

**SPECIAL MEETING AGENDA
THURSDAY, MARCH 16, 2023
6:00 PM
REDWOODS ROOM, AHMC
700 RIVER DRIVE, FORT BRAGG, CA
<https://www.mchcd.org>**

**NOTICE OF SPECIALMEETING OF THE BOARD OF DIRECTORS
MENDOCINO COAST HEALTH CARE DISTRICT**

NOTICE IS HEREBY GIVEN in accordance with Section 54956 of the Government Code that a Special Session of the Board of Directors of the Mendocino Coast Health Care District is called to be held March 16, 2023, at 6:00 p.m. in the Redwoods Room, Adventist Health Mendocino Coast Hospital, 700 River Drive, Fort Bragg, California.

In compliance with Government Code section 54954.2(a) the Mendocino Coast Health Care District will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the District at 707-937-3089 at least 72 hours prior to the meeting. The Board reserves the right to mute or remove a member of the public for inappropriate behavior which is disruptive.

This Board Meeting is being held in person. Meeting attendees may also join virtually using the Zoom link below. See Appendix A for other links and phone numbers to access this meeting.

<https://us02web.zoom.us/j/85414123367?pwd=WFlsbERtOXk1bThLVctQOUNQUk1VZz09>

CONDUCT OF BUSINESS;

1. **Call to Order:** Lee Finney, Chair
2. **Roll Call:** Susan Savage, Secretary

BOARD AND COMMUNITY COMMENTS

3. **Comments from the Board**

4. Comments from the Community

This portion of the meeting is reserved for persons desiring to address the Board of Directors on any matter over which the District has jurisdiction. You must state your name and address for the record. Time is limited to 3 minutes per speaker with a 20-minute total time limit for all comments.

The public is invited to comment on each agenda item as it is announced by the Chair. The same 3 minutes per speaker and 20-minutes total time limits apply. The Board of Directors will then discuss the item without further public comment. The Agenda and the Minutes are approved without public comment.

Brown Act Requirements: Pursuant to the Brown Act, the Board of Directors cannot discuss or take action on items not on the agenda. This will limit the Board's response to requests and questions made during this comment period.

5. APPROVAL OF THE AGENDA

6. APPROVAL OF CONSENT CALENDAR

6.1 **Approval of McKee Bookkeeping Contract** **TAB 1**

7. NEW BUSINESS

7.1 **Discussion/Action: AB 869 Hospitals: Seismic Safety Compliance**
Letter of Support for Assembly Health Committee Hearing on
March 21, 2023 – Lee Finney **TAB 2**

8. OLD BUSINESS

8.1 **Discussion/Action: Derek Petrak Contract:**
Handling and Post-Affiliation Liability for Medicare Settlements,
FY 2019 and FY 2020 – Jade Tippett **TAB 3**

8.2 **Discussion/Action: DHCS Collection Notices for MediCal**
Overpayments from FY 2019 – Jade Tippett **TAB 4**

8.3 **Discussion/Action: Continuing Certification for Bond Covenants**
and FY 2021, FY 2022 Audit Requirements including Missing
Meeting Minutes – Jade Tippett **TAB 5**

8.4 **Discussion: Updated By-Laws Review** Discussion Only
– Susan Savage **TAB 6**

9. Comments from the Community

This portion of the meeting is reserved for persons desiring to address the Board of Directors on any matter which the district has jurisdiction. You must state your name and address for the record. Time is limited to 3 minutes per speaker with a 20-minute total time limit for all comments. The Board of Directors can take no action on your presentation, but can seek clarification to points made in your presentation or comments.

10. Comments from Board of Directors

11. Next Meeting: March 30, 2023

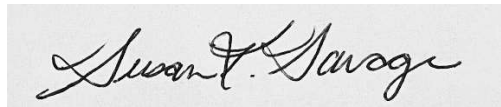
12. Adjournment

Dated: March 13, 2023

STATE OF CALIFORNIA)

COUNTY OF MENDOCINO) §

I declare under penalty of perjury that I hold the position of Secretary of the Mendocino Coast Health Care District Board of Directors; and that I posted this notice at the lobby entrance to The Mendocino Coast Healthcare District office at 775 River Dr. in Fort Bragg, adjacent to Adventist Health Mendocino Coast hospital on March 13, 2023.



March 13, 2023

Susan Savage, Secretary

Date

APPENDIX A

Topic: MCHCD Special Meeting

Time: Mar 16, 2023 06:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/85414123367?pwd=WFlsbERtOXk1bThLVctQOUNQUk1VZz09>

Meeting ID: 854 1412 3367

Passcode: 365249

One tap mobile

+16699006833,,85414123367#,,,,*365249# US (San Jose)

+16694449171,,85414123367#,,,,*365249# US

Dial by your location

+1 669 900 6833 US (San Jose)

+1 669 444 9171 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 253 205 0468 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

Meeting ID: 854 1412 3367

Passcode: 365249

Find your local number: <https://us02web.zoom.us/u/kdwbm3znto>

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K. MCKEE & COMPANY

Financial, Tax and Business Services

February 20th, 2023

Mendocino Coast Health Care District
775 River Road
Fort Bragg, CA 95437

RE: 2023 Engagement Letter

Dear Jade Tippet,

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of services we will provide.

We will perform the services listed on exhibit A.

We will not audit or review your financial statements as those terms are defined in generally accepted auditing standards or any other accounting documents and information you provide. We will not verify the data you submit for accuracy or completeness. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us.

You are responsible for designing and implementing controls to prevent and detect fraud and informing us about all known or suspected fraud impacting the company. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Our engagement cannot be relied on to disclose errors, irregularities, or illegal acts, including fraud or embezzlements, that may exist. However, we will inform the appropriate level of management specifically designated by you, of any material errors that come to our attention and any irregularities or illegal acts that come to our attention, unless they are clearly inconsequential.

In order for us to complete this engagement in a timely and efficient manner we require unrestricted access to all documents concerning your financial transactions including but not limited to bank statements, canceled checks, summaries of deposits and sales, a listing of accounts payable and accounts receivable, leases, loans and any other financial information necessary that impacts your accounting records. If you keep records in QuickBooks or other accounting software you agree to have the most current updates, patches etc. such that your system will be compatible with the current operating system standards.

Our fee for these services will be based upon the amount of time required at our standard billing rate of \$105 per hour, plus out-of-pocket expenses, with \$750 minimum billed by ACH monthly. All invoices are due upon presentation and are payable via ACH payment. The authorization is provided herein. Annual renewal will be automatic 5% Increase without 30-day notice in writing. You may terminate your services to fall on the final day of the billing cycle (last day of the month) of termination request.

Our maximum liability to you arising for any reason relating to services rendered under this letter

205 S Main Street Fort Bragg, CA 95437

T (707) 961-1562 F (707) 409~6214 www.KmckeeCo.com



K. MCKEE & COMPANY

Financial, Tax and Business Services

shall be limited to the amount of fees you paid for the month for these services. In the event of a claim by a third party relating to services under this letter, you will indemnify us from all such claims, liabilities, costs, and expenses, except to the extent determined to have resulted from our intentional or deliberate misconduct.

If any dispute arises (between/among) the parties hereto, the parties agree first to try in good faith to settle the dispute through non-binding mediation. The costs of mediation shall be shared equally by the parties.

The parties agree that, if any dispute cannot be settled through mediation, the dispute may then be brought before a court of competent jurisdiction, but the matter will ultimately be decided by the court, sitting without a jury. The parties recognize they have *knowingly* and *voluntarily* agreed to waive all rights to have any such dispute determined by a jury, but otherwise retain all rights afforded under the applicable civil justice system.

This Agreement, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the laws of California.

This Agreement is fully and voluntarily entered by the Parties. Each Party states that he, she, or it has read this Agreement, has obtained advice of counsel if he, she, or it so desired, understands all of this Agreement, and executes this Agreement voluntarily and of his, her, or its own free will and accord with full knowledge of the legal significance and consequences of this Agreement.

To confirm that you agree with the services and terms of this engagement, please sign where indicated at the bottom of this letter and return a signed copy to us. Should you have any questions regarding these requirements or provisions, please feel free to contact us.

Sincerely,

Kristine McKee

Signed on behalf of

K. McKee & Company, Inc.

ACCEPTED AND AGREED TO BY:

Client Name: _____

By: _____

Client Signature

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K. MCKEE & COMPANY

Financial, Tax and Business Services

ENGAGEMENT AGREEMENT **EXHIBIT A** – SERVICES AND FEES

Service	Fees
<p>ESTIMATED COSTS:</p> <ol style="list-style-type: none"> 1. MONTHLY SUBSCRIPTION TO ACCOUNTING SOFTWARE - \$35 (3 USER LOGINS ASSIGNED) 2. MONTHLY SUBSCRIPTION TO PAYROLL SERVICES FOR ELECTRONIC TAX PAYMENTS, FILINGS (EFILE), DIRECT DEPOSIT AND EMPLOYEE PAYROLL PORTALS: \$35.00 FLAT FEE, PLUS \$8 PER EMPLOYEE 3. MINIMUM BOOKKEEPING FEE \$750 PER MONTH, BILLED AT \$105 PER AN HOUR. 	<p>\$105 per hour/\$750 Per Month +Plus Subscription/ License Fees</p>
<p>ON BOARDING PROCESS:</p> <ol style="list-style-type: none"> 4. SETUP CLOUD BASED ACCOUNTING SYSTEM – QUICKBOOKS ONLINE 5. PROVIDE APPROVED ACCESS USERS FROM BOARD 6. MINI TRAINING AND INTRODUCTION TO BOARD MEMBERS WITH ACCESS 7. ORDER COMPUTER CHECK STOCK AND CORRESPONDING ENVELOPES 8. LINK BANKING FOR AUTOMATIC DAILY IMPORT INTO SYSTEM 9. SETUP WORKFLOW APPROVAL PROCESS FOR VENDOR PAYMENT PROCESS 	<p>Included</p>
<p>PROCESS ACCOUNT PAYABLE:</p> <ol style="list-style-type: none"> 10. CLASS AND CODE TO GL BY REVENUE SEGMENTS EXPENDITURES 11. EMAIL APPROVAL WORKFLOW 12. SETUP PREAPPROVAL RECURRING PAYMENTS (IE LOANS, UTILITIES ETC) 13. ELECTRONIC PAYMENT BASED ON EMAIL APPROVAL WORKFLOW <ul style="list-style-type: none"> • Issue checks for signature if necessary • Obtain W9's for subcontractors prior to payment release 	<p>Included</p>

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K. MCKEE & COMPANY

Financial, Tax and Business Services

ENGAGEMENT AGREEMENT **EXHIBIT A** – SERVICES AND FEES CONTINUED

Service	Fees
PROCESS ACCOUNTS RECEIVABLE: 14. CLASS AND CODE TO GL BY REVENUE SEGMENTS INCOME 15. BILLING REQUIRED FOR REIMBURSEMENTS THROUGH LEASE AGREEMENT, IF ANY.	INCLUDED
PAYROLL: 16. ESTABLISH EMPLOYER ID FOR FEDERAL AND STATE IF NECESSARY 17. SETUP EFTPS AND EDD REQUIRED ACCOUNT WITH THE US TREASURY AND EMPLOYMENT DEVELOPMENT DEPARTMENT 18. PROVIDE NEW HIRE PACKAGE (W4, I9, CONTACT RECORD) 19. PROVIDE EMPLOYEES WITH PAYROLL PORTAL, THEY CAN ACCESS THEIR PAYSTUBS, W2 AND ACCRUED BENEFITS 24/7 20. DIRECT DEPOSIT FOR STAFF 21. HANDLE WORKERS COMPENSATION INSURANCE ANNUAL AUDIT 22. PROCESS PAYMENT FOR PAYROLL TAXES TO APPROPRIATE GOVERNMENT AGENCY 23. FILE QUARTERLY AND ANNUAL PAYROLL TAX FILINGS	INCLUDED
MONTH-END CLOSE AND REPORTS: 24. RECONCILE WORKING CAPITAL ACCOUNTS MONTHLY (BANK, RECEIVABLE, INVENTORY IF ANY, PAYABLES, OTHER CURRENT ASSETS AND LIABILITIES). 25. RECONCILE ALL REVENUE ACCOUNTS 26. RECONCILE EXPENDITURES GREATER THAN 5% OF REVENUE 27. ISSUE FINANCIAL REPORTS PER AGREED SCHEDULE	INCLUDED
QUARTERLY: 28. RECONCILE LONG TERM ASSETS AND LIABILITIES 29. RECONCILE REMAINDER INCOME STATEMENT ACCOUNTS NOT COMPLETED MONTHLY	INCLUDED
ANNUAL: 30. 1099'S TO SUBCONTRACTORS	INCLUDED
INCOME TAX RETURNS 31. INCOME TAXES- BILLED SEPARATELY AND WILL BE BASED UPON THE TIME REQUIRED AT OUR REGULAR TAX RATE	STANDARD TAX HOURLY RATE
CLIENT RESPONSIBLE: TO BE DETERMINED THROUGH WORKFLOW DEVELOPMENT	

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**T
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The Honorable Assemblyman Jim Wood
State Capitol
P.O. Box 942849
Sacramento, CA 95814

RE: Support for AB 869

The Mendocino Coast Healthcare District Board of Directors enthusiastically endorses your Assembly Bill 869 to amend existing requirements for hospitals and health care special districts to meet seismic standards by 2030.

The Mendocino Coast Healthcare District is responsible for retrofitting the only acute care facility within 30 to more than 60 miles over mountain roads for approximately 29,000 people living on the remote Mendocino Coast. The District, with very limited resources, is working with the community to assess and address the seismic compliance needs of an aging and outdated structure built in the 1970's. Preliminary assessments suggest that most of the facility does not meet 2030 earthquake standards. Very preliminary cost estimates are in the vicinity of \$40 million dollars to comply with existing law. While there is community discussion about building a new hospital at a cost of over \$100 million, funding and timing for such an endeavor is likely to be very difficult.

