drug events, as defined by EPHC
- All significant medication errors, defined by EPHC
- All major discrepancies between preoperative and postoperative (including pathologic) diagnoses
- Adverse events or patterns of adverse events during moderate or deep sedation and anesthesia use
- Hazardous conditions

### **XI. Education and Training**

EPHC's strategic plan and goals are utilized as an approach to engage staff maximizing their talents and core competencies required for every job and linked to expectations that employees be involved with supporting the mission and philosophy, improving customer satisfaction, and improving quality of care and service. One one training is provided to managers and teams focusing on indicator development, use of CQI tools, and understanding and use of FOCUS PDCA process. CQI and PI training and education are also available for medical staff members and encouraged for medical staff leadership. An introduction to CQI is provided to all new employees at orientation.

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## XII. Reward and Recognition Activities

Facility and Organization Leaders recognize and celebrate improvement successes. Examples include:

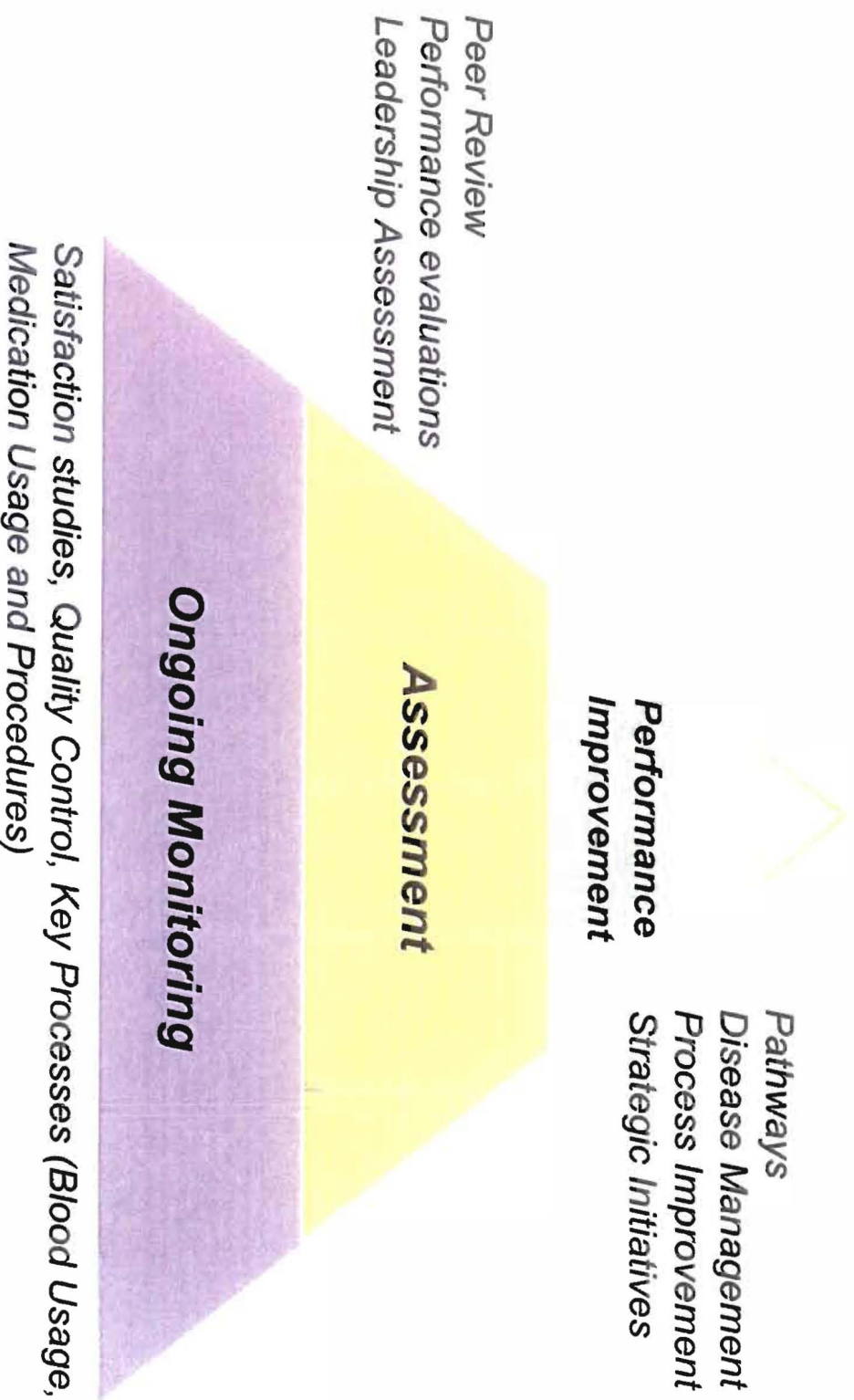
- Employee "***Above and Beyond***" cards for recognition of exceptional demonstration of the organization's core values
- Employee years of service recognition
- Employee Forums
- Employee Luncheons
- Leadership Rounding – Spontaneous recognition of care/service practice

## XIII. Program Effectiveness Evaluation

The effectiveness of the Q/PI program and this Plan are measured and assessed annually.

# EPHC and Quality

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# EPHC and Quality

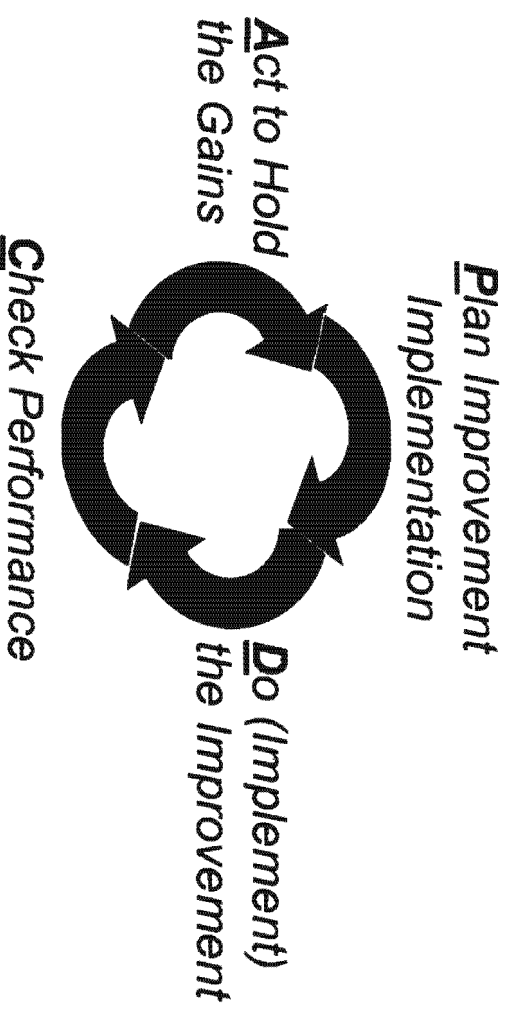
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*Hocus Pocus You're now in:*

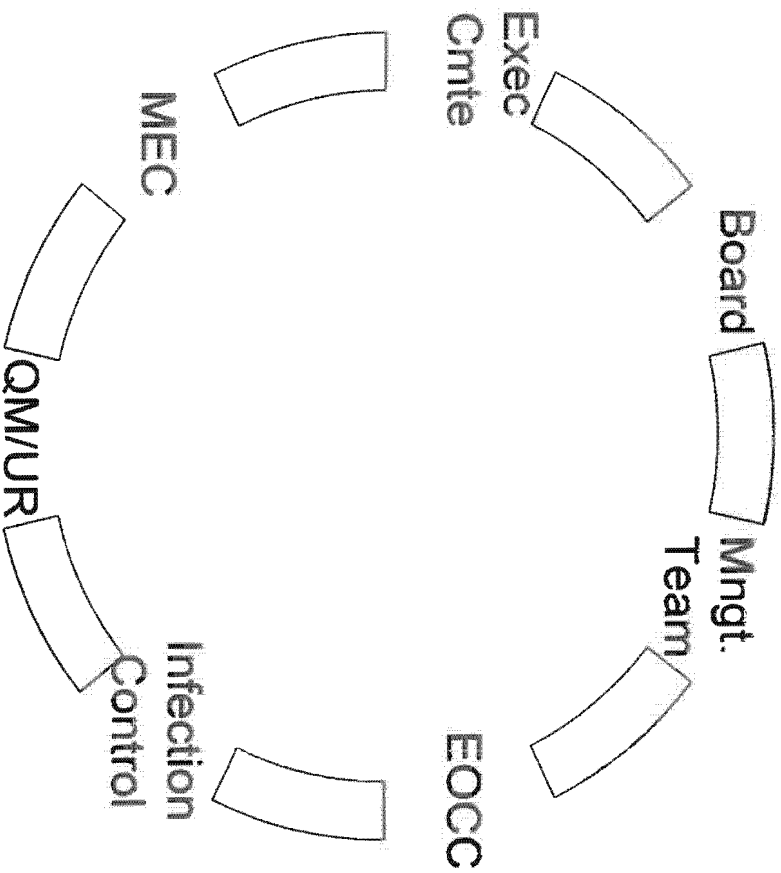
**FOCUS**

- \* *Find an opportunity*
- \* *Organize a team*
- \* *Clarify current knowledge*
- \* *Understand causes of variation*
- \* *Select the improvement*

