

Chief Executive Officer
Ryan Harris



Board of Directors
Jeanne Utterback, President
Abe Hathaway, Vice President
Tami Humphry, Treasurer
Lester Cufaude, Secretary
James Ferguson, Director

Board of Directors
Regular Meeting Agenda
February 25, 2026 @ 1:00 PM
Mayers Memorial Healthcare District
Burney Annex Boardroom
20647 Commerce Way
Burney, CA 96013

Mission Statement

Leading rural healthcare for a lifetime of wellbeing.

In observance of the Americans with Disabilities Act, please notify us at 530-336-5511, Ext 1130 at least 48 hours in advance of the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations. The District will make every attempt to accommodate your request.

					Approx. Time Allotted
1	CALL MEETING TO ORDER	Chair: Jeanne Utterback			
2	CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS	Persons wishing to address the Board are requested to fill out a "Request Form" prior to the beginning of the meeting (forms are available from the Clerk of the Board, 43563 Highway 299 East, Fall River Mills, or in the Boardroom). If you have documents to present for the members of the Board of Directors to review, please provide a minimum of nine copies. When the President announces the public comment period, requestors will be called upon one at a time. Please stand and give your name and comments. Each speaker is allocated five minutes to speak. Comments should be limited to matters within the jurisdiction of the Board. Pursuant to the Brown Act (Govt. Code section 54950 et seq.), action or Board discussion cannot be taken on open time matters other than to receive the comments and, if deemed necessary, to refer the subject matter to the appropriate department for follow-up and/or to schedule the matter on a subsequent Board Agenda.			
3	APPROVAL OF MINUTES				
	3.1	Regular Board Meeting – January 28, 2026	Attachment A	Action Item	1 min.
4	DEPARTMENT/QUARTERLY REPORTS/RECOGNITIONS				
	4.1	Resolution 2026-03 January Employee of the Month	Attachment B	Action Item	1 min.
	4.2	Hospice	Lindsey Crum	Attachment C	Report 2 min.
	4.3	Quality & Risk Management	Jack Hathaway	Attachment D	Report 2 min.
5	SPECIAL PRESENTATION				
	5.1	Wipfli Annual Audit Summary Microsoft Teams Meeting: Click here to join the meeting Meeting ID: 212 753 384 300 27 Passcode: sv9Xw2pQ		Report	30 min.
6	BOARD COMMITTEES				
	6.1	Finance Committee			
	6.1.1	Committee Meeting Report: Chair Humphry		Report	5 min.
	6.1.2	January 2026 Financial Review, AP, AR, and Acceptance of Financials		Action Item	5 min.
	6.1.3	Microsoft Office 365 Renewal		Action Item	5 min.
	6.1.4	Annual Audit Summary	Attachment E	Action Item	5 min.

6.2	Quality Committee			
6.2.1	Committee Meeting Report: Chair Cufaude		Report	5 min.
6.2.2	MMHD ACHC Safety Risk Assessment Review	Attachment F	Discussion/ Action Item	5 min.
6.3	Strategic Planning Committee			
6.3.1	No Strategic Planning Committee Meeting in February		Information	1 min.
7	NEW BUSINESS			
7.1	Bylaws Review	Attachment G	Action Item	5 min.
7.2	Progress Report: Purchase of APNs 028-340-015 & 028-340-016		Information /Discussion	2 min.
7.3	Conference Key Insights and Takeaways - AHA Rural Health Care Leadership Conference		Discussion	5 min.
7.4	Creation of Governance Committee		Discussion/ Action Item	5 min.
7.5	Trustee Pledge	Attachment H	Discussion/ Action Item	5 min.
7.6	Board President Job Description	Attachment I	Discussion/ Action Item	5 min.
7.7	Signing Authority – Contract Review Policy	Attachment J	Discussion / Action Item	
8	ADMINISTRATIVE REPORTS			
8.1	Chief's Reports – Written reports provided. Questions pertaining to the written and verbal reports of any new items			
8.1.1	Chief Operations Officer- Jessica DeCoito	Attachment K	Report	5 min.
8.1.2	Chief Financial Officer – Travis Lakey		Report	5 min.
8.1.3	Chief People Officer – Libby Mee		Report	5 min.
8.1.4	Chief Public Relations Officer – Valerie Lakey		Report	5 min.
8.1.5	Chief Clinical Officer – Keith Earnest		Report	5 min.
8.1.6	Chief Nursing Officer – Theresa Overton		Report	5 min.
8.1.7	Chief Executive Officer – Ryan Harris		Verbal	5 min.
9	OTHER INFORMATION/ANNOUNCEMENTS			
9.1	Board Member Message: Points to highlight in the message		Discussion	2 min.
10	MOVE INTO CLOSED SESSION			
11	RECONVENE OPEN SESSION			
12	ADJOURNMENT: Next Regular Board Meeting March 25, 2026			

Posted: 02.19.26

Chief Executive Officer
Ryan Harris



Attachment A

Board of Directors

Jeanne Utterback, President
Abe Hathaway, Vice President
Tami Humphry, Treasurer
Lester Cufaude, Secretary
James Ferguson, Director

Board of Directors
Regular Meeting Minutes
January 28, 2026 @ 1:00 PM
Mayers Memorial Healthcare District
Fall River Boardroom
43563 HWY 299 E
Fall River Mills, CA 96028

These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.

1 CALL MEETING TO ORDER: Jeanne Utterback called the regular meeting to order at 1:00 PM on the above date.

BOARD MEMBERS PRESENT:
Jeanne Utterback, President
Abe Hathaway, Vice President
Lester Cufaude, Director
Tami Humphry, Treasurer

ABSENT:
Jim Ferguson, Director
Lisa Neal, Board Clerk
Valerie Lakey, CPRO

STAFF PRESENT:
Ryan Harris, CEO
Travis Lakey, CFO
Theresa Overton, CNO
Keith Earnest, CCO
Libby Mee, CPO
Jessica DeCoito, COO & Acting Board Clerk
Dana Hauge, Director of Safety & Security
Alex Johnson, Facilities & Engineering Manager
Kristen Stephenson, Infection Prevention

2 CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS: NONE.

3 APPROVAL OF MINUTES

3.1	A motion to accept the Regular Board Meeting minutes of December 10, 2025, was made, seconded, and approved.	Cufaude/ Humphry	Approved by All
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4 DEPARTMENT/OPERATIONS REPORTS/RECOGNITIONS

4.1	Resolution 2026-01 November Employee of the Month: Choupa Valere is a NOC shift team member at the Burney Annex. He began as a traveler during the COVID pandemic and later joined as a permanent staff member. He has been an asset to the district and the team.	Humphry/ Hathaway	Approved by All
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4.2	Resolution 2026-02 December Employee of the Month: Katelyn Agee is more than a Ward Clerk; she has jumped in everywhere and is a part of everything. She is on our Service Excellence Advisory group for the Service Excellence Initiative. We love having her as a part of our team and are thankful for all that she does.	Cufaude/ Hathaway	Approved by All
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4.3	Safety Quarterly – written report submitted. We experienced a security issue at TCCN, but our Maintenance team acted immediately to implement additional security measures. We received a letter from OSHA regarding verification of our vendor, which provides flow testing and fire sprinkler testing, and it is, in fact, certified. We were able to submit documentation for a year's worth of inspection and testing of our fire suppression systems, which was performed in accordance with code and by Murray Plumbing, a certified company. OSHA was satisfied with our current program and vendor and had no further questions or concerns. We will provide internal education to our staff to help them understand our fire systems, who performs testing, the testing frequency, and related details. And we will carry that education into all safety programs and protocols.		
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4.4	Information Technology – Written report submitted. Thank you to IT from the Board for their help with the iPads. We appreciate the extra effort put into the iPad maintenance.		
4.5	Maintenance and Engineering – Written report submitted. One project added to the list is a full inventory and organization of all the materials stored at the lodge. This will help us see what we have before we purchase new material. We have hired a new team member who brings certifications that will be helpful to the district.		
4.6	Infection Prevention – Written report submitted. Blood Culture contamination is down to zero, and we are hopeful the extra real-time education will keep this number at zero. The community and hospital staff see a lot of flu and respiratory symptoms. We are encouraging staff to stay home if they don't feel well, to follow proper handwashing procedures, and to take precautions for our patients and residents.		
5	BOARD COMMITTEES		
5.1	Finance Committee		
5.1.1	Committee Meeting Report: Chair Humphry AR days are looking good and have gone down. Travis will reinvest in the Ginnie Mae fund. Congratulations to Travis on being elected to sit on the Sac Valley Med Share Board.		
5.1.2	November 2025 Financial Review, AP, AR, and Acceptance of Financials. The motion to accept the November 2025 Financials was moved, seconded, and approved.	Hathaway/ Cufaude	Approved by All
5.1.3	December 2025 Financial Review, AP, AR, and Acceptance of Financials. The motion to accept the December 2025 Financials was moved, seconded, and approved.	Cufaude/ Humphry	Approved by All
5.2	Quality Committee		
5.2.1	January Quality Meeting Report: Chair Cufaude Great discussion at the meeting today. We went into detail about IT security and our current setup, including internet redundancies and the LAN. There was an update in the medical error numbers provided in the packet. It went from 45 to 28 after conducting a more thorough audit of chart documentation and RL6. A new function called Chart Advisor will be implemented to help scrub the charts and reduce the manual work currently required.		
5.3	Strategic Planning Committee Report		
5.3.1	January Strategic Planning Committee Report: Chair Hathaway Met on Monday to go over projects and the progress of the Strategic Plan. We are live with Solar and have already saved \$100K. The bid package is out for the FR Rural Health clinic remodel. The security work at admitting in the main lobby has made our staff feel safe. A Strategic Planning priorities update was provided, and things look good. Our top priority is reducing AR days.		
6	NEW BUSINESS		
6.1	Capital Expenditure Plan Tracker: A motion to approve the plan submitted at the last meeting was moved, seconded, and carried.	Humphry/ Cufaude	Approved by All
6.2	CEO & Board Reporting Schedule: The packet includes a schedule Ryan uses to round with district departments. Board members are invited to work with Ryan and Lisa to schedule a date when it works for them to participate in that rounding with Ryan.		No Action taken
6.3	Bylaws Review: Provide input to Tami and Jeanne on any items that need to be addressed. They will work with Lisa to get the amendments made for a final version to be reviewed and approved.		
7	ADMINISTRATIVE REPORTS		
7.1	Chief Reports: <i>Written reports provided. Questions pertaining to the written and verbal reports of any new items</i>		
7.1.1	Chief Operations Officer: Written report submitted by Jessica DeCoito. The solar dashboard was shown to the directors to see what Alex monitors. We are excited to see our monthly bill continue to decrease as the sunnier, warmer weather months approach.		
7.1.2	Chief Financial Officer: Written report submitted by Travis Lakey. We will receive the Rate Range on February 3, and we will see the Days Cash on Hand increase. RHTP information will be a hot topic at DHLF meetings and the Rural Health Care Symposium, and we are excited to learn more about what California is getting, how it's broken out, and how the funds will be shared.		
7.1.3	Chief Human Resources Officer: Written report submitted by Libby Mee. This is a fun time of year to review our staff statistics. We are forecasting retirements this year and contract staff ending their term.		

- 7.1.4 Chief Public Relations Officer: Written report submitted by Valerie Lakey. Another great Gala event. Can't wait to hear how much the awesome team brings in in proceeds. The videos being made are amazing, and the team putting them together has the energy and excitement to make those in the video feel equally energized.
- 7.1.5 Chief Clinical Officer: Written report submitted by Keith Earnest. We received the new portable X-ray and the new technologies it carries. R'Kia is our new permanent Retail Pharmacist – make sure to stop by and say hi. Retail Pharmacy is busy with prescriptions and helping our community. We are growing in the number of prescriptions, and our team is managing everything so well. Endocrinology is our biggest telemedicine program.
- 7.1.6 Chief Nursing Officer: Written report submitted by Theresa Overton. SNF census is 71. OPM had a record high census since 2014 - way to go! Check out the Goat Award boards throughout the facility – where our team members are calling out their peers for their great work.
- 7.1.7 Chief Executive Officer: Written report submitted by Ryan Harris. There are a couple of interested candidates for the ER Director position, and an interview has been set up with a CMO candidate. Working with a provider group, and will also look at a revised compensation model. Continue to work on receiving another day for MRI services. Travis and Ryan have been discussing the Georgia Heart Model and want to discuss it with the Regional CEO group.

8 OTHER INFORMATION/ANNOUNCEMENTS:

8.1 Board Member Messaging:

- Employees of the month
- Thank you to those who donated and attended the gala
- Website relaunch
- Solar project online
- TCCN activities and programs
- Calcium Scoring services and our CT services
- Mobile Clinic in Fall River is reopened

9 MOVE INTO CLOSED SESSION: 3:43 pm

- | | | |
|-----|--|----------------------------|
| 9.1 | Existing Litigation (Gov. Code § 54956.9(a))
(Case name withheld pursuant to Government Code §54956.9) | No Action
Taken |
| 9.2 | Existing Litigation (Gov. Code § 54956.9(a))
(Case name withheld pursuant to Government Code §54956.9) | No Action
Taken |
| 9.3 | Real Estate Negotiation (Gov. Code §54956.8) <ul style="list-style-type: none"> • Property: Medical Office Building at 20623 Commerce Way, Burney, CA 96013
APN 028-340-016 • Real Estate Negotiator: Ryan Harris • Potential Purchase of property for District expansion | Action
Taken |
| 9.4 | Real Estate Negotiation (Gov. Code §54956.8) <ul style="list-style-type: none"> • Property: Vacant Lot, Burney, CA 96013, APN 028-340-015 • Real Estate Negotiator: Ryan Harris • Potential Purchase of property for District expansion | Action
Taken |
| 9.5 | Hearing (Health and Safety Code §32155) – Medical Staff Credentials
MEDICAL STAFF REAPPOINTMENT
Dennis Burton, MD (Vesta)
Batool Hussain, MD (UCD)
MEDICAL STAFF APPOINTMENT
J. Gabriel Zamora, MD (Vesta)
Mostafa Rahimi, MD
Sean Munroe, MD
Robert Cirillo, MD (Vesta)
AHP APPOINTMENT
Daniela Garcia-Cruz, PA
Emily Sizer, PA-C (T2U) | |

11 RECONVENE OPEN SESSION: at 4:15 p.m.

The motion to accept medical staff credentials was made, seconded, and approved.
The motion for the CEO to enter negotiations and, if successful, to purchase APN 028-340-015 & 016 was made, seconded, and approved.

**Cufaude/
Humphry Approved
by All**

12 Adjournment: The motion to adjourn at 4:15 p.m. was made, seconded, and approved. Next meeting is February 25, 2026.

**Humphry/
Cufaude**

**Approved
by All**

I, _____, Board of Directors _____, certify that the above is a true and correct transcript from the minutes of the regular meeting of the Board of Directors of Mayers Memorial Healthcare District

Board Member

Board Clerk

DRAFT



RESOLUTION NO. 2026-03

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF MAYERS MEMORIAL HEALTHCARE DISTRICT RECOGNIZING**

Alexis Cureton

As January 2026 EMPLOYEE OF THE MONTH

WHEREAS, the Board of Trustees has adopted the MMHD Employee Recognition Program to identify exceptional employees who deserve to be recognized and honored for their contributions to MMHD; and

WHEREAS, such recognition is given to the employee meeting the criteria of the program, namely exceptional customer service, professionalism, high ethical standards, initiative, innovation, teamwork, productivity, and service as a role model for other employees; and

WHEREAS, the MMHD Employee Recognition Committee has considered all nominations for the MMHD Employee Recognition Program;

NOW, THEREFORE, BE IT RESOLVED that Alexis Cureton is hereby named Mayers Memorial Healthcare District Employee of the Month for January 2026; and

DULY PASSED AND ADOPTED this 25th day of February 2026 by the Board of Trustees of Mayers Memorial Healthcare District by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Jeanne Utterback, President
Board of Trustees, Mayers Memorial Healthcare District

ATTEST:

Lisa Neal
Clerk of the Board of Directors



Department Reporting Managers' Meeting and Regular Board Meeting

Manager & Department: Lindsey Crum, RN - Hospice

Reporting Month & Year: February, 2026

Summary:

Patient acuity remains high, with multiple complex patients requiring care simultaneously. Staff continue to work tirelessly to support both hospice patients and those in the skilled nursing facility. Financial performance has continued to improve while staff further their education on best billing practices. Clinical staff are also staying current with Medicare regulation changes through ongoing education.

Top Projects (1-3):

1. In October, the new Hospice Outcomes and Patient Evaluation (HOPE) was implemented as part of updated Medicare compliance requirements. This change increased both the number of required visits and the timeframe in which staff must complete them. We have continued to work toward 100% compliance with accepted IQIES/HOPE assessments and are currently achieving a 97% acceptance rate. Improved understanding of HOPE reporting tools and common reasons for assessment rejection have contributed to this progress.
2. Billing and Hospice were approved for a combined 50 hours of additional training with MatrixCare. Billing has already begun consultant training and reports significant learning progress. Hospice is scheduled to begin training on February 12, with a focus on physician documentation.

Wins (1-2):

Continued to experience a high acuity of patients. Hospice has remained very busy due to the current patient volume. We have also been able to provide increased support to patients in the skilled nursing facility.

Challenge (1):

I will be going out on maternity leave within the next month, and due to patient census and staff availability, we are actively working to secure coverage for the duration of my leave over the next couple of months.



Department Reporting Managers' Meeting and Regular Board Meeting

Manager & Department: Quality

Reporting Month & Year: February 2026

Summary:

Quality has been working with the other departments in the hospital to ensure that we can continue to provide the best possible outcomes for patients.

Top Projects (1-3):

Cerner workflow

ACHC IPR (Interim Progress Report)

Updating our QAPI for 2026 board approval for compliance with ACHC guidelines

Wins (1-2):

ACHC IPR submitted, awaiting approval.

We have excellent projects to highlight in our QAPI work. Projects that were recognized by the respective department managers who saw the need for change and made the fix. ED and Surgery should be celebrated for their forward thinking.

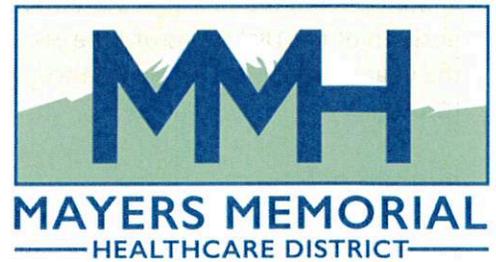
Challenge (1):

None that bring me pause.

Mayers Memorial Hospital District

Financial Statements and
Supplementary Information

Years Ended June 30, 2025 and 2024



Independent Auditor's Report

Board of Directors
Mayers Memorial Hospital District
Fall River Mills, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mayers Memorial Hospital District (the "District"), which comprise the statements of net position as of June 30, 2025 and 2024, and the statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101 - Compensated Absences. Our opinion is not modified with respect to this matter.

Required Supplementary Information

GAAP requires that a management's discussion and analysis on pages 4 through 8, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and notes to the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and the notes to the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP
Milwaukee, Wisconsin
February 13, 2026

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Mayers Memorial Hospital District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024

Introduction

Mayers Memorial Hospital District (the "District"), offers readers of our financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the District's financial statements, including the notes thereto.

The District is a nonprofit, municipal corporation that operates an acute-care hospital, a long-term care unit, hospice, rural health clinic, retail pharmacy, and an ambulance company. The District is licensed for 16 hospital beds, 99 long-term care beds including 21 beds in the Alzheimer's Dementia Care Unit (ADCU). The hospital services include 24-hour emergency care, radiology, lab, outpatient services, cardiac rehabilitation, surgery, physical therapy and a rural health clinic. The District serves a large geographic region that is roughly 35 miles in all directions; encompasses portions of Lassen, Shasta, and Modoc Counties; and has a population of approximately 10,000.

The District was established in November 1969 with a 10-bed facility in Fall River Mills, California. Additions to the facility were built in 1973, 1984, and 2020. The long-term care facility was expanded in 1994 with the addition of a site in Burney, California, which includes the ADCU. In August 2020, the District opened a Rural Health Clinic on the Burney site.

The District is designated as a critical access hospital (CAH). CAH status has had and continues to have a favorable impact on the District's finances in as much as CAH Medicare reimbursement is cost-based and therefore typically higher than what the District would otherwise receive under prospective payment system (PPS) reimbursement methodology. The District receives property tax revenue on assessed property within the District's boundaries to support operations. During the years ended June 30, 2025 and 2024, the District received property tax revenue of \$1,628,333 and \$1,782,537, respectively.

The District is governed by a five-member elected Board of Directors. Day-to-day operations are managed by the Chief Executive Officer. The District employed 272 employees on June 30, 2025, and had an annual payroll of \$23.7 million, not including benefits.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements. The financial statements comprise the statements of net position; revenues, expenses, and changes in net position; and cash flows. The financial statements also include notes to the financial statements, which explain in more detail some of the information in the financial statements. The financial statements are designed to provide readers with a broad overview of the District's finances.

Mayers Memorial Hospital District

Management's Discussion and Analysis (Continued)

Years Ended June 30, 2025 and 2024

Required Financial Statements

The District's financial statements report information of the District using accounting methods similar to those used by private-sector healthcare organizations. These statements offer short-term and long-term information about its activities. The statements of net position include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). The statements of net position also provide the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the revenue and expenses for the years ended June 30, 2025 and 2024, are accounted for in the statements of revenues, expenses, and changes in net position. These statements can be used to determine whether the District has successfully recovered all of its costs through its patient and resident service revenue and other revenue sources. Revenues and expenses are reported on an accrual basis, which means the related cash could be received or paid in a subsequent period.

The final required statements are the statements of cash flows, which report cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. They also provide answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Highlights Executive Overview

The District's financial performance exceeded administration's expectations as fiscal 2025 ended, with an excess of revenue over expenses of \$5,653,000.

- The District's total revenue from operations was \$58,085,000 in 2025 and \$57,311,000 in 2024.
- The District's gain from operations was \$3,994,000 in 2025 and \$7,108,000 in 2024.
- During 2025 and 2024, excess of revenue over expenses totaled \$5,653,000 and \$9,243,000 respectively.
- During 2025 and 2024, nonoperating revenue net of expenses totaled \$1,659,000 and \$2,136,000, respectively.

Mayers Memorial Hospital District

Management's Discussion and Analysis (Continued)

Years Ended June 30, 2025 and 2024

Financial Analysis of the District

The statements of net position and the statements of revenues, expenses, and changes in net position report the net position of the District and the changes in net position. The District's net position, the difference between assets and liabilities, is a way to measure the financial health or financial position of an organization. Over time, sustained increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in economic condition, population growth, and new or changed governmental legislation should also be considered.

Condensed Statements of Net Position (In Thousands)

<i>June 30,</i>	2025	2024	<u>Change</u> 2025-2024
Other assets	\$ 50,032	\$ 45,997	\$ 4,035
Capital assets	37,404	32,982	4,422
Total assets	\$ 87,436	\$ 78,979	\$ 8,457
Other liabilities	\$ 5,111	\$ 4,986	\$ 125
Long-term liabilities	25,108	22,431	2,677
Total liabilities	30,219	27,417	2,802
Net position:			
Net investment in capital assets	11,280	9,224	2,056
Restricted	2,239	2,854	(615)
Unrestricted	43,698	39,484	4,214
Total net position	57,217	51,562	5,655
Total liabilities and net position	\$ 87,436	\$ 78,979	\$ 8,457

The District's net position increased due to the gain from operations in 2025.

- Other assets increased by approximately \$4,035,000 in 2025 and \$9,706,000 in 2024.
- Noncurrent assets consist mostly of capital assets, debt service reserve, and cash set aside to meet borrowing agreements. Noncurrent assets increased by \$3,806,000 in 2025 due to building improvement projects.

Mayers Memorial Hospital District

Management's Discussion and Analysis (Continued)

Years Ended June 30, 2025 and 2024

Financial Analysis of the District (Continued)

The following table presents a summary of the statements of revenues, expenses, and changes in net position:

Condensed Statements of Revenues, Expenses, and Changes in Net Position (In Thousands)

<i>Years Ended June 30,</i>	2025	2024	Change 2025-2024
Operating revenue:			
Net patient and resident service revenue	\$ 52,619	\$ 52,869	\$ (250)
Other operating revenue	5,466	4,442	1,024
Total operating revenue	58,085	57,311	774
Operating expenses:			
Salaries and wages	23,723	21,952	1,771
Employee benefits	6,063	4,636	1,427
Professional fees and purchased services	9,550	9,895	(345)
Supplies	7,982	7,227	755
Insurance	580	681	(101)
Other operating expenses	4,037	3,929	108
Depreciation	2,154	1,884	270
Total operating expenses	54,089	50,204	3,885
Gain from operations	3,996	7,107	(3,111)
Nonoperating revenue - Net	1,659	2,135	(476)
Increase in net position	5,655	9,242	(3,587)
Net position at beginning of year - Before restatement	51,562	42,835	8,727
Restatement - Change in accounting principle	-	(515)	515
Net position at beginning of year	51,562	42,320	9,242
Net position at end of year	\$ 57,217	\$ 51,562	\$ 5,655

Salaries, wages, and benefits increased in 2025 by 12.0% due to across-the-board wage increases. In the prior year, salaries and benefits increased by 21.1%. The total number of full-time equivalent employees was approximately 296 in 2025 and 231 in 2024.

Total operating expenses increased by 7.7% compared with the previous year's increase of 14.0%. This was due primarily to an increase in salaries and benefits by roughly \$3,198,000 as a result of competitive wage scale adjustments. In addition, supplies expense increased by roughly \$755,000 due to the increased cost of supplies and higher volumes causing a higher supply usage.

Mayers Memorial Hospital District

Management's Discussion and Analysis (Continued)

Years Ended June 30, 2025 and 2024

Financial Analysis of the District (Continued)

Capital asset activity included purchases related to the building improvement projects related to the District's solar field and master planning for 2030 seismic requirement in the amount of \$3,116,000 and \$1,678,000, for each of the years ended June 30, 2025 and 2024, respectively.

Long-term debt activity included the USDA loan that refunded existing debt and financed capital construction and equipment purchases.