In 2018, voters passed Measure C, a local parcel tax to support maintaining critical hospital services on the coast that sunsets in 2030. The District was also able to avert closing its 25-bed critical access hospital in 2020 by affiliating with Adventist Health through a lease agreement. However, the availability and sustainability of high quality acute care for an aging rural population within a changing local economy remains a challenge.

Requirements to meet seismic standards add an additional challenge that could result in eventual closure unless the right choices are made as we address questions of retrofitting the existing structure or finding resources to build a new one that meets current needs. To obtain the structural analysis of the current facility in order to make informed choices with a fully engaged community takes time that this bill could provide by delaying the deadline for seismic compliance to 2035. The potential for funding included in this bill will be crucial for the District's ability to implement the recommended work once a choice has been made and a plan acceptable to all parties is complete.

We thank you for your very timely and excellent work on this bill to address a serious concern in our area. Please let us know if there is anything further we can do to support passage of this essential legislation.

Lee Finney
Chair of the Board of Directors
Mendocino Coast Health Care District

AB 869 (Small rural and district hospital seismic safety compliance)

Assemblymember Jim Wood

THE PROBLEM

According to the American Hospital Association, rural hospitals provide care to nearly 20% of Americans and are often the largest local employer. However, many rural hospitals are struggling financially and since 2010, 121 have closed across the country. According to the University of North Carolina Rural Health Research Program, since 2006, nine of those closures were in California.

Healthcare District hospitals face many of the same financial pressures as small rural hospitals. California Healthcare Districts are created by voters at the local level, generally funded by a local property tax. California currently has 76 Healthcare Districts, 54 of which serve the state's rural areas.

EXISTING LAW

Establishes timelines for hospital compliance with seismic safety standards, including a requirement that buildings posing a significant risk of collapse and a danger to the public (referred to as SPC 1 buildings) be rebuilt or retrofitted to be capable of withstanding an earthquake, or removed from acute care service and a requirement that a hospital must also be capable of continued operation by January 1, 2030.

Existing law also establishes the Small and Rural Hospital Relief Program under the Department of Health Care Access and Administration (HCAI) and requires HCAI to provide grants to small and rural hospitals to assist with planning to meet 2030 seismic safety requirements.

BACKGROUND

Non-structural damage to hospitals by the 1994 Northridge earthquake prompted the Legislature to update seismic safety requirements from 1974

that only applied to new construction. SB 1953 (Alquist), Chapter 740, Statutes of 1994 required the then Office of Statewide Health Planning and Development (now HCAI) to create seismic performance categories for hospitals depending on the risk of collapse, and the ability to remain operable following an earthquake. Specifically, SB 1953 required HCAI to create structural performance categories (SPCs), as well as nonstructural performance categories (NPCs) for “nonstructural systems that are critical to providing basic services to hospital inpatients and the public after a disaster.” Each hospital building receives both an SPC and an NPC rating. According to HCAI, the SPC requirements can be thought of as protecting the skeleton, while NPC requirements ensure the organs and other tissues necessary for a human body to function will remain safely attached to the skeleton. There are very few remaining buildings at risk of collapse in an earthquake. Based on the 2030 requirement to remain operational, 75% of hospital buildings are already 2030 compliant with the more expensive SPC requirements; however, the remaining hospitals, which are spread across more than 250 hospital campuses, must be taken out of service by 2030 or rebuilt to the SPC 4D standard.

BILL SUMMARY

AB 869 would require HCAI, upon appropriation by the Legislature, to provide grants to financially distressed small rural, and district hospitals to pay for 2030 seismic upgrades, and delay the requirement to 2035.

If funds are not available, financially distressed rural hospitals (with an estimated seismic cost of more than \$1 million or 2% of the hospitals revenue, whichever is greater) will not be required to comply with 2030 seismic requirements until funds are available. Financially distressed district hospitals, as determined by HCAI, that meet at least one of

the following additional criteria also would not be required to comply with 2030 seismic requirements until funds are available. The additional criteria include 1) 30 miles or 30 minutes away from another hospital, 2) MediCal revenue above the statewide average for a hospital, 3) the district's voters have rejected a bond measure providing additional financial resources for seismic compliance.

SUPPORT

FOR MORE INFORMATION

Liz Snow // (916) 319-2002

Liz.snow@asm.ca.gov

Lara Flynn // (916) 319-2097

Lara.flynn@asm.ca.gov



ASSEMBLY BILL

No. 869

Introduced by Assembly Member Wood

February 14, 2023

An act to add Section 130078.5 to, and to add Chapter 1.6 (commencing with Section 130080) to Part 7 of Division 107 of, the Health and Safety Code, relating to hospitals.

LEGISLATIVE COUNSEL'S DIGEST

AB 869, as introduced, Wood. Hospitals: seismic safety compliance.

Existing law requires, no later than January 1, 2030, owners of all acute care inpatient hospitals to either demolish, replace, or change to nonacute care use all hospital buildings not in substantial compliance with specified seismic safety standards or to seismically retrofit all acute care inpatient hospital buildings so that they are in substantial compliance with those seismic safety standards. Existing law requires the Department of Health Care Access and Information to issue a written notice upon compliance with those requirements.

Existing law establishes the Small and Rural Hospital Relief Program under the administration of the Department of Health Care Access and Information for the purpose of funding seismic safety compliance with respect to small hospitals, rural hospitals, and critical access hospitals in the state. Existing law requires the department to provide grants to small, rural, and critical access hospital applicants that meet certain criteria, including that seismic safety compliance, as defined, imposes a financial burden on the applicant that may result in hospital closure. Existing law also creates the Small and Rural Hospital Relief Fund and continuously appropriates the moneys in the fund for purposes of administering and funding the grant program.

Existing law provides for the formation and administration of health care districts.

This bill would require the department to give first priority to grants for single- and 2-story general acute care hospitals located in remote or rural areas with less than 80 general acute care beds and general acute care hospital revenue of \$75 million or less. The bill would require grants under the program to provide general acute care hospitals with funds to secure an SPC-4D assessment for purposes of planning for, and estimating the costs of, compliance with certain seismic safety standards, as specified. The bill would authorize specified general acute care hospitals to apply for a grant for purposes of complying with those seismic safety standards.

The bill would delay the requirement to meet those and other building standards for specified general acute care hospitals until January 1, 2035, and would exempt a general acute care hospital with an SPC-4D assessment and with a certain estimated cost from those seismic safety standards if the department determines that the cost of design and construction for compliance results in a financial hardship for the hospital and certain funds are not available to assist with the cost of compliance.

The bill would also authorize a health care district to submit financial information to the department to allow the department to determine if the health care district is financially distressed and if so, would allow the health care district to apply for a grant for the purpose of meeting those seismic safety standards. The bill would require a health care district to provide financial information to the department for the purposes of, among other things, demonstrating whether the health care district has attempted to secure other methods of funding, prior to being awarded state funds. The bill would delay the requirement to meet the seismic safety standards until January 1, 2035, for a health care district that qualifies for those grants. The bill would exempt a health care district hospital from those requirements until funds are made available to meet those requirements if the department determines that the cost of design and construction for compliance with those requirements results in a financial hardship that may result in hospital closure.

The bill would require, by January 1, 2030, and at 2-year intervals thereafter, a hospital or health care district that meets the criteria for the above-described abeyances to provide any information that the department deems necessary to assess whether the hospital or health care district continues to meet those criteria. The bill would require the

department to post on its internet website a list of hospitals and health care districts that continue to meet the criteria for abeyance.

The bill would condition implementation of its provisions on an appropriation of funds by the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 130078.5 is added to the Health and
2 Safety Code, to read:

3 130078.5. (a) The department shall give the first priority to
4 grants for single- and two-story general acute care hospitals located
5 in remote or rural areas with less than 80 general acute care beds
6 and general acute care hospital revenue of seventy-five million
7 dollars (\$75,000,000) or less, as reported to the department
8 pursuant to Section 128740 in 2020.

9 (b) (1) Grants pursuant to this chapter shall provide general
10 acute care hospitals described in subdivision (a) with funds to
11 secure an SPC-4D assessment for purposes of planning for, and
12 estimating the costs of, complying with Section 130065.

13 (2) The department shall conduct outreach to general acute care
14 hospitals described in subdivision (a) regarding the availability of
15 these grants and provide technical assistance to hospitals applying
16 for the grants.

17 (3) A general acute care hospital receiving a grant for an
18 assessment pursuant to this subdivision shall provide the estimated
19 cost of SPC-4D compliance to the department as soon as possible.

20 (4) The department shall provide grants to secure assessments
21 to general acute care hospitals that qualify within 18 months of
22 the implementation of this section.

23 (c) (1) (A) Subject to paragraphs (2) and (3), general acute
24 care hospitals that have received a grant for an assessment pursuant
25 to subdivision (b) may apply for a grant for purposes of complying
26 with Section 130065.

27 (B) Subject to paragraphs (2) and (3), general acute care
28 hospitals that already have a completed SPC-4D assessment may
29 provide that assessment to the department and the department may
30 award the general acute care hospital grant money for purposes of
31 complying with Section 130065.

1 (2) If state funds are appropriated in the future for the purpose
2 of complying with Section 130065, prior to being awarded state
3 funds, a hospital that qualified for assessment grants under
4 subdivision (b) shall provide the department with financial
5 information on a form as required by the department for the
6 following purposes:

7 (A) Demonstrating whether or not the hospital has attempted
8 to secure other methods of funding for SPC-4D compliance,
9 including federal funding, and if not, why.

10 (B) Confirming the accuracy of the SPC-4D cost estimate, and
11 that estimated costs are only for the purpose of SPC-4D
12 compliance.

13 (C) Demonstrating the hospital's need for assistance due to
14 financial hardship and lack of ability to finance the required
15 improvements, in order to access state funds.

16 (3) In awarding grants, the department shall have the authority
17 to deny costs from the assessment completed pursuant to
18 subdivision (b) that the department determines are not necessary
19 to comply with SPC-4D requirements.

20 (d) General acute care hospitals that qualify for grants as
21 described in subdivision (b) shall be required to comply with
22 NPC-3 standards no later than January 1, 2035.

23 (e) General acute care hospitals as described in subdivision (a)
24 that apply, and qualify, for grants pursuant to subdivision (c) shall
25 be required to comply with Section 130065 by January 1, 2035.

26 (f) (1) A general acute care hospital as described in subdivision
27 (a) with a completed assessment pursuant to subdivision (b), with
28 an estimated cost over one million dollars (\$1,000,000), or 2
29 percent of the hospitals revenue, whichever is greater, shall not be
30 required to comply with Section 130065 if the department
31 determines that the cost of design and construction for SPC-4D
32 compliance results in a financial hardship for the hospital and state
33 funds, federal grants, or private foundation funds are not available
34 to assist with the cost of compliance.

35 (2) The department shall confirm a hospital's lack of ability to
36 comply with Section 130065 and that the cost of compliance may
37 result in hospital closure, or would substantially impact the
38 accessibility to health care in communities surrounding the hospital.

39 (g) (1) By January 1, 2030, and at two-year intervals thereafter,
40 each hospital whose compliance with the requirements of Section

1 130065 is in abeyance according to subdivision (f) shall provide
2 to the department any information that the department deems
3 necessary to assess whether the hospital continues to meet the
4 criteria of subdivision (f). If a hospital's circumstances have not
5 significantly altered, the department shall not require an updated
6 SPC-4D assessment.

7 (2) The department shall post on its internet website a list of
8 hospitals that continue to meet the criteria for an abeyance from
9 the requirements of Section 130065 pursuant to subdivision (f).

10 (h) This section shall be implemented only upon appropriation
11 of funds by the Legislature.

12 SEC. 2. Chapter 1.6 (commencing with Section 130080) is
13 added to Part 7 of Division 107 of the Health and Safety Code, to
14 read:

15

16 CHAPTER 1.6. HEALTH CARE DISTRICT RELIEF PROGRAM

17

18 130080. (a) (1) A health care district hospital authorized
19 pursuant to Division 23 (commencing with Section 32000) may
20 submit financial information to the Department of Health Care
21 Access and Information to allow the department to determine if
22 the health care district hospital is financially distressed, including,
23 but not limited to, the health care district hospital's percentage of
24 patients on Medi-Cal and Medicare.

25 (2) If the department determines the hospital is financially
26 distressed according to the information submitted pursuant to
27 paragraph (1), the health care district hospital may apply to the
28 department for a grant for the purpose of complying with section
29 130065. When applying for a grant, the health care district hospital
30 shall provide the department with an estimate of the cost for the
31 hospital to comply with Section 130065.

32 (b) (1) If state funds are appropriated in the future for the
33 purpose of complying with Section 130065, prior to being awarded
34 state funds, a health care district hospital that qualifies for a grant
35 pursuant to subdivision (a) shall provide the department with
36 financial information on a form as required by the department for
37 both of the following purposes:

38 (A) Demonstrating whether or not the health care district has
39 attempted to secure other methods of funding for compliance with
40 Section 130065, including, but not limited to, federal funding, and

1 if not, an explanation for why the hospital has not attempted to
2 secure other funding.

3 (B) Demonstrating the health care district's need for assistance
4 due to financial hardship and lack of ability to finance the required
5 improvements, in order to access state funds.

6 (2) The department shall confirm the accuracy of the health care
7 district's seismic cost estimate, and that estimated costs are only
8 for the purpose of compliance with Section 130065.