**PDCA**



# Committee Structure Communication Loop





**EASTERN PLUMAS HEALTH CARE DISTRICT**

**MEMORANDUM**

**Date:** March 15, 2013  
**To:** Board of Directors  
**From:** Jeri Nelson, Chief Financial Officer  
**Subject:** **Summary of Financial Results – February 2013**

**Table 1. Consolidated Financial Results – February 2013**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Total Revenue</b>	<b>\$2,958,047</b>	<b>\$3,003,439</b>	<b>\$(45,392)</b>
Contractual Adjustments	\$1,308,994	\$1,279,160	\$29,834
Bad Debt/Admin Adjustments	\$150,921	\$134,135	\$16,786
<b>Net Revenue</b>	<b>\$1,498,132</b>	<b>\$1,590,144</b>	<b>\$(92,012)</b>
<b>Total Expenses</b>	<b>\$1,759,798</b>	<b>\$1,641,643</b>	<b>\$118,155</b>
Operating Income (Loss)	\$(261,666)	\$(51,498)	\$(210,168)
Non-Operating Income(Expense)	\$65,898	\$49,758	\$16,140
<b>Net Income (Loss)</b>	<b>\$(195,768)</b>	<b>\$(1,740)</b>	<b>\$(194,028)</b>

**Table 2. Consolidated Financial Results – Eight Months Ended February 2013**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Total Revenue</b>	<b>\$26,026,192</b>	<b>\$25,959,859</b>	<b>\$66,333</b>
Contractual Adjustments	\$11,001,329	\$11,097,997	\$(96,668)
Bad Debt/Admin Adjustments	\$1,375,864	\$1,159,542	\$216,322
<b>Net Revenue</b>	<b>\$13,648,998</b>	<b>\$13,702,320</b>	<b>\$(53,322)</b>
<b>Total Expenses</b>	<b>\$13,591,107</b>	<b>\$13,802,539</b>	<b>\$(211,432)</b>
Operating Income (Loss)	\$57,891	\$(100,219)	\$158,110
Non-Operating Income (Expense)	\$521,296	\$548,067	\$(26,771)
<b>Net Income (Loss)</b>	<b>\$579,187</b>	<b>\$447,848</b>	<b>\$131,339</b>

As predicted, revenue and volume declined in February. Deductions from revenue and expenses did not and we posted our biggest monthly operating loss this year. We have to reduce our expenses in every way possible and this will be emphasized for all departments. DP-SNF admissions and staffing are being evaluated as our cost per day is increasing as census decreases. In lieu holding off to see what actions the State will take, we need to get closer to break even levels. I am in the process of preparing an interim cost report to project year end settlements. The 2% Medicare rate cuts take place beginning in April and Managed Medi-Cal continues to be targeted for June. With the many changes taking place, it's difficult to predict the overall impact to our reimbursements.

**EASTERN PLUMAS HEALTH CARE  
COMPARATIVE BALANCE SHEET  
FOR THE MONTHS ENDED**

	JANUARY 2013	FEBRUARY 2013	CHANGE
<b>ASSETS</b>			
CURRENT ASSETS			
CASH	\$ 676,663	\$ 492,073	\$ (184,590)
LAIF SAVINGS	\$ 1,108,726	\$ 1,108,726	\$ -
ACCOUNTS RECEIVABLE NET	\$ 3,370,319	\$ 3,182,551	\$ (187,768)
ACCOUNTS RECEIVABLE OTHER	\$ 429,779	\$ 577,152	\$ 147,373
INVENTORY	\$ 215,316	\$ 215,316	\$ -
PREPAID EXPENSES	\$ 97,085	\$ 101,265	\$ 4,180
TOTAL CURRENT ASSETS	<u>\$ 5,897,888</u>	<u>\$ 5,677,083</u>	<u>\$ (220,805)</u>
PROPERTY AND EQUIPMENT			
LAND AND IMPROVEMENTS	\$ 934,164	\$ 934,164	\$ -
BUILDINGS AND IMPROVEMENTS	\$ 10,080,726	\$ 10,080,726	\$ -
EQUIPMENT	\$ 10,473,035	\$ 10,437,694	\$ (35,341)
IN PROGRESS	\$ 137,055	\$ 151,212	\$ 14,157
	<u>\$ 21,624,980</u>	<u>\$ 21,603,796</u>	<u>\$ (21,184)</u>
ACCUMULATED DEPRECIATION	<u>\$ 13,768,014</u>	<u>\$ 13,814,203</u>	<u>\$ 46,189</u>
TOTAL PROPERTY AND EQUIPMENT	<u>\$ 7,856,966</u>	<u>\$ 7,789,593</u>	<u>\$ (67,373)</u>
COSTS OF ISSUANCE NET	\$ 15,171	\$ 14,919	\$ (252)
TOTAL	<u>\$ 13,770,025</u>	<u>\$ 13,481,595</u>	<u>\$ (288,430)</u>
<b>LIABILITIES AND FUND BALANCE</b>			
CURRENT LIABILITIES			
LEASES PAYABLE	\$ 20,458	\$ 18,989	\$ (1,469)
ACCOUNTS PAYABLE	\$ 992,848	\$ 935,799	\$ (57,049)
ACCRUED PAYROLL/RELATED TAXES	\$ 915,813	\$ 924,405	\$ 8,592
OTHER CURRENT LIABILITIES	\$ 670,678	\$ 671,429	\$ 751
TOTAL CURRENT LIABILITIES	<u>\$ 2,599,797</u>	<u>\$ 2,550,622</u>	<u>\$ (49,175)</u>
LEASES PAYABLE	\$ 180,365	\$ 180,365	\$ -
CHFFA LOAN	\$ 93,590	\$ 87,013	\$ (6,577)
CITY OF PORTOLA	\$ 348,000	\$ 348,000	\$ -
USDA LOANS	\$ 4,645,709	\$ 4,608,799	\$ (36,910)
TOTAL LIABILITIES	<u>\$ 7,867,461</u>	<u>\$ 7,774,799</u>	<u>\$ (92,662)</u>
FUND BALANCE	\$ 5,127,609	\$ 5,127,609	\$ -
NET INCOME (LOSS)	\$ 774,955	\$ 579,187	\$ (195,768)
TOTAL	<u>\$ 13,770,025</u>	<u>\$ 13,481,595</u>	<u>\$ (288,430)</u>

**EASTERN PLUMAS HEALTH CARE  
BALANCE SHEET  
FOR THE MONTH ENDED  
FEBRUARY 28, 2013**

DESCRIPTION	CURRENT YEAR
<b>ASSETS</b>	
CURRENT ASSETS	
CASH	492,073
INVESTMENTS	1,108,726
ACCOUNTS RECEIVABLE NET	3,182,551
ACCOUNTS RECEIVABLE OTHER	577,152
INVENTORY	215,316
PREPAID EXPENSES	<u>101,265</u>
TOTAL CURRENT ASSETS	5,677,083
PROPERTY AND EQUIPMENT	
LAND AND IMPROVEMENTS	934,164
BUILDINGS AND IMPROVEMENTS	10,080,726
EQUIPMENT	10,437,694
IN PROGRESS	<u>151,212</u>
TOTAL PROPERTY AND EQUIPMENT	21,603,797
ACCUMULATED DEPRECIATION	<u>13,814,203</u>
NET PROPERTY AND EQUIPMENT	7,789,594
COSTS OF ISSUANCE NET	14,919
TOTAL	13,481,596 =====
<b>LIABILITIES AND FUND BALANCE</b>	
CURRENT LIABILITIES	
LEASES PAYABLE	18,989
ACCOUNTS PAYABLE	935,798
ACCRUED PAYROLL/RELATED TAXES	924,405
OTHER CURRENT LIABILITIES	<u>671,429</u>
TOTAL CURRENT LIABILITIES	2,550,621
LEASES PAYABLE	180,365
USDA REPAIRS & DEFEASANCE	393,779
CHFFA - EMR & ENDO EQUIP LOAN	87,013
CITY OF PORTOLA- PROPERTY LOAN	348,000
USDA LOANS SNF	3,548,197
USDA LOAN REPAIRS	32,196
USDA LOAN LOYALTON	498,596
USDA LOAN LOYALTON & PORTOLA	<u>136,031</u>
TOTAL LIABILITIES	7,774,799
FUND BALANCE	5,127,609
NET INCOME (LOSS)	579,187
TOTAL	13,481,596 =====