Items Affecting Operations

The challenges facing the District this fiscal period are largely similar to those issues facing the healthcare industry in general and small rural hospitals in particular. Immediate environmental circumstances uniquely influencing the District are highlighted below:

- Reimbursement: Medicare and Medi-Cal programs continue to look for ways to reduce reimbursement.
- Possible state legislation to cap charge increases on an annual basis, a bill to introduce a single-payor system in California, as well as a bill to make healthcare minimum wage 25 dollars an hour.
- Indigent and uncompensated care: High uncompensated care continues to grow as eligibility requirements are raised for government-funded programs.
- Labor: Nursing and some technician positions continue to be difficult to recruit and retain.

In summary, the external environment continues to challenge small rural hospitals amidst continued declines in reimbursement, increases in uncompensated care, and ongoing labor and health insurance issues. Furthermore, the District and its employees are working together to improve the clinical care and service provided to its patients and community, while striving to improve its financial position and overall fiscal performance.

Contacting the District's Finance Management

This financial report provides the District's patients, citizens, taxpayers, investors, and creditors with a general overview of the District's finances and shows the District's accountability for the money it receives. For questions regarding this report or for additional financial information, please contact:

Mayers Memorial Hospital District
PO Box 459
Fall River Mills, CA 96028

Mayers Memorial Hospital District

Statements of Net Position

<i>June 30,</i>	2025	2024
Current assets:		
Cash and cash equivalents:		
Unrestricted	\$ 38,146,201	\$ 32,822,699
Cash held in trust for others	31,452	23,086
Receivables:		
Patient and resident accounts, net of contractual allowances and discounts	5,736,833	8,580,479
Other	3,595	3,595
Estimated third-party payor settlements	2,137,688	155,421
Inventories	687,809	614,766
Prepaid expenses	1,049,033	942,057
Total current assets	47,792,611	43,142,103
Noncurrent assets:		
Restricted cash, net of amount available for current debt reserve	2,238,552	2,854,495
Capital assets - Nondepreciable	3,787,359	2,732,294
Capital assets - Net of accumulated depreciation	33,616,977	30,250,574
Total noncurrent assets	39,642,888	35,837,363
TOTAL ASSETS	\$ 87,435,499	\$ 78,979,466

Mayers Memorial Hospital District

Statements of Net Position (Continued)

<i>June 30,</i>	2025	2024
Current liabilities:		
Accounts payable	\$ 1,388,231	\$ 1,674,812
Accrued expenses	2,677,175	2,573,218
Current portion of bonds payable	696,228	656,878
Current portion of subscription-based liability	303,749	38,460
Current portion of lease obligation	15,866	18,358
Balances held in trust for others	29,482	23,085
Total current liabilities	5,110,731	4,984,811
Noncurrent liabilities:		
Bonds and accreted interest, less current portion	21,822,604	22,413,756
Subscription-based liability, less current portion	3,285,429	17,094
Total noncurrent liabilities	25,108,033	22,430,850
Total liabilities	30,218,764	27,415,661
Net position:		
Net investment in capital assets	11,280,460	9,225,017
Restricted	2,238,552	2,854,495
Unrestricted	43,697,723	39,484,293
Total net position	57,216,735	51,563,805
TOTAL LIABILITIES AND NET POSITION	\$ 87,435,499	\$ 78,979,466

Mayers Memorial Hospital District

Statements of Revenues, Expenses, and Changes in Net Position

<i>Years Ended June 30,</i>	2025	2024
Operating revenue:		
Net patient and resident service revenue	\$ 52,619,225	\$ 52,869,079
Other operating income	5,465,585	4,441,994
Total operating revenue	58,084,810	57,311,073
Operating expenses:		
Salaries and wages	23,722,621	21,952,176
Employee benefits	6,063,190	4,635,842
Professional fees	1,794,094	1,484,227
Supplies	7,981,563	7,227,387
Purchased services	7,755,943	8,410,891
Repairs and maintenance	432,393	479,868
Rents and leases	169,068	115,611
Utilities	1,339,256	1,185,307
Insurance	580,317	681,183
Other	2,098,660	2,146,573
Depreciation	2,154,038	1,884,459
Total operating expenses	54,091,143	50,203,524
Gain from operations	3,993,667	7,107,549
Nonoperating revenue (expenses):		
Property taxes	1,628,333	1,782,537
Grants and contributions	10,000	126,634
Interest income	1,275,814	949,451
Interest expense	(1,254,884)	(723,007)
Net nonoperating revenue	1,659,263	2,135,615
Increase in net position	5,652,930	9,243,164
Net position at beginning - Before restatement	51,563,805	42,835,176
Restatement - Change in accounting principle	-	(514,535)
Net position at beginning of year - After restatement	51,563,805	42,320,641
Net position - End of year	\$ 57,216,735	\$ 51,563,805

See accompanying notes to financial statements.

Mayers Memorial Hospital District

Statements of Cash Flows

<i>Years Ended June 30,</i>	2025	2024
Cash flows from operating activities:		
Receipts from and on behalf of patients and residents	\$ 53,480,604	\$ 49,864,979
Receipts from other operating revenue	5,465,585	4,471,639
Payments to employees	(29,681,854)	(26,091,471)
Payments to suppliers, contractors, and others	(21,998,192)	(21,543,012)
Net cash provided by operating activities	7,266,143	6,702,135
Cash flows from noncapital financing activities:		
Property taxes	1,628,333	1,782,537
Cash received from grants and contributions	10,000	126,634
Net cash provided by noncapital financing activities	1,638,333	1,909,171
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(3,373,352)	(1,064,261)
Principal payments on debt, leases, and subscription obligations	(945,878)	(673,775)
Interest paid on debt	(1,145,135)	(723,007)
Net cash used in capital and related financing activities	(5,464,365)	(2,461,043)
Cash flows from investing activities - Interest received	1,275,814	949,451
Net increase in cash and cash equivalents	4,715,925	7,099,714
Cash and cash equivalents - Beginning of year	35,700,280	28,600,566
Cash and cash equivalents - End of year	\$ 40,416,205	\$ 35,700,280

Mayers Memorial Hospital District

Statements of Cash Flows (Continued)

Years Ended June 30,	2025	2024
Reconciliation of gain from operations to net cash provided by operating activities:		
Gain from operations	\$ 3,993,667	\$ 7,107,549
Adjustments to reconcile gain from operations to net cash provided by operating activities:		
Depreciation and amortization	2,154,038	1,884,459
Provision for bad debts	579,986	1,746,982
Changes in assets and liabilities:		
Patient and resident accounts receivable	2,263,660	(5,226,256)
Other accounts receivable	-	29,644
Estimated third-party payor settlements	(1,982,267)	475,174
Inventories	(73,043)	57,023
Prepaid expenses	(106,976)	311,775
Accounts payable	(326,724)	(173,054)
Accrued expenses	103,957	496,547
Balances held in trust for others	6,397	(7,708)
Total adjustments	3,272,476	(405,414)
Net cash provided by operating activities	\$ 7,266,143	\$ 6,702,135
Supplemental disclosure of noncash noncapital financing activities:		
Capital purchases in account payable	\$ -	\$ 613,305
Capital assets acquired under subscription-based arrangement obligations	3,815,459	-
Amounts prepaid for subscription-based arrangement implementation cost	-	361,251
Accreted interest for CAP bonds	109,749	-

See accompanying notes to financial statements.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The Entity

Mayers Memorial Hospital District (the "District") is a political subdivision of the State of California, organized under Local Healthcare District Law, as set forth in the Health and Safety Code of the state of California. The District operates a community hospital, long-term care unit, hospice, and ambulance service located in Fall River Mills, California, that provide healthcare services to residents of the surrounding communities and visitors to the area. The District derives a significant portion of revenue from third-party payors, including Medicare, Medi-Cal, and commercial insurance organizations.

The District maintains its financial records in conformity with guidelines set forth by Local Healthcare District Law and the Office of Statewide Health Planning and Development of the State of California.

Method of Accounting

The District's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Basis of Accounting

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

The District considers significant accounting estimates to be those which require significant judgments and include the valuation of accounts receivable, including contractual allowances, allowance for doubtful accounts, the estimated third-party payor settlements, and the valuation of lost revenues calculated to recognize revenue from grant programs.

Cash and Cash Equivalents

The District considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

The District is authorized under California Government Code (CGC) to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. government or its agencies; bankers' acceptances; commercial paper; certificates of deposit (CD) placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium-term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, or obligations with first-priority security; and collateralized mortgage obligations.

The District maintains a portion of its cash in the Shasta County Treasury as part of the common investment pool. The County is restricted by CGC, Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. government securities, state-registered warrants, notes, bonds, state treasurer's investment pool, bankers' acceptances, commercial paper, negotiable CDs, and repurchase or reverse repurchase agreements. Investments in the county pool are valued using the amortized cost method (which approximates fair value) and include accrued interest. The pool has deposits and investments with a weighted-average maturity of more than one year. As of June 30, 2025, the fair value of the county pool is approximately 99% of the carrying value and is deemed not to represent a material difference. Information regarding the amount of dollars invested in derivatives with the county was not available. The county investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by CGC, Section 27130, and is not a registered investment company with the U.S. Securities and Exchange Commission. The District is considered to be an involuntary participant in the external investment pool.

Patient and Resident Receivables and Credit Policy

Patient and resident receivables are uncollateralized patient and resident obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. The District bills third-party payors on the patients' or residents' behalf, or if a patient or resident is uninsured, the patient or resident is billed directly. Once claims are settled with the primary payor, any secondary payor is billed, and patients and residents are billed for copay and deductible amounts that are the patients' or residents' responsibility. Payments on patient and resident accounts receivable are applied to the specific claim identified on the remittance advice or statement. The District does not have a policy to charge interest on past due accounts.

Patient and resident receivables are recorded in the accompanying statements of net position, net of contractual adjustments and an allowance for doubtful accounts, which reflects management's estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient and resident receivables. In addition, management provides for probable uncollectible amounts, primarily for uninsured patients or residents and amounts patients or residents are personally responsible for, through a reduction of gross revenue and a credit to a valuation allowance.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Patient and Resident Receivables and Credit Policy (Continued)

In evaluating the collectibility of patient and resident receivables, the District analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients or residents who have third-party coverage, the District analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts for expected uncollectible deductibles and copayments on accounts that the third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely.

For receivables associated with self-pay patients or residents (which includes both patients or residents without insurance and patients or residents with deductible and copayment balances due for which third-party coverage exists for part of the bill), the District records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients or residents are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged to allowance for doubtful accounts.

Inventories

Inventories are valued at the lower of cost, determined on the first-in, first-out (FIFO) method, or net realizable value.

Capital Assets and Depreciation

Capital assets are recorded at cost if purchased or estimated acquisition value at the date received if contributed. The District maintains a threshold level of a unit or group cost of \$5,000 or more for capitalizing capital assets. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Estimated useful lives range from 5 to 25 years for land improvements and buildings and fixed equipment, 2 to 20 years for major moveable equipment, and 3 to 5 years for computer software.

Accrued Compensated Absences

District employees earn vacation, sick, and holiday leave (PTO) in varying amounts based on length of service. Accumulated PTO benefits are paid to an employee, if the employee leaves, either upon termination or retirement. Liabilities for PTO and salary-related payments, including Social Security taxes, are recorded when incurred. Accrued PTO benefits, which are recorded in accrued expenses on the statements of net position, totaled \$1,485,956 and \$1,459,122 as of June 30, 2025 and 2024, respectively.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position is reported in three categories:

Net investment in capital assets: This category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build, acquire, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the construction, acquisition, or improvement of those assets or the related debt are also included in this category.

Restricted: This category consists of noncapital assets whose use is restricted, reduced by liabilities, and deferred inflows of resources related to those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This category consists of the remaining net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first.

Net Patient and Resident Service Revenue

The District recognizes patient and resident service revenue associated with services provided to patients and residents who have third-party payor coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retrospective adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Tax Revenue

The District has the authority to impose taxes on property within the boundaries of the healthcare district. Taxes are received from the county, which bills and collects the taxes for the District. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments, due on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31.

Shasta County is responsible for assessing, collecting, and apportioning property taxes on behalf of the District. Taxes are levied for each fiscal year on taxable real and personal property in the county. Secured property taxes attach as an enforceable lien on property as of January 1. Property taxes on the secured roll are due on November 1 and February 1 and become delinquent after December 10 and April 10.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Tax Revenue (Continued)

Secured property taxes are recorded as revenue, when apportioned, in the fiscal year of the levy. The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1 of each year.

The amount of property tax received is dependent on the assessed real property valuations as determined by the Shasta County assessor. The District received approximately 2.3% and 2.6% of its financial support in 2025 and 2024, respectively, from property taxes.

Operating Revenue and Expenses

The District's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with providing healthcare services, the District's principal activity. Nonexchange revenue, including taxes and donations received for purposes other than capital asset acquisition, is reported as nonoperating revenue. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

Charity Care

The District provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The District maintains records to identify the amount of charges forgone for services and supplies furnished under the charity care policy. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient and resident service revenue.

Grants and Contributions

The District receives grants and contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or capital purposes. Amounts that are unrestricted or are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue (expenses).

Unemployment Compensation

The 1971 session of California's legislature extended unemployment insurance protection to public employers. Each entity has the right to elect to pay the regular quarterly employer tax on covered wages or to reimburse the Unemployment Compensation Fund for actual claims paid to its former employees for unemployment.

The District has elected to pay quarterly employer tax on covered wages for the years ended June 30, 2025 and 2024.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

GASB Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The adoption of this statement was retroactively applied, resulting in a decrease in 2023 beginning net position of \$514,535 and an increase in 2023 operating expenses of \$234,525.

Note 2: Reimbursement Arrangements With Third-Party Payors

The District has agreements with third-party payors that provide for reimbursement to the District at amounts that vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

Hospital

Medicare - The District is designated as a CAH. Under this designation, inpatient, outpatient, and swing bed services rendered to Medicare program beneficiaries are paid based on a cost-reimbursement methodology, with the exception of certain lab and mammography services, which are reimbursed based on fee schedules.

Medi-Cal - Under CAH designation, inpatient and swing bed services rendered to Medi-Cal program beneficiaries are paid based on a predetermined rate per day. The reimbursement for outpatient services is based on a fee schedule. The District also applies for and receives supplemental reimbursement for its inpatient and outpatient services. The supplemental reimbursement is based on a cost-reimbursement methodology.

Nursing Facility

Medicare - Medicare pays the skilled nursing facility for Part A services based on a predetermined rate per resident day, which varies depending on a resident's level of care and the types of services provided.

Medi-Cal - Long-term care services are reimbursed at a daily rate, which is adjusted annually. The District also applies for and receives supplemental reimbursement for its Distinct Part Nursing Facility (DPNF). The supplemental reimbursement is based on a cost-reimbursement methodology.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 2: Reimbursement Arrangements With Third-Party Payors (Continued)

Others

The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes discounts from established charges and prospectively determined daily rates.

Accounting for Contractual Arrangements

The District is reimbursed for certain cost-reimbursable items at an interim rate, and final settlements are determined after an audit or desk review of the District's related annual cost reports by the Medicare Administrative Contractor (MAC) and Medi-Cal. Estimated provisions to approximate the final expected settlements are included in the accompanying financial statements. The District's cost reports have been final settled by the MAC through June 30, 2021, and Medi-Cal through June 30, 2022.

Compliance

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include but are not necessarily limited to matters, such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and billing regulations. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. While no significant regulatory inquiries have been made of the District, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

The Centers for Medicare & Medi-Cal Services (CMS) uses recovery audit contractors (RAC) as part of CMS's efforts to ensure accurate payments. RACs search for potentially inaccurate Medicare payments that might have been made to healthcare providers and not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, it makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. As of June 30, 2025, the District had not been notified by the RAC of any potential significant reimbursement adjustments.

Note 3: Cash and Cash Equivalents

Custodial Credit Risk - The risk that, in the event of a bank failure, the District's deposits might not be recovered. The District has a collateralization agreement with the bank that mitigates custodial credit risk. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2025, the District had a bank balance of \$37,995,971. Of this balance, \$500,000 is insured by the FDIC and \$1,409,028 is held in the investment portfolio of the Local Agency Investment Fund (LAIF) and is fully collateralized by the California Government Code (CGC). Any tax identification number with a total balance in excess of the FDIC insured limit must be collateralized at 110%.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 3: Cash and Cash Equivalents (Continued)

The CGC requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits its investment portfolio to the LAIF guidelines promulgated by the California Debt and Investment Advisory Commission, with the following exceptions:

- Equity mutual fund investments may not exceed 20% of the total portfolio.
- At least 75% of equity investments must be U.S. equities; the remaining 25% may be international.
- At least 75% of equity investments must be large cap growth or value; the remaining 25% may be invested in small cap or mid cap.
- All equity investments are not to exceed 25% in any one mutual fund.

Credit Risk - The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized statistical rating organization. The District has an investment policy that limits its investment choices by credit rating. LAIF is not rated.

Concentration of Credit Risk - CGC limits the purchase of certain investments to defined percentages of the investment portfolio.

The District adopted and uses California Health and Safety Code, Section 32127 (the "Code") as its policy for limitation on instruments of investment. The Code authorizes investments in obligations of the U.S. Treasury, commercial paper, bankers' acceptances, repurchase agreements, and LAIF, which is a pooled investment fund held at the California treasurer's office, among other investments.

Cash and cash equivalents consisted of the following:

<i>June 30,</i>	2025	2024
Demand deposits	\$ 39,005,097	\$ 34,351,880
Cash on hand	2,080	2,080
LAIF	1,409,028	1,346,320
Totals	\$ 40,416,205	\$ 35,700,280

Mayers Memorial Hospital District

Notes to Financial Statements

Note 3: Cash and Cash Equivalents (Continued)

The composition of cash and cash equivalents consisted of the following:

<i>June 30,</i>	2025	2024
Current:		
Unrestricted cash and cash equivalents	\$ 38,146,201	\$ 32,822,699
Cash held in trust for others	31,452	23,086
Noncurrent:		
Restricted for debt service	2,238,552	2,854,495
Totals	\$ 40,416,205	\$ 35,700,280

Restricted for Debt Service

The restricted debt service reserve fund is required by the United States Department of Agriculture (USDA) debt agreements, as discussed at Note 8.

Cash Held in Trust for Others

Current cash and cash equivalents include assets held in trust for others, which consisted of cash held for patients and the employee relief fund.

Note 4: Patient and Resident Accounts Receivable

Patient and resident accounts receivable, net of contractual allowances and discounts consisted of the following:

<i>June 30,</i>	2025	2024
Patient and resident accounts receivable:		
Medicare	\$ 5,098,715	\$ 6,347,680
Medi-Cal	3,155,461	5,741,749
Commercial and other	3,214,672	2,978,946
Self-pay	653,860	795,430
Total patient and resident accounts receivable	12,122,708	15,863,805
Less:		
Contractual adjustments	5,440,889	6,710,856
Allowance for doubtful accounts	944,986	572,470
Patient and resident accounts receivable - Net	\$ 5,736,833	\$ 8,580,479

Mayers Memorial Hospital District

Notes to Financial Statements

Note 5: Charity Care

The District provides healthcare services and other financial support through various programs that are designed to, among other matters, enhance the health of the community, including the health of low-income patients. Consistent with the mission of the District, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources.

Patients who meet certain criteria for charity care, generally based on federal poverty guidelines, are provided care based on criteria defined in the District's charity care policy and from applications completed by patients and their families.

The District maintains records to identify and monitor the level of charity care it provides. The amount of charges forgone for services and supplies furnished under the District's charity care policy was \$781,655 and \$211,024 for the years ended June 30, 2025 and 2024, respectively.

Note 6: Net Patient and Resident Service Revenue

Net patient and resident service revenue consisted of the following:

<i>Years Ended June 30,</i>	2025	2024
Gross patient and resident service revenue:		
Inpatient services	\$ 26,090,830	\$ 30,576,212
Outpatient services	38,415,864	32,468,762
Total gross patient and resident service revenue	64,506,694	63,044,974
Revenue deductions:		
Contractual allowances	11,307,483	8,428,913
Provision for bad debt	579,986	1,746,982
Total deductions	11,887,469	10,175,895
Net patient and resident service revenue	\$ 52,619,225	\$ 52,869,079

The following table reflects the percentage of gross patient and resident service revenue by payor source:

<i>Years Ended June 30,</i>	2025	2024
Medicare	42 %	41 %
Medi-Cal	40 %	43 %
Other third-party payors	17 %	14 %
Patients	1 %	2 %
Totals	100 %	100 %

Mayers Memorial Hospital District

Notes to Financial Statements

Note 7: Capital Assets

Capital assets consisted of the following:

	Balance July 1, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Nondepreciable capital assets:					
Land	\$ 461,135	\$ -	\$ -	\$ -	\$ 461,135
Construction in progress	2,271,159	2,337,869	-	(1,282,804)	3,326,224
Total nondepreciable capital assets	2,732,294	2,337,869	-	(1,282,804)	3,787,359
Depreciable capital assets:					
Land improvements	3,508,717	-	-	-	3,508,717
Buildings and fixed equipment	39,457,488	307,200	-	459,964	40,224,651
Major moveable equipment	14,961,611	470,615	(42,406)	105,952	15,495,772
Computer software	1,246,750	-	-	-	1,246,750
Total depreciable capital assets	59,174,566	777,815	(42,406)	565,916	60,475,890
Total capital assets before depreciation	61,906,860	3,115,684	(42,406)	(716,888)	64,263,249
Total accumulated depreciation	(28,979,087)	(1,747,688)	42,406	-	(30,684,369)
Subscription-based assets	110,188	3,459,822	-	716,888	4,286,898
Accumulated amortization: SBA	(55,093)	(406,350)	-	-	(461,443)
Total subscription-based assets	55,095	3,053,472	-	716,888	3,825,455
Capital assets - Net	\$ 32,982,868	\$ 4,421,468	\$ -	\$ -	\$ 37,404,336

At June 30, 2025, construction in progress consisted primarily of building and building improvement projects, such as facility master planning, Clearwater Lodge improvements, and a seismic wall project. Estimated costs of completion are approximately \$1.35 million for the outstanding projects. The estimated completion date for all projects is unknown at this time and the District intends to fund the projects with USDA loan proceeds.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 7: Capital Assets (Continued)

Capital assets consisted of the following:

	Balance July 1, 2023	Additions	Retirements	Transfers	Balance June 30, 2024
Nondepreciable capital assets:					
Land	\$ 461,135	\$ -	\$ -	\$ -	461,135
Construction in progress	705,282	1,565,877	-	-	2,271,159
Total nondepreciable capital assets	1,166,417	1,565,877	-	-	2,732,294
Depreciable capital assets:					
Land improvements	3,508,717	-	-	-	3,508,717
Buildings and fixed equipment	39,457,489	-	-	-	39,457,488
Major moveable equipment	14,849,922	111,689	-	-	14,961,611
Computer software	1,246,750	-	-	-	1,246,750
Total depreciable capital assets	59,062,878	111,689	-	-	59,174,566
Total capital assets before depreciation	60,229,295	1,677,566	-	-	61,906,860
Total accumulated depreciation	(27,131,357)	(1,847,730)	-	-	(28,979,087)
Subscription-based assets	110,188	-	-	-	110,188
Accumulated amortization: SBA	(18,365)	(36,728)	-	-	(55,093)
Total subscription-based assets	91,823	(36,728)	-	-	55,095
Capital assets - Net	\$ 33,189,761	\$ (206,892)	\$ -	\$ -	\$ 32,982,868

Mayers Memorial Hospital District

Notes to Financial Statements

Note 8: Long-Term Debt Obligations

Long-term debt obligations consisted of the following:

	July 1, 2024	Additions	Reductions	June 30, 2025	Amounts Due Within One Year
Long-term debt:					
Direct placements:					
General Obligation Bonds, 2011 Series A - Capital appreciation	\$ 429,376	\$ -	\$ (38,993)	\$ 390,383	\$ 39,524
General Obligation Bonds, 2011 Series A - Accreted interest of CAP bonds	1,316,678	109,749	(141,007)	1,285,420	165,476
Total direct placements	1,746,054	109,749	(180,000)	1,675,803	205,000
Direct borrowings:					
USDA bonds	20,061,000	-	(410,000)	19,651,000	423,000
Notes payable	1,263,580	-	(71,551)	1,192,029	68,228
Total direct borrowings	21,324,580	-	(481,551)	20,843,029	491,228
Total long-term debt obligations	\$ 23,070,634	\$ 109,749	\$ (661,551)	\$ 22,518,832	\$ 696,228

Mayers Memorial Hospital District

Notes to Financial Statements

Note 8: Long-Term Debt Obligations (Continued)

Long-term debt obligations consisted of the following:

	July 1, 2023	Additions	Reductions	June 30, 2024	Amounts Due Within One Year
Long-term debt:					
Direct placements:					
General Obligation Bonds, 2011 Series A - Capital appreciation	\$ 465,886	\$ -	\$ (36,510)	\$ 429,376	\$ 38,993
General Obligation Bonds, 2011 Series A - Accreted interest of CAP bonds	1,430,168	-	(113,490)	1,316,678	141,007
Total direct placements	1,896,054	-	(150,000)	1,746,054	180,000
Direct borrowings:					
USDA bonds	20,457,000	-	(396,000)	20,061,000	410,000
Notes payable	1,329,126	-	(65,546)	1,263,580	66,878
Total direct borrowings	21,786,126	-	(461,546)	21,324,580	476,878
Total long-term debt obligations	\$ 23,682,180	\$ -	\$ (611,546)	\$ 23,070,634	\$ 656,878

Mayers Memorial Hospital District

Notes to Financial Statements

Note 8: Long-Term Debt Obligations (Continued)

Scheduled principal and interest payments on bonds and notes payable are as follows:

<i>Years Ending June 30,</i>	Direct Placements		Direct Borrowings	
	Principal	Interest	Principal	Interest
2026	\$ 205,000	\$ -	\$ 491,228	\$ 655,095
2027	230,000	-	505,605	639,759
2028	260,000	-	522,010	623,940
2029	290,000	-	537,444	544,530
2030	325,000	-	617,997	912,033
2031-2035	304,872	1,180,128	2,865,687	2,797,068
2036-2040	60,931	1,144,069	3,540,762	1,911,500
2041-2045	-	-	3,661,220	1,603,133
2046-2050	-	-	3,446,327	987,236
2051-2055	-	-	2,702,000	524,680
Totals	\$ 1,675,803	\$ 2,324,197	\$ 20,843,029	\$ 11,290,153

Direct placements:

General Obligation Bonds, 2011 Series A Bonds

On June 16, 2011, the District issued \$5,000,886 in General Obligation Bonds, 2010 Election, 2011 Series A (the "2011 Series A bonds") to finance the acquisition, improvement, construction, or alteration of real property of the District; seismic upgrades of the acute care and emergency facilities; certain other capital projects; and the costs of issuance of the bonds. The 2011 Series A bonds consisted of two types of bonds: Current Interest Bonds and Capital Appreciation Bonds, issued in the amounts of \$4,530,000 and \$547,991, respectively.