9 (3) In awarding grants, the department shall have the authority
10 to deny costs that the department determines are not necessary to
11 comply with Section 130065.

12 (c) (1) Health care district hospitals that qualify for grants as
13 described in subdivision (a) shall be required to comply with
14 Section 130065 no later than January 1, 2035. If the department
15 determines that the cost of design and construction for compliance
16 with Section 130065 results in a financial hardship that may result
17 in hospital closure and state funds, federal grants, or private
18 foundation funds are not available to assist with the cost of
19 compliance, and the health care district hospital is more than 30
20 minutes or 30 miles from the closest hospital, the health care
21 district hospital shall not be required to comply with Section
22 130065 until funds are made available for the purpose of complying
23 with Section 130065.

24 (2) The department shall confirm a health care district hospital's
25 lack of ability to comply with Section 130065 and that the cost of
26 compliance may result in hospital closure, or would substantially
27 impact the accessibility to health care in communities surrounding
28 the health care district hospital.

29 (d) (1) By January 1, 2030, and at two-year intervals thereafter,
30 each health care district hospital whose compliance with the
31 requirements of Section 130065 is in abeyance according to
32 subdivision (c) shall provide to the department any information
33 the department deems necessary to assess whether the hospital
34 continues to meet the requirements of subdivision (c).

35 (2) The department shall post on its internet website a list of
36 hospitals that continue to meet the requirements for an abeyance
37 form the requirements of Section 130065 pursuant to subdivision
38 (c).

1 (e) This section shall only be implemented upon appropriation
2 of funds by the Legislature.

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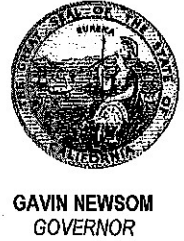
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State of California—Health and Human Services Agency
Department of Health Care Services



SEP 24 2021

Judson Howe, CFO
North Coast Family
700 River Drive
Fort Bragg, CA 95437-5403

NOTICE OF TENTATIVE SETTLEMENT TO RECONCILIATION REQUEST
PROVIDER LEGAL NAME: MENDOCINO COAST HEALTH CARE DISTRICT
DBA: NORTH COAST FAMILY
NATIONAL PROVIDER IDENTIFIER: 1124220249
FISCAL PERIOD ENDED: JUNE 30, 2019

We completed the pre-audit analysis for the Rural Health Clinic (RHC) Medi-Cal Reconciliation Review Request for the above-referenced fiscal period.

The amount presented on Schedule 1 represents 100% of the tentative Medi-Cal settlement due the State in the amount of \$457,255, for the above-referenced fiscal period.

In order to prevent overpayments to the Clinic, the Department applied a percentage of cutback to reflect the recovery from prior year reviews.

This RHC Tentative Settlement to Reconciliation Request includes the:

1. Schedule 1—Tentative Settlement Summary
2. Tentative Settlement Adjustments Schedule

The Department will perform a final review of the Clinic's Medi-Cal Prospective Payment System (PPS) Reconciliation Request at a later date, which will determine the Clinic's final settlement amount.

The Department will not adjust the Clinic's interim PPS rate at this time.

The Statement of Account Status will incorporate the Medi-Cal overpayment, which may reflect other financial transactions initiated by the Department. The State's fiscal intermediary will forward the Statement of Account Status to the provider. The Statement of Account Status will include instructions regarding payment. The total of the Statement of Account Status equals the total settlement amount on Schedule 1 of this report.

Judson Howe
Page 2

SEP 24 2021

Please contact Kanwardeep Gill, Auditor, at (916) 713-8980 or
Kanwardeep.Gill@dhcs.ca.gov if you have any questions.



For Maricela Orejel
Audit Manager
FQHC/RHC Section—Sacramento
Financial Audits Branch

Enclosure
Certified

7020 1290 0001 3710 3620

COMPUTATION OF FQHC/RHC TENTATIVE SETTLEMENT

PROVIDER LEGAL NAME: MIENDOCINO COAST HEALTH CARE DISTRICT	NATIONAL PROVIDER IDENTIFIER: 1124220249
FISCAL PERIOD: JULY 1, 2018 THROUGH JUNE 30, 2019	

PAYMENT/RECOVERY DETERMINATION

	REPORTED		
	Visits		Visits
	Period 1	Period 2	Total
1 Crossovers - Code 02	-	-	-
2 Managed Care - Code 18	2,038	5,957	7,995
3 Capitated MAP - Code 20	-	-	-
4 Total Visits	2,038	5,957	7,995

	Payments		Payments		Payments Total
	Period 1		Period 2		
Medi-Cal Non-Managed Care Crossovers (Formerly Code 02):					
5 Medi-Cal Fiscal Intermediary for Non-Managed Care Crossovers	\$ -	\$ -	\$ -	\$ -	\$ -
6 Medicare PPS/UPL/FFS, FFS MAP, Code 519 & Part D Totalled	\$ -	\$ -	\$ -	\$ -	\$ -
7 3rd Party Payers	\$ -	\$ -	\$ -	\$ -	\$ -
Medi-Cal Managed Care (Formerly Code 18):					
8 Medi-Cal Fiscal Intermediary for Managed Care Interim Payments	\$ 359,211	\$ 1,064,858	\$ 1,424,069		
9 Medi-Cal Managed Care Plans - TOTAL	\$ 39,165	\$ 130,918	\$ 170,083		
10 Medicare PPS/UPL/FFS, FFS/CAP MAP, Code 519 & Part D Totalled	\$ 180,849	\$ 433,759	\$ 614,608		
11 3rd Party Payers	\$ -	\$ -	\$ -		\$ -
Medi-Cal Non-Managed Care Crossovers with Capitated MAP (Formerly Code 20):					
12 Medi-Cal Fiscal Intermediary for Non-Mgd Care Crossovers with Cap MAP	\$ -	\$ -	\$ -		\$ -
13 Capitated Medicare Advantage Plans, Code 519 & Part D Totalled	\$ -	\$ -	\$ -		\$ -
14 3rd Party Payers	\$ -	\$ -	\$ -		\$ -
15 Total Payments	\$ 579,225	\$ 1,629,535	\$ 2,208,760		\$ 2,208,760

	Reconciliation		Reconciliation		Total
	Period 1		Period 2		
16 PPS Rate	\$ 216.81	\$ 219.85			
17 Total Visits (From Line 4)	2,038	5,957			7,995
18 PPS Amount (Line 16 x Line 17)	\$ 441,859	\$ 1,309,646			\$ 1,751,505
19 Less: Total Payments (From Line 15)	\$ 579,225	\$ 1,629,535			\$ 2,208,760
Amount Due Clinic (State)	\$ (137,366)	\$ (319,889)			\$ (457,255)
Tentative Settlement Payment Percentage Applied					
Tentative Settlement Due Clinic (State)					
					\$ 100%
					\$ (457,255)

* Math Corrections

Provider Legal Name		Fiscal Period		Provider NPI		Adjustments	
MENDOCINO COAST HEALTH CARE DISTRICT		JULY 1, 2018 THROUGH JUNE 30, 2019		1124220249		2	
Adj. No.	Report References		Worksheet	Line	As Reported	Increase (Decrease)	As Adjusted
	Tentative Settlement Review	Reconciliation Request					
1	16	1	16	1	\$217.46	(\$0.65)	\$216.81
2	16	1	16	1	220.72	(0.87)	219.85
<p>Explanation of Audit Adjustments MEMORANDUM ADJUSTMENTS</p> <p>16 PPS Rate (Period 1) 16 PPS Rate (Period 2) To adjust the reported Prospective Payment System (PPS) rate to agree with the PPS rate in ACSNET. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, section 2304</p>							

State of California

GAVIN NEWSOM, Governor

=====
Department of Health Care Services
Recovery Section, MS 4720
P.O. Box 997425
Sacramento, CA 95899-7425
(279) 600-1773

February 08, 2023

MENDOCINO COAST HEALTH CARE DISTRI
700 RIVER DR
FORT BRAGG, CA 95437-5403

Dear MENDOCINO COAST HEALTH CARE DISTRI:

REFERENCE NUMBER : 1124220249-022
BALANCE DUE : \$306.47

The Department of Health Care Services (DHCS) has made multiple attempts to arrange for repayment of this debt. The debt remains unpaid and is delinquent.

Prompt response will preclude possible future offsets and/or legal action against you. DHCS accepts checks, money orders, and Electronic Funds Transfers (EFT).

To make an EFT payment:

1. Visit <http://dhcs.ca.gov/ePay>.
2. Click on the EFT website link.
3. Enter the requested information including your DHCS account number V1124220249-022.

Payments by check should be made payable to:

Department of Health Care Services
Overpayments Section
P.O. Box 997421 MS 4720
Sacramento, CA 95899-7421

If you have any questions or concerns regarding this matter, please contact this office at the above phone number.

METREY KEO
Overpayments Section

GC3090 (05/21)

15-0325

State of California

GAVIN NEWSOM, Governor

=====
Department of Health Care Services
Recovery Section, MS 4720
P.O. Box 997425
Sacramento, CA 95899-7425
(279) 600-1773

February 08, 2023

MENDOCINO COAST HEALTH CARE DISTRI
700 RIVER DR
FORT BRAGG, CA 95437-5403

Dear MENDOCINO COAST HEALTH CARE DISTRI:

REFERENCE NUMBER : 1124220249-021
BALANCE DUE : \$85,140.59

The Department of Health Care Services (DHCS) has made multiple attempts to arrange for repayment of this debt. The debt remains unpaid and is delinquent.

Prompt response will preclude possible future offsets and/or legal action against you. DHCS accepts checks, money orders, and Electronic Funds Transfers (EFT).

To make an EFT payment:

1. Visit <http://dhcs.ca.gov/ePay>.
2. Click on the EFT website link.
3. Enter the requested information including your DHCS account number V1124220249-021.

Payments by check should be made payable to:
Department of Health Care Services
Overpayments Section
P.O. Box 997421 MS 4720
Sacramento, CA 95899-7421

If you have any questions or concerns regarding this matter, please contact this office at the above phone number.

METREY KEO
Overpayments Section

GC3090 (05/21)

15-0323

State of California

GAVIN NEWSOM, Governor

=====
Department of Health Care Services
Recovery Section, MS 4720
P.O. Box 997425
Sacramento, CA 95899-7425
(279) 600-1773

February 08, 2023

MENDOCINO COAST HEALTH CARE DISTRI
700 RIVER DR
FORT BRAGG, CA 95437-5403

Dear MENDOCINO COAST HEALTH CARE DISTRI:

REFERENCE NUMBER : 1124220249-020
BALANCE DUE : \$74,581.92

The Department of Health Care Services (DHCS) has made multiple attempts to arrange for repayment of this debt. The debt remains unpaid and is delinquent.

Prompt response will preclude possible future offsets and/or legal action against you. DHCS accepts checks, money orders, and Electronic Funds Transfers (EFT).

To make an EFT payment:

1. Visit <http://dhcs.ca.gov/ePay>.
2. Click on the EFT website link.
3. Enter the requested information including your DHCS account number V1124220249-020.

Payments by check should be made payable to:
Department of Health Care Services
Overpayments Section
P.O. Box 997421 MS 4720
Sacramento, CA 95899-7421

If you have any questions or concerns regarding this matter, please contact this office at the above phone number.

METREY KEO
Overpayments Section

GC3090 (05/21)

15-0321

State of California

GAVIN NEWSOM, Governor

=====
Department of Health Care Services
Recovery Section, MS 4720
P.O. Box 997425
Sacramento, CA 95899-7425
(279) 600-1773

February 08, 2023

MENDOCINO COAST HEALTH CARE DISTRI
700 RIVER DR
FORT BRAGG, CA 95437-5403

Dear MENDOCINO COAST HEALTH CARE DISTRI:

REF NUMBER : 1124220249-019
BALANCE DUE: \$257,983.94

You have been notified of your debt to the Department of Health Care Services (DHCS) on several occasions. The debt remains unpaid and your account is becoming seriously delinquent.

Please submit payment for \$257,983.94 within 15 days. DHCS accepts checks, money orders, and Electronic Funds Transfers (EFT).

To make an EFT payment:

1. Visit <http://dhcs.ca.gov/ePay>.
2. Click on the EFT website link.
3. Enter the requested information including your DHCS account number V1124220249-019.

Payments by check should be made payable to:
Department of Health Care Services
Overpayments Section
P.O. Box 997421 MS 4720
Sacramento, CA 95899-7421

For additional information or to discuss a repayment agreement, please contact this office at the above phone number.

Failure to comply with this demand may result in involuntary collection actions taken against you, which could include wage garnishment.

METREY,KEO @DHCS, CA.gov
Overpayments Section

GC3080 (05/21)

15-0319

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and the MENDOCINO COAST HEALTH CARE DISTRICT (“GOVERNMENTAL FUNDING ENTITY”) with respect to the matters set forth below.

The parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The GOVERNMENTAL FUNDING ENTITY agrees to make a transfer of funds to DHCS pursuant to sections 14164 and 14301.4 of the Welfare and Institutions Code. The amount transferred shall be based on the sum of the applicable rate category per member per month (“PMPM”) contribution increments multiplied by member months, as reflected in Exhibit 1. The GOVERNMENTAL FUNDING ENTITY agrees to initially transfer amounts that are calculated using the Estimated Member Months in Exhibit 1, which will be reconciled to actual enrollment for the service period of January 1, 2021 through December 31, 2021 in accordance with Sub-Section 1.3 of this Agreement. The funds transferred shall be used as described in Sub-Section 2.2 of this Agreement. The funds shall be transferred in accordance with the terms and conditions, including schedule and amount, established by DHCS.