**EASTERN PLUMAS HEALTH CARE  
STATEMENT OF REVENUE & EXPENSE  
FOR THE MONTH ENDED  
FEBRUARY 28, 2013**

DESCRIPTION	CURRENT PERIOD			YEAR TO DATE			ANNUAL
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET
OPERATING REVENUE							
INPATIENT ROUTINE	138190	201852	-63662	1397740	1751787	-354047	2631285
INPATIENT ANCILLARY	<u>168015</u>	<u>236177</u>	<u>-68162</u>	<u>1630109</u>	<u>2057978</u>	<u>-427869</u>	<u>3087405</u>
TOTAL INPATIENT	<u>306205</u>	<u>438029</u>	<u>-131824</u>	<u>3027849</u>	<u>3809765</u>	<u>-781916</u>	<u>5718690</u>
SWING ROUTINE	146000	55540	90460	622000	482006	139994	724000
SWING ANCILLARY	<u>117583</u>	<u>44182</u>	<u>73401</u>	<u>420345</u>	<u>386695</u>	<u>33650</u>	<u>579962</u>
TOTAL SWING BED	<u>263583</u>	<u>99722</u>	<u>163861</u>	<u>1042345</u>	<u>868701</u>	<u>173644</u>	<u>1303962</u>
SKILLED NURSING ROUTINE	407696	445616	-37920	3962420	3867318	95102	5808932
SKILLED NURSING ANCILLARY	<u>58631</u>	<u>77941</u>	<u>-19310</u>	<u>619060</u>	<u>678634</u>	<u>-59574</u>	<u>1018367</u>
TOTAL SKILLED NURSING	<u>466327</u>	<u>523557</u>	<u>-57230</u>	<u>4581480</u>	<u>4545952</u>	<u>35528</u>	<u>6827299</u>
OUTPATIENT SERVICES	<u>1920488</u>	<u>1936628</u>	<u>-16140</u>	<u>17331564</u>	<u>16691416</u>	<u>640148</u>	<u>25078792</u>
TOTAL PATIENT REVENUES	<u>2956603</u>	<u>2997936</u>	<u>-41333</u>	<u>25983239</u>	<u>25915833</u>	<u>67406</u>	<u>38928743</u>
OTHER OPERATING REVENUE	1445	5503	-4058	42953	44027	-1074	66040
TOTAL REVENUE	<u>2958047</u>	<u>3003439</u>	<u>-45392</u>	<u>26026192</u>	<u>25959859</u>	<u>66333</u>	<u>38994783</u>
=====							
DEDUCTIONS FROM REVENUE							
BAD DEBT/ADMINISTRATIVE ADJ'S	150921	134135	16786	1375864	1159542	216322	1741774
CONTRACTUAL ADJUSTMENTS	1308994	1279160	29834	11001329	11097997	-96668	16671008
TOTAL DEDUCTIONS	<u>1459915</u>	<u>1413295</u>	<u>46620</u>	<u>12377194</u>	<u>12257540</u>	<u>119654</u>	<u>18412782</u>
NET REVENUE	<u>1498132</u>	<u>1590144</u>	<u>-92012</u>	<u>13648998</u>	<u>13702320</u>	<u>-53322</u>	<u>20582001</u>
=====							
OPERATING EXPENSES							
SALARIES	761276	742648	18628	6297578	6384421	-86843	9594815
BENEFITS	201596	208276	-6680	1574895	1718824	-143929	2580428
SUPPLIES	143954	151107	-7153	1111461	1252526	-141065	1857037
PROFESSIONAL FEES	201733	215493	-13760	1826670	1863849	-37179	2796024
REPAIRS & MAINTENANCE	52055	38464	13591	352919	307716	45203	461574
PURCHASED SERVICES	155161	61738	93423	741646	494177	247469	741129
UTILITIES/TELEPHONE	92144	57872	34272	463650	465497	-1847	697826
INSURANCE	33215	33280	-65	264016	266244	-2228	399366
RENT/LEASE EXPENSE	40822	18654	22168	154604	149230	5374	223846
DEPRECIATION/AMORTIZATION	46441	75748	-29307	518234	569983	-51749	872975
INTEREST EXPENSE	21777	26098	-4321	178292	208787	-30495	313180
OTHER EXPENSES	<u>9624</u>	<u>12264</u>	<u>-2640</u>	<u>107144</u>	<u>121286</u>	<u>-14142</u>	<u>178099</u>
TOTAL EXPENSES	<u>1759798</u>	<u>1641643</u>	<u>118155</u>	<u>13591107</u>	<u>13802539</u>	<u>-211432</u>	<u>20716299</u>
OPERATING INCOME (LOSS)	<u>-261666</u>	<u>-51498</u>	<u>-210168</u>	<u>57891</u>	<u>-100219</u>	<u>158110</u>	<u>-134298</u>
=====							
MISCELLANEOUS	2774	2383	391	44738	19067	25671	28600
CONTRIBUTIONS	15750	0	15750	97570	150000	-52430	200000
PROPERTY TAX REVENUE	<u>47373</u>	<u>47375</u>	<u>-2</u>	<u>378988</u>	<u>379000</u>	<u>-12</u>	<u>568500</u>
NON-OPERATING INCOME (EXPENSE)	<u>65898</u>	<u>49758</u>	<u>16140</u>	<u>521296</u>	<u>548067</u>	<u>-26771</u>	<u>797100</u>
NET INCOME (LOSS)	<u>-195768</u>	<u>-1740</u>	<u>-194028</u>	<u>579187</u>	<u>447848</u>	<u>131339</u>	<u>662802</u>
=====							

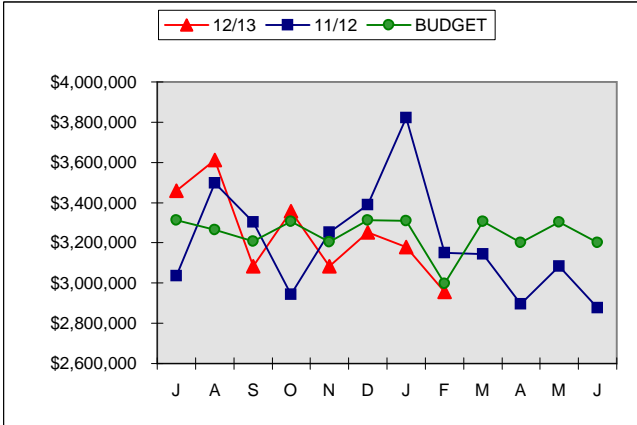
	CURRENT PERIOD			YEAR TO DATE			ANNUAL
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET

**STATISTICAL DATA**

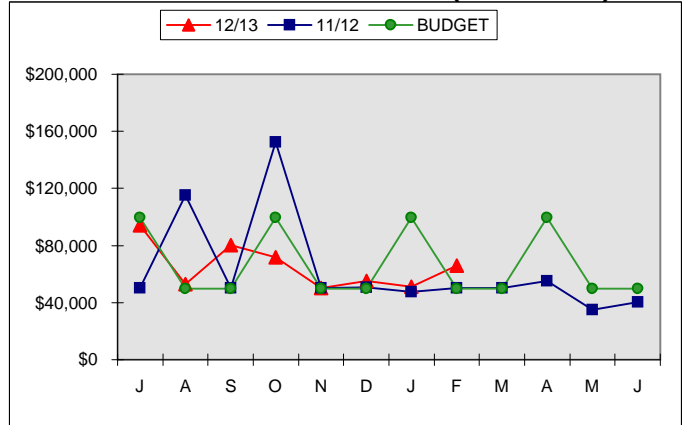
ACUTE INPATIENT ADMISSIONS	18	32	-14	161	275	-114	411
ACUTE PATIENT DAYS	50	75	-25	500	650	-150	975
SKILLED NURSING PATIENT DAYS	1228	1344	-116	11935	11664	271	17520
SWING BED DAYS	73	28	45	311	242	69	362
E.R. VISITS	269	242	27	2344	2102	242	3160
CLINIC VISITS	2170	2084	86	18637	18123	514	27230