Interest on the Current Interest Bonds was payable semiannually on February 1 and August 1 at a rate of 5%. The Current Interest Bonds were eligible for redemption on or after August 1, 2017. The District refinanced these bonds on September 28, 2017, using USDA financing.

The Capital Appreciation Bonds mature annually commencing on August 1, 2023, through August 1, 2038, in amounts ranging from \$150,000 to \$320,000, inclusive of interest accreted through such maturity dates. Interest on the Capital Appreciation Bonds is accreted every year beginning at a 7.75% rate commencing in 2023 and increased annually to a max rate of 8.14%. Interest is paid at maturity. The Capital Appreciation Bonds are not subject to optional redemption prior to their scheduled maturities.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 8: Long-Term Debt Obligations (Continued)

Direct borrowings:

USDA Bonds Payable

On September 28, 2017, the USDA Rural Development program issued a series of four secured bonds to the District, amounting to a total of \$21,805,000 at a rate of 3.25% and were collateralized with the District's tax revenue.

The first bond was issued for \$9,900,000 to fund building improvement projects. Interest on the bond is payable semiannually on September 1 and March 1 and is based on amounts drawn until the full amount has been drawn. Principal payments on the bond are due annually commencing September 2020 through 2057 in amounts ranging from \$125,000 to \$462,000.

The second bond was issued for \$4,300,000 to fund building improvement projects and to refinance the 2011 Certificate of Participation Bonds. Interest on the bond is payable semiannually on September 1 and March 1. Interest is based on amounts drawn until the full amount has been drawn and the amount of the debt refinanced. Principal payments on the bond are due annually commencing September 2018 through 2057 in amounts ranging from \$21,000 to \$193,000.

The first and second USDA-issued bonds require the District to set aside one-tenth of the average annual installments in a reserve account. The debt service reserve is represented as restricted cash and cash equivalents on the statements of net position and contains a balance of \$2,238,552 as of June 30, 2025.

The third bond was issued for \$4,574,000 to refinance and pay off the General Obligation Bonds, 2011 Series A. Interest on the bond is payable semiannually on September 1 and March 1. Principal payments on the bond are due annually commencing September 2018 through 2057 in amounts ranging from \$92,000 to \$236,000.

The fourth bond was issued for \$3,031,000 to finance the acquisition, improvement, construction, or alteration of real property of the District; seismic upgrade of the acute care and emergency facilities; and certain other capital projects. Interest on the bond is payable semiannually on September 1 and March 1 and is based on amounts drawn until the full amount has been drawn. Principal payments on the bond are due annually commencing September 2020 through 2057 in amounts ranging from \$68,000 to \$161,000.

Notes Payable

The District entered into a debt agreement with the California Health Facilities Financing Authority (CHFFA) dated June 1, 2020, and financed on July 30, 2020, in the amount of \$1,500,000, with an interest rate of 2.0% and due in monthly installments of \$7,628 until maturity on August 1, 2040, and is secured by property tax revenue. The District used the funds to finance renovations of the new clinic.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 9: Lease Obligations

Lease Agreements

As of June 30, 2025, the District had one lease agreement in place. The lease agreement is with Xerox Financial Services LLC beginning January 1, 2021, is payable in monthly installments of \$2,716, including interest at 9.2% through December 2025, and is collateralized by equipment.

Note 10: Subscription-Based Information Technology Arrangements

Changes in subscription-based technology arrangements consisted of the following:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts due Within One Year
Kaseya	\$ 55,554	\$ -	\$ (38,459)	\$ 17,095	\$ 17,095
Cerner	-	3,815,459	(243,376)	3,572,083	286,654
Total	\$ 55,554	\$ 3,815,459	\$ (281,835)	\$ 3,589,178	\$ 303,749

Changes in subscription-based technology arrangements consisted of the following:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts due Within One Year
Kaseya	\$ 90,646	\$ -	\$ (35,092)	\$ 55,554	\$ 38,460

The terms of the District's subscription-based technology arrangements are as follows:

- Kaseya - Subscription-based technology arrangement in the original principal amount of \$110,187 (from implementation date), due in monthly installments of \$3,498, including interest imputed at 9.2%, through November 2025, collateralized by the subscription-based technology
- Cerner - Subscription-based technology arrangement in the original principal amount of \$3,815,459, due in monthly installments of \$50,283, including interest imputed at 9.2%, through January, 2034, collateralized by the subscription-based technology.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 10: Subscription-Based Information Technology Arrangements (Continued)

Future minimum subscription-based technology arrangement payments consist of the following:

<i>Years Ending June 30,</i>	2025	2024
2026	\$ 303,749	\$ 254,490
2027	314,167	316,744
2028	344,321	289,231
2029	377,369	259,077
2030	413,589	226,029
2031-2035	1,835,983	516,004
Total	\$ 3,589,178	\$ 1,861,575

Note 11: Retirement Plan

The District sponsors and administers the Mayers Memorial Hospital District Governmental 401(k) plan. The defined contribution plan covers substantially all of its employees who are age 21 or older and have completed one year of service. Employees enter the plan on the first day of the quarter following the date the eligibility requirements are met.

The 401(k) plan is funded entirely by employee elective deferrals, which are immediately 100% vested. The plan provides for employer discretionary contributions that are allocated pro rata on the basis of eligible compensation. Benefit terms, including discretionary employer contributions, are established by management and the Board of Directors. No employer contributions are required. The District contributed 3% of eligible compensation annually to participants' accounts during each fiscal year ended June 30, 2025, and 2024. Participants employed on or before December 31, 2010, are 100% vested in their employer discretionary contributions. Participants employed after December 31, 2010, are subject to a five-year graded vesting schedule at the rate of 25% starting the second year and 25% each year thereafter annually until the fifth year, for a total of 100%. Forfeitures are used to reduce future employer contributions. For the plan years ended December 31, 2025 and 2024, forfeitures reduced the District's employee contributions by less than \$1,000 each year. Employee contributions for the years ended June 30, 2025 and 2024, were approximately \$254,000 and \$314,000, respectively.

Mayers Memorial Hospital District

Notes to Financial Statements

Note 12: Risk Management

The District is exposed to various risks of loss related to medical malpractice; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters.

The District's comprehensive general liability insurance covers losses of up to \$5 million per claim with \$5 million annual aggregate for claims incurred during a policy year regardless of when the claim was filed ("occurrence based coverage"). The District's professional liability insurance covers losses up to \$5 million per claim with \$15 million annual aggregate for claims reported during a policy year ("claims made coverage"). The deductible per claim is \$10,000. Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the District. Although the possibility exists of claims arising from services provided to patients through June 30, 2025, that have not yet been asserted, the District is unable to determine the ultimate cost, if any, of such possible claims, and accordingly no provision has been made for them. Settled claims have not exceeded commercial coverage in any of the three preceding years.

Workers' Compensation

The District is exposed to the risk of loss resulting from workers' compensation claims. To address this risk, the District participates in a joint venture under a joint powers agreement with the Association of California Healthcare Districts, Inc. BETA FUND (the "Fund"). The Fund arranges for and provides member entities with pooled workers' compensation self-insurance. Member entities include governmental entities, nonprofit hospital corporations, and nonprofit corporations that provide healthcare services similar to services provided by a healthcare district. The District pays an annual premium to the Fund for its workers' compensation insurance coverage, which covers losses of up to \$2,000,000 per incident with no deductible. If participation in the Fund were terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the Fund.

Note 13: Concentration of Credit Risk

Financial instruments that potentially subject the District to credit risk consist principally of patient accounts receivable. Patient and resident accounts receivable consist of amounts due from patients and residents, their insurers, or governmental agencies (primarily Medicare and Medi-Cal) for healthcare provided to the patients and residents. The majority of the District's patients are from Shasta County, California, and the surrounding area.

The mix of receivables from patients and third-party payors consisted of the following:

<i>June 30,</i>	2025	2024
Medicare	37 %	40 %
Medi-Cal	16 %	36 %
Other third-party payors	34 %	19 %
Patients	13 %	5 %
Totals	100 %	100 %

Supplementary Information

Mayers Memorial Hospital District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Listing Number	Contract or Award Number	Period of Award	Total Federal Expenditures
U.S. Department of Agriculture:				
Direct Program:				
Community Facilities Loans and Grants Cluster			09/28/2017 to	
Community Facilities Loans and Grants	10.766	04-045-4940	09/01/2057	\$ 20,061,000
Total expenditures of federal awards				\$ 20,061,000

See Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.

See accompanying notes to schedule of expenditures of federal awards.

Mayers Memorial Hospital District

Notes to Schedule of Expenditures of Federal Awards

Note 1: General

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District. The information in the Schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2: Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Loan Balance

The District had outstanding loans with USDA as of June 30, 2025, with a balance of \$19,651,000. The loan balance at the beginning of the year was included in the federal expenditures presented on the Schedule. There were no new loans received during the year ended June 30, 2025.

Note 4: Indirect Cost Rate

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5: Subrecipients

The District does not have any subrecipients of federal awards.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Mayers Memorial Hospital District
Fall River Mills, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mayers Memorial Hospital District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Milwaukee, Wisconsin

February 13, 2026

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Mayers Memorial Hospital District
Fall River Mills, California

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Mayers Memorial Hospital District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Mayers Memorial Hospital District's major federal program for the year ended June 30, 2025. Mayers Memorial Hospital District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mayers Memorial Hospital District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mayers Memorial Hospital District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Mayers Memorial Hospital District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Mayers Memorial Hospital District's federal program.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mayers Memorial Hospital District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mayers Memorial Hospital District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mayers Memorial Hospital District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mayers Memorial Hospital District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Mayers Memorial Hospital District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Milwaukee, Wisconsin
February 13, 2026

Mayers Memorial Hospital District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? yes no

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

10.766

Community Facilities Loans and Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

Mayers Memorial Hospital District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

SECTION II - Findings Related to Financial Statements Reported in Accordance With Government Auditing Standards

Finding Number: 2025-001

Repeat Finding: Yes

Type of Finding: Significant deficiency

Description: Financial statement preparation and accompanying note disclosures

Criteria: Government Auditing Standards considers the inability to report the financial data reliably in accordance with GAAP to be an internal control deficiency.

Condition: The District relies on the auditor to compile the financial statements and notes. As part of our professional services for the year ended June 30, 2025, Wipfli LLP assisted in drafting the basic financial statements and related notes. This condition is not unusual in an organization of its size.

Cause: The District prepares a set of full disclosure financial statements only on an annual basis and does not maintain the expertise to prepare full disclosure financial statements due to cost and other considerations.

Effect: The completeness of the financial statement disclosures and the accuracy of the overall financial presentation may be negatively impacted, since outside auditors do not have the same comprehensive understanding as its internal finance staff.

Recommendation: We recommend management and those charged with governance continue to evaluate the degree of risk associated with this condition because of cost or other considerations. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

View of responsible officials: The CEO and CFO will continue to evaluate the cost versus benefits of having financial reporting personnel obtain expertise on financial statement preparation and disclosure requirements. Like many small organizations, the District may continue to rely on its external auditors to draft the financial statements, footnotes, and schedule of expenditures of federal awards. The CFO and controller review interim financials on a monthly basis and present results to the Finance Committee and Board of Directors.

SECTION III - Findings and Questioned Costs Related to Federal Awards

None reported.

Mayers Memorial Hospital District

Schedule of Prior-Year Findings and Questioned Costs

Year Ended June 30, 2025

Finding Number: 2024-001

Type of Finding: Significant deficiency

Description: Financial statement preparation and accompanying note disclosures

Condition: The District relies on the auditor to compile the financial statements and notes. As part of our professional services for the year ended June 30, 2024, Wipfli LLP assisted in drafting the basic financial statements and related notes. This condition is not unusual in an organization of its size.

Current Status: Not corrected; see current-year finding 2025-001.

SECTION III - Findings and Questioned Costs Related to Federal Awards

None reported.

Mayers Memorial Healthcare District ACHC Safety Assessment Review

Presented by: Dana Hauge, Director of Safety & Security, Safety Officer
February 25, 2026

ACHC requires the governing board to be aware of risk assessments throughout the facility.

1. Moving forward risk assessments will be presented quarterly by Director of Safety & Security (Safety Officer)
2. The Chief of Operations will report significant changes or additions if it is outside of the quarterly reposting period.

Below you will find a synopsis of the 2025 Risk Assessments and Alternative Life Safety measures shared between facilities and safety departments.

Risk Assessment Overview:

- 8 Risk Assessments
- 6 Completed risk assessments with action taken.
- 2 Annual Risk Assessments

Alternative Life Safety Assessment Overview:

- 4 Assessments
- 3 Completed
- 1 Project ongoing

Risk Assessments-2025

1/13/25	Assa Abloy Door Failure and Damage	Complete
Lobby & admitting	<ul style="list-style-type: none"> • Badged doors not working, difficulties with egress / patient damaged door. • Staff education, admitting staff resources and plans, use of alternative corridors if needed, work with vendors to remediate and conclude with working door system. 	
1/16/25	Corrugated Containers	Complete
Fall River Kitchen	<ul style="list-style-type: none"> • Cardboard boxes raise the risk of pests, infection control, and fire hazards within a dietary area. Containers in excess are not safe. • Cardboard boxes are to be eliminated with use of storage units. 	
1/19/2025	Attic Fire wall Penetrations	Complete
Fall River Facility	<ul style="list-style-type: none"> • Fire wall penetrations allow for smoke to travel and pose a fire safety risk. • Penetration was enclosed. 	
1/27/2025	Eyes Wash Station	Ongoing. Annual
Pharmacy	<ul style="list-style-type: none"> • Assessment of the need for an eyewash station, dependent on harmful chemicals or gases. • Ongoing- actions include signage, directing to lab and or ER. Annual awareness for employees. 	
2/26/2025	Corrugated Containers	Ongoing. Annual
Fall River Kitchen	<ul style="list-style-type: none"> • Update from original assessment conducted on 1/16/25. • Consistent pest control, remove boxes, when possible, watch for wet or damaged boxes. 	
2/27/2025	Outpatient Medical eye washing station	Complete
Outpatient Medical	<ul style="list-style-type: none"> • Assessment of the need for an eyewash station, dependent on harmful chemicals or gases. • Eye Wash Station was removed. Staff are educated on the location of the nearest eye washing station. 	
2/27/2025	Relative Humidity in the Endoscopy Room	Complete
Surgery/Endoscopy	<ul style="list-style-type: none"> • Relative humidity levels outside of the 30-6-% range elevated the risk of damaging equipment, and with environmental comfort for patients and staff. • Humidifier installed and humidity is within range consistently. 	
3/10/2025	Line Isolation Monitor in Endoscopy Room	Complete
Surgery/Endoscopy room	LIM removed as we do not have wet procedures. There is no risk.	

Alternative Life Safety Assessments 2025

8/5/2025	Sprinkler Replacement	Complete
Old Building-Fall River	<ul style="list-style-type: none"> • Corroded and painted sprinklers were found during the 5-year fire suppression inspection. • Provide additional fire safety equipment, and training in the area. Sprinklers have been addressed and are in good working order. 	
9/17/2025	Sprinkler Replacement	Complete
Old Building-Fall River	<ul style="list-style-type: none"> • Antifreeze in exterior sprinkler pipe tested above the temperature threshold. • Provide additional fire safety equipment and education. It has been addressed and the temperature is within threshold. 	
12/19/2025	Sprinkler Replacement	Complete
Old Building-Fall River	<ul style="list-style-type: none"> • Corroded and painted sprinklers were found during the quarterly inspection. • Provide additional fire safety equipment, and training in the area. Sprinklers have been addressed and are in good working order. 	
1/13/2025	Fire Smoke Dampers	Ongoing
ST1 - ST 3 Fall River	<ul style="list-style-type: none"> • Fire smoke dampers need to be installed under an HCAI project with the assistance of an architect, engineer, and contractor. • Project is open. Employees were educated on elevated risk. 	



BYLAWS OF THE MAYERS MEMORIAL HEALTHCARE DISTRICT

Revised February 2026

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ARTICLE I PREAMBLE

These District Bylaws are adopted by the Mayers Memorial Healthcare District Board of Directors (the "Board") pursuant to and consistent with Division 23 of the California Health and Safety Code, known as the Local Health Care District Law. These District Bylaws are established to further enable the Board to faithfully exercise its powers and fiduciary duties in accordance with applicable law. All provisions contained herein shall conform to and comply with all applicable federal, state, and local laws and regulations. Medical Staff Rules that have been approved by the Board shall be used to further assist in implementing the responsibilities of the Board.

- 1.1 Mission.** Leading rural healthcare for a lifetime of wellbeing.
- 1.2 Offices.** The principal office of the District is fixed and located within Mayers Memorial Hospital at 43563 Highway 299 East, Fall River Mills, California, 96028. Branch or subordinate offices may be established by the Board at any time or place.
- 1.3 Definitions.**
 - 1.3.1** "Allied Health Practitioner" or "AHP" means an individual, other than a practitioner, whose authority to perform specified patient care services is established by the Medical Staff based upon his / her qualifications and whose functions are delineated by members of the Medical Staff and approved by the Board.
 - 1.3.2** "Board" means the Board of Directors of the District.
 - 1.3.3** "Director" means a duly elected or appointed member of the Board of Directors of the District.
 - 1.3.4** "Board Decision" is considered reflective of the majority when it is supported by more than half of the Directors present and voting at a duly convened meeting.
 - 1.3.5** "District" means the Mayers Memorial Healthcare District.
 - 1.3.6** "Facilities" means the Hospital as well as other health care facilities and services operated by the District.
 - 1.3.7** "Hospital" means Mayers Memorial Hospital.
 - 1.3.8** "Medical Staff" or "Staff" means the organized medical staff of Mayers Memorial Healthcare District.
 - 1.3.9** "Medical Staff Bylaws" means the Bylaws of the Medical Staff, as approved by the Board.

1.3.10 "Medical Staff Rules" means the Medical Staff Bylaws, Rules and Regulations, and Policies.

1.3.11 "Practitioner" means a person who is eligible to apply for or who has been granted privileges in the Hospital, or another District Facility.

1.3.12 "Telemedicine" means the provision of clinical services to patients by physicians and practitioners from a distance via electronic communications.

ARTICLE II POWERS AND PURPOSES

The only actions of the Board are those agreed to by a majority of the Board of Directors in publicly noticed meetings that are consistent with all applicable laws and regulations. The Board shall have accountability and authority for those powers as set forth in the Local Health Care District Law Code Sections 32121 through 32138 inclusive, that are necessary for fulfilling the District's mission. These include but are not limited to the following:

- 2.1 General.** The Board is the governing body of the District. All District powers shall be exercised by or under the direction of the Board. The Board is authorized to make appropriate delegations of its powers and authority to officers and employees. The Board shall evaluate the performance of the CEO and its own performance. The Board may do any and all things which an individual might do that are necessary or advantageous to the District or the Facilities for the benefit of the communities served by the District, or that are necessary to accomplish any purpose of the District.
- 2.2 Dissolution.** Any proposal for dissolution of the District shall be subject to confirmation by the voters of the District in accordance with Cortese-Knox Local Government Reorganization Act of 1985 (Gov. Code, § 56000 et seq.).
- 2.3 Authority of District Bylaws.**
 - 2.3.1 Amendment.** These District Bylaws shall be reviewed biannually at the beginning of even numbered years. They may be changed by an affirmative vote of at least three Directors at a regularly scheduled board meeting.
 - 2.3.2 Conflict.** If there is a conflict between the District Bylaws and any other bylaws, the District Bylaws shall be controlling.
- 2.4 Facility Operation.** The Board shall be responsible for the operation of all Facilities owned or leased by the District, according to the best interests of public health. The Board shall make and enforce all rules, regulations and bylaws

necessary for the administration, government, protection and maintenance of Facilities and District property under their management. The Board may prescribe the terms upon which patients may be admitted to the Facilities. Minimum standards of operation as prescribed by the Medical Staff Rules shall be established and enforced by the Board.

- 2.5 Trade Membership.** The District may maintain membership in any local, state, national, or global group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of hospital and health care administration, and in connection therewith pay any necessary dues and fees.
- 2.6 Purpose.** The purposes, goals, and objectives of the Board of Directors of Mayers Memorial Healthcare District shall be to:
- 2.6.1** Support, manage and furnish facilities, personnel, and services; provide diagnosis, medical, surgical and hospital care, outpatient care and other hospital and medically related services to sick, injured or disabled persons; provide well-care programs as appropriate and feasible, without regard to race, color, sex, gender, gender identity, sexual orientation, national origin, or disability.
 - 2.6.2** Provide appropriate facilities and services to best serve the needs of patients.
 - 2.6.3** Improve the standards of health care in the community.
 - 2.6.4** Establish and promote cost-effective health care delivery including timely adaptations to meet evolving Medicare and other regulations mandating data accumulation.
 - 2.6.5** Encourage educational activities related to tendering care to the sick and injured or to the promotion of health, as may be justified by the facilities, personnel, funds, or other resources that are available.
 - 2.6.6** Manage or participate in, so far as Healthcare District policy, circumstances and available funds may permit, activities designed to promote the general health of the community.
 - 2.6.7** Guard against any activity in or on behalf of the Healthcare District having, or tending to have, an undesirable effect upon the Healthcare District or the services it renders.
 - 2.6.8** Provide for overall institutional planning, with the participation of the Medical Staff, nursing department, and such other individuals as the Governing Body deems appropriate; and

- 2.6.9 Maintain a commitment to continued comprehensive quality assurance and quality improvement in all aspects of health care provided by the Healthcare District in cooperation with the Medical Staff, CEO, and Healthcare District personnel.

ARTICLE III THE BOARD OF DIRECTORS

The Board shall consist of five (5) Directors, each of whom shall be a registered voter residing in the District and whose term shall be four (4) years. Terms shall be staggered such that three (3) Directors shall be elected in years evenly divisible by four, and two (2) Directors shall be elected in alternating even-numbered years. Elections of the Board Members shall be consolidated with the statewide general election as indicated by Health & Safety Code section 32499.3.

3.1 Responsibilities. The responsibilities and obligations of the Board shall include:

- 3.1.1 Assuming responsibility for Medical Staff oversight and quality care evaluation as described in Section V of these bylaws. The Board ensures Healthcare District services are provided according to acceptable standards of practice, irrespective of whether the services are provided directly by Healthcare District employees or indirectly by agreement or arrangement.
- 3.1.2 Requiring a process designed to assure that all individuals who provide patient care services, but who are not subject to the Medical Staff privilege delineation process, are competent to provide such services, and receiving reports of quality assurance information regarding competency of care providers not subject to the privilege delineation process.
- 3.1.3 Overseeing quality of professional services as described in these bylaws.
- 3.1.4 Establishing, maintaining, and supporting, through the CEO and the Medical Staff and its designated committees a comprehensive, healthcare district-wide program for quality assessment and improvement, receiving reports of performance improvement information on a regular basis from the Medical Staff, and assuring that all aspects of the program are performed appropriately, and that administrative assistance is available to the Medical Staff.
- 3.1.5 In consultation with the MEC and the CEO, formulating programs for efficient delivery of care, compliance with applicable law (including Medicare regulations and other applicable regulations) and development, review and revision of policies and procedures.
- 3.1.6 Subject to recommendations formulating programs for efficient delivery of care, compliance with applicable law (including Medicare

regulations and other applicable regulations) and development, review and revision of policies and procedures.

- 3.1.7** Approving bylaws for Healthcare District auxiliary organizations or for any other similar organizations.
- 3.1.8** Making recommendations to the CEO regarding the kinds and quality of service to be made available at the Healthcare District when appropriate.
- 3.1.9** Reviewing and consulting with the CEO concerning the long-range plan for the Healthcare District.
- 3.1.10** Overseeing of programs for continued medical education for Medical Staff members, and appropriate in-service education programs for District employees, for the purpose of improving clinical and employee performance.
- 3.1.11** Directly consult with the Chief of Staff or his/her designee, or through a subcommittee appointed by the Board to include the Chief of Staff, on no less than two occasions per year, on matters including but not limited to: the scope and complexity of Healthcare District services offered, specific patient populations served by the Healthcare District, and any issues of patient safety and quality of care. Any urgent request for consultation presented by the Chief of Staff or his/her designee shall be promptly addressed. Appropriate documentation of each consultation shall be maintained accordingly.
- 3.1.12** Assisting in the accreditation process, including participation in the summation conference. Assisting in maintaining compliance with current accreditation standards set by ACHC, in conjunction with the CEO and the Medical Staff.
- 3.1.13** Assisting the CEO in establishing medical record policies respecting composition, retention, confidentiality, and other aspects of record keeping. Maintaining confidentiality with respect to the records and affairs of the District, except as disclosure is required by law.
- 3.1.14** Protecting the economic viability of the District, while ensuring that ethical principles guide the District's business practices.
- 3.1.15** In cooperation with the CEO and other District employees, approving an annual operating budget; developing a long-term capital expenditure plan for at least a three (3) year period, including the year of the operating budget, and implementation of that plan.

- 3.1.16** Conducting an annual evaluation of its own activities and performance. And an annual evaluation of the CEO and communicating same to the appropriate corporate officer.
- 3.1.17** Establishing mechanisms to assure that all patients with the same health care problem are receiving the same level of care in the Healthcare District.
- 3.1.18** Designating particular individuals or departments responsible for evaluating and monitoring quality of care in particular patient services and fostering communication between such individuals or departments through establishing timeframes for discussion of these issues. When the Healthcare District provides a patient care service for which there is no designated department, establishing an appropriate monitoring and evaluation process.
- 3.1.19** Performing any other functions designated in these bylaws but not specifically referred to in this section.
- 3.1.20** Subject to recommendation from the Hospice Agency Medical Director and review, approving regulations of the Hospice Agency on an annual basis to ensure compliance with the standards set forth in 42 C.F.R 418 and all other applicable provisions of law (where applicable).
- 3.1.21** Establishing a process for making decisions when leadership group fails to fulfill its accountabilities.
- 3.1.22** Ensuring that new or modified processes are well defined and that clinical practice guidelines are considered when such processes are promulgated.
- 3.1.23** The governing body must be responsible for providing a physical environment that is constructed, arranged, maintained, equipped, and staffed to meet the needs and services required for patients.