1.2 The GOVERNMENTAL FUNDING ENTITY shall certify that the funds transferred qualify for Federal Financial Participation pursuant to 42 C.F.R. part 433, subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, Federal

money excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations. Impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

1.3 DHCS shall reconcile the “Estimated Member Months,” in Exhibit 1, to actual enrollment in HEALTH PLAN(S) for the service period of January 1, 2021 through December 31, 2021 using actual enrollment figures taken from DHCS records. Enrollment reconciliation will occur on an ongoing basis as updated enrollment figures become available. Actual enrollment figures will be considered final two years after December 31, 2021. If reconciliation results in an increase to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, the GOVERNMENTAL FUNDING ENTITY agrees to transfer any additional funds necessary to cover the difference. If reconciliation results in a decrease to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, DHCS agrees to return the unexpended funds to the GOVERNMENTAL FUNDING ENTITY. If DHCS and the GOVERNMENTAL FUNDING ENTITY mutually agree, amounts due to or owed by the GOVERNMENTAL FUNDING ENTITY may be offset against future transfers.

2. Acceptance and Use of Transferred Funds

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to this Agreement as IGTs, to use for the purpose set forth in Sub-Section 2.2.

2.2 The funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to Section 1 and Exhibit 1 of this Agreement shall be used to fund the non-federal share

of Medi-Cal Managed Care actuarially sound capitation rates described in section 14301.4(b)(4) of the Welfare and Institutions Code as reflected in the contribution PMPM and rate categories reflected in Exhibit 1. The funds transferred shall be paid, together with the related Federal Financial Participation, by DHCS to HEALTH PLAN(S) as part of HEALTH PLAN(S)' capitation rates for the service period of January 1, 2021 through December 31, 2021, in accordance with section 14301.4 of the Welfare and Institutions Code.

2.3 DHCS shall seek Federal Financial Participation for the capitation rates specified in Sub-Section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge that DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services.

2.5 DHCS shall not direct HEALTH PLAN(S)' expenditure of the payments received pursuant to Sub-Section 2.2.

3. Assessment Fee

3.1 DHCS shall exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20 percent fee related to the amounts transferred pursuant to Section 1 of this Agreement, except as provided in Sub-Section 3.2. GOVERNMENTAL FUNDING ENTITY agrees to pay the full amount of that assessment in addition to the funds transferred pursuant to Section 1 of this Agreement.

3.2 The 20-percent assessment fee shall not be applied to any portion of funds transferred pursuant to Section 1 that are exempt in accordance with sections 14301.4(d) or 14301.5(b)(4) of the Welfare and Institutions Code. DHCS shall have sole discretion to determine the amount of the funds transferred pursuant to Section 1 that will not be subject to a

20 percent fee. DHCS has determined that \$0.00 of the transfer amounts will not be assessed a 20 percent fee, subject to Sub-Section 3.3.

3.3 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to DHCS simultaneously with the transfer amounts made under Section 1 of this Agreement. If at the time of the reconciliation performed pursuant to Sub-Section 1.3 of this Agreement, there is a change in the amount transferred that is subject to the 20-percent assessment in accordance with Sub-Section 3.1, then a proportional adjustment to the assessment fee will be made.

4. Amendments

4.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

4.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in Section 2 of this Agreement.

5. Notices. Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall either be sent via secure email or submitted in writing to the other party personally or by United States First Class, Certified or Registered mail with postage prepaid, addressed to the other party at the address as set forth below:

* Any required signature(s) on any documents must be in compliance with California Government Code section 16.5 and any other applicable state or federal regulations.

To the GOVERNMENTAL FUNDING ENTITY:

John Redding, Treasurer
Mendocino Coast Health Care District
755 River Drive
Fort Bragg, CA 95437
jredding@mcdh.org

With copies to:

Norman de Vall, Interim Chair
Mendocino Coast Health Care District
755 River Drive
Fort Bragg, CA 95437
ndevall@mcdh.org

To DHCS:

Vivian Beeck
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., MS 4413
Sacramento, CA 95814
Vivian.Beeck@dhcs.ca.gov

6. Other Provisions

6.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal payments described in Sub-Section 2.2 of this Agreement that are funded by the GOVERNMENTAL FUNDING ENTITY, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the GOVERNMENTAL FUNDING ENTITY and DHCS relating to the subject matter of this Agreement. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-

Cal program. This Agreement shall not modify the terms of any other agreement, existing or entered into in the future, between the parties.

6.2 The non-enforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

6.3 Sections 2 and 3 of this Agreement shall survive the expiration or termination of this Agreement.

6.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals. Accordingly, there shall be no third party beneficiary of this Agreement.

6.5 Time is of the essence in this Agreement.

6.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

7. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under Federal and State law and regulations.

8. Approval. This Agreement is of no force and effect until signed by the parties.

9. Term. This Agreement shall be effective as of January 1, 2021 and shall expire as of June 30, 2024 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

THE MENDOCINO COAST HEALTH CARE DISTRICT:

By:  _____ Date: October 6, 2022

John Redding, Treasurer of the Board

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By:  _____ Date: December 11, 2022

Rafael Davtian, Division Chief, Capitated Rates Development Division

Exhibit 1

Health Plan:	Partnership Health Plan of California		
Rating Region:	All Rating Regions		
Service Period	1/2021 - 12/2021		
		Estimated Member	Estimated
Rate Category	Contribution PMPM	Months*	Contribution (Non-Federal Share)
Child - non MCHIP	\$ 0.06	1,835,590	\$ 110,135
Child - MCHIP	\$ 0.04	817,276	\$ 32,691
Adult - non MCHIP	\$ 0.18	1,045,291	\$ 188,152
Adult - MCHIP	\$ 0.13	28,224	\$ 3,669
ACA Optional Expansion	\$ 0.04	2,202,804	\$ 88,112
SPD	\$ 0.52	490,034	\$ 254,818
SPD/Full-Dual	\$ 0.12	836,710	\$ 100,405
LTC	\$ 2.34	1,763	\$ 4,125
LTC/Full-Dual	\$ 1.47	37,393	\$ 54,968
OBRA	\$ 0.31	1,738	\$ 539
WCM	\$ 0.90	83,465	\$ 75,119
Estimated Total		7,380,288	\$ 912,733

* Note that Estimated Member Months are subject to variation, and the actual total Contribution (Non-Federal Share) may differ from the amount listed here.

Exhibit 1 - Payment Request Invoice

Mendocino Coast Health Care District
 Agreement 19-96438

Time Period	Health Plan	County	Category of Aid	Contribution PMPM	Est. MM for BP 7/2020-12/2020 as of 12/2022	Estimated Contribution (Non-Federal Share)
					Final MM for BP 7/2019 - 6/2020 as of 12/2022	
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Child - non MCHIP	\$ 0.03	491,052	\$ 14,732
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Child - MCHIP	\$ 0.01	207,548	\$ 2,075
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Adult - non MCHIP	\$ 0.10	259,994	\$ 25,999
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Adult - MCHIP	\$ 0.04	5,454	\$ 218
7/2019 - 12/2019	Partnership Health Plan of California	Regional	ACA Optional Expansion	\$ 0.01	559,225	\$ 5,592
7/2019 - 12/2019	Partnership Health Plan of California	Regional	SPD	\$ 0.26	139,677	\$ 36,316
7/2019 - 12/2019	Partnership Health Plan of California	Regional	SPD/Full-Dual	\$ 0.05	234,812	\$ 11,741
7/2019 - 12/2019	Partnership Health Plan of California	Regional	LTC (non-dual)	\$ 0.90	368	\$ 331
7/2019 - 12/2019	Partnership Health Plan of California	Regional	LTC/Full-Dual	\$ 0.55	11,044	\$ 6,074
7/2019 - 12/2019	Partnership Health Plan of California	Regional	OBRA	\$ -	-	\$ -
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Whole Child Model	\$ 0.48	26,487	\$ 12,714
7/2019 - 12/2019	Partnership Health Plan of California	Regional	BCCTP	\$ 0.45	924	\$ 416
7/2019 - 12/2019	Partnership Health Plan of California	Regional	Est. FE Total		1,936,585	\$ 116,208
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Child - non MCHIP	\$ 0.03	486,994	\$ 14,610
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Child - MCHIP	\$ 0.01	205,764	\$ 2,058
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Adult - non MCHIP	\$ 0.09	259,058	\$ 23,315
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Adult - MCHIP	\$ 0.04	5,214	\$ 209
1/2020 - 6/2020	Partnership Health Plan of California	Regional	ACA Optional Expansion	\$ 0.02	550,838	\$ 11,013
1/2020 - 6/2020	Partnership Health Plan of California	Regional	SPD	\$ 0.22	138,323	\$ 30,431
1/2020 - 6/2020	Partnership Health Plan of California	Regional	SPD/Full-Dual	\$ 0.04	233,211	\$ 9,328
1/2020 - 6/2020	Partnership Health Plan of California	Regional	LTC (non-dual)	\$ 0.81	392	\$ 318
1/2020 - 6/2020	Partnership Health Plan of California	Regional	LTC/Full-Dual	\$ 0.50	10,901	\$ 5,451
1/2020 - 6/2020	Partnership Health Plan of California	Regional	OBRA	\$ -	-	\$ -
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Whole Child Model	\$ 0.45	26,252	\$ 11,813
1/2020 - 6/2020	Partnership Health Plan of California	Regional	BCCTP	\$ 0.44	843	\$ 371
1/2020 - 6/2020	Partnership Health Plan of California	Regional	Est. FE Total		1,917,590	\$ 108,917
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Child - non MCHIP	\$ 0.03	511,410	\$ 15,342
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Child - MCHIP	\$ 0.02	204,967	\$ 4,099
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Adult - non MCHIP	\$ 0.09	282,391	\$ 25,415
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Adult - MCHIP	\$ 0.05	7,156	\$ 358
7/2020 - 12/2020	Partnership Health Plan of California	Regional	ACA Optional Expansion	\$ 0.01	599,569	\$ 5,996
7/2020 - 12/2020	Partnership Health Plan of California	Regional	SPD	\$ 0.24	136,365	\$ 32,728
7/2020 - 12/2020	Partnership Health Plan of California	Regional	SPD/Full-Dual	\$ 0.04	240,485	\$ 9,619
7/2020 - 12/2020	Partnership Health Plan of California	Regional	LTC (non-dual)	\$ 0.83	351	\$ 291
7/2020 - 12/2020	Partnership Health Plan of California	Regional	LTC/Full-Dual	\$ 0.52	10,492	\$ 5,456
7/2020 - 12/2020	Partnership Health Plan of California	Regional	OBRA	\$ -	-	\$ -
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Whole Child Model	\$ 0.48	27,208	\$ 13,060
7/2020 - 12/2020	Partnership Health Plan of California	Regional	BCCTP	\$ 0.44	859	\$ 378
7/2020 - 12/2020	Partnership Health Plan of California	Regional	Est. FE Total		2,021,253	\$ 112,742

Total Bridge Period (July 2019 - December 2020) Section 1 Amount	\$	337,867
<u>Bridge Period July 2019 - December 2020) Section 3 Amount under the Agreement:</u>		
Total Bridge Period (July 2019-December 2020) Section 1 Amount (above)	\$	337,867
Less amount not subject to fee (Section 3.2)	\$	-
Basis for 20% Assessment Fee	\$	337,867
20% Assessment Fee (Basis * 20%)	\$	67,573
Total Bridge Period Amount (July 2019 - December 2020) as of 12/2022 Estimated, and Final Member Months	\$	405,440
Less: Prior Payment Transfers for July 2019 - June 2020 letter sent (2/18/2021)	\$	270,054
Less: Prior Payment Transfers for July 2019 - June 2020 letter sent (8/19/2021)	\$	135,271
Total Payment Transfer Amount	\$	115

Exhibit 1 - Payment Request Invoice

Mendocino Coast Health Care District
 Agreement 21-10228

January 2021 -December 2021 Section 1 Amount under the Agreement:

Health Plan	County	Category of Aid	Contribution PMPM	Estimated Member Months*	Estimated Contribution (Non-Federal Share)
All Partnership	Regional	Child - non MCHIP	\$ 0.06	1,835,590	\$ 110,135
All Partnership	Regional	Child - MCHIP	\$ 0.04	817,276	\$ 32,691
All Partnership	Regional	Adult - non MCHIP	\$ 0.18	1,045,291	\$ 188,152
All Partnership	Regional	Adult - MCHIP	\$ 0.13	28,224	\$ 3,669
All Partnership	Regional	ACA Optional Expansion	\$ 0.04	2,202,804	\$ 88,112
All Partnership	Regional	SPD	\$ 0.52	490,034	\$ 254,818
All Partnership	Regional	SPD/Full-Dual	\$ 0.12	836,710	\$ 100,405
All Partnership	Regional	LTC (non-dual)	\$ 2.34	1,763	\$ 4,125
All Partnership	Regional	LTC/Full-Dual	\$ 1.47	37,393	\$ 54,968
All Partnership	Regional	OBRA	\$ 0.31	1,738	\$ 539
All Partnership	Regional	Whole Child Model	\$ 0.90	83,465	\$ 75,119
All Partnership	Regional	Est. FE Total		7,380,288	\$ 912,733

Total CY 2021 (January 2021 - December 2021) Section 1 Amount \$ 912,733

CY 2021 (January 2021 - December 2021) Section 3 Amount under the Agreement:

Total 2021 (January 2021-December 2021) Section 1 Amount (above)	\$ 912,733
Less amount not subject to fee (Section 3.2)	\$ -
Basis for 20% Assessment Fee	\$ 912,733
20% Assessment Fee (Basis * 20%)	\$ 182,547
Total CY 2021 (January 2021 - December 2021) as of 12/2022 Estimated Member Months	\$ 1,095,280
Add: Outstanding balance from BP 7/2019 - 12/2020	\$ 115
Total Payment Transfer Amount	\$ 1,095,395

MCHCD Tentative Settlement FY2019

Jade Tippett <jtippett@mcdh.org>

Thu 3/9/2023 4:35 PM

To: Kristi.Lloyd@dhcs.ca.gov <Kristi.Lloyd@dhcs.ca.gov>

Cc: Metrey.Keo@dhcs.ca.gov <Metrey.Keo@dhcs.ca.gov>;kelly@hohenbrink.net <kelly@hohenbrink.net>;Lee Finney <lfinney@mcdh.org>

Kristi,

Thank you for returning my call this afternoon. And thank you for reaching out to the Recovery Section. Metrey Keo called me and we got to talk about these letters.