EASTERN PLUMAS HEALTH CARE  
 MONTHLY FINANCIAL GRAPHS  
 FOR THE YEAR ENDED JUNE 30, 2013

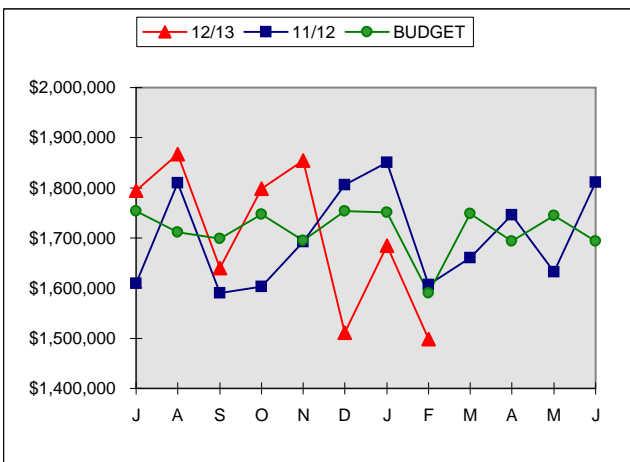
**1. GROSS PATIENT REVENUE**



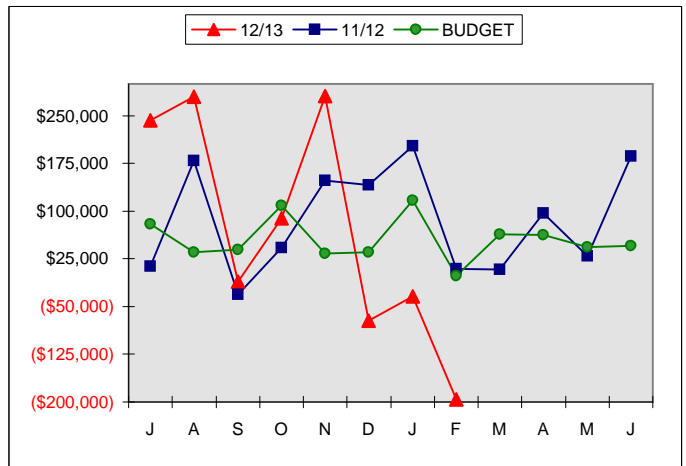
**4. NON-OPERATING INCOME (EXPENSE)**



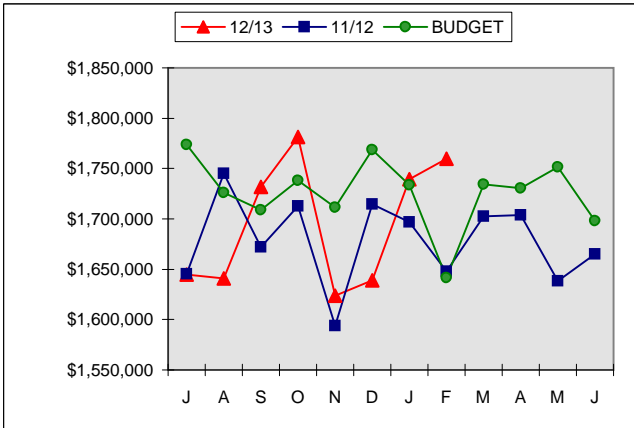
**2. ESTIMATED NET REVENUE**



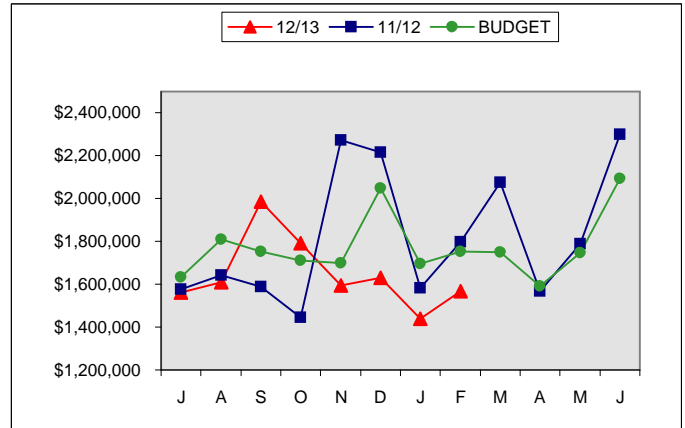
**5. NET INCOME (LOSS)**



**3. OPERATING EXPENSES**

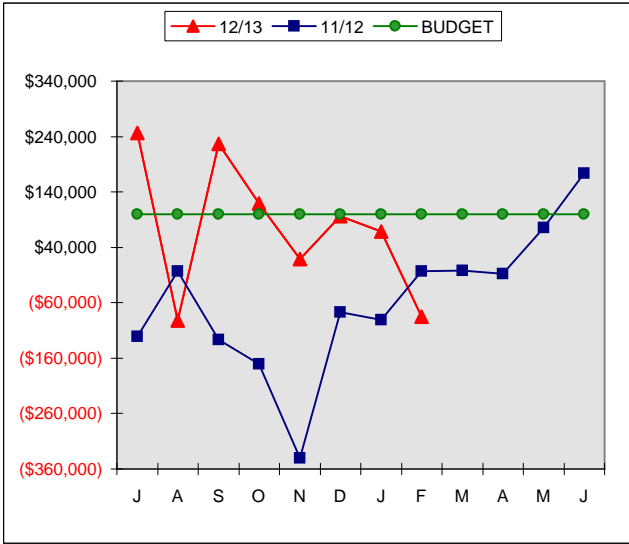


**6. CASH RECEIPTS**

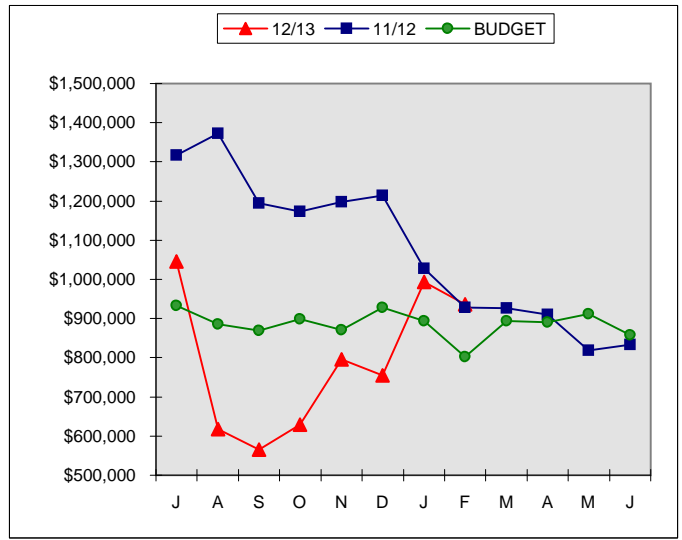


EASTERN PLUMAS HEALTH CARE  
MONTHLY FINANCIAL GRAPHS  
FOR THE YEAR ENDED JUNE 30, 2013

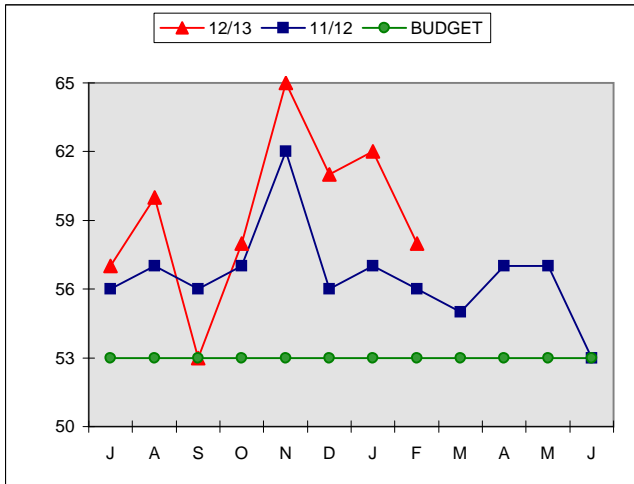
**7. OPERATING CASH**



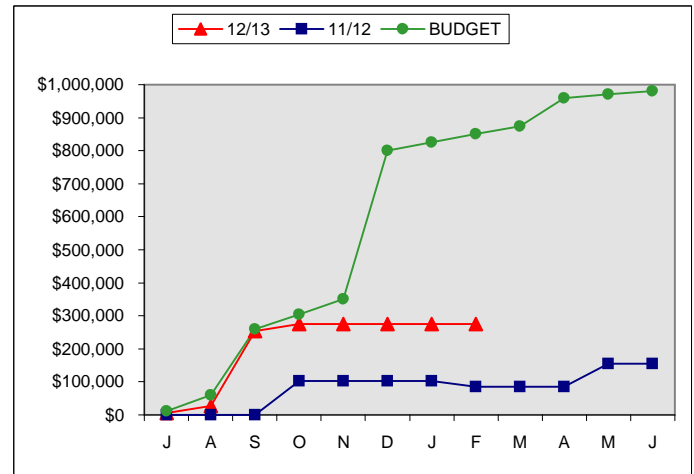