3.2 Directors.

- 3.2.1 Fiduciary Responsibilities.** Directors have fiduciary responsibilities to the District, and those living in the District trust the Board to act on their behalf.
 - (a) The duty of care requires that Directors act toward the District with the same watchfulness, attention, caution, and prudence as would a reasonable person in the same circumstances.
 - (b) The duty of loyalty requires that Directors not place their personal interests above those of the District.

- (c) The Board shall respect the privacy of information by not requesting or seeking to obtain information that is not authorized or necessary for conducting the business of the Board. Directors respect confidentiality by not revealing information to others who are not legally authorized to have it or which may be prejudicial to the good of the District. Directors respect information security by requesting and monitoring policies that protect the privacy of individuals served by or doing business with the District.

3.2.2 Orientation. The Board shall ensure an orientation process that familiarizes each new Director with his or her duties and responsibilities, including the Board's responsibilities for quality care and the Facilities' quality assurance programs. Continuing education opportunities shall be made available to Directors.

3.2.3 Resignation and Removal.

- (a) Any Director may resign effective upon giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation.
- (b) The term of any Director shall expire if the Director is absent from three consecutive regular meetings or from three of any five consecutive meetings of the Board and if the Board by resolution declares that a vacancy exists on the Board, except when prevented by sickness, or when absent with permission required by law.
- (c) All or any of the Directors may be recalled at any time by the voters following the recall procedure set forth in Division 16 of the Elections Code.
- (d) A Director shall cease to hold Committee membership upon ceasing to be a Board member.

3.2.4 Vacancies. When a vacancy occurs on the Board of Directors, the remaining Board Members may fill it by appointment as outlined in Government Code Section 1780.

3.3 Officers.

3.3.1 President. The President shall be the principal officer of the District and the Board, and shall perform all duties incident to the office and such other duties as may be prescribed by the Board including but not limited to:

- (a) Serve as the Board’s primary liaison with the Chief Executive Officer, the press, and the public;
- (b) Prepare the Board agenda and request necessary support materials for meetings;
- (c) Conduct meetings of the Board;
- (d) Sign documents as authorized by the Board;
- (e) Appoint Directors to Committees subject to approval by a majority of the Board;

3.3.2 Vice President. The Vice President shall serve in the capacity of the President when necessary or as delegated.

3.3.3 Secretary. In coordination with the Board Clerk, the Secretary shall provide for the keeping of minutes of all meetings of the Board. The Secretary shall give, or cause to be given, appropriate notices in accordance with these Bylaws or as required by law and shall act as custodian of District records, reports, and the District's seal.

3.3.4 Treasurer. The Treasurer shall be charged with the safekeeping and disbursement of the funds in the treasury of the District.

3.4 Committees. All Committees, whether Standing or Special (ad hoc) shall be appointed by the President. The chairman of each Committee shall be appointed by the President. All Committees shall only be advisory to the Board unless otherwise specifically authorized to act by the Board. Authorized action requires Committee quorum and a majority vote of appointed members unless such action is approved in writing by the absent members. A Committee chairman may invite additional individuals with expertise in a pertinent area to meet with and assist the Committee. Such consultants shall not vote or be counted in determining the existence of a quorum and may be excluded from any Committee session.

3.4.1 Standing Committees. When it is deemed necessary by the Board, Standing Committees may be appointed by the President with the concurrence of the Board. Standing Committees shall limit their activities to the accomplishment of the task for which they are created and appointed. Members of Standing Committees will serve one-year terms. Standing Committees shall continue in existence until discharged by the Board.

- (a) Standing Committees shall be:
 - (1) Finance Committee
 - (2) Quality Committee

(3) Strategic Planning Committee

- (b) Standing Committee Participation. Other Directors may attend standing Committee Meetings as members of the public but may not participate in the discussions. The President may remove any member at any time or designate other Directors to serve in the capacity of any absent Committee members. All appointed members of Committees, including ex officio appointments and recognized alternates, shall be voting members and shall count toward establishing a quorum. Additional members from within the district, including appointed members, may be recommended to serve on the committee as a voting member with board approval.

3.4.2 Special (Ad Hoc) Committees. A Special Committee is an advisory committee composed solely of Directors that represent less than a quorum of the Board, does not have continuing authority, and does not have a meeting schedule fixed by resolution or formal action of the Board. Special Committees may be appointed by the President for special tasks as circumstances warrant, and upon completion of the task for which appointed, such Special Committee shall stand discharged. Special Committee action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the committee entitled to vote.

3.5 Meetings. All meetings of the Board and its Standing Committees are conducted in accordance with the Ralph M. Brown Act (the Brown Act). Public comments will be invited and considered at all open meetings and meeting agendas, support materials, and minutes will be available to the public.

3.5.1 Quorum. A majority of the Directors of the Board or Committee members shall constitute a quorum.

3.5.2 Types of Meetings.

- (a) An annual organizational meeting shall be held on the first meeting in December at the place designated in a resolution by the Board. This meeting shall include the election of the President, Vice President, and Secretary, as well as the appointment of a Treasurer, and appointment of Standing Committee members.
- (b) Regular monthly meetings shall be held on a consistent basis, alternating sites between the Burney and the Fall River Mills campuses, in the boardroom, except as otherwise specified by a resolution of the Board. Meeting dates and times are set at the annual meeting in December and if changed will be legally

noticed. In the event the regular meeting date falls on a legal holiday, the meeting shall be held on the following day, except as otherwise specified by a resolution of the Board.

- (c) **Special Meetings.** The Chairman of the Board may call a special meeting on his/her own initiative and shall call a special meeting at the written request of three (3) members of the Board. The Chairman shall give written notice, delivered either personally, by mail or telefax, to each member of the Board at least three (3) days before the date of the meeting, giving the time and place of the meeting. This notice shall state the business for which the special meeting has been called, and no business other than that stated in the notice shall be transacted. Meetings may be held at any time upon waiver of notice signed by all Board members. Attendance at any meeting without protest of lack of notice shall be deemed a waiver of notice.

3.6 Compensation. The Board shall serve without compensation except that by resolution of a majority vote, the Directors may authorize the payment of up to one-hundred dollars (\$100) per meeting for a maximum of six (6) meetings per month as compensation to each Director as authorized by the Local Health District Law (Health & Saf. Code, § 32103). Each Director shall be allowed the Director's actual necessary traveling and incidental expenses incurred by the performance of official business of the District as approved by the Board.

3.7 Conflict of Interest. The best interest of the community and the Healthcare District are served by Board members who are objective in the pursuit of their duties as Board members, and who exhibit that objectivity at all times. The decision-making process of the Board may be altered by interests or relationships which might in any instance, either intentionally or coincidentally, bear on that member's opinion or decision. Therefore, it is considered to be in the best interest of the District for relationships of any Board member which may influence decisions related to the District to be disclosed to all other members of the Board on a regular and contemporaneous basis.

No Board member shall use his/her position to obtain or accrue any benefit. All Board members shall at all times avoid even the appearance of influencing the actions of any employee of the District, except through his/her vote, and the acknowledgment of that vote, as a Board member for or against opinions or actions to be stated or taken by or for the Board as a whole.

Annually, on or before March 1st, each Board member shall file with the Board Secretary a written statement describing each actual or proposed relationship of that member, whether economic or otherwise, other than the member's status as a Board member and/or a member of the community, which in any way and

to any degree may impact on the finances or operations of the Healthcare District or its staff, or the Healthcare District's relationship to the community. A new Board member shall file the written statement immediately upon being appointed to the Board. This disclosure requirement is to be construed broadly, and a Board member should finally determine the need for all possible disclosures of which he/she is uncertain on the side of disclosure, including ownership and control of any health care delivery organization that is related to the Healthcare District.

This disclosure procedure will not require any action which would be deemed a breach of any state or federal confidentiality law, but in such circumstances minimum allowable disclosures should be made.

Between annual disclosure dates, any new relationship of the type described, whether actual or proposed, shall be disclosed in writing to the Board Secretary by the next regularly scheduled Board meeting. The Board Secretary will provide each Board member with a copy of each member's written disclosure at the next Board meeting following filing by the member for review and discussion by the Board.

Board members shall abstain from voting on any issue in which the Trustee has an interest other than as a fiduciary of the District.

A breach of these provisions is deemed sufficient grounds for removal of a breaching member by the remaining members of the Board on a majority vote.

A willful breach of these provisions may result in loss of indemnification under Article III, 3.8.

- 3.8 Indemnification.** All instances of indemnification shall adhere to the California Government Code beginning at Section 825. Nothing contained herein shall be construed as providing indemnification to any person in any malpractice action or proceeding arising out of or in any way connected with the practice of such person's profession.

- 3.8.1 District Agent Indemnification.** The District shall, to the maximum extent permitted by law, indemnify each of its agents against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising from any act or omission occurring within the agent's scope of authority, as determined by the District. A District agent includes any person who is or was a director, officer, employee, or other agent of the District.

3.8.2 Scope of Indemnification. The District may not provide unconditional indemnification to non-employee members of its medical staff involved in litigation arising out of peer review committee activities.

ARTICLE IV DELEGATION OF AUTHORITY

The Board honors the distinction between governance and management and is authorized to make appropriate delegations of its powers and authority to officers and employees at its discretion. The Board shall exercise its responsibilities for oversight by operating at the policy level, setting strategic direction and goals, monitoring key outcomes, and taking corrective action where needed.

4.1 Chief Executive Officer ("CEO"). The District shall employ or contract with a CEO for the Healthcare District who acts on behalf of the District within the constraints of all District bylaws and policies. The Board delegates to the CEO the authority to perform the following functions:

4.1.1 Operation of the District and Its Facilities. The CEO is responsible for coordination between the Facilities to control costs and to avoid unnecessary duplication in services, facilities and personnel. The CEO is responsible for ensuring the soundness of financial, accounting and statistical information practices including budgets, forecasts, special studies and reports, and proper maintenance of statistical records. The CEO is responsible for data collection as required by governmental, licensing, and accrediting agencies. The CEO shall maintain adequate insurance or self-insurance covering the physical property and activities of the District and the Board. The CEO is responsible for the negotiation and administration of contracts necessary for District operations. The CEO shall maintain all District records including the minutes of Board and Committee meetings.

- (a) Negotiating and finalizing professional, consultant and service contracts in accordance with policy.
- (b) Developing a plan of organization of the personnel and others concerned with the operation of the Healthcare District, including establishing and managing such non-Medical Staff departments, as necessary.

- (c) Selecting, employing, controlling, and discharging employees, and developing and maintaining personnel policies and practices for the Healthcare District.
- (d) Maintaining physical properties in a good state of repair and operating condition.
- (e) Supervising business affairs to ensure that funds are collected and expended to the best possible advantage.
- (f) Preparing capital budgets for review with the Board.
- (g) Cooperating with the Medical Staff and others concerned with the rendering of professional services, to the end that optimal achievable care may be rendered to patients and identifying the proper mix of programs and services of the Healthcare District.
- (h) Presenting to the Board periodic reports reflecting the activities of the Healthcare District and the impact of new medical, legal, regulatory and community developments.
- (i) Attending all meetings of the Board, and providing orientation for new Board members, senior managers, and leaders of the Medical Staff.
- (j) Serving as liaison officer and conveying all communications among the Board, the Medical Staff, the AHP Staff and Healthcare District personnel.
- (k) Being responsible for assuring that the Healthcare District is in conformity with the requirements of planning, regulatory and inspecting agencies, reviewing, advising, and acting promptly upon the reports of such agencies.
- (l) Assisting the auxiliary organizations of the Healthcare District in their policies, management, and services.
- (m) With the assistance of the Board as appropriate, promoting Healthcare District functions and programs in the community.
- (n) Querying the National Practitioner Data Bank and reporting adverse actions to the Data Bank as required by law.

- (o) Identifying a nurse leader at the executive level who participates in decision-making; and
- (p) Performing other duties as may be necessary in the best interest of the Healthcare District.

4.1.2 Communication. The CEO shall be liaison between the Board, the Medical Staff, and District personnel.

4.1.3 Compliance. The CEO shall assist the Board in planning services and facilities and informing the Board of governmental legislation, regulations and requirements of official agencies and accrediting bodies, which affect the planning and operation of the Facilities. The CEO is to perform as liaison with governmental, licensing, and accrediting agencies, and shall implement actions necessary for compliance.

4.1.4 Delegation. The CEO shall designate other individuals by name and position who are authorized to act for the CEO during any period of absence. To the extent the CEO deems appropriate, the CEO shall delegate to management personnel in the Facilities the authority to manage the day-to-day operations of the Facilities, hire and terminate Facility personnel, and administer professional contracts between the District and Practitioners.

4.1.5 Human Resources. The CEO is responsible for ensuring the soundness of all personnel. The CEO shall provide the Board and its Committees with adequate staff support.

4.1.6 Policy Implementation. By working with Standing and Special Committees of the Board and joint committees of the Medical Staff, the CEO is to participate in the elaboration of District policies.

4.1.7 Public Relations. The CEO shall coordinate community relations activities, including public appearances and communications with the media.

4.1.8 Reporting. The CEO shall prepare and distribute to the Board and Medical Staff periodic reports on the overall activities of the District, the Hospital or other Facilities, and pertinent federal, state and local developments that affect the operation of District Facilities.

4.1.9 Any other duties the Board may direct from time to time.

4.2 Medical Staff. There shall be a Medical Staff for the District established in accordance with legal, regulatory and accreditation requirements, including California Local Healthcare District Law, which is responsible and accountable to

the Board for the discharge of those duties and obligations set forth in the Medical Staff Rules and as delegated by the District. The Medical Staff shall be self-governing with respect to the professional work performed in the Healthcare District and shall have those rights recognized by the California legislature in Senate Bill 1325 (2004). The Board and the Medical Staff shall have the mutual rights and responsibilities as described in that legislation.

- 4.2.1** The Medical Staff is responsible for and accountable to the Board for the quality of care, treatment and services rendered to patients in the District. The Medical Staff shall implement mechanisms to assure the consistent delivery of quality care such that patients with the same health problem all receive the same level of care. The Medical Staff shall be responsible for investigating and evaluating matters relating to Medical Staff applications, membership status, clinical privileges, and corrective action, except as provided by the Medical Staff Rules. The Medical Staff shall adopt and forward to the Board specific written recommendations, with appropriate supporting documentation, which will allow the Board to take informed action. Board procedures for appeals shall comply with procedures set forth in the Medical Staff Rules and applicable law, including the Local Healthcare District Law (Health and Safety Code Section 32150 et seq.).
- 4.2.2** The Medical Staff is responsible for the development, adoption, and periodic review of the Medical Staff Rules consistent with these District Bylaws, applicable laws, government regulations, and accreditation standards. The Medical Staff Rules and all amendments shall become effective only upon approval by the Medical Staff and the Board.
- 4.2.3** Membership in the Medical Staff shall be comprised of physicians, surgeons, dentists, podiatrists, and mid-levels who meet the qualifications for membership as set forth in the Medical Staff Rules and who are duly licensed and privileged to admit or care for patients in the Healthcare District. Membership shall be a prerequisite to the exercise of clinical privileges in the District, except as otherwise specifically provided in the Medical Staff Rules.

ARTICLE V CREDENTIALLED PRACTITIONERS

5.1 Medical Staff Appointment & Clinical Privileges

5.1.1 The Board shall appoint a Medical Staff and see that they are organized into a responsible administrative unit and adopt such bylaws and rules and regulations for government of their practice in the Healthcare District as the Board deems to be the greatest benefit of patients within the Healthcare District. In the case of the individual patients, those appointed to the Medical Staff shall have full authority and responsibility for the care of patients, subject only to such limitations as the Board may formally impose and to the bylaws and rules and regulations for the Medical Staff as adopted by the Board. The Medical Staff shall adhere to the highest ethical principles of the medical profession.

5.1.2 All applications for appointment to the Medical Staff shall be in writing and addressed to the CEO in such format as determined by the Healthcare District and more specifically described in the Medical Staff Bylaws. The application shall be complete and with required information relating to education, licensure, practice, previous hospital experience, professional liability coverage, sanction check, and any history relative to licensure, malpractice experience and/or hospital privileges.

5.1.2.1 Telemedicine

The governing body ensures that, when telemedicine services are furnished to the Healthcare District's patients through an agreement with a distant-site hospital or distant site entity, the agreement is written and specifies that it is the responsibility of the governing body of the distant-site hospital to meet its physicians or practitioners providing telemedicine services:

- (i) Determine, in accordance with State law, which categories of practitioners are eligible candidates for appointment to the medical staff.
- (ii) Appoint members of the medical staff after considering the recommendations of the existing members of the medical staff.
- (iii) Assure that the medical staff has bylaws.
- (iv) Approve medical staff bylaws and other medical staff rules and regulations.
- (v) Ensure that the medical staff is accountable to the governing body for the quality of care provided to patients.

- (vi) Ensure the criteria for selection are individual character, competence, training, experience, and judgement.
- (vii) Ensure that under no circumstances is the accordance of staff membership or professional privileges in the Healthcare District dependent solely upon certification, fellowship or membership in a specialty body or society.

5.1.2.2 When telemedicine services are furnished to the Healthcare District's patients through an agreement with a distant site hospital, the governing body may choose to rely upon the credentialing and privileging decisions made by the governing body of the distant-site hospital regarding individual distant-site physicians or practitioners. The governing body must ensure, through its written agreement with the distant-site hospital, that the following provisions are met:

- (i) The distant-site hospital providing telemedicine services is a Medicare-participating hospital.
- (ii) The individual distant-site physician or practitioner is privileged at the distant-site hospital providing the telemedicine services, which provides a current list of the distant-site physician's or practitioner's privileges at the distant site hospital.
- (iii) The individual distant-site physician or practitioner holds a license issued or recognized by the State of California; and
- (iv) With respect to a distant-site physician or practitioner, who holds current privileges at the Healthcare District whose patients are receiving the telemedicine services, the Hospital has evidence of an internal review of the distant-site physician's or practitioner's performance of these privileges and sends the distant-site hospital such information for use in the periodic appraisal of the individual distant site physician or practitioner. At a minimum, this information must include all adverse events that result from the telemedicine services provided by the distant site physician or practitioner to the Healthcare District's patients and all complaints the Hospital has received about the distant-site physician or practitioner.

5.1.2.3 When telemedicine services are furnished to the CAH's patients through an agreement with a distant-site telemedicine entity, the Board may choose to rely upon the credentialing and privileging decisions made by the governing body of the distant-site telemedicine entity regarding individual distant-site physicians or practitioners.

5.1.2.4 The Board must ensure, through its written agreement with the distant-site telemedicine entity, that the following provisions are met:

- (i) The distant-site telemedicine entity's medical staff credentialing and privileging process and standards at least meet the standards at 42 CFR 485.616(c)(1)(i) through (c)(1)(vii).
- (ii) The individual distant-site physician or practitioner is privileged to at the distant-site telemedicine entity providing the telemedicine services, which provides a current list to the Healthcare District of the distant-site telemedicine entity.
- (iii) The individual distant-site physician or practitioner holds a license issued or recognized by the State of California.
- (iv) With respect to a distant-site physician or practitioner, who holds current privileges at the Healthcare District whose patients are receiving the telemedicine services, the Healthcare District has evidence of an internal review of the distant-site physician's or practitioner's performance of these privileges and sends the distant site telemedicine entity such information for use in periodic appraisal of the distant-site physician or practitioner. At a minimum, this information must include all adverse events that result from the telemedicine services provided by the distant site physician or practitioner to the Healthcare District's patients and all complaints the CAH has received about the distant-site physician or practitioner.

5.1.3 At its next regular meeting after receipt of a completed application and a recommendation from the Medical Staff concerning an applicant for Medical Staff appointment, the Board shall act in the matter unless further investigation requires that action be postponed to a later meeting, as provided in the following paragraph.

OPTIONAL: In order to expedite the credentialing process, the Board may appoint a committee consisting of at least two (2) Board members to review the recommendations received from the Medical Staff. If the committee returns a positive decision concerning the practitioner's clinical privileges, the privileges shall be granted, and the full Board shall ratify that decision at its next regular meeting. If the committee returns a negative decision concerning the practitioner's clinical privileges, the matter shall be returned to the MEC for further recommendation prior to final action by the Board.

The expedited process may not be used in the following circumstances:

- (1) The applicant submits an incomplete application; or
- (2) The MEC makes a recommendation that is adverse or with limitation; or
- (3) There is a current challenge or a previously successful challenge to licensure or registration; or
- (4) The applicant has received an involuntary termination of Medical Staff membership at another organization; or
- (5) The applicant has received involuntary limitation, reduction, denial, or loss of clinical privileges; or
- (6) There has been a final judgement adverse to the applicant in a professional liability action.

The above circumstances shall require action by the full Board.

- 5.1.4** At any time in its consideration of such recommendation, the Board may, in its absolute direction, defer final determination by referring the matter to a committee of its choice for further consideration. Any such referral shall state the reasons, therefore, shall set a time limit within which a subsequent recommendation to the Board shall be made, and may include a directive that an additional meeting be conducted to clarify issues which are in doubt. At its next regular meeting after receipt of such subsequent recommendation, the Board shall act in the matter.
- 5.1.5** Appointments to the Medical Staff shall not exceed two (2) years, renewable by the Board before the end of the appointment upon formal application.
- 5.1.6** The Board shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff and AHP membership status, clinical privileges, and corrective action, and shall require that the Medical Staff adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Board to take informed action. Such delegation, however, does not relieve the Board of its responsibilities in appointing members of the Medical Staff and overseeing the MEC in the appointment and delineation of functions, responsibilities, and prerogatives of AHPs.
- 5.1.7** Final action on all Medical Staff matters shall be taken by the Board after considering the Medical Staff recommendation, except that the Board shall act on its own initiative if the Medical Staff fails to adopt and submit recommendations within the time periods required by the Medical Staff Bylaws. Board action without a staff recommendation shall be based on the same kind of documented investigation and evaluation of current

ability, judgement, and character as is required for Medical Staff recommendations.

- 5.1.8** The CEO shall make available to each applicant for staff membership a copy of the Medical Staff Bylaws, including the Medical Staff Rules and Fair Hearing Plan. The applicant shall sign a statement on the application form declaring that he/she has received and reviewed those documents and that he/she specifically agrees:
- (i) to obligate himself/herself, as an appointee to the Medical Staff, to provide continuous care and supervision as needed to all Healthcare District patients for whom he/she has responsibility.
 - (ii) to abide by all such bylaws, policies and directives of the Healthcare District and its Medical Staff as shall be in force during the time he/she is appointed to the Medical Staff of the Healthcare District; and
 - (iii) to accept committee assignments and such other duties and responsibilities as shall be assigned to him/her by the Board and the Medical Staff.

No appointment or reappointment shall take effect until such a statement has been signed by the individual concerned.

- 5.1.9** The terms and conditions of membership status and clinical privileges and the procedure to be followed in acting on the same shall be as specified in the Medical Staff Bylaws or as more specifically defined in the notice of individual appointment.
- 5.1.10** The Board shall make final decisions on all requests for corrective action and shall otherwise participate in the corrective action process as described in the Medical Staff Bylaws.
- 5.1.11** No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of race, color, sex, gender identity, sexual orientation, national origin, or disability, or on the basis of any other criterion unrelated to quality patient care at the Healthcare District, to professional qualifications, to the District's purposes, needs and capabilities, or to community needs. Members of the Medical Staff who also have Healthcare District administrative responsibilities shall be required to meet the same requirements and qualifications for membership on the Medical Staff as do practitioners who do not have an administrative relationship to the Healthcare District.

All administrative relationships with members of the Medical Staff and others who are not members of the Medical Staff shall be reduced to a written agreement between the individual practitioner and the

Healthcare District. These administrative relationships may be terminated by the CEO following the same procedures utilized for other Healthcare District employees unless the written agreement provides another method of termination. Should the written agreement provision for termination conflict with the general procedures utilized for other employees, the written agreement shall control.

5.2 Medical Staff Governance

The Board shall adopt bylaws, rules, and regulations establishing the organization and government of the Medical Staff. The bylaws, rules, and regulations shall be developed by the Medical Staff but shall be effective only upon approval by the Board. The power of the Board to adopt or amend Medical Staff Bylaws and Rules and Regulations shall be conditioned upon the Medical Staff's failure to keep current, update or make necessary modifications to its bylaws in a manner that will allow for the maximum possible achievement of the purposes and objectives of the Medical Staff.

The Healthcare District retains the right to rescind any authority or procedures delegated to the Medical Staff, and to recommend amendment or replacement of the Medical Staff Bylaws as necessary for the operation of the Healthcare District.

The Medical Staff shall review all Medical Staff Rules and Regulations, and, as applicable, departmental policies and procedures, when warranted, provided that such review shall occur at least every two (2) years. The Medical Staff shall recommend changes in such policies and procedures for approval by the Board.

5.3 Categories of Staff Membership

The Medical Staff shall be organized into categories as outlined in the Medical Staff Bylaws. The prerogatives and responsibilities of each staff category shall be outlined in the Medical Staff Bylaws.

5.4 Allied Health Professionals (AHP)

The Board may approve specific clinical privileges for individuals who are not part of the Medical Staff, but who may render patient care services within the Healthcare District setting.

Each member of the AHP shall be assigned and made accountable to the appropriate clinical section of the Medical Staff, although such assignment will not constitute membership on the Medical Staff.

All applications for appointment to AHP status shall be in writing and addressed to the CEO of the Healthcare District on such forms as determined by the Healthcare District. The application shall be processed in the same manner as Medical Staff applications.

The terms and conditions of AHP status, and of the exercise of clinical privileges, shall be as specified in the appropriate section of Medical Staff Bylaws or as more specifically defined in the notice of individual appointment. AHPs shall not be entitled to the procedures set forth in the Fair Hearing Plan. They shall, however, be entitled to an appearance before a Medical Staff committee designated within the Medical Staff Bylaws, as well as a written appeal to the Board in the event of an adverse action.

ARTICLE VI MEDICAL CARE EVALUATIONS

6.1 Board Responsibility For The Quality Of Professional Services

After considering the recommendations of the Medical Staff and the other health care professionals providing patient care services, the Board shall implement specific review and evaluation activities to assess, preserve and improve the overall quality and efficiency of patient care in the Healthcare District. The Board, through the CEO, shall provide whatever administrative assistance is reasonably necessary to support and facilitate activities contributing to continuous quality assessment and improvement.