The situation, as I think I described it to you, is that Mendocino Coast Health Care District operated Mendocino Coast Hospital up until July 1, 2020, at which point, the hospital and all health care operations were leased to Adventist Health. The lease with Adventist Health specifies that the Accounts Receivable and Payable incurred prior to that July 1, 2020, takeover date remain with the District, rather than being transferred to Adventist Health.

It appears that the letter announcing the "Tentative settlement to Reconciliation Request," dated September 24, 2021, was directed to Judson Howe, CFO of North Coast Family [Health Clinic] operation. Judson Howe is and was an Adventist Health employee and was not associated with the District. Apparently, the letter never made it to the District for the District to appoint someone to review and try to negotiate down these alleged overpayments.

My request to Metrey Keo and to you is that the collection action be placed in abeyance so that the District can hire someone (Mr. Hohenbrink?) to review the charge-backs and negotiate any possible reductions.

Please let me know whether this is possible. I would like to get this resolved as soon as possible as this is a significant weight on the District finances at this time.

Thank you again,

--j

Jade Tippett

Treasurer

Mendocino Coast Health Care District Board

<https://mchcd.org/>

jtippett@mcdh.org

Mobile: 707-489-4986

From: Lloyd, Kristi@DHCS <Kristi.Lloyd@dhcs.ca.gov>

To: petrakassociates@aol.com <petrakassociates@aol.com>

Cc: Nguyen, Ngoc@DHCS <Ngoc.Nguyen@dhcs.ca.gov>

Sent: Wed, Mar 8, 2023 10:14 am

Subject: RE: [External]Need your advice and direction

Good Morning,

I heard back from TPLRD. So all the amounts are in reference to the TRA for FYE 06/30/2019.

1. AR 6042130745
 - a. Original amount: \$308,452.00
 - b. FYE 6/30/2019
 - c. FAB2021-7668
 - d. Current balance: \$259,398.53
 - e. DHCS reference number: 1124220249-019
2. AR 6042130746
 - a. Original amount: \$69,350.00
 - b. FYE 6/30/2019
 - c. FAB2021-7669
 - d. Current balance: \$74,986.46
 - e. DHCS reference number: 1124220249-020
3. AR 6042130747
 - a. Original amount: \$79,168.00
 - b. FYE 6/30/2019
 - c. FAB2021-7670
 - d. Current balance: \$85,602.40
 - e. DHCS reference number: 1124220249-021
4. AR 6042130748
 - a. Original amount: \$285.00
 - b. FYE 6/30/2019
 - c. FAB2021-7671
 - d. Current balance: \$308.13
 - e. DHCS reference number: 1124220249-022

Kristi Lloyd

Staff Services Manager 1, Unit 1

Cost Report Tracking Section

Financial Review Division

Audits & Investigations

California Department of Health Care Services (DHCS)

Phone: (916)713-8668



Jade Tippett

Treasurer

Mendocino Coast Health Care District Board

<https://mchcd.org/>

jtippett@mcdh.org


Mobile: 707-489-4986

TRANSFER OF BUSINESS OPERATIONS AGREEMENT

3.1.1 Assumed Contracts. All liabilities and obligations of District arising on or after the Closing Date under any Assumed Contract other than liabilities or obligations arising in connection with the breach of any such arrangement on or prior to the Closing Date; and

3.1.2 Post-Closing Date Liabilities. All liabilities and obligations of District arising on or after the Closing Date under any Assumed Contract other than liabilities or obligations arising in connection with the breach of any such arrangement on or prior to the Closing Date; and

3.1.3 Government Healthcare Program and Related Participation Agreements. Subject to Section 3.2.5, all obligations and liabilities of District related to the operations of the Hospital and Ancillary District Operations on or after the Closing Date under Government Healthcare Programs and related Participation Agreements that AH Mendocino agrees to take assignment of, but only to the extent any such program may require assumption of District's obligations and liabilities as a condition of participation or as otherwise required by any such program for approval of Hospital's change in ownership from District to AH Mendocino.




3.2 Excluded Liabilities. Notwithstanding any other provision of this Agreement, AH Mendocino shall not assume, or otherwise be responsible for, any liabilities or obligations of District, whether actual or contingent, matured or unmatured, liquidated or unliquidated, or known or unknown, and not expressly assumed hereunder as Assumed Liabilities or otherwise agreed to in writing by AH Mendocino, including, without limitation, the following (collectively, the "Excluded Liabilities"):

3.2.1 Professional and Comprehensive General Liability Claims. Professional liability or general liability that relates to incidents, actions or omissions occurring prior to the Closing Date with respect to the Hospital and the Ancillary District Operations.

3.2.2 Medical Staff Claims. Professional, general, or directors and officers liability claims that relate to incidents, actions or omissions of the medical staff or governing body prior to the Closing Date.

3.2.3 Employment Liabilities. Other than Transition Liabilities, any liability relating to, resulting from, or arising out of (and whether or not such liabilities arise prior to, on or following the Transition Date) (i) District's actual or prospective employment or engagement, retention and/or termination of any current or former employee or service provider of District or any affiliate of District (including liabilities for compensation, benefits, accrued paid time off or liabilities with respect to a claim of an unfair labor practice or under any employment Law or regulation), (ii) any District Employee Benefit Plan (including, without limitation, any liability to make any payment or payments to any third party as a result of the transactions contemplated by this Agreement or worker's compensation claims), and (iii) due to District's, or an affiliate of District's, status as an ERISA Affiliate of any other entity.

3.2.4 Tort and Contract Claims. Any other claim or liability (including litigation identified in Schedule 3.2.4), whether in contract or tort, which arises from the conduct of District or in the operation of the Hospital and the Ancillary District Operations prior to the Closing Date.



3.2.5 Liabilities under Laws and Government Healthcare Programs. Any debts, obligations or liabilities of District related to the operations of the Hospital and Ancillary District Operations prior to the Closing Date (i) under applicable Laws, including Healthcare Laws (whether known or unknown to District as of the Closing Date, fixed, absolute, accrued, contingent or otherwise); (ii) in connection with the Government Healthcare Programs and related Participation Agreements as held by District prior to the Closing Date (subject to Section 3.1.3), specifically any Medicare, TRICARE and any Medi-Cal liabilities, including, but not limited to, retroactive payment adjustments, refunds or overpayments, arising from District's acts or omissions prior to the Closing Date; or (iii) otherwise in connection with any other Government Entity arising from District's acts or omissions prior to the Closing Date, and (iv) including those set forth on Schedule 3.2.5.

3.2.6 District Bonds. Any and all obligations or liabilities of District relating to the District Bonds, except as expressly agreed upon in writing by District, AH Mendocino and Stone Point Health.

3.2.7 Other Claims. Any other debts, obligations or liabilities of District that relate to incidents, actions or omissions of District or District's directors, officers, employees, contractors, agents or representatives occurring prior to the Closing Date that is not expressly assumed by AH Mendocino under the terms of this Agreement.

ARTICLE 4.

TRANSFER OF OTHER BUSINESS OPERATIONS

4.1 Employment Transition. It is the intent of the Parties to create an orderly employment transition of District's employees from District to AH Mendocino. The Parties recognize the inherent disruption this may cause the employees and have agreed on the following process with the following terms in order to minimize this disruption.

4.1.1 Termination of Employees. District shall terminate the employment of District Employees effective as of the end of the day immediately following the Closing Date or such later date mutually agreed in writing between the Parties (the "**Transition Date**" and the period between the Closing Date and the Transition Date, if any, the "**Transition Period**"). Subject to this Section 4 and the terms of any collective bargaining agreement, District shall terminate the active participation of District's Employees in the Mendocino Coast District Hospital 403(b) Plan effective as of the end of the day immediately prior to the Transition Date, and all other District Employee Benefit Plans covering such employees shall be terminated by District on a date as determined by AH Mendocino in its sole discretion, provided that AH Mendocino provides District at least thirty (30) days' prior notice of such determination. District shall cause each District Employee Benefit Plan to comply with all applicable Laws and the terms and conditions of such District Employee Benefit Plans in connection with such termination of District's Employees.

4.1.2 WARN Notices. District shall take any and all action which may be necessary to comply with any WARN Act (as defined in Section 4.1.4) obligations as a result of the transactions contemplated by this Agreement.

MENDOCINO COAST HEALTH 1124220249

Rate Period: Monthly

Nominal Annual Rate: 0.000 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1	Loan	11/03/2021	457,255.00	1	
2	Rate Change	01/04/2022	Rate: 7.000 %	Rate Period: Monthly	
3	Payment	01/31/2022	199.76	1	
4	Payment	02/14/2022	12,981.65	1	
5	Payment	02/22/2022	12,582.13	1	
6	Payment	03/07/2022	43,262.67	1	
7	Payment	03/14/2022	260.61	1	
8	Payment	04/25/2022	40.93	1	
9	Payment	05/02/2022	37.26	1	
10	Payment	04/15/2023	36,446.95	12 Monthly	03/15/2024

AMORTIZATION SCHEDULE - U.S. Rule (no compounding)

	Date	Payment	Interest Accrued	Interest Paid	Principal Paid	Principal Total	Interest	Principal	Total
Loan	11/03/2021		0.00	0.00	0.00	457,255.00	0.00	457,255.00	457,255.00
2021 Totals		0.00	0.00	0.00	0.00				
Rate	01/04/2022		0.00	0.00	0.00	457,255.00	0.00	457,255.00	457,255.00
	01/04/2022	Rate:	7.000 %	Rate Period:	Monthly				
1	01/31/2022	199.76	2,367.70	199.76	0.00	457,255.00	2,167.94	457,255.00	459,422.94
2	02/14/2022	12,981.65	1,227.70	3,395.64	9,586.01	447,668.99	0.00	447,668.99	447,668.99
3	02/22/2022	12,582.13	686.83	686.83	11,895.30	435,773.69	0.00	435,773.69	435,773.69
4	03/07/2022	43,262.67	1,086.45	1,086.45	42,176.22	393,597.47	0.00	393,597.47	393,597.47
5	03/14/2022	260.61	528.39	260.61	0.00	393,597.47	267.78	393,597.47	393,865.25
6	04/25/2022	40.93	3,126.31	40.93	0.00	396,950.63	3,353.16	393,597.47	396,950.63
7	05/02/2022	37.26	528.39	37.26	0.00	397,441.76	3,844.29	393,597.47	397,441.76
2022 Totals		69,365.01	9,551.77	5,707.48	63,657.53				
8	04/15/2023	36,446.95	26,237.14	30,081.43	6,365.52	387,231.95	0.00	387,231.95	387,231.95
9	05/15/2023	36,446.95	2,258.85	2,258.85	34,188.10	353,043.85	0.00	353,043.85	353,043.85
10	06/15/2023	36,446.95	2,059.42	2,059.42	34,387.53	318,656.32	0.00	318,656.32	318,656.32
11	07/15/2023	36,446.95	1,858.83	1,858.83	34,588.12	284,068.20	0.00	284,068.20	284,068.20

12	08/15/2023	36,446.95	1,657.06	1,657.06	34,789.89	0.00	249,278.31	249,278.31
13	09/15/2023	36,446.95	1,454.12	1,454.12	34,992.83	0.00	214,285.48	214,285.48
14	10/15/2023	36,446.95	1,250.00	1,250.00	35,196.95	0.00	179,088.53	179,088.53
15	11/15/2023	36,446.95	1,044.68	1,044.68	35,402.27	0.00	143,686.26	143,686.26
16	12/15/2023	36,446.95	838.17	838.17	35,608.78	0.00	108,077.48	108,077.48
	2023 Totals	328,022.55	38,658.27	42,502.56	285,519.99			
17	01/15/2024	36,446.95	630.45	630.45	35,816.50	0.00	72,260.98	72,260.98
18	02/15/2024	36,446.95	421.52	421.52	36,025.43	0.00	36,235.55	36,235.55
19	03/15/2024	36,446.95	211.40	211.40	36,235.55	0.00	0.00	0.00
	2024 Totals	109,340.85	1,263.37	1,263.37	108,077.48			
	Grand Totals	506,728.41	49,473.41	49,473.41	457,255.00			

Last interest amount increased by 0.03 due to rounding.


Mendocino Coast Health Tentative Settlement FY2019

Keo, Metrey@DHCS <Metrey.Keo@dhcs.ca.gov>

Fri 3/10/2023 4:30 PM

To: Jade Tippett <jtippett@mcdh.org>

Cc: Lloyd, Kristi@DHCS <Kristi.Lloyd@dhcs.ca.gov>; Rozanski, Laura@DHCS <Laura.Rozanski@dhcs.ca.gov>

 1 attachments (96 KB)

MENDOCINO COAST HEALTH 1124220249 FYE 2019.pdf;

Hello Mr. Tippett,

We will proceed with your request for a 30-day pause on collection efforts as you work with Kristi discussing details of the audits. Attached is a 12-month repay option starting 4/10/2023. The ARs under review have been established on 11/03/2021 and has been accruing interest since 01/04/2022 and will continue to accrue interest during your audit review. Please note that the payments listed on the attached plan were withholds that were processed on those dates. I appreciate you keeping me informed while Kristi is assisting you with further details.