**10. ACCOUNTS PAYABLE**



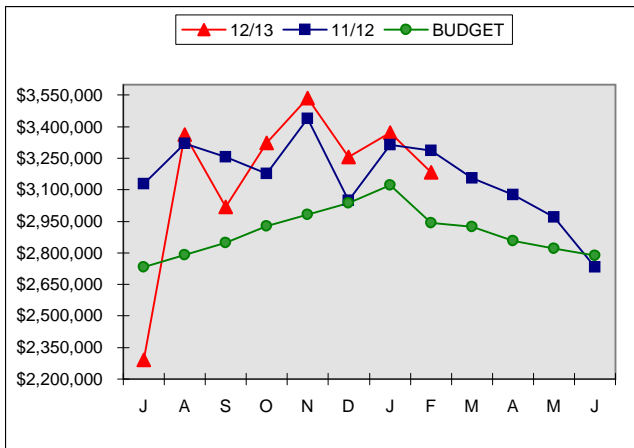
**8. ACCOUNTS RECEIVABLE-DAYS**



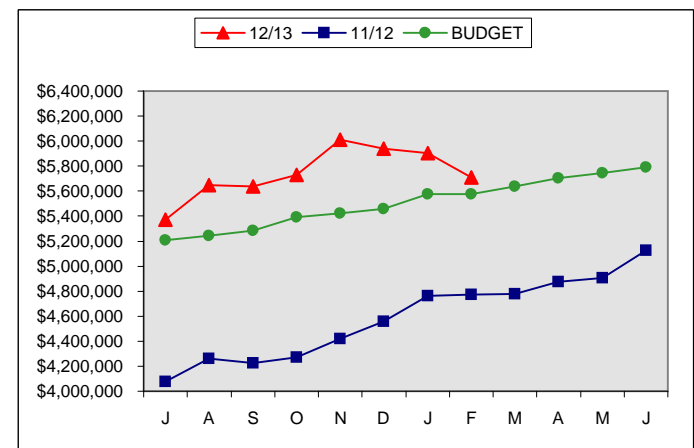
**11. CAPITAL EXPENDITURES-YTD**



**9. ACCOUNTS RECEIVABLE, NET**

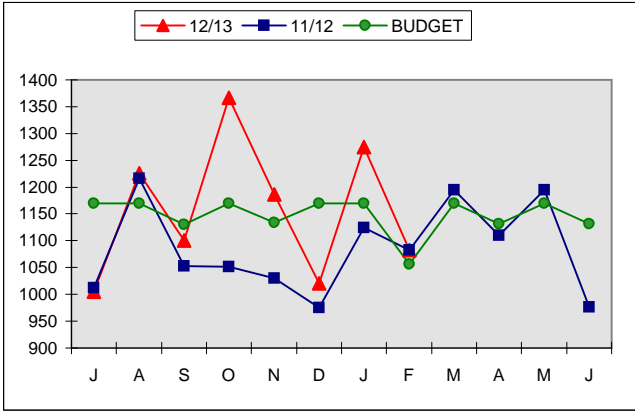


**12. FUND BALANCE + NET INCOME (LOSS)**

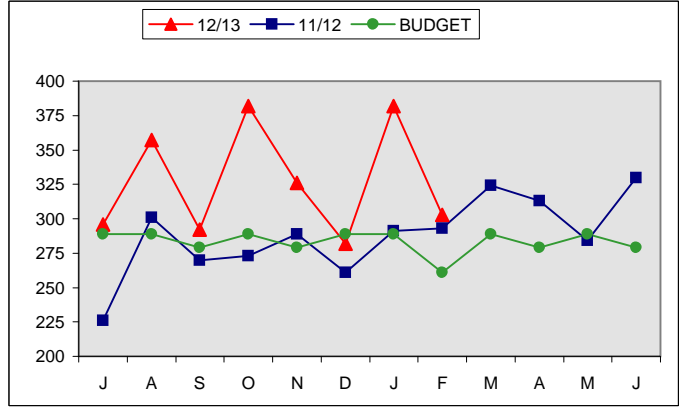


EASTERN PLUMAS HEALTH CARE  
 MONTHLY FINANCIAL GRAPHS  
 FOR THE YEAR ENDED JUNE 30, 2013

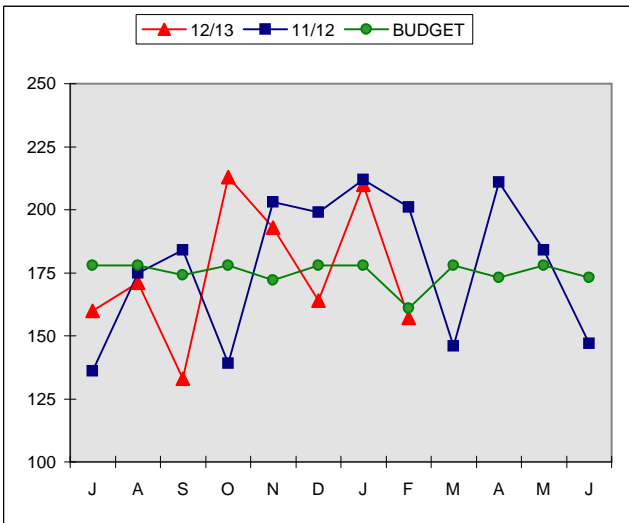
**13. PORTOLA MEDICAL CLINIC VISITS**



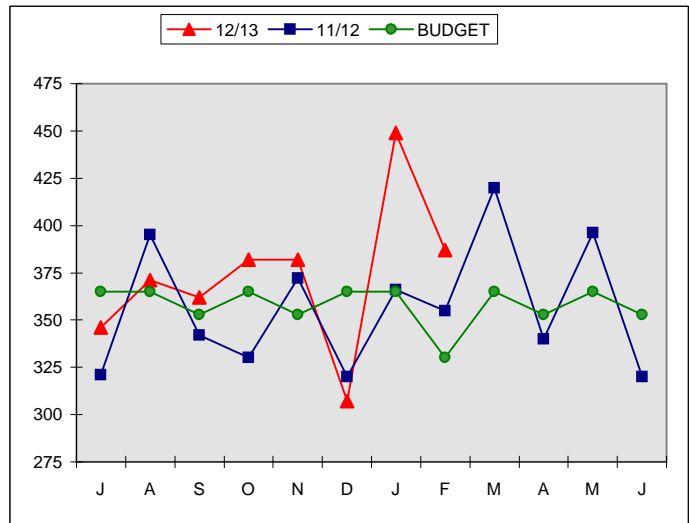
**16. LOYALTON MEDICAL CLINIC VISITS**



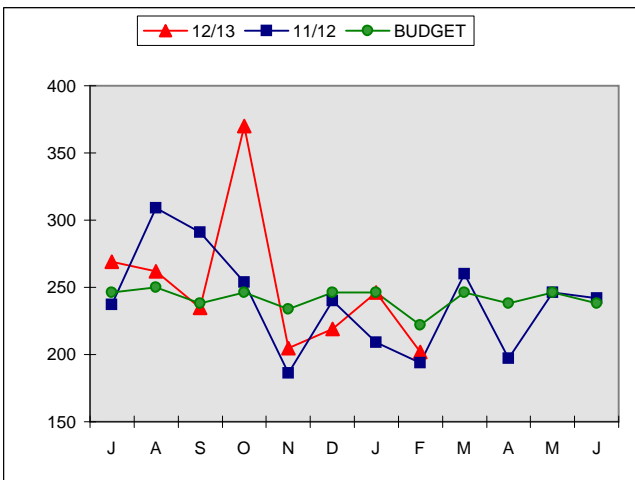
**14. PORTOLA DENTAL CLINIC VISITS**



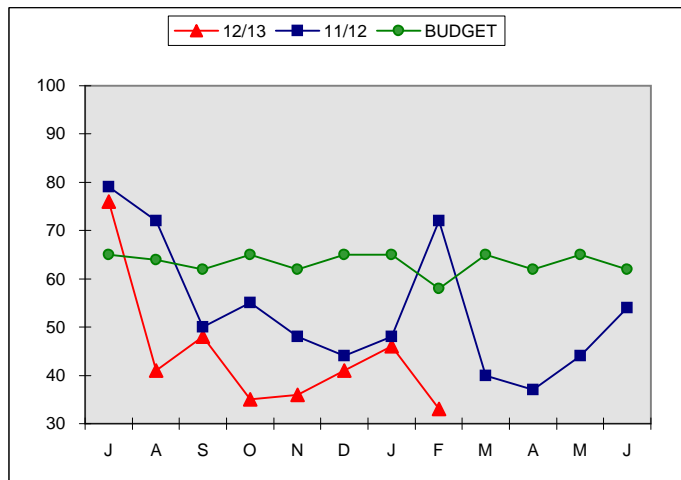
**17. INDIAN VALLEY MEDICAL CLINIC VISITS**