6.2 Medical Records

In order to facilitate the Medical Staff's review and appraisal of the quality and efficiency of the medical care rendered in the Healthcare District, the Board will assure that the Medical Staff will have access to the services of the Medical Records Department and to any other administrative or technical assistance deemed appropriate.

6.3 Professional Accountability To The Board

The Medical Staff and the other health care professional staff providing patient care services shall conduct and be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided in the Healthcare District. These activities shall include these functions:

6.3.1 Providing effective Ongoing and Focused Professional Practice Evaluation mechanisms to monitor and evaluate the quality of patient care and the clinical performance of individuals with delineated clinical privileges within the Healthcare District.

6.3.2 Ongoing review, evaluation, and monitoring of patient care practices through a systematic process of overall quality assessment and improvement, Ongoing and Focused Professional Practice Evaluations.

- 6.3.3** Delineation of clinical privileges for Medical Staff members, commensurate with individual credentials and demonstrated ability and judgment, and assignment of patient care responsibilities to other health care professionals consistent with individual qualification and demonstrated ability.
- 6.3.4** Establishing a process designed to assure that all individuals responsible for the assessment, treatment, or care of patients are competent in the following, as appropriate to the ages of the patients served:
 - (i) the ability to obtain information and interpret information in terms of the patients' needs.
 - (ii) a knowledge of cognitive, physical, and emotional growth and development in the particular age group treated; and
 - (iii) an understanding of the range of treatment needed by the patients.
- 6.3.5** Providing continuing professional education, shaped primarily by the needs identified through the review and evaluation activities.
- 6.3.6** Reviewing utilization of the Healthcare District's resources to provide for their allocation to patients in need of them.
- 6.3.7** Reviewing the competency of care providers who are not subject to the Medical Staff privilege delineation process; and reporting to the governing body of findings with regard to such care providers.
- 6.3.8** Establishing a process to support the efficient flow of patients, such as a plan concerning the care of admitted patients who are in temporary bed locations; and
- 6.3.9** Such other measures as the Board may, after receiving and considering the advice of the Medical Staff, the other professional services, and the CEO, deem necessary for the preservation and improvement of the quality and efficiency of patient care.

6.4 Documentation

The Board shall consider and act upon the findings and recommendations from the required review, evaluation, and monitoring activities. All findings and recommendations shall be in writing, signed by the person(s) responsible for conducting the review activities, and supported and accompanied by documentation upon which the Board can take informed action.

ARTICLE VII REVIEW, AMENDMENT & REPLACEMENT

These bylaws shall be reviewed by the Board as needed, but at least every two (2) years, and shall be dated to indicate the time of the last review.

These bylaws may be amended by affirmative vote of two-thirds majority of the members of the Board, providing a full presentation of such proposed amendment shall have been published in the notice of meeting.

ARTICLE VIII Certification, Adoption & Execution

These Bylaws shall not be effective until they have been approved by the Board. The signatures set forth below signify that the foregoing Bylaws are the duly adopted Board of Director Bylaws of the Healthcare District.

DRAFT

It is hereby certified that attached hereto is a true, complete and correct copy of the current Bylaws of the Mayers Memorial Healthcare District, duly adopted by the Board of Directors on February 25, 2026.

Jeanne Utterback, President

DRAFT



Trustee Pledge for Governance Excellence California District Hospital Board – Mayers Memorial Healthcare District

Preamble

Governance excellence is the lifeblood of a high-quality board of directors. It is vital that each board member takes their responsibilities seriously and pledges their best efforts to uphold this code of conduct. In pursuit of governance excellence, I hereby affirm my commitment to the following principles and practices:

Trustee Pledge

- A. I will refrain from micromanagement and focus on strategic leadership and policy, not on administrative and operational detail. I will respect the distinctions between board and staff roles and will manage any overlap between the respective roles in a spirit of collegiality and partnership that supports the authority of staff and maintains proper lines of accountability. I will not discuss significant operational concerns or issues with employees or members of the medical staff without the knowledge of the CEO.
- B. I will attend all board and committee meetings regularly and come prepared to fully discuss and deliberate all matters important to the business of the board.
- C. I will listen carefully to my fellow board members and be willing to consider all points of view during discussions.
- D. I will share my point of view, avoid dominating discussions, and be respectful and courteous in debate, while not shying away from difficult or contentious issues.
- E. I will fully support the decisions of the majority once a decision has been reached, even if I personally am in the minority.
- F. I will be inquisitive and ask relevant questions to contribute meaningfully to discussions. I will strive to push the organization toward continuous growth and excellence, challenging the status quo.
- G. I will keep board discussions, deliberations, and decisions confidential unless directed otherwise, and only disclose information as appropriate or necessary for stakeholder engagement.
- H. I will serve as a positive ambassador for the hospital, advocating on behalf of the hospital in matters of public policy, community health, and philanthropic support that advance its mission.

- I. I will foster a culture of inclusivity, equity, and respect within the hospital community and beyond, recognizing the diverse needs of the populations served.
- J. I will be a continuous learner, staying informed on current healthcare topics, delivery trends, and relevant policies affecting the hospital and community.
- K. I will follow the hospital’s conflict of interest policies and practices and disclose any potential conflicts promptly and transparently.
- L. I will conduct myself in an ethical, moral, and legal manner at all times, exemplifying integrity and accountability.
- M. I will act in accordance with the collective will of the board and the decisions made by the duly authorized governing body, rather than acting based on personal interests or individual opinions.
- N. I understand that as a board member, I am representing the entire Board of Directors at all times, and that my personal statements or actions could be interpreted as representing the full board’s position or intent.
- O. I will refrain from engaging in serial meetings or discussions outside of official, duly noticed, and open board meetings, to ensure transparency and prevent the appearance of improper influence.
- P. I will engage actively with the community and stakeholders to understand their needs and perspectives, ensuring the hospital’s services remain responsive and relevant.
- Q. I will celebrate the successes of the hospital and recognize the vital role I play in fulfilling its mission.
- R. I will commit to ongoing self-assessment and professional development to enhance my effectiveness as a trustee and leader.

Conclusion

By signing this pledge, I affirm my dedication to upholding the highest standards of governance, ethics, and service, contributing to the health and well-being of our community.

Signature: _____

Name (print): _____

Date: _____

Mayers Memorial Hospital District Job Description		Page 1 of 3
		Effective Date: Revised:
Department: Board of Directors		
Job Title: Board President		
Salary Range:	N/A	

Reports To: Board of Directors

Employee Type: N/A

POSITION SUMMARY:

The President of the District Hospital Board is a leadership role responsible for guiding the governance and strategic direction of the organization. The President fosters a collaborative relationship with the CEO, ensures effective board functioning, upholds high standards of conduct, and addresses issues involving board members outside of established policies. The President plays a vital role in promoting organizational integrity, facilitating board development, and ensuring the board's accountability to the community and stakeholders.

POSITION QUALIFICATIONS:

1. Publicly elected or appointed by the Board of Directors.

POSITION RESPONSIBILITIES:

General Competencies:

1. Leadership:
 - a. Guide and direct the governance process, ensuring the board's work aligns with the organization's mission, vision, and strategic priorities.
2. Agendas:
 - a. Work with the CEO to develop agendas for Board and other Committee meetings that align with organizational goals.
3. Meeting Management:
 - a. Preside over district board and committee meetings as applicable in a manner that encourages participation, facilitates information sharing, and promotes timely and prudent decision-making.
4. Committee Direction:

- a. Appoint committee chairs and members, subject to board approval. Collaborate with committee chairs to ensure their work and agendas align with the organization's vision and strategic goals.
- 5. CEO Relationship:
 - a. Serve as the primary communication liaison between the board and the CEO. Foster a positive, collaborative relationship, act as a sounding board on emerging issues, and stay informed about organizational developments to escalate issues appropriately.
- 6. CEO Performance Appraisal
 - a. Lead the processes of setting CEO goals, evaluating performance, and reviewing compensation, in accordance with Board policies.
- 7. Committee Attendance
 - a. Serve as an ex officio member of all committees to stay informed and support their work, and attend meetings as necessary.
- 8. Board Conduct and Conflict Resolution
 - a. Set and uphold high standards for board conduct by modeling and enforcing rules of conduct as outlined in bylaws and policies. Intervene as necessary in cases involving conflicts of interest, breaches of confidentiality, or conduct outside of established policies.
- 9. Handling Board Member Issues
 - a. Act responsibly in addressing and mediating conflicts or issues involving individual board members who act outside of policies or the code of conduct. Ensure resolution processes are fair, transparent, and maintain the integrity of the board.
- 10. Board Learning and Development
 - a. Lead efforts to enhance the board's knowledge and capabilities through orientation of new members, mentoring the chair-elect, and providing ongoing education and development opportunities.
- 11. Succession Planning
 - a. Participate in recruiting new board members and identifying candidates for the President-elect position to ensure effective leadership continuity.
- 12. Self-Evaluation
 - a. Facilitate an objective board self-evaluation process and support the implementation of improvement recommendations.

Specific Competencies:

1. Demonstrated leadership and involvement in the community or relevant sectors.
2. Respected by board members, the CEO, and key stakeholders.
3. Proven ability to lead the board through difficult issues, including conflicts or policy violations.
4. Willingness and ability to dedicate sufficient time to organizational leadership.
5. Strong communication, listening, and collaborative skills.

Professional Requirements:

1. Adheres to dress code; appearance is neat and professional.
2. Completes annual education requirements if applicable.
3. Maintains regulatory requirements.
4. Wears identification while on campus.
5. Participates in annual evaluation of the Board of Directors and CEO
6. Attend all board and committee meetings as appropriate.
7. Exhibits the mission, ethics and goals of Mayers Memorial Hospital District in the performance of job duties.

ACKNOWLEDGMENT:

THE ABOVE STATEMENT REFLECTS THE GENERAL DUTIES CONSIDERED NECESSARY TO DESCRIBE THE PRINCIPAL FUNCTIONS OF THE BOARD PRESIDENT, AS IDENTIFIED AND SHALL NOT BE CONSIDERED AS A DETAILED DESCRIPTION OF ALL THE WORK REQUIREMENTS THAT MAY BE INHERENT IN THE POSITION.

Board Member Signature

Date

CEO Signature

Date

DRAFT

**MAYERS MEMORIAL HOSPITAL DISTRICT
POLICY AND PROCEDURE**

**SIGNATURE AUTHORITY
CONTRACT REVIEW POLICY**

Page 1 of 5 with the following attachment:

Contract Review Form MMH586 powerdms.com/docs/2506199/revisions/3177495

DEFINITIONS:

Contract: For purposes of this policy, "contracts" shall be defined to include and not be limited to all real estate leases, letters of intent, memoranda of understanding, releases of liability, indemnification agreements, employment contracts, service agreements, and all other agreements for goods or services (including oral agreements) creating legally binding obligations on behalf of Mayers Memorial Hospital District (MMHD) or any MMHD entity.

Execution: Obtaining authorized signatures by all parties to the contract.

Service Contracts: Service contracts are agreements that include within the scope of services provisions covering a contractor's time and effort, rather than for a product or materials, although the use of products and materials may be an incidental aspect of the work/service to be performed. The work performed does not involve the delivery of any specific end product, other than results and reports that are incidental to the required performance. Examples of service agreements are for repairs to equipment, training, or consulting.

PURPOSE:

1. To establish a procedure for the review, approval, and submission of contracts or agreements for services, products and all other circumstances in which the Mayers Memorial Hospital District (MMHD) undertakes an obligation or commitment.
2. To delineate the obligations between two (or more) parties and to provide the basis for legal remedy should one party fail those obligations. A contract will be in written format so that mutual expectations are clear.
3. To ensure consistency in the formatting and content of all physician, professional service agreements.
4. To facilitate management of all agreements and to maintain a central repository and database of contracts, including ongoing administration, maintenance, and oversight.
5. To establish guidelines for monitoring contractor and vendor performance, receipt of work, services, and products, and similar types of review and responsibility.

POLICY:

1. Written contracts are required for any service for which the MMHD will be paying out money, and the individual is not a District employee. All contracts entered into on behalf of MMHD shall receive appropriate administrative, material management, financial, legal compliance, and risk management review prior to execution to ensure the contracts contain the required elements. All contracts shall be signed by the appropriate department director. All contracts shall be monitored for performance and fulfillment of contract obligations. All contracts shall be thoroughly reviewed and the contractors' performance evaluated prior to contract renewal (see Contract Review Form MMH586).
2. All agreements or arrangements for providing health care services to MMHD patients must be with a provider or supplier that participates in the Medicare program, except in the case of an agreement with a distant-site telemedicine entity. These contracts must contain a provision in which the provider or supplier confirms participation in the Medicare program and agrees to notify MMHD in the event participation terminates.

PROCEDURE:

CONTRACT FORMATION AND REVIEW

All new and renewed contracts will be reviewed by the Chief Executive Officer or specifically named designee, and may be sent for legal review by outside counsel. As appropriate, the Chief Executive Officer will forward contracts to the Board of Directors for review.

1. REVIEW OF NEW CONTRACTS PRIOR TO SIGNATURE

- a. New programs or services which require entering into a contract, license, or other agreement financially committing MMHD require completion and appropriate approval of a Business Plan. The responsible department director shall review, evaluate, and negotiate appropriate modifications to all proposed contracts to ensure that the contracts address all aspects of the intended relationship.
- b. Department directors shall be responsible for ensuring that all contracts under their authority have received the appropriate review, including by the Chief Executive Officer (CEO) and/or the Chief Financial Officer (CFO), if required, prior to execution. Directors may obtain additional preliminary review by the Quality Department for assistance in evaluating specific provisions such as regulatory compliance, nondiscrimination, HIPAA, indemnity, hold harmless, insurance requirements, etc. If required, the contract shall be forwarded, along with any supporting documentation, to legal counsel.
- c. Contracts provided by the District will be based on standard draft District templates.

2. SIGNATURE AND AUTHORIZATION GUIDELINES

- a. Signatory Authority: Contracts/Agreements
 - i. Contracts requiring Board approval shall only be signed by the CEO. All contracts/agreements/obligations greater than **\$50,000** require signatures of the CEO after Board approval.

- ii. *Only* the Division Chiefs have the authority to sign contracts.

Division Chiefs may delegate to Directors under their supervision the authorization to make contractual or financial commitments for specifically defined items, *so long as*:

1. The item arises out of or recurs in the course of the Division Chief's responsibilities;
2. The financial obligation is incorporated into the fiscal year budget (actual or proposed);
3. The Division Chief has thoroughly identified and reviewed the item as appropriate for the manager to make the commitment as a matter of administrative convenience;
4. The Division Chief makes the limited delegation of responsibility in writing to the manager, specifically identifying the item, the delegated authority, and any conditions which require further administrative review or input before commitment; and
5. The Division Chief, no less than annually, reviews and reaffirms the authority delegated and confirms the continuing delegation of authority in writing to the director or manager.

PHYSICIAN AND PROFESSIONAL SERVICE AGREEMENTS

All physician and professional service agreements will be completed by the Chief Executive Officer's administrative staff. The following guidelines will be followed:

1. Material for agreements will be presented to the Chief Executive Officer's administrative staff in a timely manner to ensure that adequate time is available for the preparation of the agreement within required timeframes including the completion of a Contract Review Form;
2. Content and negotiations with "Professionals" will remain the responsibility of the senior manager.
3. All new agreements shall be reviewed by legal counsel.
4. The Chief Executive Officer shall retain authority for signing.

CONTRACT RENEWAL, REVIEW, AND REVISIONS

All contracts shall be reviewed *at least annually* by the initiating department director, regardless of length of the contract term, to evaluate performance by all parties, and to ensure that the agreement remains valid and appropriate for MMHD and its mission.

CONTRACT ADMINISTRATION

Contract administration begins once the contract begins:

1. The appropriate department director shall be responsible for the day-to-day performance under the contract, including substantiation of payments, as required or applicable.
2. The appropriate Division Chief shall be responsible for obtaining current certificates of insurance and, when possible, a copy of the endorsement naming MMHD as an additional insured.

3. The contract term and any renewal options will be monitored by the Division Chief and Director, as well as by the administrator of the contract management program to allow for advance notice of contract expirations, certificates of insurance expirations, or renewals to permit appropriate action.
4. All modifications to any existing contract must be made in writing and signed by an authorized department director and the other party (parties) to the contract.
5. It shall be the responsibility of the Division Chief to obtain the appropriate documentation for renewals and revisions, and forward to the Medical Staff Secretary for entry into the contract management program. Original amendments/modifications shall be archived in the Medical Staff Office, and copies retained with the contract copy in the initiating department in order to maintain accuracy of the original document.
 - a. Contractual disputes should be addressed in the manner decided upon by the Division Chief in consultation with the Chief Executive Officer or designee, and legal counsel if necessary, or as defined in the contract.
 - b. Contract termination by the department prior to expiration of the contract term shall be carried out after consultation with the appropriate Division Chief.

INSURANCE FOR CONTRACTED SERVICES

Certificates of Insurance: Firms or individuals providing services to MMHD are required to provide certificates of insurance and will submit evidence of insurance as a condition of contracting for their services. Certificates of insurance shall contain an endorsement listing MMHD as an additional insured and that insurance cannot be canceled or revoked without at least 30 days' written notice to MMHD. Following are the insurance requirements for general types of service agreements recommended limits. Exceptions to the insurance requirements outlined in this section may be subject to modification by the CFO or designee. In such situations, it may be determined that little or no risk is involved in which case the limits may be lowered or the requirement eliminated. Conversely, it may be determined that additional risk is involved in which case the limits may be raised.

1. General Liability: Comprehensive or Commercial Form (Minimum Limits) including coverage for premises/operations, contractual, personal/advertising injury, products/completed operations, with limits at least \$1,000,000 per occurrence/\$3,000,000 general aggregate for bodily injury and property damage combined.
2. Business Automobile Liability: Minimum Limits for Owned, Scheduled, Non-Owned or Hired
3. Automobiles with combined single limit or not less than \$1,000,000 per occurrence – if the service provider will be operating a motor vehicle on MMHD premises or in connection with the provision of services performed.
4. Workers' Compensation: As required under California State Law – if the employees of the independent consultant will be on MMHD premises. Such other insurance in such amounts which from time to time may reasonably be required

by the mutual consent of MMHD and the independent consultant against other hazards relating to performance.

RECORDS MANAGEMENT

1. Original Contracts: For purposes of identifying administrative responsibility for records management, the executed contracts, along with all required documentation (amendments, attachments, exhibits, certificates, permits, etc.) and the *Contract Review Form MMH586* will be maintained by the Medical Staff Secretary in the Medical Staff Office. Originating department shall electronically forward a scan of fully executed contracts and any attachments to Medical Staff Secretary, and shall deliver all original documents to the Medical Staff Secretary. The Medical Staff Secretary will:
 - a. Maintain a contract master list in a spreadsheet of all active and inactive contracts which will include such specifics as the names and types of contracts, and renewal dates.
 - b. Maintain a spreadsheet of scanned contracts.
 - c. Maintain scanned associated documents.
 - d. Will manage and facilitate notifications or prompts to appropriate departments, directors, etc., regarding contract activities, such as contract termination and/or renewal dates.
2. Copies: For purposes of administering contracts, *copies* of all contracts and associate documents (including amendments, attachments, exhibits, certificates, permits, checklists, etc.) shall be maintained by the originating Department.
3. Retention and Destruction of Contracts: All originals of contracts, including any amendments, exhibits, attachments, etc. shall be archived by the Administration Office

REFERENCES:

Mark Twain Health Care District policy #17 Authority and Responsibility of the Executive Director: Contracts and Bidding adopted 6/17/15



Administrative Reporting Regular Board Meeting

Division: Chief Operations Officer

Submitted By: Jessica DeCoito

Reporting Month & Year: February, 2026

Summary:

Solar

Our federal tax credit application was filed on Monday, February 9th. The 990T tax form will be filed shortly, and we expect to receive a response in approximately 90 days. A big thank you to Wipfli for helping our team file apply for this credit.

PG&E Energy Audit

Travis and I participated in a call regarding the PG&E audit for the Burney campus, which currently only covers lighting. We are still awaiting the audit for Fall River, which will include both HVAC systems and lighting.

Projects Bid Package

The pre-bid conference was held on Tuesday, February 10th, with six contractor representatives in attendance who had questions. We will accept questions until Monday, February 23rd, after which we will issue an addendum to address them. Bids are due by March 10th.

Masonic Hall

We have a few remaining IT-related tasks to complete at the hall before our first meeting on March 19th. The housekeeping team will begin deep cleaning in preparation for the event.

Business and Hospice Office Remodel

The maintenance team has started demolition on the office remodel. Updates will include new flooring, fresh paint, additional walls, and an expanded breakroom space.

Master Plan Update

We are continuing to develop concepts and design ideas for the revised master plan with our team of architects. Once we finalize the plan, we will collaborate with Wipfli to conduct a feasibility study to determine whether the new plan is financially viable.

Seismic Compliance Plan

HCAI is currently reviewing our seismic compliance plan updates, along with our AB 869 Extension application. We expect to receive comments soon, which we will address if needed.

Safety, Security & Disaster Preparedness

Dana has been working closely with Infection Prevention and Employee Health to implement



regulations set by Shasta County Public Health in response to the Shasta County Measles outbreak. The team is also focusing on measures for employees returning to work after illness, as well as influenza A prevention measures. Additionally, efforts are being made for N95 Mask Fit Testing for all district employees in collaboration with Respiratory Therapy.

Hollie Lappin in Purchasing and Katelyn Agee at Station 2 have been making progress on proactive disaster preparedness plans. They have developed programs for handling potential power outages with resident specific information and supply disruptions for both our SNF and district.

Visiting Nurse Services

Our team has met twice to ensure the project is on track. As Keith will report, we have made significant progress. Policies and procedures have been revised, charge codes and visit types are being built in Cerner, job descriptions are being developed, and workflows will be established once we hire our RN and visit Mercy Mt. Shasta. We will continue meeting bi-weekly until the program is fully launched.

Service Excellence Initiative

This past week marked my first round of check-ins with the teams at MMHD as part of the Service Excellence Initiative. In addition to casual conversation and checking in on how things were going, I asked individuals what they do to decompress after their shift. The answers varied—from rocking out to loud music on the drive home, to hitting the gym, or enjoying a good TV show or movie. But my favorite response was when someone shared that they like to sit with their cat and let the day melt away. I'm already looking forward to my next week of rounding and getting to know our team here at Mayers!

Finance Notes January FY 26

Ratios	FY 26	FY 25 Average	
Cash on Hand	170	268	Avg PY
Net Income	3,434,280	366,667	Avg PY
Current Ratio	11.33		
AR Days	78.8	86	Avg PY
Accounts Payable	1,199,435	830,660	Avg PY
Daily Gross Revenue	192,803	173,009	Avg PY
YE % of Gross Revenue Collected	63%	61%	Avg PY

1. Rate Range was received and we were up to 339 days cash on hand in early February.
2. We are sending 1.4 million in IGTs this week for the DHDP (District Hospital Directed Payments) and QIP (Quality Improvement Program) and should be getting the receivables by the end of May.
3. Getting close to wrapping up the FY24 Audit with Medi-Cal. These typically take a while as DHCS doesn't have a lot of staff to manage all the audits they are required to do.
4. Assisting Kristi with the 340B audit this week.
5. I worked with Wipfli and Pit River to turn in our updated HPSA spreadsheet. It may take a few months for HCAI to review and score our submission.
6. The RHC is running at a 24K loss but that's much better than I expected with the use of locum providers.
7. Retail Pharmacy continues to have a banner year with its 38% increase in revenue.
8. HCAI's California Rural Health Transformation (CalRHT) program presented at our quarterly District Hospital Leadership Forum (DHLF). I am encouraged that CalRHT has hired Peggy Wheeler, who served as a rural policy advocate with the California Hospital Association for approximately 15 years.

One area of concern is the approval process. Proposals are submitted to CalRHT for review and approval, after which all approved applications must be forwarded to Centers for Medicare & Medicaid Services (CMS) for final authorization before any awards can be distributed. In a typical state-administered program, this additional federal approval layer would not be required, and it has the potential to delay implementation. As reflected below, the overall timeline remains uncertain based on current guidance from CalRHT.

We are actively monitoring all updates released by HCAI and will use this information to develop a strong application aligned with the three identified categories, ensuring we maximize the opportunity to enhance care delivery for our district with the available funding.

What's next for CaIRHT?