Thank you,

Metrey Keo

Associate Governmental Program Analyst

Department of Health Care Services

Third Party Liability and Recovery Division

Overpayments Unit

Office: (279) 600-1773

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MICHELLE BAASS
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

December 30, 2022

Norman de Vall
Interim Chair
Mendocino Coast Health Care District
755 River Drive
Fort Bragg, CA 95437

Dear Norman de Vall:

The Department of Health Care Services (DHCS) has completed its calculation of the following:

1. Rating Period CY 2021 (interim) Voluntary Rate Range Program (service period of January 1, 2021 through December 31, 2021) payment transfer amounts for the Intergovernmental Agreement Regarding Transfer of Public Funds (Agreement), **No. 21-10228**. The executed Agreement is enclosed. As stated in Section 1.3 of the Agreement, the enrollment reconciliations will occur on an ongoing basis as updated enrollment figures become available. Actual enrollment will not be considered final until two years after December 31, 2021.
2. Rating Period 2019-20 Voluntary Rate Range Program (service period of July 1, 2019 through December 31, 2020) payment transfer amounts for the Intergovernmental Agreement Regarding Transfer of Public Funds (Agreement), **No. 19-96438**. The initial payment, which is shown in the enclosed Exhibit 1, was made during the second calendar quarter of 2021. As stated in Section 1.3 of the Agreement, the enrollment reconciliations will occur on an ongoing basis as updated enrollment figures become available. Actual enrollment for the service periods of July 1, 2019 through June 30, 2020, and July 1, 2020 through December 31, 2020 will not be considered final until two years after June 30, 2020 and December 31, 2020, respectively.

Based on the above calculations, and as provided in the above referenced Agreements, DHCS is requesting that Mendocino Coast Health Care District transfer funds in the amount of **\$1,095,395** to DHCS by no later than **February 17, 2023**. Exhibit 1 contains the invoice. Please transfer the above Total Amount to the following:

Capitated Rates Development Division
1501 Capitol Avenue, P.O. Box 997413, MS 4413
Sacramento, CA 95899-7413
Phone (916) 345-7070 Fax (916) 650-6860
www.dhcs.ca.gov

Norman de Vall
Page 2

New banking information!

Union Bank
350 California Street
San Francisco, CA 94104

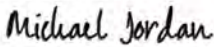
For Credit to State of California Account # [REDACTED]
Routing # [REDACTED]

For Further Credit to: Department of Health Care Services
Reference: CY 2021 Voluntary Rate Range Program Invoice

We require Governmental Funding Entity provide a 48-hour advance notice via e-mail prior to wiring any funds over 5 million dollars. As requested by the State Treasurer's Office (STO), all ACH/wires must be transmitted prior to 10:00 a.m. on date of payment. **Please note: STO would prefer Automated Clearing House (ACH) payments, instead of wires.** Once the Governmental Funding Entity has transferred funds to the specified account above, please email Vivian Beeck at Vivian.Beeck@dhcs.ca.gov; Kou Khang at Kou.Khang@dhcs.ca.gov; and Michael Ha at Michael.Ha@dhcs.ca.gov with the completed transaction information.

If you have any questions regarding the Intergovernmental Transfer Agreement, please contact Vivian Beeck via email.

Sincerely,

DocuSigned by:

641B9785907E40F...

Michael Jordan
Staff Services Manager II
Financial Management Section C
Capitated Rates Development Division
Department of Health Care Services
P.O. Box 997413, MS 4413
Sacramento, CA 95899-7413

Norman de Vall
Page 3

Enclosures

cc: John Redding, Treasurer
Mendocino Coast Health Care District
755 River Drive
Fort Bragg, CA 95437

Vivian Beeck
Staff Services Manager I
Financial Management Section C
Capitated Rates Development Division
Department of Health Care Services
P.O. Box 997413, MS 4413
Sacramento, CA 95899-7413

From: Beeck, Vivian@DHCS
Sent: Thursday, February 23, 2023 5:13 PM
To: Jade Tippett
Cc: Lee Finney; Beeck, Vivian@DHCS; Gale, Scott@DHCS
Subject: RE: [External]Payment Request: CY 2021 Voluntary Rate Range Program - Mendocino Coast Health Care District

Here you go.

Vivian

From: Jade Tippett <jtippett@mcdh.org>
Sent: Thursday, February 23, 2023 4:23 PM
To: Beeck, Vivian@DHCS <Vivian.Beeck@dhcs.ca.gov>
Cc: Lee Finney <lfinney@mcdh.org>
Subject: [External]Payment Request: CY 2021 Voluntary Rate Range Program - Mendocino Coast Health Care District

Vivian,

As the newly minted Treasurer of the Mendocino Coast Health Care District, this is totally new news to me. Tonight, I am presenting a Financial Position Statement to the Board that shows the District \$3.2 million short of where we should be, using the budget figures outlined in the Lease Agreement with Adventist Health to operate the Mendocino Coast Hospital, now Adventist Health Mendocino Coast. I also just received a \$400,000 bill from your Department for, I assume, overpayments. Looming over us is the 2030 Seismic Compliance deadline with a cost of about \$30 million.

Although Norman DeVall has told me he has a recollection of a vote of the prior Board to participate in this program, I need some more information. It appears that the vote was taken sometime in the last few months of 2022. The prior Board left us no Minutes Book to consult. I will need to do some digging to locate minutes if they were taken, or a recording of the meeting where this vote was taken.

Additionally, despite the vote for participation having been taken, I will need to bring this to the current Board for a vote on the actual transfer of funds, which means that I need some really good reasons why we should do this at this point in time. As I remember from the days when the District ran the Hospital, Intergovernmental Transfers were opportunities to leverage local agency funds to secure larger Federal dollars, and tended to return a 2-to-1 gain when those funds were returned to the District. Is this a similar program?

If you have some background information on this program, please send it to me, including any emails with members of the prior Board which would locate the prior Board's decision in time or document it.

I would also appreciate a conversation on the telephone to get a better understanding of the program.

Thank you,

-j

Jade Tippett
Treasurer
Mendocino Coast Health Care District Board
<https://mchcd.org/>
jtippett@mcdh.org
Mobile: 707-489-4986

From: "Beeck, Vivian@DHCS" <Vivian.Beeck@dhcs.ca.gov>
Subject: FW: Payment Request: CY 2021 Voluntary Rate Range Program - Mendocino Coast Health Care District
Date: February 23, 2023 at 2:34:01 PM PST
To: "ndv@mcn.org" <ndv@mcn.org>
Cc: "Beeck, Vivian@DHCS" <Vivian.Beeck@dhcs.ca.gov>

Here you go.

Vivian

Vivian Beeck | Staff Services Manager I (Specialist)
California Department of Health Care Services
Capitated Rates Development Division
Email: Vivian.Beeck@dhcs.ca.gov
Phone: 916-616-0749

From: Beeck, Vivian@DHCS
Sent: Friday, February 17, 2023 3:19 PM
To: John Redding <jredding@mcdh.org>; ndevall@mcdh.org
Cc: Beeck, Vivian@DHCS <Vivian.Beeck@dhcs.ca.gov>; Gale, Scott@DHCS <Scott.Gale@dhcs.ca.gov>
Subject: FW: Payment Request: CY 2021 Voluntary Rate Range Program - Mendocino Coast Health Care District
Importance: High

We have not received this payment today, you are now late, please tell us what is happening and when you are going to transfer the invoice amount due?

Vivian

From: Khang, Kou@DHCS <Kou.Khang@dhcs.ca.gov>
Sent: Friday, January 6, 2023 3:32 PM
To: Norman de Vall <ndevall@mcdh.org>; John Redding <jredding@mcdh.org>
Cc: Beeck, Vivian@DHCS <Vivian.Beeck@dhcs.ca.gov>; Ha, Michael@DHCS <Michael.Ha@dhcs.ca.gov>; Gale, Scott@DHCS <Scott.Gale@dhcs.ca.gov>
Subject: Payment Request: CY 2021 Voluntary Rate Range Program - Mendocino Coast Health Care District

Good afternoon Mendocino Coast Health Care District,

The Department of Health Care Services (DHCS) has completed its calculation of the Rating Period CY 2021 Voluntary Rate Range Program wire/ACH transfer amounts for the period of January 1, 2021 – December 31, 2021. The attached letter contains the following:

Calculation of the wire/ACH transfer amounts (Exhibit 1)

- Initial invoicing for Rating Period CY 2021 (1/2021 to 12/2021)
- 2nd invoicing for Rating Period 2020-20 (7/2020 to 12/2020)
- Final invoicing for Bridge Period 2019-20 (7/2019 to 6/2020)

Electronic Payment instructions:

New banking information!

Union Bank
350 California Street
San Francisco, CA 94104

For Credit to State of California Account # [REDACTED]
Routing # [REDACTED]

For Further Credit to: Department of Health Care Services
Reference 2-2023 Rate Range Program Invoice

The governmental fund transfers must be made to DHCS **no later than February 17, 2023**. ***Please note: DHCS would prefer ACH (EFT) payments, instead of wires transfers.*** If you have any questions, please feel free to contact me via e-mail Kou.Khang@dhcs.ca.gov.

Best Regards,

Kou Khang

Associate Governmental Program Analyst
Financial Management Section C
Capitated Rates Development Division
Department of Health Care Services
PH (916) 345-8780

Jade Tippett
Treasurer
Mendocino Coast Health Care District Board
<https://mchcd.org/>
jtippett@mcdh.org
Mobile: [707-489-4986](tel:707-489-4986)

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**T
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B
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Mendocino Coast Health Care District

Audit Preparation: FY 2021, FY 2022

List of needed items from Josh Rettinghouse of Dingus Zarecor & Associates Accounting:

- Trial balances for years ending 6/30/21 and 6/30/22
 - KMC are finishing up collecting all bank activity and will link it to Quickbooks online and Code.
 - Notation on problems KMC is having accessing some bank accounts and the necessity to rebuild form statements from closed accounts
 - Once linked and coded, KMC will give DZA access General Leger and financial reports
- General Ledger for years ended 6/30/21 and 6/30/22
 - KMC will provide timing of notation under Trial Balance
- List of any accounts receivable owed to the district as of 6/30/21 and 6/30/22
 - Per KMC: None
- List of any accounts payable owed by the district as of 6/30/21 and 6/30/22
 - KMC will provide per timing of notation under Trial Balance
- Board Minutes from September 2020 through present
 - These need to be catalogued and missing minutes transcribed and approved
- Bank Statements and Reconciliations 6/30/21 and 6/30/22 (Please provide statements for both June and July of 2021 and 2022.)
 - KMC will provide per timing of notation under Trial Balance
- Confirmations: Please sign and send the related confirmations to your reps for the tax revenue and long term debt.
- Updated Board Bylaws
- Listing of Board Roster
- Any long term contracts entered into since 6/30/2020

Prior Minutes: MCHCD Board Meetings DRAFT				Jade Has
DATE	TYPE	MINUTES	ZOOM	Video
12/9/2021	??	??		
1/12/2023	Special	DRAFT	YES	
2/13/2021	Retreat	NO		
2/25/2021	Regular	NO		y
12/13/2021	Special?	NO	YES	
1/27/2022	Regular	NO		
2/8/2022	Special	NO		
2/24/2022	Regular	NO		
3/16/2022	Regular	NO		y
3/31/2022	Regular	NO		y
5/26/2022	Regular	NO		
6/30/2022	Special	NO		
7/28/2022	Special	NO		
8/28/2022	Special	NO	YES	
9/22/2022	Special	NO	YES	
9/29/2022	Special/ Closed	NO		
11/10/2022	Regular	NO	YES	y

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REPORT: BYLAWS AD HOC COMMITTEE

The Bylaws Ad Hoc Committee met on Tues Mar 7 to review the work of the previous Board on amending the Bylaws and to make further recommendations for Board consideration.

Here is a general review of changes suggested followed by the full edited text reflecting our recommendations.

- In all places, replace “Director” with “Trustee” as suggested by the previous Board
- Change number and availability of copies of the Bylaws (Art 1 Sect 5)
- Amend “Assuming Office” to reflect actual practice and timeline (Art 2 Sect 2)
- Change when officers are elected to reflect current election timelines (Art 2 Sect 4)
- Inclusion of authorization of the Treasurer voted at our recent meeting into Art 2 Sect 4-c
- Addition of language pertaining to maintenance of digital recordings of meetings in the duties of the Secretary (Art 2 Sect 4-d)
- Clarification of stakeholders that should be included in developing a strategic healthcare plan (Art 2 Sect 5-f)
- Establishment of an annual calendar of meetings in lieu of specific bylaws requirements (Art 2 Sect 6-a)
- Establishment of our fiscal year (Art 2 Sect 6-a)
- Consolidation of language per Board member reimbursement for expenses (Art 2 Sect 7)
- Elimination of language referring to a “District Manager” & replace with “Office manager” where appropriate (Art 2 Sect 8-11)
- Addition of language to clarify Board member access to legal services (Art 2 Sect 12-e)
- Clarification of purpose and duties of Standing Committee (Art 3 Sect 2)
- Numerous edits to capitalization, misc changes in sentence structure to provide clarity, and reordering of topics to be more readable.
- Re-numbering will probably be needed in a final clean draft TBD,
- Note: previous formatting has inserted blank pages that we were not able to remove for this draft.

**BYLAWS OF THE BOARD OF DIRECTORS TRUSTEES OF
MENDOCINO COAST HEALTHCARE DISTRICT**

775-RIVER DRIVE

FORT BRAGG, CALIFORNIA 95437

ARTICLE I. GENERAL

Section 1. ~~_____~~ Title _____

These Bylaws shall be known as the "Bylaws of the Board of ~~Directors~~ Trustees of Mendocino Coast Health Care District," and may be referenced as the "Bylaws."