**15. GRAEAGLE MEDICAL CLINIC VISITS**



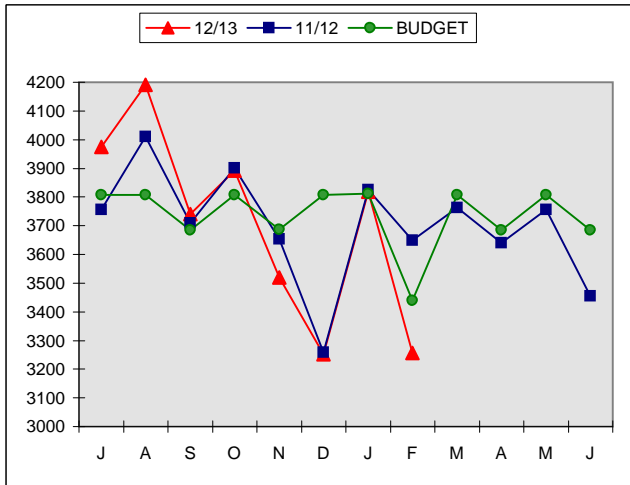
**18. PORTOLA ANNEX VISITS**



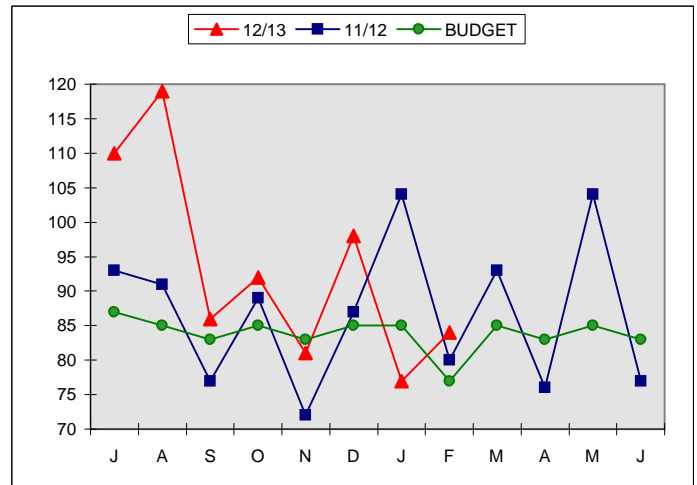


EASTERN PLUMAS HEALTH CARE  
 MONTHLY FINANCIAL GRAPHS  
 FOR THE YEAR ENDED JUNE 30, 2013

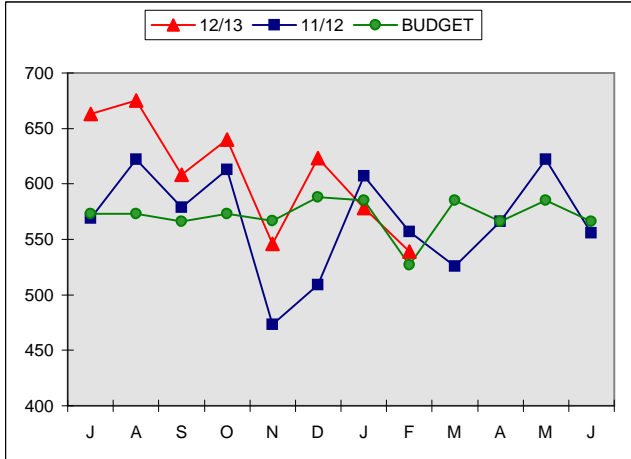
**19. LABORATORY PROCEDURES**



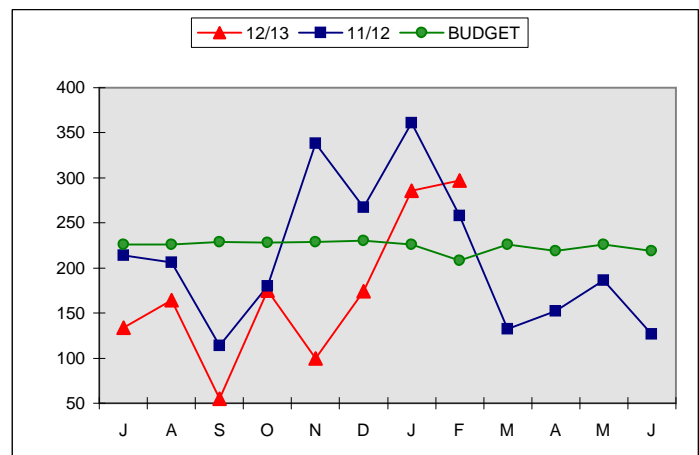
**22. AMBULANCE RUNS**



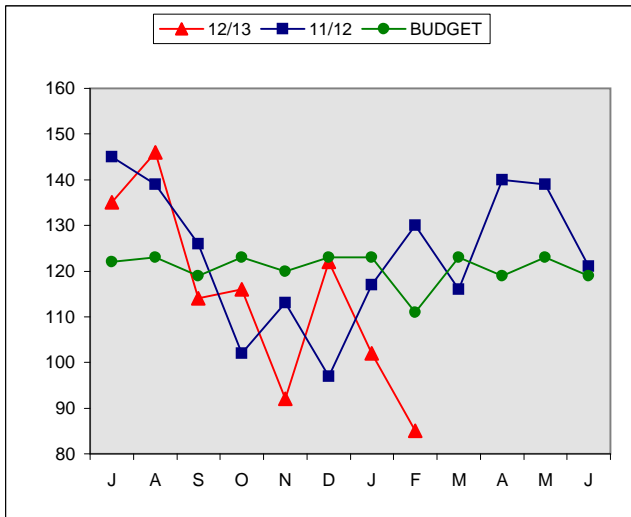
**20. RADIOLOGY PROCEDURES**



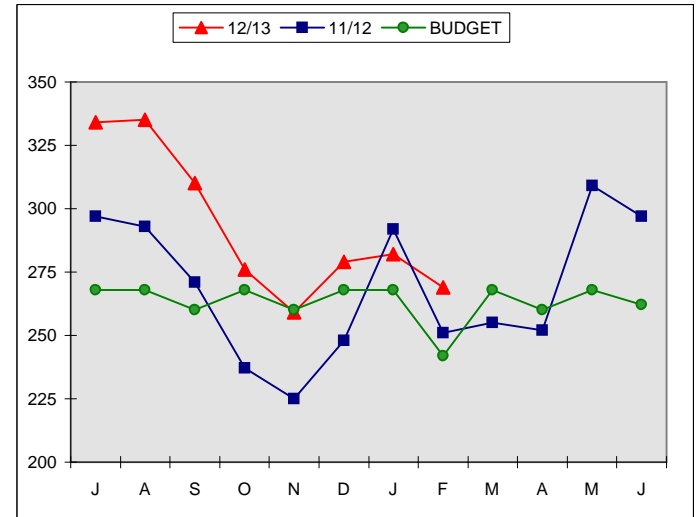
**23. RESPIRATORY PROCEDURES**



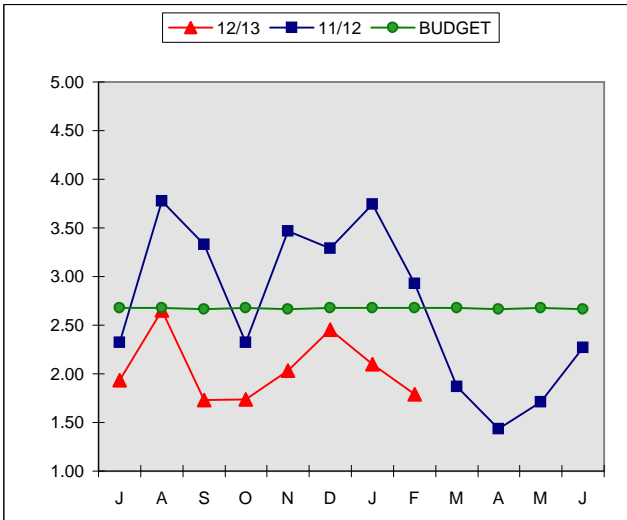
**21. ECGS**



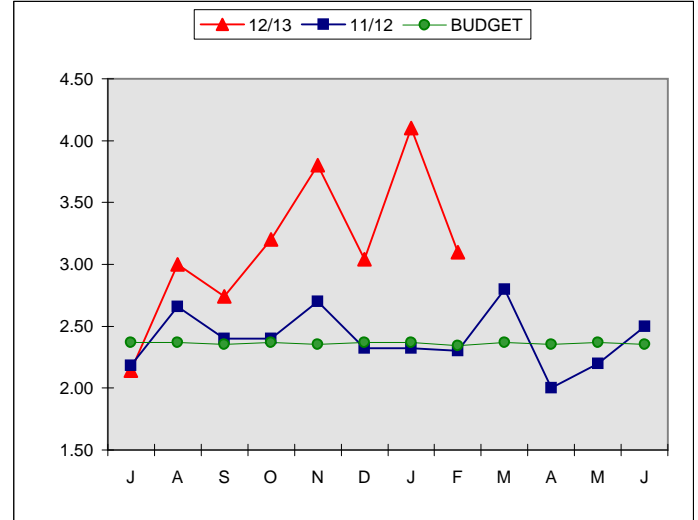