- Complete discussions with CMS to gain approval on the use of funds
- Program design and standing up grants administration
- Convene the Rural Health Policy Council



CaIRHT Program Key Dates

- FAQs published online- February 2026
- Spring webinar – TBD
- Request for Application release date- TBD
- First grantee announcements – TBD
- Summer webinar – TBD
- Fall webinar – TBD

CaIRHT Proposal

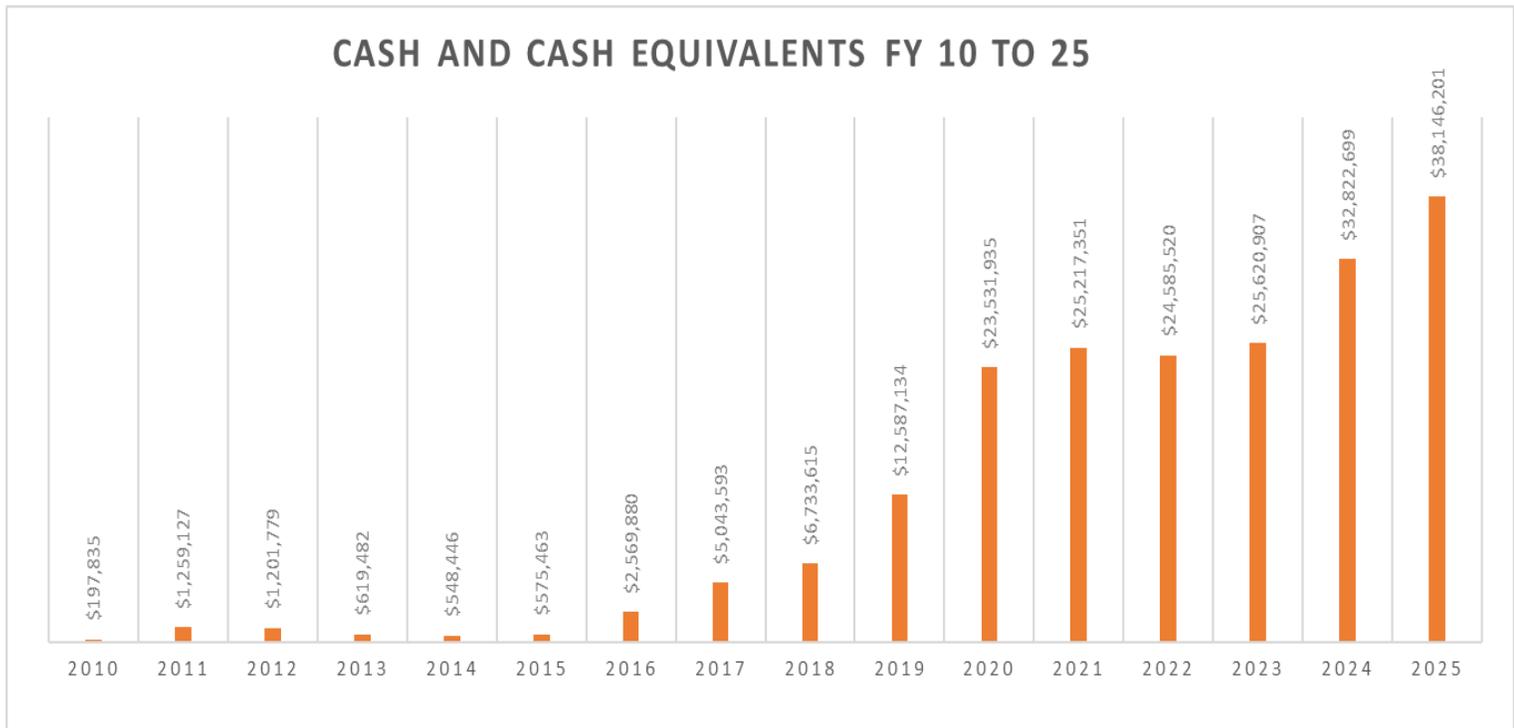
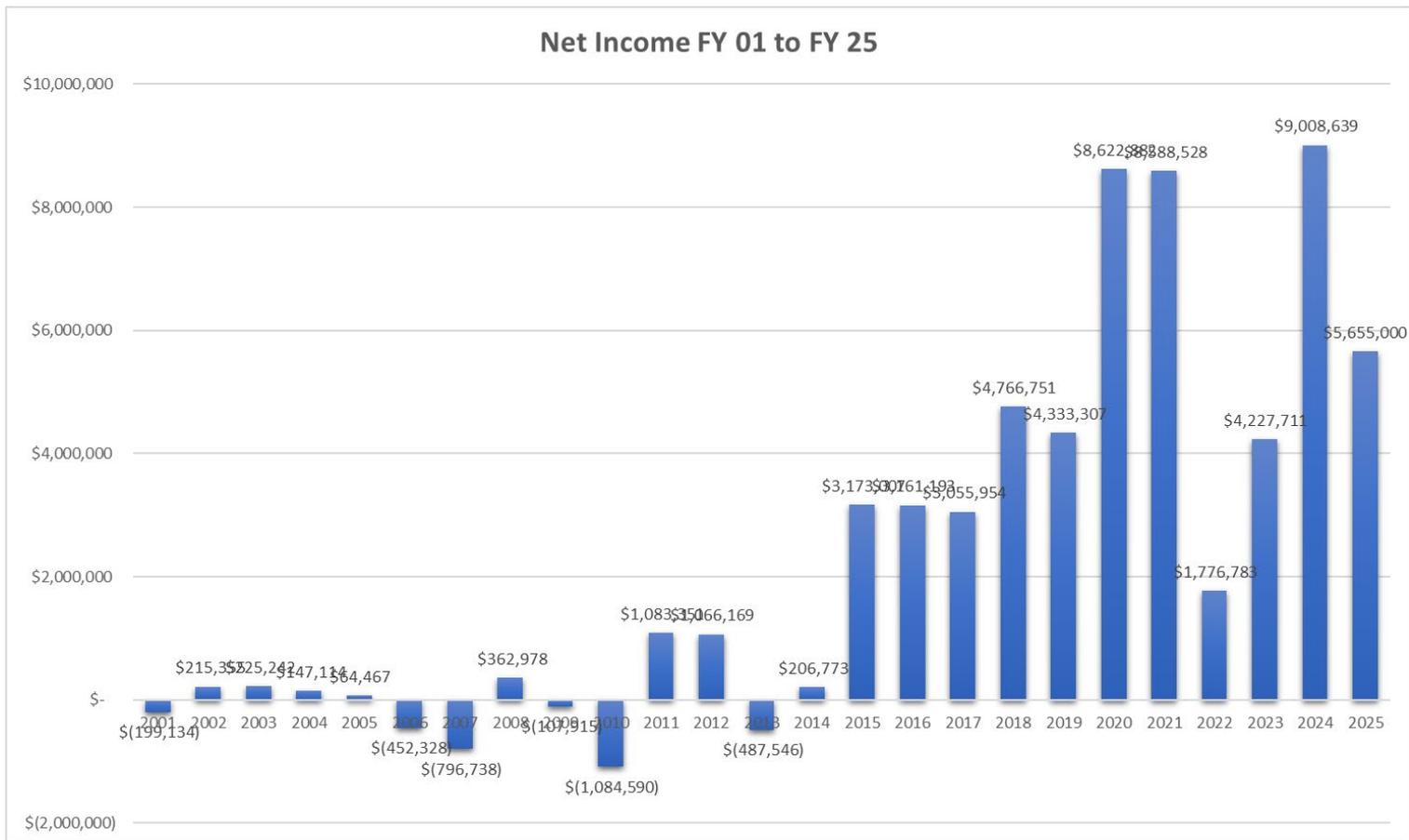


The California Rural Health Transformation (CaIRHT) program vision is a **connected, resilient rural health system** in which every rural and frontier Californian can access timely, person-centered primary, maternity, specialty, chronic disease management, and behavioral health care close to home, **supported by a sustainable workforce, modern technology and data infrastructure.**

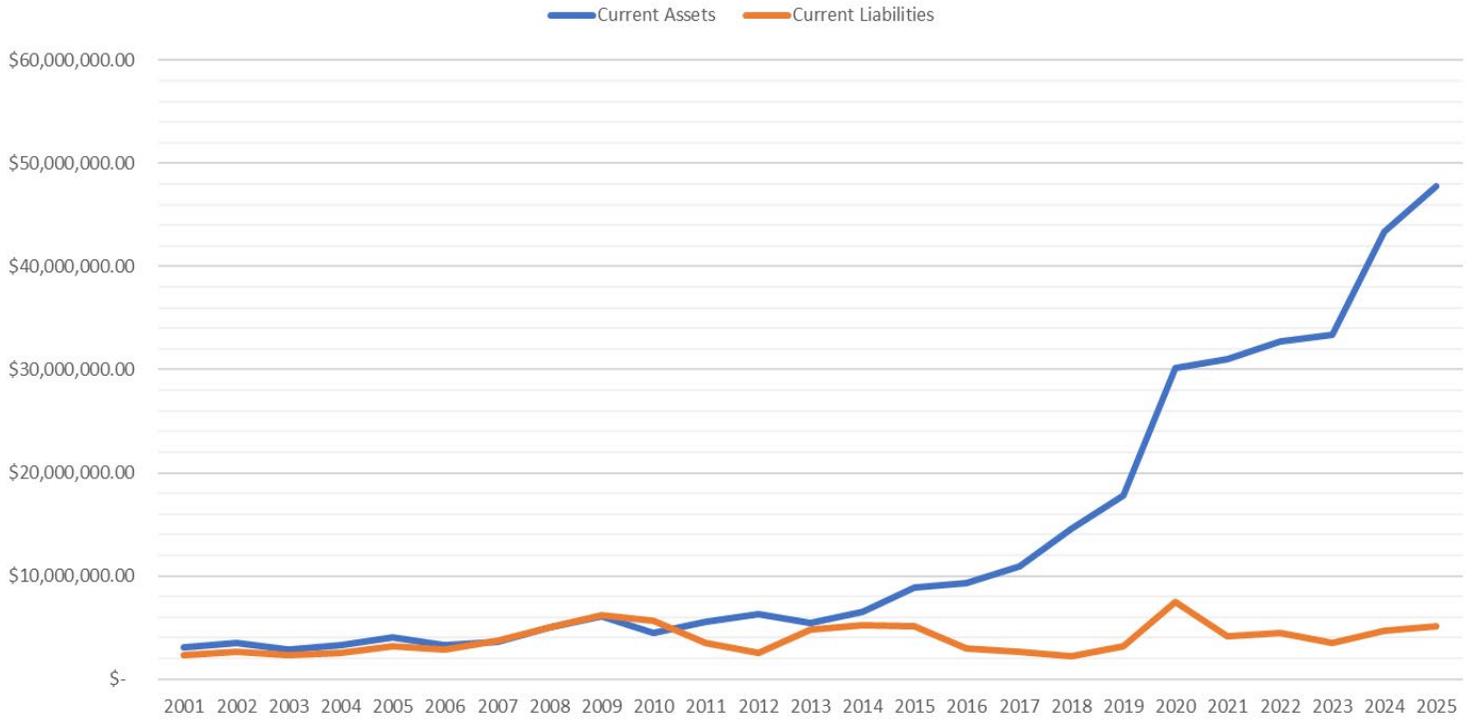
CaIRHT will develop rural regional care coordination collaboratives, networks, and partnerships; apply evidence-based care; deploy tools that work in low resource settings; and align sustainable payment to fund local readiness and health care services.

9. Attached to your finance packet is the FY 25 Audit which ended with 5.65-million-dollar net income and highest cash position at the end of a fiscal year of 38.1 million. A few years ago, I went

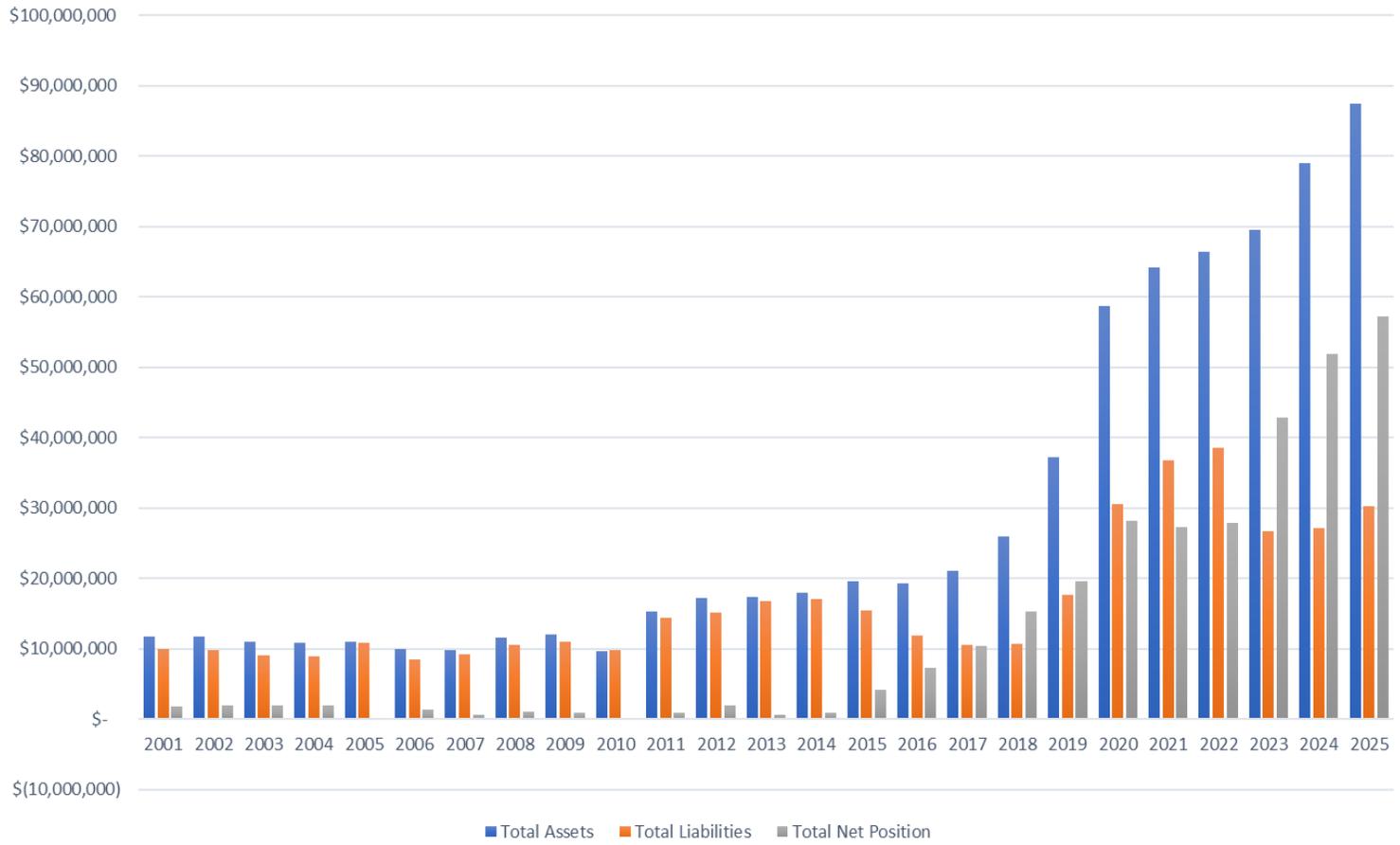
back into the audit files to the year 2001 so I could chart and show our audited financial performance historically. Below are some charts on some of our more important financial metrics.



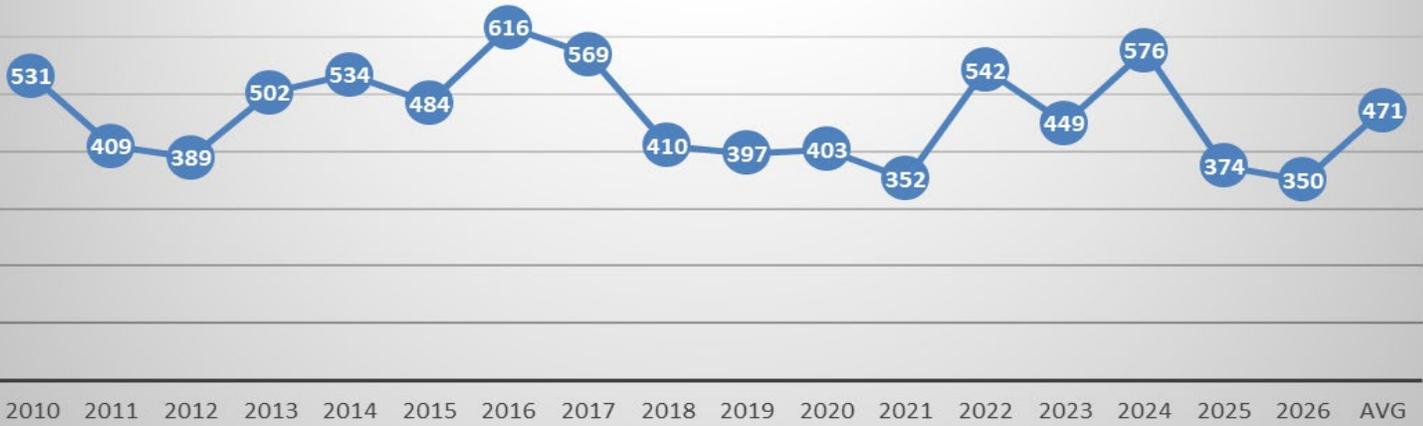
FY 01 to FY 25 Current Assets and Current Liabilities