Section 2. ~~_____~~ The District

- a. **Mendocino Coast Health Care District (the "District") is a local healthcare district organized on March 6, 1967, under the provisions of the Local Healthcare District Law, Health & Safety Code section 32000, et seq., (the "District Law"). Under the terms of the District Law, as amended from time to time, the District owns and leases a hospital (the "Hospital") and rural health clinics (collectively, "District Facilities")**
- b. The District is governed by an elected five-member Board of ~~Directors~~ Trustees (the "Board"). The Board is responsible for oversight of all District Facilities, and shall make all **necessary** rules and regulations ~~necessary for the administration of the District Facilities.~~

Section 3. ~~_____~~ Bylaws and Policy Manual.

These Bylaws govern the conduct of the Board and implementation and compliance with the District Law and other applicable federal and state statutes and regulations. In addition to the Bylaws, the Board shall adopt a ~~Policy Manual~~ governing specific matters of the Board to augment the Bylaws (the "Policy Manual"), including, at a minimum, a ~~Conflict of Interest~~ Conflict of Interest Code and policies for ~~ethics~~ **ethical** standards, Board and committee meetings, investments, legal claims, contracts and purchasing, environmental review of District projects and public records and retention. See Attachment A: Conflict of Interest

Section 4. ~~_____~~ Effect of Bylaws on Past Actions and Obligations. ****Checking for why this is here**

The adoption of these Bylaws or the repeal of a resolution by the Bylaws shall not affect: **(awkward)**-

- a. Vested rights and obligations pertaining to any prior resolution; or
- b. Other matters of record referring to resolutions and not included within the Bylaws.
- c. All previous legal agreements will continue.

~~All previous legal agreements will continue.~~

Section 5. ~~_____~~ Maintenance of Bylaws.

- a. ~~At least three~~ **A signed copy** of the Bylaws shall be maintained on file in the District office. ~~and a~~ **A current copy shall be** maintained on the district website, **and the District digital One Drive**. Each ~~director~~ Trustee shall be given a copy of the Board Bylaws and Policy Manual. Additional copies of the Bylaws shall be distributed as ~~directed by the President~~ Chair. **requested.**
- b. Each resolution making a change in the Bylaws shall be filed by the Secretary and digitally stored.

ARTICLE II. BOARD OF ~~DIRECTOR~~TRUSTEES

Section 1. ~~_____~~ Mission of Board of ~~Directors~~Trustees

The mission of the Board is to

- a. Ensure that the resources of the Health Care District are used in the best interests of the public.
- b. Meet its financial, contractual and regulatory obligations.
- c. Implement and ~~recognize~~ support designated healthcare programs providing they are congruent with regulations and existing contracts.
- d. Ensure that the ~~district~~ District maintains its fiscal solvency ~~with its limited resources~~.
- e. The bylaws and the mission should be reviewed ~~semi~~ annually for continued relevance

Section 2. ~~_____~~ Memberships

- a. Election: ~~Directors~~Trustees shall be elected in accordance with the District Law, except the date of election shall be the same date as the statewide general election. The dates of any notices, canvass of voters, certification of election, and all other procedural requirements shall comply with those for the statewide general election. ~~Trustees~~Directors shall take office at noon on the first Friday following certification of the election results by the Mendocino County Registrar of Voters, as provided by Elections Code section 10554.
- b. Assuming office: A person may assume the office of ~~Director~~Trustee by election or appointment ~~after completion of oath~~ as per Election Code Section 10554 on the first Friday following the certification of election results and upon completion of a notarized oath of office, the original of which must be delivered to the county elections office.
- c. Appointment:
 1. The office of ~~a Trustee~~director may become vacant before the end of the term because of death, resignation or other event causing vacancy. A **resignation is** effective when accepted by the Board and is irrevocable.
 2. The position shall be filled in accordance ~~with Hhealth Care Ddistrict~~ **Healthcare District** regulations. Regulations are as follows:
 - a. Notwithstanding any other provision of law ~~or county regulations~~, a vacancy in ~~any elective office on the Ggoverning Bboard of a Sspecial Ddistrict~~, other than those specified in Section 1781, the Board of Trustees shall be filled pursuant to this section.
 - b. The District shall notify the county elections official of the vacancy no later than 15 days after either the date on which the **District Board** is notified of the vacancy or the effective date of the vacancy, whichever is later.
 - c. The remaining members of the **District Board** may fill the vacancy either by appointment pursuant to subdivision (d) or by calling an election pursuant to subdivision (e).

ARTICLE II. BOARD OF DIRECTORSTRUSTEES (Continued)

Section 2. Memberships (Continued)

- d. The remaining members of the **District Board** shall make the appointment pursuant to this subdivision within 60 days after either the date on which the **District Board** is notified of the vacancy or the effective date of the vacancy, whichever is later. The **District** shall post a notice of the vacancy in three or more conspicuous places in the district at least 15 days before the **District Board** makes the appointment. The **District** shall notify the county elections official of the appointment no later than 15 days after the appointment.
- e. If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold office until the next general district election that is scheduled 130 or more days after the date the **District Board** is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office. If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.
- f. In lieu of making an appointment the remaining members of the **B**oard may within 60 days of the date the **District Board** is notified of the vacancy or the effective date of the vacancy, whichever is later, call an election to fill the vacancy. The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the **District Board** calls the election.
- g. If the vacancy is not filled by the **District Board** by appointment, or if the **District Board** not called for an election within 60 days of the date the **District Board** is notified of the vacancy or the effective date of the vacancy, whichever is later, then the ~~city council of the city in which the district is wholly located, or if the district is not wholly located within a city, the~~ **Board of Supervisors of Mendocino County** representing the larger portion of the district area in which the election to fill the vacancy will be held, may appoint a person to fill the vacancy within 90 days of the date the **District Board** is notified of the vacancy or the effective date of the vacancy, whichever is later, ~~or the city council or~~ **The Board of Supervisers** may order the **District** to call an election to fill the vacancy. The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the ~~city council or~~ **Board of Supervisors** calls the election.
- h. If within 90 days of the date the **District Board** is notified of the vacancy or the effective date of the vacancy, whichever is later, **and** the remaining members of the **District Board** or the appropriate ~~Board of Supervisors or city council~~ have not filled the vacancy and no election has been called for, then the **District Board** shall

call an election to fill the vacancy. The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the **District Board** calls the election.

Section 2. Memberships (Continued)

- d. Notwithstanding any other provision of this section, if the number of remaining members of the **District Board** below a quorum, then at the request of the **District Secretary** or a remaining member of the **District Board**, the ~~appropriate Board of Supervisors or the city council~~ shall promptly appoint a person to fill the vacancy, or may call an election to fill the vacancy. The ~~Board of Supervisors or the city council~~ shall only fill enough vacancies by appointment or by election to provide the **District Board** with a quorum. If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold the office until the next general district election that is scheduled 130 or more days after the date the **District Board** is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office. If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office. The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is held 130 or more days after the date the ~~city council or Board of Supervisors~~ calls the election.
- e. ~~Oath of Office. Persons elected or appointed to the Board shall take the oath of office prior to assuming office in the manner and at the time prescribed by law. The Secretary or other person authorized by law shall administer the oath.~~

(Amended by Stats. 2007, Ch. 343, Sec. 4. Effective January 1, 2008.)

Section 3. Ethics and Conflict of Interest CodeCode.

It is the intent of the Board to act in the highest ethical standard in carrying out its duties to the public. It is also the intent of the Board to protect the District's interests when entering in to a transaction or agreement, and not the private interests of any ~~director~~**Trustee**, **O**fficer, or **E**mployee. To that end, the Board has adopted an "Ethics Policy" and a "Conflict of Interest Code" contained in the Board Policy Manual.

Section 4. Organization.

Officers of the Board. The **Officers** of the Board shall be Chair, Vice-Chair, Treasurer, and Secretary. Officers shall be elected at the Board's regular ~~December~~ **January** meeting for the ~~next calendar year~~ **and** shall serve until **their** successor assumes office. A Board Member cannot hold more than one office at a time.

a. Chair. The Chair shall:

1. Preside over all the meetings of the Board.
2. Be responsible for coordination and liaison with community groups, public agencies, and residents served by the District.
3. Be responsible for the ongoing administrative affairs of the Board, including without limitation, supervision of financial matters, correspondence, and administrative activities of the Board.
4. Sign as Chair: contracts, conveyances, and other instruments in writing and checks on the funds of the District as the Board shall authorize or direct the Chair to sign.
5. Be responsible for coordination and liaison with District legal counsel, auditors, and consultants.
 - a. Receive all requests from Board members for the preparation of legal opinions, legal memoranda, contracts, corporate documents or other legal work for legal counsel so as to eliminate duplication of same before submitting to legal counsel;
 - b. Prepare Board agendas with the assistance of the District Manager and legal counsel and if necessary, instruct legal counsel to prepare memoranda and other materials which are necessary to hold closed session meetings, Board Resolutions and other material pertinent to Board meetings as required,
 - c. Serve as an alternate member, if able, upon the excused absence of a Committee member, and
 - d. Invite legal counsel to attend Committee meetings, as desired.
6. Designate members of the Board to undertake special responsibilities and to report to the President Chair on those activities.
7. Coordinate with the District's legal counsel:
8. Receive all requests from Board members for the preparation of legal opinions, legal memoranda, contracts, corporate documents, or other legal work for legal counsel so as to eliminate duplication of same before submitting to legal counsel;

9. ~~Prepare Board agendas with the assistance of the District Manager and legal counsel, and if necessary, instruct legal counsel to prepare memoranda which are necessary to hold closed session meetings, Board Resolutions, and other material pertinent to Board meetings as required;~~
 - a. ~~Serve as an alternate meeting, if able, upon the excused absence of a Committee member, and~~
 - b. ~~Invite legal counsel to attend Committee meetings, as desired.~~
8. Perform other duties as pertain to the office as prescribed by the Board
 - a. Appoint, with the concurrence of the Board, members of Standing and **Ad Hoc Committees.**
 - b. Represent the Board at official functions and digital media platforms when necessary.
 - c. Ensure that postings meet the requirement of the digital media policy
 - d. Serve as a spokesperson for the Board regarding Board actions , and keep the Board promptly informed of these occasions.
- a. Vice-Chair. In the absence or inability of the President-Chair to serve, the Vice-~~President-Chair~~ shall perform the duties of the PresidentChair, and shall perform other duties as are prescribed by the Board.
- c. Treasurer. The Treasurer or designee shall:
 1. Keep, or cause to be kept, correct and accurate accounts of the ~~properties and financial transactions of the District;~~
 2. ~~In conjunction with the District Manager,~~ Present an annual fiscal year budget to the Board;
 3. Cause an annual independent audit of the District to be performed in accordance with law;
 4. Perform all duties incident to the office and such other duties as prescribed by the Board.
 5. Monitor the financial activities that result from ~~the all~~ Agreements and ensure these **activities** are in compliance with such Agreements.
 6. ~~Will~~ Act as Board liaison with the **Measure C Oversight-Committee.**
 7. **The Treasurer is authorized to set up automatic payment of any bills at their discretion and is authorized to pay all usual and customary expenses of the District**

d. Secretary. The Secretary or designee shall ensure:

1. That ~~M~~minutes of all meetings of the Board ~~occur~~ **are prepared**, and ~~assure~~ **ensure** ~~t h a t~~ such ~~M~~minutes are filed in the official records of the District **and are available on the District website.** ~~Minutes shall include any digital, handwritten or taped records of meeting;~~
2. **That digital recordings of meetings are maintained and are available on the District website.**
3. That the official record of resolutions, actions and orders passed or adopted by the Board are maintained;
4. **That** all correspondence, financial records and reports **are maintained** in the records of the District;
5. **That** appropriate notices in accordance with these Bylaws or as required by law **are provided**;
6. ~~Act as custodian of records~~ **That all records of the District** ~~District's records~~ **are maintained**
7. ~~Certify the official status, capacity and signature of~~ **directors** ~~Trustees,~~ **Officers** ~~and~~ **Employees;**
9. ~~Assure the District Seal is affixed, when required by law, to documents executed on behalf of the District;~~
7. Perform all duties incident to the office and such other duties as prescribed by the Board; and
8. ~~Oversee all official and communications~~ **to the on** ~~media to ensure propriety and posts~~ **are in** ~~accordance~~ **with Board policy.**

Section 5. Powers.

The powers of the District are set forth in the District Law and other applicable law. The powers of the District are vested in the Board, which may delegate one or more of its powers in its sole discretion. Specifically, the Board shall:

- a. Establish by Resolution substantive and procedural policies regarding the **affairs** of the District in accordance with the best interests of the communities served by the District.
- b. ~~Monitor the activities of the District Manager (or~~ **another** ~~designee) as administrator~~ **of the District.**

- c. Enter into contracts and agreements with respect to the affairs of the District, including contracts for management services and for other activities approved by the Board.
- d. Hire staff as needed
- e. ~~Effectuate the purpose of the District to~~ Enhance the provision of quality **healthcare in** the communities served by the District by, among other efforts, working with public and private entities ~~(including the provision of financial assistance where feasible).~~
- f. The District, ~~and~~ **Adventist Health Mendocino Coast, and healthcare providers** shall collaborate ~~(define collaborate)~~ to develop and agree proactively on a comprehensive community **healthcare** needs assessment and plan. ~~Both parties~~ **The District and Adventist Health** will abide by the lease provisions as stated in Section 25.8 Restrictive Covenant. See Attachment B: Lease Agreement.
- f. Exercise all other powers now or hereinafter set forth in and given to it by the District Law and other public agency laws applicable to the District.