**24. EMERGENCY ROOM VISITS**



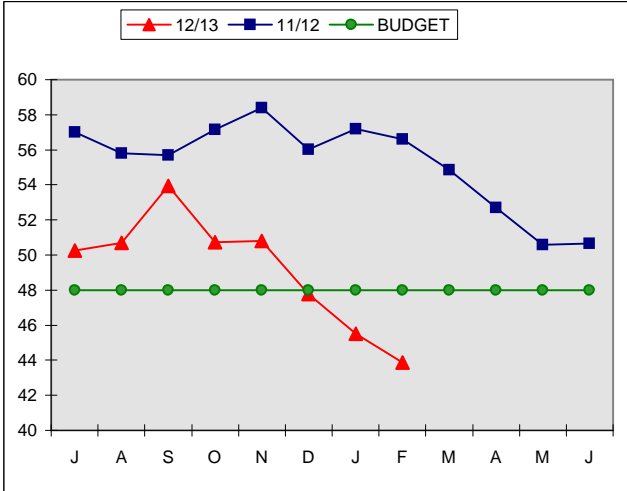
**25. AVERAGE DAILY CENSUS - ACUTE**



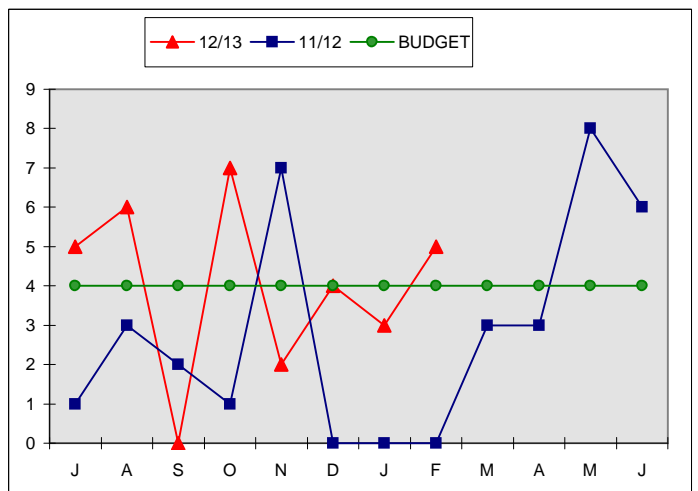
**28. AVERAGE LENGTH OF STAY - ACUTE**



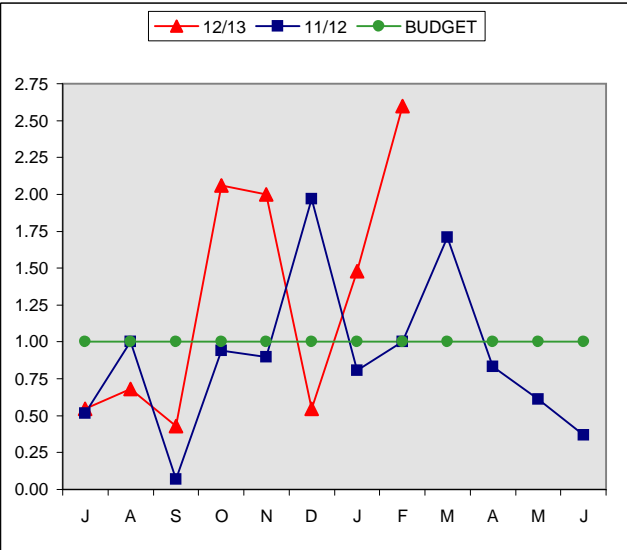
**26. AVERAGE DAILY CENSUS - SNF**



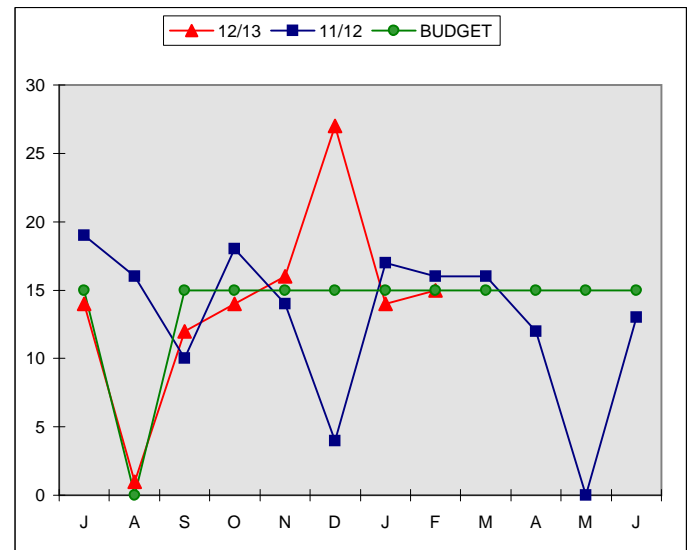
**29. SURGERIES - IN & OUTPATIENT**



**27. AVERAGE DAILY CENSUS-SWING**

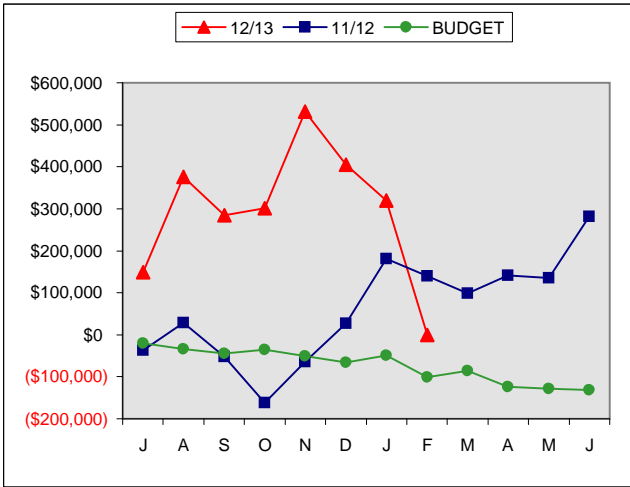


**30. ENDOSCOPY PROCEDURES**

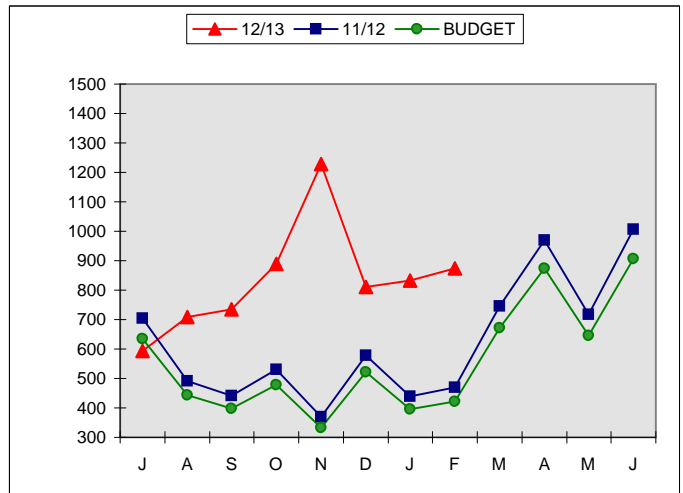


EASTERN PLUMAS HEALTH CARE  
MONTHLY FINANCIAL GRAPHS  
FOR THE YEAR ENDED JUNE 30, 2013

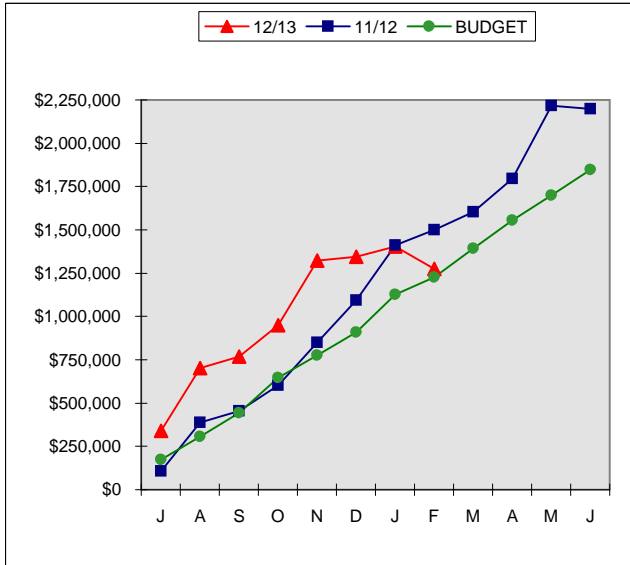
31. YEAR TO DATE OPERATING INCOME(LOSS)