FY 01 to FY 25 Total Assets, Total Liabilities and Total Net Position



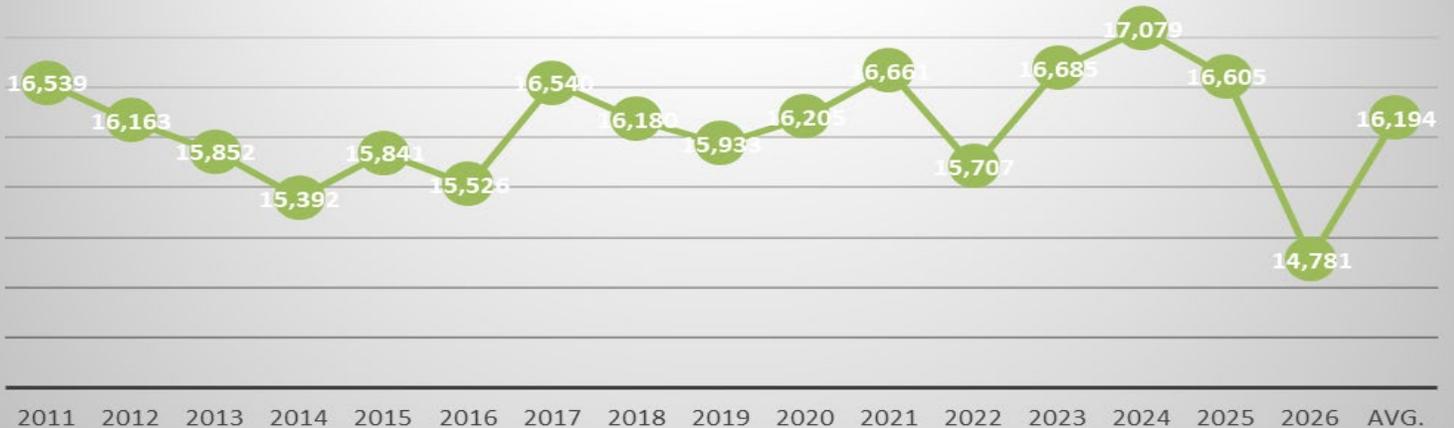
Acute Days YTD FY 10 to 26



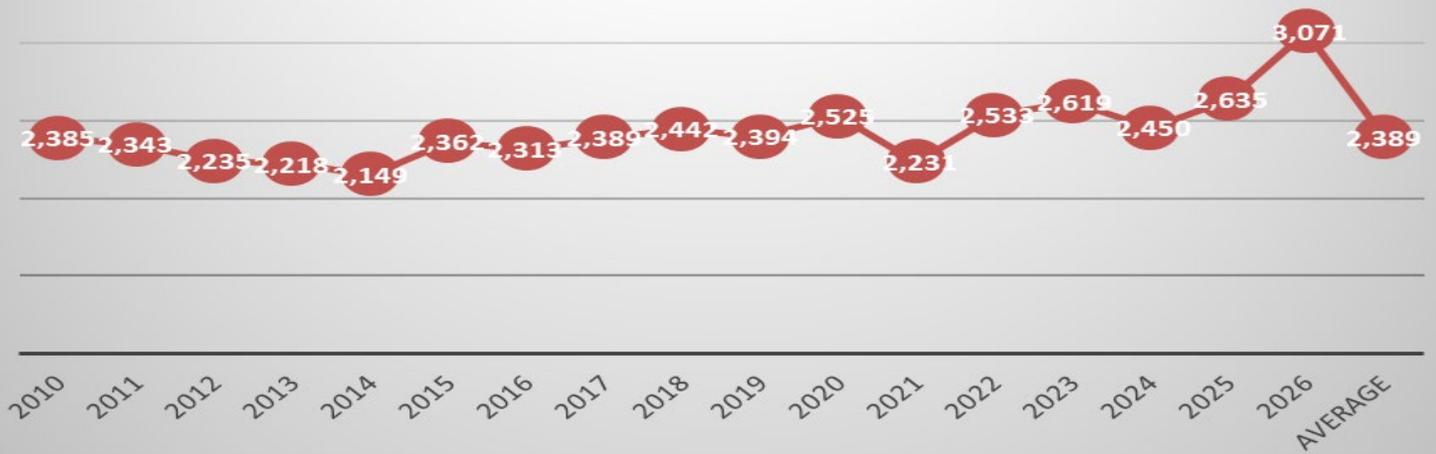
Swing Days YTD FY 10 to 26



DPNF Days YTD FY 10 to 26



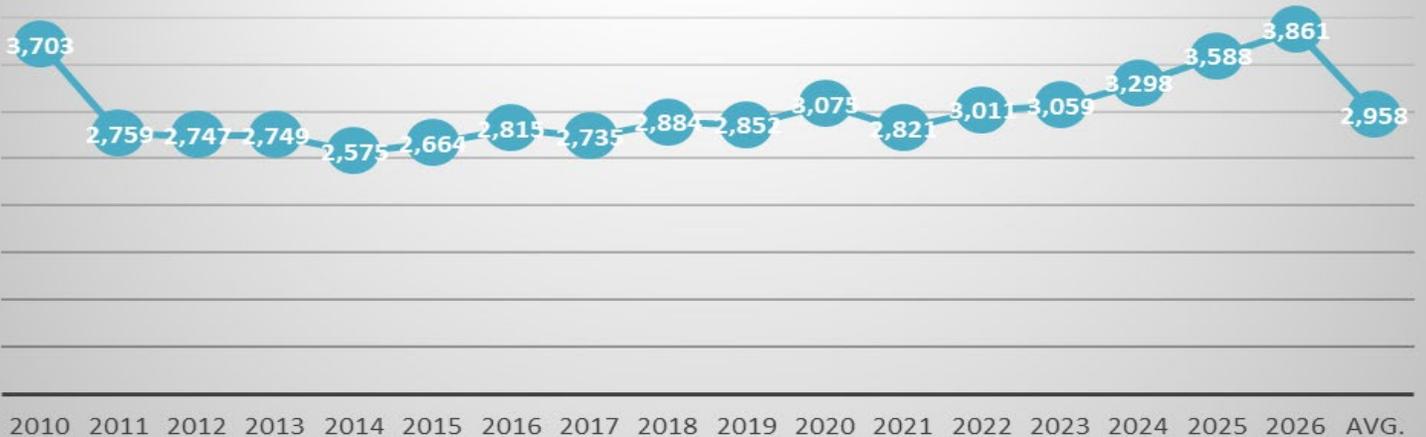
ER Visits YTD FY 10 to 26



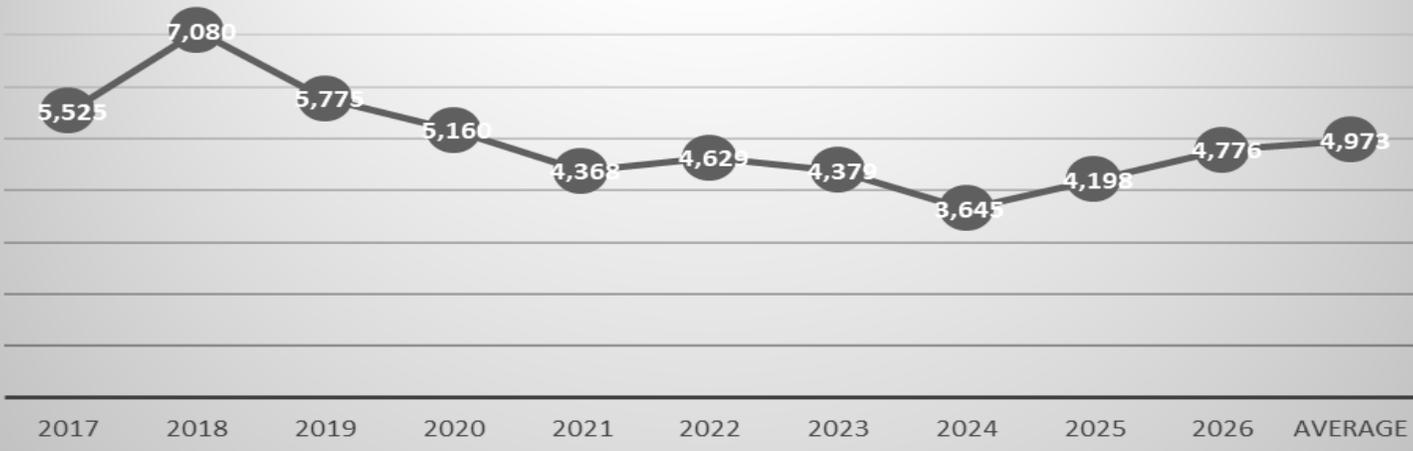
Labs YTD FY10 to 26



Rad Procedures YTD FY 10 to 26



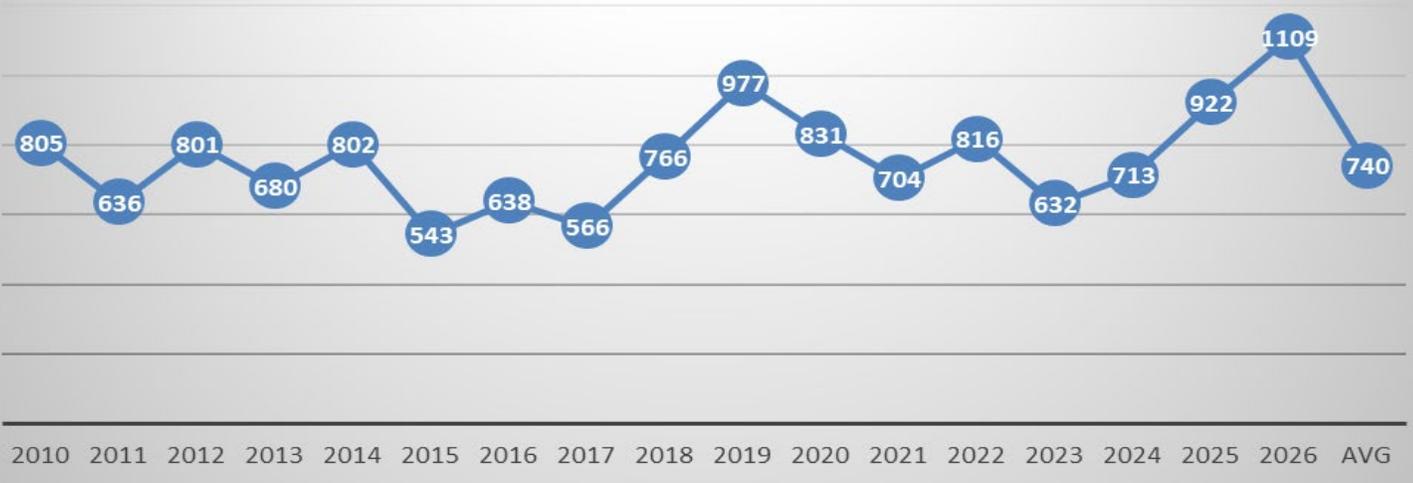
PT Procedures YTD FY 17 to 26



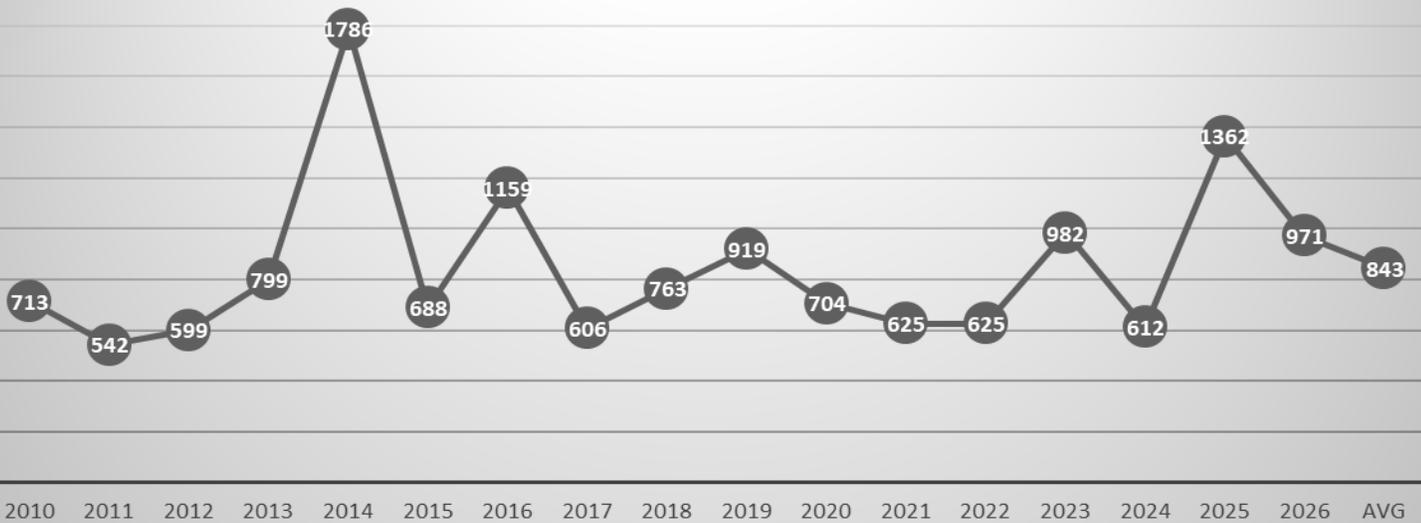
Ambulance Runs YTD FY 10-17, 24-26



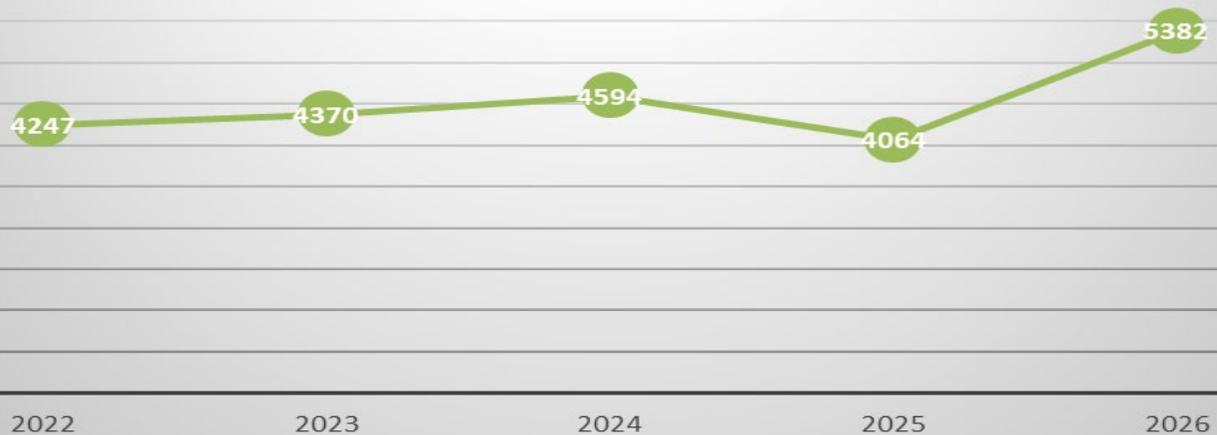
OPM Visits YTD FY 10 to 26



Hospice Days YTD FY 10 to 26



RHC Visits YTD FY 22 to 26



Income Statement

- 1) Acute Revenue is up due to the large increase in Swing days.
- 2) SNF Revenue is down due to the low census this year.
- 3) Outpatient Revenue is up as almost every department has increased utilization.
- 4) Contractuals are positive as the Rate Range Payment was much higher than forecasted so January and February must be adjusted to account for the increase.
- 5) Salaries and Wages are up only 2.39% but part of that is due to increased traveler usage on the Acute floor so we see the increases
- 6) Employee Benefits are down as we are self-funded and had some really large claims last year.
- 7) Supplies are up, which is in line with the increase in outpatient visits/procedures.
- 8) Pro Fees are up with increases to ER Wages.

- 9) Acute Travelers are up 321K but on a positive note overall traveler costs are only up 71K with decreases in SNF (lower census) and Ancillary with fewer open positions.
- 10) Other Purchased Services are up due to locum docs in the clinic and the radiology group that charges us to read studies.
- 11) Expecting some larger decreases going forward with the solar field being online.
- 12) Insurance is up with increases in liability and property insurance. Property is projected to decrease next year as we have that laundry fire claim rolling off.
- 13) Other Expenses are mostly up due to software subscriptions and some minor increases in outside training and advertising.
- 14) Interest Income is up 43K with our investments in the mortgage-backed securities.
- 15) Non-Operating Revenue is up due to increased revenue from Retail Pharmacy and a receivable for QIP.
- 16) Non-Operating Expenses are mostly up from increased drug spend corresponding to more fills in the Retail pharmacy.
- 17) Net Income is 5.47million YTD and will peak next month and slowly decrease over the last four months as we have received our largest supplemental payment for the year.

Balance Sheet

- 1) Cash was down at the end of January but we received 21.2 million this month and are waiting on around 2 million for our Medicare Cost Report settlement.
- 2) AR is up as we had to have all our providers fill out a form with CMS. The notice months earlier indicated that only new providers or changes required the new form, which wasn't the case. We have had most providers fill out the form and submitted them to CMS for approval. This has caused a backlog in AR that we are rebilling.
- 3) Inventories are up due to the increased prescriptions in the retail pharmacy.
- 4) The Medicare/Medi-Cal settlement will decrease in February as we received our Rate Range funds.
- 5) Payroll and related liabilities will fluctuate depending on where the month ended in relation to our payday.
- 6) The current ratio is a strong 11.33. As reflected in a chart above, there was a period in our history when current liabilities exceeded current assets, resulting in a ratio below 1.0 and indicating that we did not have sufficient current assets to cover our short-term obligations.

Chief People Officer Board Report

Reporting Period: February 2026

Prepared by: Libby Mee, Chief People Officer

During the reporting period, the Human Resources, Payroll, and Benefits Department has continued to provide essential support to our dynamic and growing workforce. We have advanced key recruitment, retention, and engagement initiatives to meet organizational goals.

Employee Support and Recruitment

As of February 2026, the Human Resources Department is supporting **326 employees** across all departments. Recruitment efforts remain robust, with **15 active requisitions** representing **28 open positions** across clinical, administrative, and support services.

Current Open Positions

<i>Department</i>	<i>Job Title</i>	<i>Status</i>	<i># Open Positions</i>
Administration	Chief Medical Officer	Full Time	1
Ambulance	Manager	Full Time	1
Dietary	Registered Dietician	Full Time	1
Emergency Room	Medical Director and Physician	Full Time	1
Emergency Room	Physician	Full Time	1
Emergency Room	RN	Per Diem	1
Emergency Room	RN/Nursing Supervisor	Full Time	2
Medical/Surgical	CNA	Full Time	1
Medical/Surgical	Ward Clerk	Full Time	1
Respiratory Therapy	Respiratory Therapist	Full Time	2
Retail Pharmacy	Tech	Full Time	1
Rural Health Clinic	Physician	Full Time	1
Skilled Nursing	CNA	Full Time	10
Skilled Nursing	LVN	Full Time	1
Skilled Nursing	Unit Assistant	Full Time	3

Provider Relations

- The **CMO candidate** had a successful site visit in January, with another site visit scheduled. We are excited about this candidate and hopeful for a successful outcome.
- Another **CMO candidate** has a site visit scheduled for the end of February. This is another promising candidate we are looking forward to meeting in person.
- The **ED Director candidate** had a successful site visit in February, which went very well. We plan to send a formal offer letter and invite the candidate for a more in-depth visit.
- We have also entered into preliminary negotiations with a **Clinic Physician** to ensure that we continue to support the growing needs of our clinic.

The Director of Quality and Provider Relations Coordinator has been developing new scorecards to be used during provider meetings and while rounding with providers. These scorecards will help keep our providers informed on their performance and align with district-wide goals.

Conferences and Continuing Education

In March 2026, the Chief People Officer will join members of the MMHD leadership team at the **2026 Rural Health Care Symposium**. This event will provide valuable insights into the unique challenges faced by rural hospitals and offer opportunities to discuss a range of critical health care topics.

The department continues to make significant strides in recruitment, retention, and engagement efforts, and we are optimistic about our ability to meet the evolving needs of our workforce. We remain focused on building a strong, well-supported team to drive the organization's success.



Administrative Reporting Regular Board Meeting

Division: Public Relations

Submitted By: Valerie Lakey, Chief Public Relations Officer

Reporting Month & Year: February, 2026

Summary:

Legislation/Advocacy

State & Legislative Update

With the February 20 bill introduction deadline approaching, several new legislative proposals affecting hospitals have been introduced. Key developments impacting rural and safety-net hospitals are summarized below.

High-Priority Issue for Rural Hospitals

AB 1923 – Distressed Hospital Loan Program (CHA Sponsored)

- Clarifies loan forgiveness terms for previous recipients
- Expands eligibility to additional hospital types
- Provides new funding to support financially distressed hospitals
- Direct relevance for rural and financially vulnerable facilities

Status: Introduced February 12

System-Level Policy Proposal

AB 1900 – Single-Payer (CalCare)

- Would transition California to a single-payer health care system
- CHA is reviewing language and has historically opposed similar efforts

Status: Introduced February 12

Medi-Cal & Funding Stability

CalAIM Section 1115 Waiver Renewal

- DHCS seeking five-year federal renewal



- Public comment period open through March 12
- Continues key Medi-Cal transformation initiatives
- Proposes new:
 - BridgeCare pilots (home & community-based services for older adults)
 - Employment supports for Medi-Cal beneficiaries
 - Ongoing recuperative care and short-term housing supports

Implication: Impacts Medi-Cal funding structure and community-based care delivery.

Medi-Cal Budget Impacts

- Senate Budget Committee reviewing impacts of proposed Medi-Cal and food assistance cuts
- CHA working with the Legislative Analyst’s Office to assess financial effects on hospitals

Grant/Scholarship Update

We continue to actively pursue external funding opportunities to strengthen patient services, workforce development, and community health initiatives across Mayers Memorial Healthcare District.

- **SHIP Grant** – An application has been submitted for approximately **\$13,000** to support the expansion of our patient education program. These funds will enhance patient-centered education resources, improve health literacy, and support better health outcomes across service lines.
- **FLEX Grant Submissions** –
 - **CARES Quality Improvement Initiative (\$15,000)** to support the startup and implementation of our Community Navigator program. This initiative will improve care coordination, patient follow-up, and access to services—particularly for vulnerable populations.
 - **Conference & Professional Development Funds (\$1,500)** to ensure continued training and skill development aligned with quality and operational improvement goals.
- **Burney Community Grant** – A request for **\$7,500** has been submitted to provide general program support for Foundation initiatives, strengthening our ability to serve patients and families throughout our district.
- **McConnell Foundation Grant (In Progress)** – We are currently developing a **\$50,000** proposal focused on critical building and equipment needs to enhance patient care environments and operational capacity.

Scholarships & Workforce Investment



Our **Spring Scholarship rounds** for both employees and community members will be launching soon. We are looking forward to supporting continued education and workforce development as part of our long-term investment in staff growth and community partnership.

Departmental Awards & Donor Stewardship

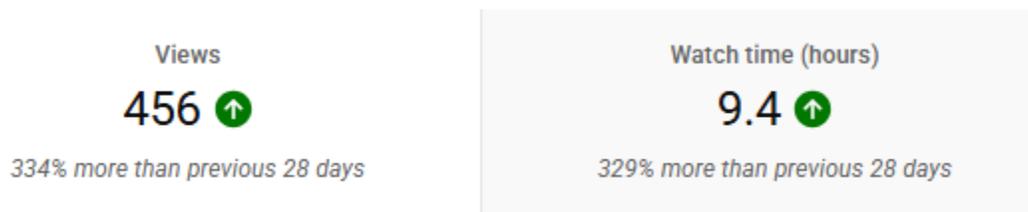
We will be compiling photos and outcome summaries from recently funded departmental awards. This information will be used to highlight the impact of donor-supported initiatives, reinforce accountability, and celebrate the tangible improvements made possible through Foundation funding.

Public Relations/Marketing

The Marketing and Public Relations Department remained active throughout February, highlighting key areas of our organization including **Medical Staff, [Quality, Public Relations & Marketing](#), and Administration**. We rounded out the month of January with features on [Respiratory Therapy](#) and [Staff Education](#), continuing our commitment to showcasing the dedicated professionals who serve our community. (Click Links Above.)

We encourage Board Members to follow MMHD on social media and subscribe to our [YouTube](#) channel. We are seeing strong digital growth:

- **[YouTube](#) is experiencing a significant increase in both views and watch time**, indicating greater audience engagement with our video content.



- **Website engagement is up 66%**, demonstrating increased community interaction with our services and online resources.

A considerable amount of time this month has also been dedicated to marketing support for the **OASIS project**. Upcoming video projects include:

- **An OASIS onboarding video**



- A promotional video highlighting **DOT physical services**, scheduled for release at the end of the month.

Looking ahead to March, we will be launching a promotional campaign in recognition of **Colon Cancer Awareness Month**, with a focused emphasis on educating the community and promoting our **colonoscopy services**.

As always, the department continues to support multiple initiatives across all departments. We utilize a structured **project request form and tracking system** to ensure efficiency, accountability, and timely completion of marketing and communication projects.

We appreciate your continued support and encourage you to engage with and share our digital platforms as ambassadors for MMHD.

Mayers Healthcare Foundation

The 2026 year has begun on a very positive and encouraging note. On January 24, we hosted our **Denim & Diamonds Gala**, which was a beautiful and meaningful evening. Most importantly, the event provided an opportunity to sincerely thank the many generous supporters who have faithfully stood by the Foundation for years. It was truly a celebration of a remarkable community and the spirit of generosity that sustains our mission.

The Thrift Store has experienced a slight slowdown in recent weeks. However, this has created valuable time to evaluate and improve internal receiving processes as we transition to accepting donations once per week. While the community continues adjusting to this change, we are confident the new system will become routine and beneficial over time.

Top Projects

1. **Summer Event Planning Underway**
 - 45th Annual Health Fair – Saturday, June 13
 - 26th Annual “On the Green” Golf Tournament – Friday, August 7
2. **Thrift Store Backroom Redesign**
 - Reorganized inventory storage
 - Increased capacity for donated furniture
 - Improved workflow and operational efficiency

Strengthened Volunteer Engagement

We successfully launched regular 15-minute volunteer huddles at the Thrift Store. These sessions are designed to ensure volunteers feel heard, valued, and appreciated.



Each meeting includes sharing one positive reflection and one suggestion for improvement. The response has been overwhelmingly positive, fostering stronger communication, team building, and connection.

Increased Facility Maintenance Needs

Following the move to the new building, we have experienced higher maintenance and cleaning demands to maintain a welcoming and organized environment for customers. This transition has required adjustments in daily workflows and time management to effectively balance facility upkeep with ongoing operational responsibilities.

Tri-County Community Network

Children's Programs – Bright Futures

Parent Café

- Hosted February 12 at Fall River Elementary.
- 7 caregivers registered; 1 attended.
- Staff are evaluating outreach and engagement strategies to improve attendance.

Dolly Parton Imagination Library Outreach

- Goodie bags and enrollment materials distributed to:
 - Little Creek Preschool
 - Round Mountain Elementary
 - Burney T-K
 - Fall River T-K (both classes)
 - MCA Head Start
 - Intermountain Co-op
- Continued promotion of free monthly book program for children ages 0–5.

Winter Service Area

- Services provided in Montgomery Creek, Burney, Fall River Mills, McArthur, and Big Valley.
- **October–December 2025 Impact:**
 - 128 children served
 - 31 parents served

Upcoming Spring/Summer 2026 Initiatives

Week of the Young Child – April 18



- Touch-a-Truck event at Intermountain Fairgrounds in partnership with Rotary.
- Free entry for families with children ages 0–5.
- Expansion of annual “Lunch with Community Helpers” event.

Car Seat Program

- Grant-funded program launching February 2026.
 - Car seats purchased; application process in development.
 - Partnership with Pit River Health for installation appointments.
 - Program will ensure proper car seat fitting prior to distribution.
-

Grants & Grant Programs

Backpacks to Home Food Pantry

- \$2,588 grant (with FRJUSD) to launch student food pantry.
- Final food delivery round scheduled for April 2026.

SNTIF – BOTVIN Life Skills

- Continuing anti-smoking and life skills education for 4th–6th graders.
- Approximately 200 students served.
- Program runs October 2025 – May 2026.

Shasta Substance Use Coalition

- TCCN joined newly formed county coalition.
- MOU signed in March.
- Funded through County Opioid Settlement (via Raising Shasta).
- Funding allocation and program details pending.

Enhanced Care Management (ECM)

Partnership

- Collaboration with MMHD, HANC, and Partnership HealthPlan.
- \$102,000 one-year contract for operations, training, and billing.

Status Updates

- Grant extended to March 30, 2026.
- Internal referrals began January 2026.



- 4 referrals received from MRHC as of January 20.
- “Wellness & Resource Hour” being reimaged to include a community care closet (launch February 2026).
- Cerner billing issue identified; IT working to resolve guarantor requirement for minors.
- Case Manager Shay Corder has submitted resignation; awaiting approval to refill position.
- Remaining funds sufficient to continue services through June 30, 2026.
-

Program Transitions & Funding Opportunities

Mindful Connections

- Program being restructured to better support local substance use recovery and mental health.

Children’s Playground Fundraising

- Ongoing fundraising coaching support.
- PGE exploring peer-to-peer fundraising and “Shark Tank” style pitch opportunity.

Expanded Anti-Smoking Education

- Potential \$50,000 grant opportunity.
- Would support hiring additional staff.
- Proposal draft in development.

Partnerships

SMART Employment Services

- Services temporarily suspended; expected to resume Spring.

IMAGE Revitalization

- March 3 meeting to focus on collaborative substance use and mental health education.

Shasta County Chemical People

- Peer mentoring program active at FRHS.
- 14 mentors paired with 15 seventh-grade protégés.



- Positive reception from students and staff.

Website & Community Engagement

Website

- Weekly updates to calendar and events.
- Children's program pages being updated (preschool, after-school, Bright Futures).

Ongoing Community Events

- Bright Futures weekly events (ages 0-5)
- Senior Sip & Social (Thursdays)
- Wellness Hour (Tuesdays)
- NA & AA meetings
- Bingo & Pokeno gatherings

Intermountain Community Center Update

- Building plans approved by County and MMHD Board.
- Final steps underway to release plans for bid.

Board Report

Clinical Division

2/18/2026

Infection Prevention

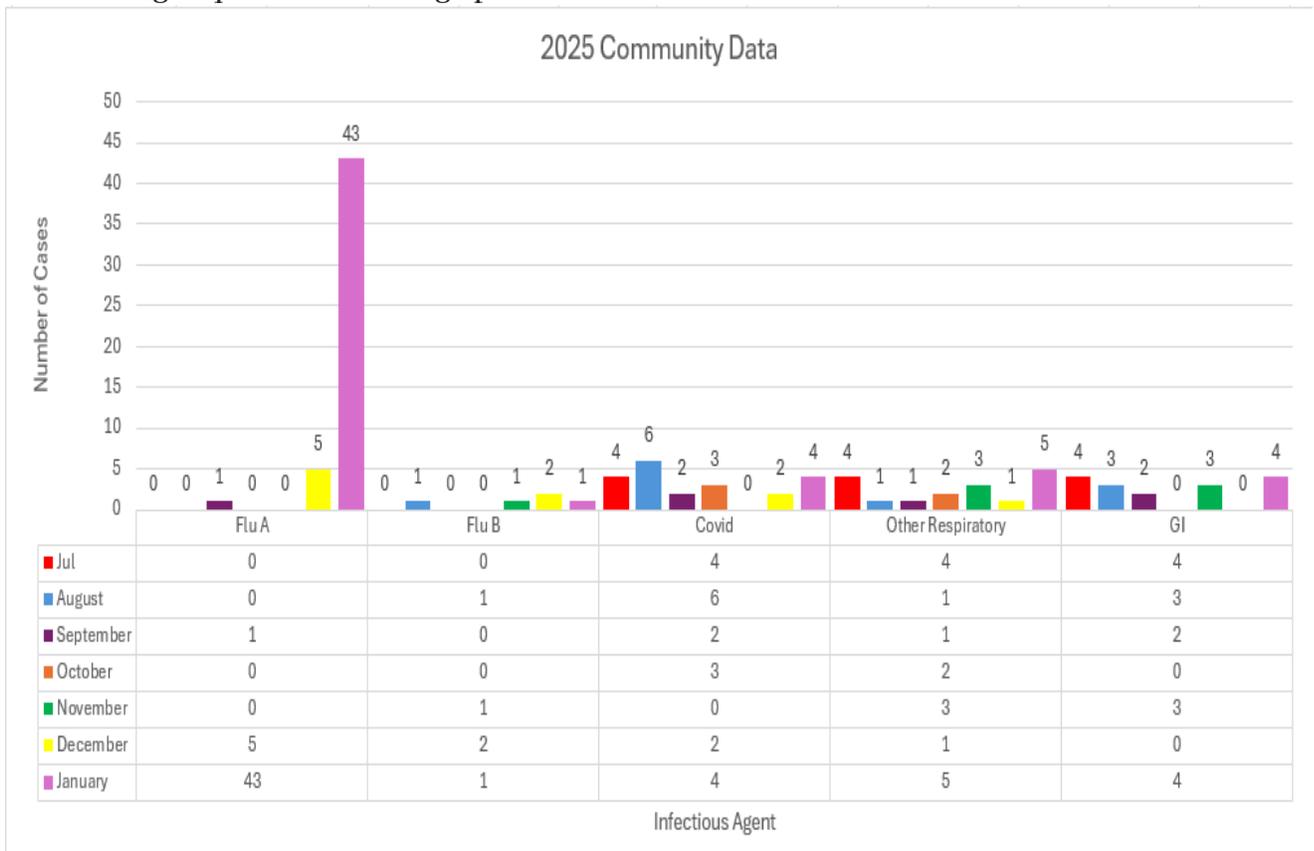
Outbreaks

FRM Influenza A H3 outbreak concluded on 2/10/26 lasting 3 weeks and affected 13 residents.

Burney Annex Influenza A H3 outbreak projected conclusion on 2/20/2026 lasting 2.5 weeks and affected 5 residents.

Negative factors: high community pressure for respiratory illness (see graph), poor staffing due to sick staff members.

Positive factors: High vaccination rate for residents, Burney outbreak was caught quick minimizing spread.



The data on the graph represents any test that was sent through MMHD lab. This could be from ER, MMHD clinic, or MVH clinic.

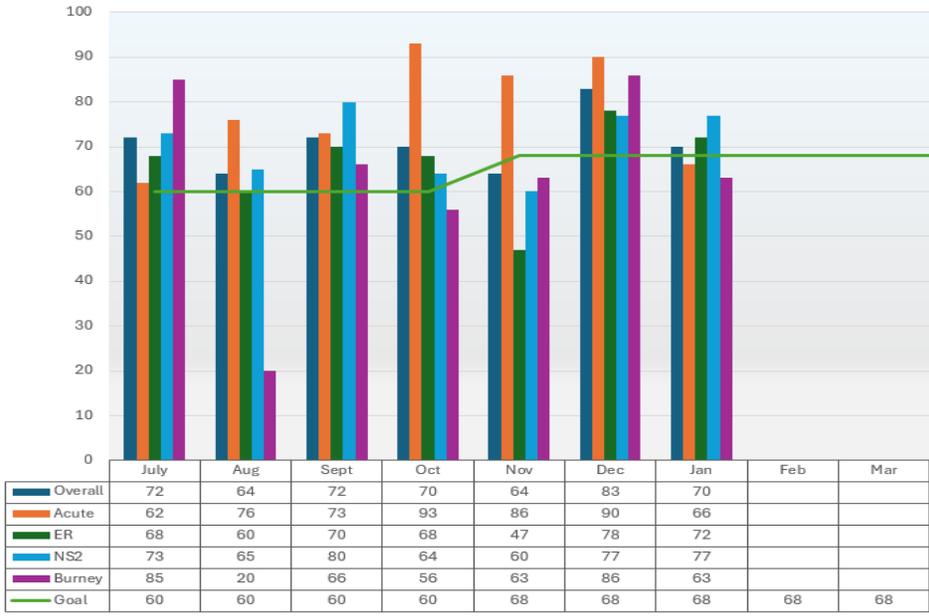
Measles

- IP and Safety Officer working together on protocols and processes in the event of a measles case.
 - Completing staff compliance for N-95 mask fit testing-(84% as of 2/18)
 - New signs were posted outside of clinic and ER.
 - Step by step processes created for ER and Clinic staff. Education given to staff and discussed.
 - Created employee teams page with all measles information from the county and protocols from MMHD.