Section 6. Meetings.

- a. The Board will ~~be~~ schedule meetings based on **Board** need. The Board will meet at minimum once per quarter. All meetings of the Board and its committees shall be conducted in accordance with the Ralph M. Brown Act, Government Code section 54950, et seq. (the "Brown Act"), and any other applicable law or regulation.
 - a. Regular meetings of the Board shall be held ~~on the last Thursday of the month at 6:00 p.m. at the District's administrative office~~ **in accordance with an annual calendar of meetings adopted at the January meeting**
 - b. ~~The June agenda shall include the fiscal budget.~~ November and December meetings will be held ~~on the second Thursday of the month.~~ **The District's fiscal year shall run from July 1 through June 30. The budget for the following fiscal year shall be adopted at the June meeting.**
 - c. **Meetings of the Board shall be open and public, except as allowed by law. Persons shall be permitted to attend any portion of a meeting, except a Closed Session.**
 - d. **When feasible, remote online access for meeting attendance by the public will be provided.**
 - e. **A quorum of the Board shall not discuss the business of the District directly, serially or through an intermediary, except at a properly noticed public meeting. A quorum of the Board may discuss the time, place and agenda for a meeting at any time. Two members of the Board (but not a standing committee) may discuss District business at any time other than meetings of a Standing Committee, which are governed by the Brown Act.**
 - f. ~~To maintain decorum, The Board Chair and Members~~ **adopts accept the use of Roberts Rules of Order as modified for small groups for the conduct of all meetings. Rules of Order Rosenberg or-. See Attachment C: Rules of Order**

Section 7. Compensation, Benefits and Expense

- a. Members of the Board of ~~Directors~~ Trustees shall serve without compensation.
- b. Benefits.

Trustees~~Directors~~ are entitled to the following benefits ~~on the same terms as other Officers:~~

1. A Flexible spending account funded by the District to be used towards health care costs.
2. If previously approved by the Board, a ~~Trustee~~ Director shall receive actual, reasonable and necessary reimbursement for travel, meals, lodging, registration and similar expenses incurred on District business. The rate for reimbursement shall not exceed the rate published by the IRS for deduction from taxes. However, if the expenses are incurred in connection with a trade conference, the reimbursement rates shall not exceed the posted rates for the conference and if the posted rates are not available, the reimbursement rate shall be comparable to the IRS rates.
3. ~~Directors~~ Trustees must be authorized in advance to incur expenses for District purposes and shall submit a written request with supporting documents for reimbursement.
 - a. ~~During July of each year the District Manager, or if no District Manager, then the Treasurer shall prepare a list of amounts paid during the prior fiscal year to reimburse a ~~Trustee~~ director or ~~Employee~~ for individual expenses of \$100.00 or more. To determine the value of an item, the total charges for the item for the day shall be considered. For example, several transportation bills each less than \$100.00, but totaling more than \$100, requires a report. During August of each year, each person receiving expense reimbursement shall review the list. The District Manager shall consider suggested corrections and post the final list at the District by September.~~

Section 8. Appointment of District Office Manager

- a. ~~The Board shall be solely responsible for selecting a District~~ **an Office Manager**, who shall be responsible for managing the District's facilities and property **office, files, and preparations for Board meetings**. The Board shall adopt a written statement setting forth the qualifications, authority and duties of the ~~District Office~~ **Manager**. The Board shall set the ~~District Office~~ **Manager's compensation**.
- b. ~~Other officers and employees~~ **may be hired by the District Manager Board**, ~~shall to~~ **assist the District Manager** in the implementation of policy.
- c. ~~Directors Trustees~~ may discuss **but not direct employees in** District business ~~with officers~~. ~~The officers shall, if possible, supply information requested by Directors in writing, and shall inform the District Manager when information is supplied. Such employees shall, if possible, supply information requested by Trustees in writing, and shall inform District Manager~~ **the Chair** when **information is supplied**.

Section 7. Compensation, Benefits and Expense

~~Members of the Board of Directors shall serve without compensation.~~

~~Benefits. Directors are entitled to the following benefits on the same terms as other officers:~~

- c. ~~A Flexible spending account funded by the district to be used towards health care costs.~~

3. Expenses.

- d. ~~If previously approved by the Board, a Director shall receive actual, reasonable and necessary reimbursement for travel, meals, lodging, registration and similar expenses incurred on District business. The rate for reimbursement shall not exceed the rate published by the IRS for deduction from taxes. However, if the expenses are incurred in connection with a trade conference, the reimbursement rates shall not exceed the posted rates for the conference and if the posted rates are not available, the reimbursement rate shall be comparable to the IRS rates.~~

~~Directors must be authorized in advance to incur expenses for District purposes, and shall submit a written request with supporting documents for reimbursement.~~

~~During July of each year the District Manager shall prepare a list of amounts paid during the prior fiscal year to reimburse a director or employee for individual expenses of \$100.00 or more. To determine the value of an item, the total charges for the item for the day shall be considered. For example, several transportation bills each less than \$100.00, but totaling more than \$100, requires a report. During August of each year, each person receiving expense reimbursement shall review the list. The District Manager shall consider suggested corrections and post the final list at the District by September.~~

- d.
- e. **Section 8. Appointment of District Manager**
- f. ~~The Board shall be solely responsible for selecting a District Manager, who shall be responsible for managing the District's operations, facilities, and property. The Board shall adopt a written statement setting forth the qualifications, authority, and duties of the District Manager. The Board shall set the District Manager compensation.~~
- g. **The Board shall at least annually conduct a review of the performance and compensation of the**

District Manager.

- h. ~~The District Manager may recommend and shall implement policies adopted by the Board. The Board is not responsible~~ for day to day management or operations of the District.
- i. ~~The Board and individual TrusteesDirectors may question the District Manager with respect to the development and implementation of District policy. The Board, but not the individual~~

~~DirectorsTrustees~~, may direct the District Manager with respect to the development and implementation of District policy.

- ~~j. Individual DirectorsTrustees shall not direct Employees in the performance of their duties.~~
- ~~k. Any such direction shall be reported to the Board and District Manager.~~
- ~~l. The District Manager may discuss District business with DirectorsTrustees outside a public meeting, but the District Manager shall not communicate the views of DirectorTrustees to one another, except at a Board meeting. The Board shall not discuss or act on the District Manager's recommendations, except at a public meeting.~~

ARTICLE II. BOARD OF DIRECTORSTRUSTEES (Continued)

Section 9. Duties of the District Manager

~~The Board of Directors, unless otherwise stated, shall delegate to the District Manager, full charge and control of the affairs of the District consistent with the policies established by the Board. The District Manager shall work with the Board or any of its committees in a highly professional manner. The District Manager also shall:~~

~~Present to, and upon Board approval, implement a District strategic plan.~~

- ~~a. Develop and implement a plan, along with the appropriate budget and schedule, that will meet the state of California's seismic upgrade requirementPresent to, and upon Board approval, implement a District strategic plan.~~
- ~~b. Develop and implement a plan, along with the appropriate budget and schedule, that will meet the state of California's seismic upgrade requirement.~~
- ~~c. Administer the Agreements.~~
- ~~d. Serve as liaison between the Board and District employees.~~
- ~~e. If an emergency arises and there is insufficient time to notify the Board, the District Manager may take appropriate and reasonable action otherwise within the Board's jurisdiction. The District Manager shall report such action to the Board as soon as possible.~~
- ~~f. The District Manager shall hire, with the concurrence of the Board, other District officers as the District may require, each of whom shall perform such duties as the Board may determine from time to time. Officers shall serve at will.~~
- ~~g. The District Manager may engage professional consultants to provide specialized service with the approval of the Board.~~

~~h. The District Manager may engage an engineer to assist in the planning and design of District facilities with the approval of the Board.~~

Section 10. _____—Other ~~Officers~~ Employees.

- ~~a. Other ~~officers~~ and employees may be hired by the District Manager, shall to assist the District Manager in the implementation of policy.~~
- ~~b. Directors may discuss but not direct employees in District business ~~with officers~~. The officers shall, if possible, supply information requested by Directors in writing, and shall inform the District Manager when information is supplied. Such employees shall, if possible, supply information requested by Trustees in writing, and shall inform District Manager when information is supplied.~~

Section 11. _____—Employees.

~~The District Manager shall serve as head of Human Resources. Directors Trustees are not encouraged to discuss District business with employees. If a Director Trustee inquires of an employee about District business, the employee shall respond to the Director Trustee and inform the District Manager.~~

ARTICLE II. BOARD OF ~~DIRECTOR~~ TRUSTEES (Continued)

Section 12. _____—Legal Counsel.

- a. An attorney shall be retained by the Board to act as General Counsel. The Board may appoint Special Counsel. The Board will set the compensation of General Counsel and Special Counsel. General and Special Counsel serve at the pleasure of the Board.
- b. The General Counsel is directly accountable to the Board. General Counsel shall provide legal advice and services as requested by the Board, and shall work with the ~~District Manager~~ Chair on the District's legal matters.
- c. General Counsel represents the District. General Counsel shall not represent individual ~~directors~~ Trustees, Officers or Employees, unless authorized in writing by the Board.
- d. General Counsel will recommend appointment of Special Counsel when conflicts arise or if necessary to deal with matters requiring specialized knowledge.
- e. Neither General Council nor Special Council shall respond to individual Board members request for service. All Board member requests for general or special legal counsel shall be referred to the Chair.

ARTICLE III. BOARD COMMITTEES

Section 1. ~~General~~

- a. Committees of the Board shall be standing or ad hoc. The committee members shall be appointed by the ~~President Chair~~ at the January regular Board meeting and as otherwise needed. The ~~President's Chair's~~ action shall be final unless a majority of director's object. Two ~~Trustees~~ ~~directors~~ shall be appointed to each committee, one of whom shall be the committee chair, and both of whom shall be voting members. Any ~~Trustee~~ ~~director~~ not appointed to a committee may serve as an alternate to that committee. ~~A calendar of regular meetings of committees shall be set at the same time at which committee members are appointed~~ developed and posted on the District website.
- b. All committees shall be advisory to the Board, except as otherwise expressly specified by the Board.

Section 2. ~~Standing Committees.~~

- ~~a. Standing committees are managed by the entire Bboard.~~
- ~~b. Every quarter at a Bboard meeting there will be a planning and finance agenda item.~~
A Standing Committee on Planning will be represented chaired by the Vice Chair.
A Standing Committee on Finance will be represented chaired by the Treasurer and Planning will be represented by Vice Chair.

Section 3. _____

1. Planning

The purpose of the Planning Committee includes but is not limited to

- a. Developing an annual strategic plan of goals and objectives for the year
- b. Recommending and overseeing ~~Human Resources~~ employee policies and procedures;
- c. Reviewing and recommending employee compensation and benefits;
- d. Developing and providing oversight for projects authorized by the Board
- e. Recommending community members as appropriate for Board appointment to the Planning Committee.
- f. Overseeing short and long- term facility planning and maintenance

- ~~a. Quality control and performance improvement; and~~

2. Finance _____

The purpose of the Finance Committee includes but is not limited to

- a. Recommending and overseeing fiscal and business policies and procedures.
- b. Overseeing financial management and budgeting;
- c. Recommending and overseeing fiscal controls;

- d. Recommending and overseeing Investments;
- e. Overseeing internal audits and ensuring an annual independent audit; and
- f. Reviewing and presenting to the Board financial statements and reports.
- g. Monitoring the financial activities that arise from the Agreements to ensure compliance with the terms and conditions of such Agreement.
- h. ~~The Treasurer and one other Board member will~~ Reviewing the spending of the Measure C fund

Section 3. Ad Hoc Committees.

~~Section 5. Ad Hoc Committees.~~

Ad hoc committees, including not more than two ~~directors~~ Trustees, may be established by the President Chair, subject to approval of the Board, for defined tasks of a limited duration (~~for instance, not to exceed six months~~). An ad hoc committee shall only perform those duties assigned by the President Chair, and upon their completion be discharged. The President Chair, in consultation with the Board, shall determine the members of the committee.

ARTICLE IV. MISCELLANEOUS

Section 1. ~~_____~~ Review of Bylaws.

~~At least semi-annually~~ The Board shall review these Bylaws and the Policy Manual **annually** to ensure they comply with the District Law and all other applicable federal and state laws and regulations in keeping with the functions of the Board.

Section 2. ~~_____~~ Amendment of Bylaws.

These Bylaws may be amended by a majority of the Board at a duly noticed Board meeting, provided a full statement of each proposed amendment has been sent to each director along with the meeting agenda and packet.

Section 3. ~~_____~~—Indemnification.

- a. **Civil proceedings.** The District shall, to the full extent of the law, defend and indemnify each of its employees against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any civil claim arising out of the scope of his or her employment for the District. For purposes of this section, the term "employee" shall have the same meaning set for in Government Code section 810.2, or any successor statute thereof, and includes without limitation any person who was or is a director, officer, employee or servant of the District.
- b. **Criminal and administrative proceedings.** The District may but is not obligated to defend and indemnify its employees (as defined above). If an employee seeks defense and indemnification in any such ~~proceeding~~proceeding, he or she shall submit a written request to the Board, which shall conduct a review of the request in accordance with Government Code sections 995.6 and 995.8, or any successor statute

CERTIFICATION OF THE SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Mendocino Coast Healthcare District;
and
2. That the foregoing Bylaws comprised of ~~twelve (12)~~ fifteen (15) pages constitute the Bylaws, as amended, of the District as duly adopted at a meeting of the Board of ~~Directors~~Trustees thereof duly held on the _____ day in the month of _____, 2023.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this day
_____, 2023

Secretary

Mendocino Coast Healthcare District