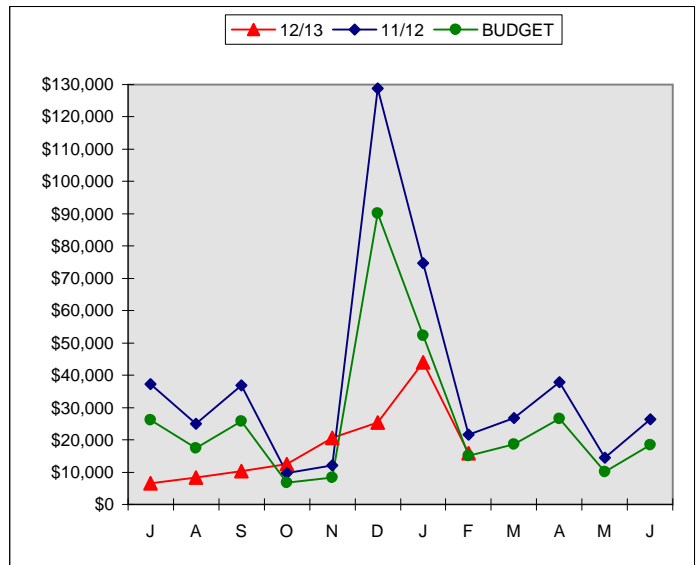
34. OVERTIME HOURS



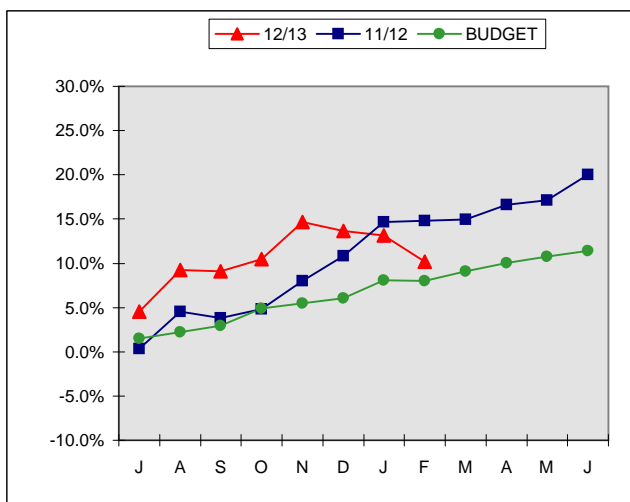
32. EARNINGS BEFORE INTEREST, DEPRECIATION & AMORTIZATION



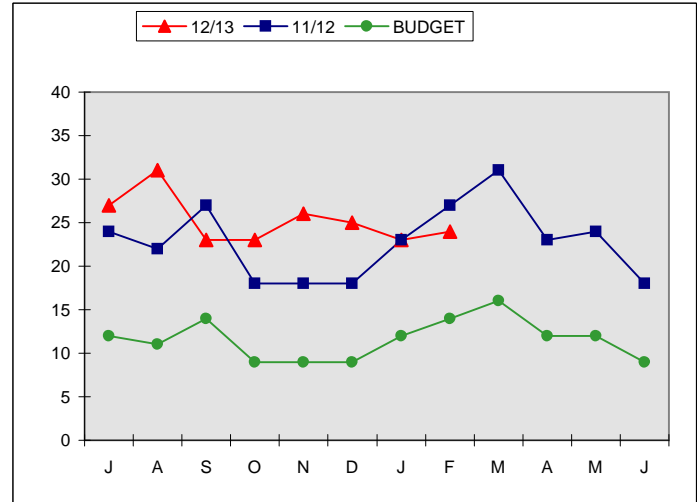
35. DENIALS



34. RETURN ON EQUITY



36. EMERGENCY DEPARTMENT TRANSFERS





TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

March 4, 2013

Mr. Thomas P. Hayes, CEO  
Eastern Plumas Health Care  
500 First Avenue  
Portola, CA 96122

Dear Mr. Hayes:

Thank you for your letter, dated January 16, 2013, to Mr. Toby Douglas, Director of the Department of Health Care Services (DHCS), sharing your concerns about the Medi-Cal reimbursement reductions for skilled nursing facilities operated by a distinct part of an acute care hospital (DP-SNFs). Your letter has been referred to the Fee-For-Service Rates Development Division for response.

While the Department of Health Care Services (DHCS) appreciates your concerns, it must comply with applicable state and federal laws that govern the Medi-Cal program. The federal law requires DHCS to make sure that Medi-Cal beneficiaries have sufficient access to skilled nursing facility services, such as those provided by DP/NFs.

In enacting Assembly Bill (AB) 97, the Legislature directed DHCS to set the rates paid to DP/NFs at the 2008/2009 rate levels, further reduced by ten percent, subject to DHCS first determining that such reduced rates comply with federal Medicaid law and second upon obtaining necessary approval from the federal oversight agency. AB 97 further mandates that if these conditions are met, the reduced rates are to be effective for services rendered on or after June 1, 2011.

After the Legislature enacted AB 97, DHCS conducted an in-depth analysis in which it determined that Medi-Cal beneficiaries would continue to have access to skilled nursing facility services in accordance with federal Medicaid law if DP/NFs were paid the 2008/2009 rates reduced by ten percent.

Additionally, it should be noted that, as part of the process to implement AB 97, DHCS created a comprehensive monitoring plan to ensure that beneficiaries continue to have access to Medi-Cal covered services in accordance with federal law. This monitoring plan, which includes ongoing monitoring of bed availability, supports California's commitment to continue providing critical, meaningful health care services to Medi-Cal beneficiaries. The monitoring plan will enable DHCS to identify and evaluate any possible problems, should any arise.

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On October 27, 2011, following an extensive review at the federal level, the federal Centers for Medicare and Medicaid Services (CMS) approved a state plan amendment providing that DP/NFs are to be paid 2008/2009 rates reduced by 10% for services rendered on or after June 1, 2011, and approved DHCS's use of the monitoring plan as part of the State Plan for the Medi-Cal program. At that point, the conditions set forth in AB 97 for implementing the reduced rates for DP-SNF's had been met.

However, prior to implementation, a federal court issued an injunction on December 28, 2011, that prohibited DHCS from implementing the AB 97 enacted reduced rates for DP/NFs for services rendered on or after December 28, 2011. The injunction also prohibited DHCS from implementing the reduced rates for services rendered June 1, 2011, through December 27, 2011, if DHCS had already reimbursed the provider for the services prior to December 28, 2011.

On December 13, 2012, the Ninth Circuit Court of Appeals issued a published decision which reversed and vacated the injunction concerning DP/NFs, as well as three other court injunctions against payment reductions mandated by AB 97 for other Medi-Cal covered services. But this federal court decision is not yet final.

On January 28, 2013, the plaintiffs requested a rehearing from the Ninth Circuit. The court injunctions remain in place while the Ninth Circuit decides whether to grant the rehearing request. Thus, pending a decision by the Ninth Circuit on the plaintiffs' request for rehearing, DHCS will continue to comply with the injunctions. If the Ninth Circuit denies the request for rehearing, and the injunction against the reduced rates for DP/NFs is then lifted, DHCS will then begin implementing those rates on new prospectively processed claims. DHCS will provide notice on the Medi-Cal website prior to beginning prospective implementation.

If and when the injunction is lifted, DHCS will also be required by state law to retroactively apply the reduced rates to claims that were previously paid at the unreduced level and recoup money that providers owe based on the reduced rates for services rendered on or after June 1, 2011. Such recoupment will not begin until after DHCS begins to implement the reduced rates prospectively on new claims. DHCS understands that the process of retroactively implementing the reduced rates and recoupment will have a financial impact on providers. DHCS will be developing a plan to minimize the financial impact from recoupment as much as possible. DHCS is also committed to working with any individual providers who may have a unique need for individual recoupment plans.

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As you may be aware, the DHCS Safety Net Financing Division is currently administering a Supplemental Reimbursement Program for Public Hospital Distinct Part Nursing Facilities (DP/NFs). DP/NFs of a publically operated general acute care hospital that meet specific requirements may qualify to participate. If you have any questions regarding this program you may contact Ms. Brie-Anne Sebastien at 916-552-9078 or email at [Brie-Anne.Sebastien@dhcs.ca.gov](mailto:Brie-Anne.Sebastien@dhcs.ca.gov) .

Thank you for sharing your concerns. If you have any questions or comments, please send your email to [Rate.Reduction@dhcs.ca.gov](mailto:Rate.Reduction@dhcs.ca.gov).

Sincerely,

*John Mendoza*

John Mendoza, Acting Chief  
Fee-For-Service Rates Development Division