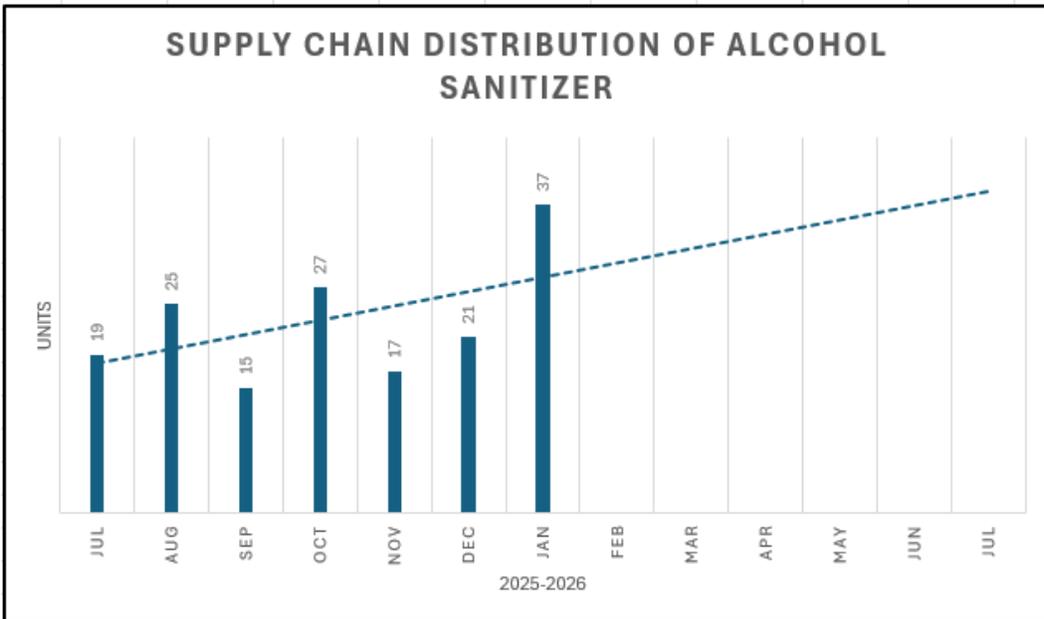


Hand Hygiene: Not as many observations in January due to outbreak activity, therefore not a good representation of staff compliance for January. However seeing the distribution of the ABHS graph is more promising that HH is being utilized more frequently.

Hand Washing Percentage 2025-2026



SUPPLY CHAIN DISTRIBUTION OF ALCOHOL SANITIZER



Retail Pharmacy

Record-Breaking Prescription Volume: On February 9, 2026, the Retail Pharmacy reached a new daily record of **342 prescriptions filled**, continuing the strong growth we've seen in both volume and patient demand.

New Pharmacist Addition: R'Kia ElMoudden, Pharm.D. recently joined the Retail Pharmacy team and has been settling in well. She has been a great addition to both the staff and our community. R'Kia is also immunization-certified, allowing us to continue offering vaccination services through the Retail Pharmacy.

Audit Success: The Retail Pharmacy completed both an OptumRx audit and a Medical Rx audit, with zero findings on both. These results reflect the team's strong compliance practices and attention to documentation and workflow controls.

340B Program

HRSA Audit: We were notified that our 340B Program will be audited by HRSA on February 19–20, 2026. Preparation for the audit is underway to ensure all requirements are met.

Conference Participation: Kristi Shultz, 340B Coordinator, attended the 340B Winter Coalition Conference in San Diego. The conference provided important updates on regulatory changes, audit trends, and best practices that directly support the ongoing compliance and oversight of our 340B program. In addition, Kristi won a competitive drawing that includes paid airfare and registration to the 340B Summer Coalition Conference in Washington, DC. This additional opportunity will allow for advanced training, deeper regulatory insight, and national-level engagement to further strengthen our 340B oversight.

Medicaid Carve-In Status: Work continues toward full implementation of Medicaid Carve-In for the 340B program. As the process has progressed, it has become clear that the operational, data, and compliance requirements are more complex and resource-intensive than initially expected. Efforts remain focused on ensuring that any implementation is done correctly and in full compliance.

Hospital Pharmacy

Onmark Contract: The Onmark program enables Mayers to obtain outpatient infusion medications at substantially discounted pricing. Staff training on the associated ordering platform is scheduled to begin the week of **February 23**.

Audit Success: Shelly Stoltenberg, Pharmacy Technician, implemented corrective actions following findings from the prior year's OptumRx audit. Due to earlier process issues, Mayers incurred a \$14,000 loss in the 2024 audit. After Shelly and the SNF team executed targeted improvements, the 2025 audit resulted in only **\$180** owed.

Measles: The pharmacy has increased our supply of Measles/Mumps/Rubella vaccine due to the measles outbreak in Redding. Employee health is vaccinating staff who do not show immunity to measles.

Shortages: Current shortages include injectable hydromorphone (Dilaudid®) and injectable epinephrine.

Respiratory Therapy

Staffing Status: Department is now fully staffed (*Agency*). Welcomed back a highly valued former employee, Ray Bureny, who started the week of February 16. Multiple team members have expressed their happiness and appreciation for his return.

Recruitment – RT Manager Position: Actively engaged with a strong applicant for the permanent RT Manager role. Coordinating with Ashley in Human Resources to confirm availability and advance to an interview

Staffing Agency Transition: Currently in negotiations with a new staffing company for coverage needs. Libby Mee, CPO, is actively involved in negotiation process.

Pulmonary Rehabilitation Program: The Respiratory Team is collaborating with Zita Biehle from Cardiac Rehab to update the Pulmonary Rehab program and associated policies. Focusing on aligning documentation, workflows, and clinical standards across services.

Mask Fit Testing Compliance: As of February 16: 80% of hospital staff completed a second round of mask fittings.

Director of Clinical Services

Service Excellence Update

- Mayers/CLS - Year One Progress Check & Audit was highly productive, with strong engagement from all participants. Rachel Spaulding, CNO of CLS,

provided thoughtful feedback and meaningful recommendations. The discussion highlighted both the excellent work already underway and key opportunities for continued improvement.

- Nominations for our Year Two Service Excellence Advisors (SEAs) are now in progress. Current SEAs have submitted and voted on their recommendations, and Managers will be submitting their nominations this week. All submissions will be reviewed by the Service Excellence Council before final selections are made.
- Goat Madness is coming! This will re-energize our “Do Its,” the Service Excellence Advisors have developed a fun new initiative: Goat Madness. The campaign will launch soon, with the competition running from March 16–27. Goat Madness is a friendly, department-to-department challenge focused on completing “Do Its”—department-driven process improvements aligned with our Service Excellence Initiative.

Cardiac Rehab

- Cardiac Rehab now reports directly Tiffani McKain, Director of Clinical Services, and she has assumed responsibility for day-to-day operations.
- The Marketing team has launched an online promotional campaign for the Cardiac Rehab program across social media platforms, including Facebook and YouTube.
- Zita and Tiffani have partnered to distribute American Heart Month materials—featuring Clinic and Cardiac Rehab information—throughout the hospital lobby and local businesses across the Intermountain Area. Materials included resources on blood pressure (English/Spanish), smoking cessation (English/Spanish), stress management, sleep, and heart-healthy recipes.
- Zita is actively training Angelina, our Cardiac Rehab Aide, on insurance authorization processes and cross-training her in Cerner.
- Last Friday, Zita and Dr. Lyndsey Frye, Medical Director, attended the Go Red – Redding event. The program focused on raising awareness about heart disease and stroke in women through education and community engagement. Heart disease claims more women’s lives each year than all cancers combined.

Rural Health Clinic

Visit Volume: December marked the highest monthly patient volume since the clinic opened, with **914 total visits**, reflecting continued growth in service utilization.

AI Scribe Implementation: The **AI Scribe system is now live**. Providers equipped with tablets—**Erica Bauer, PA; Dr. Sloat; and Dr. Magno**—are actively using the tool. Remaining providers will begin using the system once their tablets

arrive (anticipated February 20). Jack Hathaway is updating the **Consent to Treat** documentation to incorporate language related to ambient AI use.

LUMA Health Implementation: The clinic remains on schedule to launch **online patient registration forms** via LUMA Health by **March 3**. Initial testing has been successful and continues to progress smoothly.

HPSA Renewal: The application for renewal of the **Health Professional Shortage Area (HPSA)** designation has been submitted. We expect notification regarding any change in designation in the coming months.

Visiting Nurse: Jessica DeCoito, COO, is project manager to implement visiting nurse services. Policies and procedures are being revised, billing codes are being built, and a site visit to other agencies'sama programs are being arranged.

Telemedicine

Please see attached January Summary

Laboratory

Staffing: A new phlebotomist has been hired and has successfully started.

Measles Preparedness: In response to the measles outbreak in the Redding area, Shasta County Public Health requested that we maintain appropriate swabs for measles testing. These supplies are now fully stocked and available for use.

CLIA License: The Clinical Laboratory Improvement Amendments (CLIA) license remains in good standing. The next scheduled inspection is set for **September 2027**.

Physical Therapy

Professional Development & Clinical Innovation: From February 12–14, 2026, Daryl Schneider, PT, DPT attended the American Physical Therapy Association - Combined Sections Meeting in Anaheim, CA the largest national conferences for physical therapy practice and research. Coursework focused on advancing evidence-based management across orthopedic, neurological, and acute care populations, including topics such as knee biomechanics, glenohumeral osteoarthritis, lumbar spine pathology, adolescent ACL rehabilitation, menopausal musculoskeletal health, and emerging technologies such as AI-supported clinical practice.

- Key clinical takeaways included expanded understanding of musculoskeletal changes related to menopause, particularly the role of hormonal changes in shoulder and knee pain presentations, as well as new evidence supporting joint mobilization strategies to improve pain modulation, decrease inflammation, and enhance nerve conduction in patients with lumbar radicular symptoms. These insights will help guide updated assessment and treatment approaches within the department.
- Additionally, discussions with industry vendors introduced potential opportunities to expand rehabilitation services through telehealth-based occupational therapy models. This approach may provide an efficient pathway to broaden service offerings and improve patient access while maintaining operational sustainability.

Facility Enhancement Initiative

The Physical Therapy team has initiated a department-wide project to refresh the therapy environment through updated visuals, motivational messaging, and strategic equipment reorganization. This low-cost initiative aims to create an energized, welcoming rehabilitation space that supports patient engagement and staff morale. The team has shown strong enthusiasm and collaboration in advancing this improvement effort.

Telemedicine Program Update as of February 2, 2026

Respectfully submitted by Samantha Weidner for Kelsey Sloat, M.D., FACOG, Kimberly Westlund, CRHCP, Clinic Manager, Keith Earnest Pharm.D., Chief Clinical Officer and Tiffani McKain, MBA, Director of Clinical Services

We have completed a total of 4,488 live video consults since August 2017 (start of program).

Endocrinology:

- Dr. Bhaduri saw 29 patients in January. She continues to be our most productive, consistent provider.
- We've had 1,644 consults since the start of this specialty in August 2017.

Nutrition:

- Jessica saw four patients in January. We have extended our monthly block by one hour to meet patient volume.
- We've had 289 consults so far since we started this specialty in November 2017.

Psychiatry:

- Stephaine saw 12 patients in January. We have two monthly blocks set with her as she requires more time than our previous provider.
- We've had 898 consults since the beginning of the program in August 2017.

Infectious Disease:

- Dr. Siddiqui saw three patients in January.
- We've had 157 consults since the start of this specialty in September 2017.

Neurology:

- Dr. Nalla saw four patients in January. Erik Kuecher saw three patients in January.
- We've had 517 consults since the start of the program in November 2018.

Rheumatology:

- Dr. Tang saw 16 patients in January. We have added an additional provider, Dr. Sandy Lee, to meet patient volume. She saw one patient for the month of January.
- We've had 374 consults since the start of the program in May 2020.

Nephrology:

- Dr. Bassila saw seven patients in January.
- We've had 188 consults since the start of the program in April 2023.

Gastroenterology/Hepatology:

- I am pleased to announce that, as of February 2026, our Telemedicine program has expanded to include a new specialty. Emily Sizer, PA-C, will be providing Gastroenterology and Hepatology services. We are excited to welcome her to our team.

Talk Therapy:

- Breeanne's last day was December 23rd. She will be returning from maternity leave sometime in April. Telemed2U has been struggling to find a provider to cover her during her leave. I have been in close contact with them weekly regarding this matter.

Referral Update:

We received 38 New Patient referrals in January. Below is a breakdown of where we received them from:

- Mountain Valleys Health Center – 0
- Hill Country Clinic – 3
- Pit River Health Center – 7
- Canby Family Practice – 0
- Mayers RHC – 28
- Mayers SNF – 1

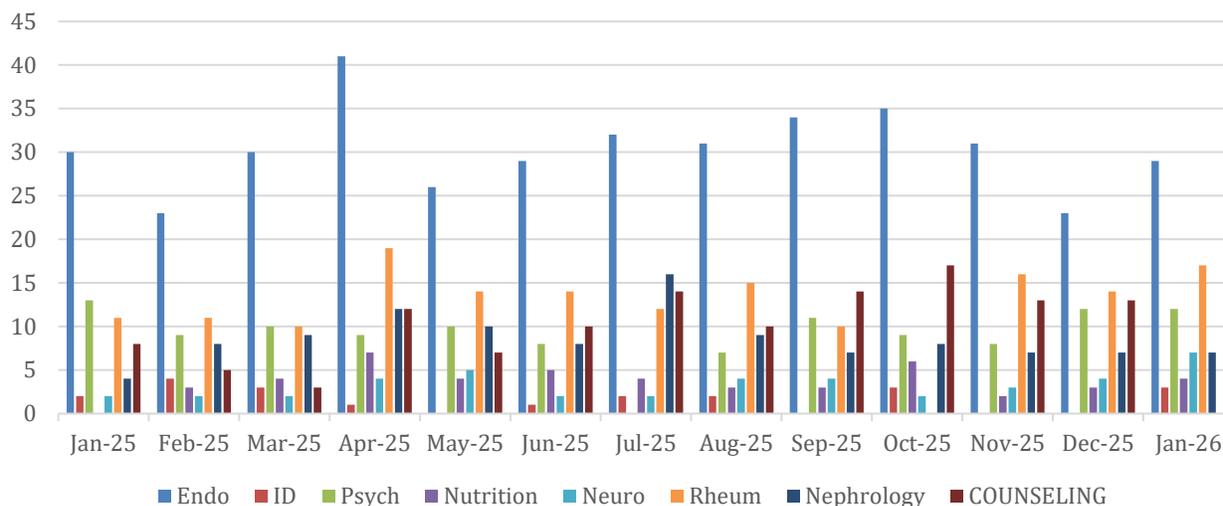
ConferMED –

We had no ConferMED consultations sent in the month of January. We have had 12 total sent since implementation.

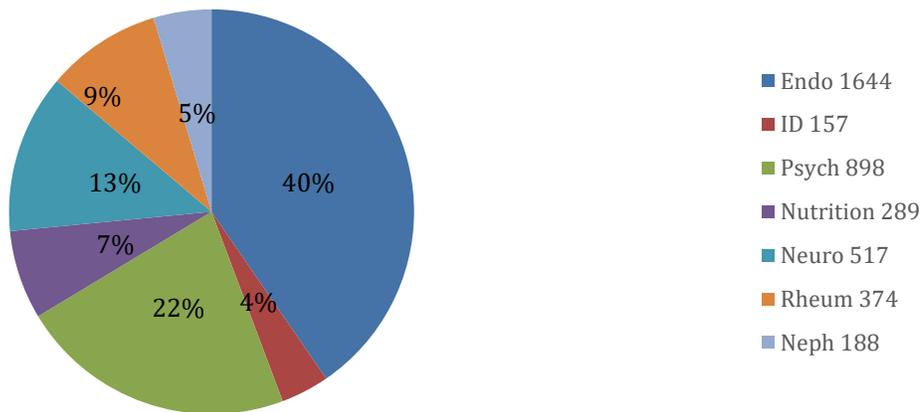
Remote Patient Monitoring –

We have had 20 patients referred to our RPM program since implementation. We have one patient currently monitoring.

Outpatient appts by Specialty



TOTAL





Administrative Reporting Regular Board Meeting

Division: CNO Nursing Division

Submitted By: Theresa Overton, RN BSN

Reporting Month & Year: February, 2026

Summary:

CNO Highlights – January 2026

- **Strategic Performance:** Strong RN recruitment pipeline (highest in 10+ years) with new graduate offers extended; Surgery referrals increased 20% with procedures scheduled within 10-day average (goal ≤ 14); Daily ALS ambulance coverage achieved; 100% ENPC certification completion in ED; No acute medication errors observed during monitoring period.
- **Operational Status:** SNF census 65 with regulatory staffing requirements met; Acute ADC 2.19 and Swing Bed ADC 3.74; ED volume 486 visits with 21 admissions and 26 transfers; continued temporary reliance on travel/contract RNs to support vacancies.
- **Risk & Compliance:** Managed SNF influenza outbreak (11 residents); two SOC-341 self-reports submitted with CDPH review pending; ongoing workforce development (NATP, certifications, infection prevention training) supporting regulatory compliance and quality improvement initiatives.

SNF

Capacity

- Resident Census = 65
- Fall River = 26
- Burney = 21 general resident population
- Burney Memory Care = 18 residents
- 3-pending SNF admits).

Staffing

- We have met regulatory staffing requirements for the month.
- We are currently staffed with RN's for both shifts. We continue to interview for LVN, CNA and UA positions.
- We continue to have discussions with NPH regarding staffing issues and medication errors with good response.

Staff Development

- We are collaborating with Outpatient Services to provide nursing staff with a structured 8hr wound care shadowing rotation. Staff is enjoying this opportunity.
- Infection Prevention has provided an Inservice to the nursing staff regarding UTIs and proper McGeer criteria follow through. We are now scheduling CNA staff to be completed in March.



- Director of Staff Education continues to do random medication pass checks with on-the-spot training/correction as needed. This has proven to be an effective tool in medication error reduction.
- Departmental Education: Realignment will continue with all new hires.
- NATP has started with 3 students, and we have 5 UA's currently for the next class.

Infection Control

- SNF had an Influenza outbreak involving 11 residents at Station 2.

Family engagement

- Family Council has been doing great; we have had a guest speaker at each meeting to discuss or ask any questions from the previous month. Great speakers included EVS Manager, Safety Officer, FNS Manager, Patient Financial Counselor, and Social Services.

PCC

- Richter has completed their audit of our system. Follow-up meeting went well training should start soon with delegated members of the team to attend.
- We had a meeting with PCC regarding Module upgrade for Infection prevention, Eligibility verification, E referrals, and Market insights.

Regulatory

- Two SOC-341 self-reports and Influenza outbreak pending CDPH visit for review.

Activities Department Update

- Continued focus on enhancing resident engagement, comfort, and overall quality of life.
- Fall River campus piano professionally tuned to support music and entertainment programming.
- Spring outdoor activities and community outings in planning stages (local field trips to promote socialization and recreation).
- Planning underway for upcoming live plays and performances to diversify the activity calendar.
- Family Council meetings remain well attended with positive feedback and ongoing collaboration.
- Exploring environmental enhancements:
 - Raised koi pond for Burney Annex patio (and potentially Memory Care), pending safety approval.
 - Sensory carts and sensory wall decals for Memory Care, contingent on fire and life safety compliance.
 - Resident-assisted flower planting planned for spring to enhance patio areas and encourage meaningful outdoor participation.
 - Ongoing commitment to providing safe, engaging, and enriching programs that support residents' physical, emotional, and social well-being.

Acute

January 2026 Performance Dashboard

- Acute ADC: 2.19
- Acute ALOS: 3.32
- Swing Bed ADC: 3.74
- Swing Bed ALOS: 12.88



- OBS Census Days: 4

Staffing Overview

- **Staffing Requirements:** Optimal staffing includes 8 FTE RNs, 2 PTE RNs, 4 FTE CNAs, and 2 FTE Ward Clerks. Currently, the department is down 2 RN positions, 1 CNA position, and 1 Ward Clerk position. One RN did not successfully complete the 90-day probationary period, and another transitioned into a PTE role to support multiple departments, reopening an FTE RN vacancy.
- **Utilization of Registry and Supplemental Staff:** The unit is currently supported by two 13-week travel RNs. Additionally, one PTE NPH RN continues to provide part-time coverage and supports staffing flexibility, allowing core staff to float to OPS, OPM, and the ED as needed.

Operational & Program Updates

- **Recruitment & Hiring:** The department has the highest number of RN applicants in over 10 years, resulting in a strong and diverse candidate pool. Offers have been extended to two highly qualified new graduate RNs, with a strong alternate candidate identified. Several applicants not selected for Acute Care were recommended to the SNF unit. This reflects a significant recruitment achievement.
- **SEI “Do-It” Projects:** Following a successful period of quick-completion initiatives, current projects are focused on collaborative workflow development. Efforts include building a standardized admission process from ED to Acute Care and strengthening internal education related to monthly audit processes.
- **Patient Communication Boards:** New communication boards for patient rooms and the nursing station, ordered in the fall, arrived this month. Installation and updates are occurring as patients discharge. These boards support improved consistency, clarity, and ongoing enhancement of patient communication.

Emergency Services

January 2026

- Total patients treated: 486
- In-Patient Admits: 21
- Transferred to higher level of care: 26
- Pediatric patients: 119
- AMA: 7
- LWBS: 1
- Present to ED vis EMS: 64

Staffing

- Required: 8 FTE RNs, 1 PTE RNs, 2 FTE Techs, 1 PTE Tech
- Utilizing 2 FTE Noc shift contract nurses- Until orientation for both RN and Noc Supervisor is completed.

Do-It Project Update by ED Team

#1: Ensured all three air ambulance call buttons are centrally stored, continuously powered, and ready for immediate use.

#2: Implemented a simple solution in Room 6 to conceal floor discoloration and improve mobility of the clinic exam table when converting the space for OB deliveries.

#3: Pediatric Code Cart Update: Updates to the pediatric code carts are complete, with carts currently out for staff feedback. The goal is to finalize both ED and acute carts and



educate staff on the changes by the end of February, with reinforcement training planned at the May Halo event.

Department Updates

- **Emergency Nursing Pediatric Course (ENPC):** Completed training with 100% of attendees successfully passing and achieving ENPC certification.
- **Versa Duress Badges:** Biweekly implementation meetings are ongoing; the Versa badge team will attend the February ED staff meeting to provide education, with continued collaboration underway with Safety and IT to establish an official rollout date.
- **Basic Life Support–Obstetrics (BLSO):** Due to strong positive feedback from both providers and staff, a second class has been scheduled for February 12.

Ambulance

- 67 total ambulance calls; 17 were interfacility transfers.
- Hired and oriented 2 paramedics (1 full-time, 1 per diem); both cleared for independent shifts, providing daily ALS coverage.
- Hired an additional per diem paramedic; currently in orientation with several weeks remaining.
- Hired 2 new per diem EMTs; recently began orientation.
- Mayers 2 (2015 Ford F350) underwent exhaust system repairs; unit is back in service.
- Annual EVOG (Emergency Vehicle Operations Course) training scheduled for March.

Surgery

January 2026

- Referrals Received: 24
- Change from Prior Month: +20%
- Average time from referral to scheduled procedure: 10 days (goal ≤14 days).

Procedure Volume and Case Mix

- Total Procedures Performed: 14
 - Colonoscopy: 11
 - Esophagogastroduodenoscopy (EGD): 2

Cancellations

- Patient-related (no-show, ride issues): 4
- Facility-related (equipment/staffing): 0
- Need additional clearance or has medical concern: 2

Outpatient Medical

- Census OPM: November 164, December 201, January 145.
- OPM staffing has received clinical team help due to staffing having reduced hours at this time .
- Starting to make education plans for a clinical skills fair in the Spring.
- Starting to make community education plans for the health fair in June.
- OPM had a crash cart training. We hope to conduct this with the ED on a quarterly basis.



- OPM staff member continues to help with Safe Patient Handling as needed.
- OPM continues to work on pillar goals. The Leadership course is ongoing; preliminary education for WCC has been completed and working towards testing. Orientation for LTC/new staff has begun and so far there is positive feedback from those attending.
- OPM staff has completed employee physicals for the year.
- OPM census is currently steady. This could be due to the multifaceted approach, commercials, MMHD marketing, relationship building, and networking with local privileged providers.
- Cost capture for wound clinic days has improved significantly. We hope to stay on this positive pathway. This may be due to leadership oversight and accountability follow through.
- OPM MMHD website was updated.

Social Services

January 2026

- 4-LTC admissions:
 - 2 to Fall River
 - 2 to Burney

Updates

- Currently managing 4 prospective admissions:
 - 2 pending Medi-Cal approval.
 - 1 out-of-area referral with recent medication adjustments; admission pending provider confirmation of stability and absence of behavioral concerns.
 - 1 referral from Susanville requiring Memory Care placement.
 - 1 current Acute patient anticipated to fill the remaining female Memory Care bed.
- LTC admissions were temporarily paused in January due to illness outbreaks on both campuses.
- Outreach efforts:
 - Joint visit with Acute DON scheduled at Renown on 4/3/26.
 - Visits to Shasta Regional and Mercy to be rescheduled for late February/early March.
 - Completion of these visits will fulfill a FY26 strategic goal.

Clinical Education

Certifications & Licenses

- NRP (Neonatal Resuscitation Program):
 - Initial certification on Feb 3rd and renewal
- PALS (Pediatric Advanced Life Support):
 - Renewal scheduled for Jan 4th, 2026
- BLS (Basic Life Support):
 - Renewal class was held on Jan 8th, 2026, with 4 attendees.
 - Ongoing classes every month to ensure budget compliance. Nine recertification courses planned, plus 3 full certification courses yearly.
- NATP Program Update:
 - New class started Jan 26, 2026, running until March 9, 2026, with 3 attendees.



Safe Patient Handling & Mobility (SPHM)

- Bi-monthly orientations for newly hired/re-hired staff.
- OPM LVN is available to assist as a SPHM instructor.
- Annual SPHM refresher course completed between Dec 15, 2025, and Jan 12, 2026 (with additional make-up classes added due to staffing needs in the ER).

Ongoing Projects & Initiatives

- CNA In-Service Training (2026):
 - Training topics for the year include:
 - Abuse, Dementia, Infection Prevention, Resident-Centered Care, Professionalism, Resident Safety.
 - Ongoing communication to align class sizes with budget/staff schedules.
 - Geriatric Nutrition and Hydration sessions scheduled for March 2026.
- CDPH CNA Orientation/Education Days:
 - Bi-monthly sessions post-HR orientation.
 - Relias Platform for CEU acquisition for nurses and CNAs.
- Acute Care Medication Error Observation:
 - Monitoring medication errors from Dec 2025 to March 2026; no errors observed so far.

Looking Ahead

- Nursing Skills Fair scheduled for March 23-24, 2026.

Respectfully Submitted by Theresa Overton, CNO