

**Tulare Local Healthcare District  
Board of Directors Meeting  
Minutes  
Wednesday, September 26, 2018 6:30 PM  
City of Tulare Council Chambers  
475 M Street, Tulare, CA**

**AGENDA**

In Attendance: Kevin Northcraft	Dan Heckathorne	Interim CFO
Mike Jamaica	Sandy Haskins	Interim CAO
Senovia Gutierrez	Todd Wynkoop	Legal Counsel
Xavier Avila	Ben Nicholson	Legal Counsel
Stephen Harrell	Riley Walter	Bankruptcy Counsel

**1. Call to Order**

Meeting called to order at 6:32 pm

**2. Public Comment:**

David Phelps  
Dr. Patricia Drilling  
Barry Caplan  
Deanne Martin-Soares

**3. Announcements – Board**

Mike Jamaica reported on attending the MEC recognition dinner  
Kevin Northcraft reported that recognition of Drs. Betre and Patel has been deferred to the October regular meeting. Kevin also announced the following

upcoming events:	First responders bbq	Sept. 28
	Chamber networking	October 2 – AH Hanford
	VIP celebration	October 11
	Ribbon cutting	October 15 9:00 a.m.

There will be 2 special meetings the next two Wednesdays for contracts

**4. Consent Agenda Items:**

- a. Confirmation of designation of Dan Heckathorne, VP/CFO to assume responsibilities of Interim CEO Larry Blitz during Mr. Blitz' absence from September 21, 2018 to October 9, 2018

Mike Jamaica moved to accept. Senovia Gutierrez seconded. Vote 5-0 to approve

- b. Approval of hospital policies

Todd Wynkoop announced at Adventist Health request this item has been pulled

**5. Tulare Hospital Foundation Update**

Jan Smith was absent and unable to report. Kevin Northcraft announced the Proud to Wear Pink event will be held October 6, 10:30 am – 2pm, tickets are \$40 and available at the Foundation office.

**6. Evolutions Wellness Center Update – Evolutions Oversight Committee and EVO Management Company**

Derek Jackson advised there will not be a check this year for three reasons: There were 3 pay periods last month that total \$21,000. Summer utility bills, and a \$4400 purchase of towels. EVO management forecasts checks thru the end of the year.

Kevin Northcraft reported that he met with a solar company to do a free survey to reduce utility bills

Joseph Soares reported that EVO is waiting for the contract for new equipment

**7. Review and action on First Amendment to Lease Agreement and Memorandum of Lease Agreement between TLHD and EVO Management Company, LLC related to the premises commonly known as Evolutions to modify the existing lease between the parties related to Evolutions to accommodate for a loan commitment by EVO Management Company, LLC for the cost of physical fitness equipment previously approved by the Board.**

Todd Wynkoop began his report advising the acquisition of new equipment for Evolutions has been approved and the debt must be retired or assumed before EVO can be removed. He recommended approval of the amendments to the lease agreement.

Stephen Harrell and Senovia Gutierrez volunteered to meet with EVO.

Xavier Avila moved to approve and adopt the lease agreement and memorandum. Mike Jamaica seconded the motion. Vote 4-0 with Stephen Harrell abstaining.

**8. Review and action on TLHD Resolution 862 revoking the January 26, 2016 action of the then TLHD Board of Directors dismissing the Tulare Regional Medical Center Medical Executive Committee and revoking the Medical Staff Bylaws.**

Ben Nicholson said this action is follow up housekeeping revoking 2016 Resolution 862.

Senovia Gutierrez moved to approve with Stephen Harrell seconding. Approved 5-0

**9. Board Recognition of the Medical Executive Committee (MEC) Special recognitions of Drs. Betre and Patel**

Tabled to the October 24, 2018 meeting

**10. Discussion and Action on Employee Lease Agreement by and between Tulare Local Hospital District D/B/A Tulare Regional Medical Center and Adventist Health for the period beginning on or about September 2018 through on or about January 2019.**

Xavier Avila moved to approve with Stephen Harrell seconding the motion.  
Motion approved 5-0

**11. Discussion and Action on maintenance and other projects related to opening Tulare Regional Medical Center**

- a. Status of repair and maintenance projects
- b. Authorize and approve IT expenditures
- c. Authorize incremental costs for chiller acquisition
- d. Authorize and approve purchase of Biomet product

See report as given by Dan Heckathorne

**12. Chief Executive Officer Update**

- a. Licensing and Certification update
- b. Adventist Health and Tulare Regional Medical Center Coordination Status – Hiring, Physicians, Contracts, Capital Projects, Rural Health Clinics
- c. Update on plans related to CDPH
- d. Special Legislative Audit
- e. Public Relations

See report as given by Dan Heckathorne

**13. Chief Financial Officer Report:**

**Review and Recommend the following for Board Approval:**

- a. June, 2018 Draft Internal Financial Statements:
  - i. Comments, Balance Sheet, and Statement of Revenue and Expenses
- b. Accounts Receivable Update
- c. Accounts Payable Update
- d. Supplemental Payment Recoveries Update
- e. Cash Report Update
- f. Update on Adventist Health Line of Credit activities

See report as given by Dan Heckathorne

**14. Update on recruitment for administrator, support staff, and accounting for post-lease district support**

Tammy Koegler working on recruitment  
Kevin Northcraft reported he and Senovia Gutierrez met with an individual interested in the Administrators position

**15. Update on recruitment for legal assistance for non-litigation, non-hospital matters – consideration and action on interim agreement for review of lease documents**

Kevin Northcraft reported that the District needs local legal representation for the leases of 16 properties and other legal matters that require quick response. He introduced Julia Lew who is the City Attorney for two local cities, represents the Tulare County Housing Authority, and is general counsel for the North Kern/South Tulare Hospital District. She is also counsel for the Tulare Hospital Foundation and will recuse if there is a conflict. She has lived in Tulare for over 20 years and works for a private law firm in Visalia that has over 75 years of public agency experience.

Todd Wynkoop said he unclear of the responsibilities being proposed but will meet with the Board President and the other law firm on language, but he approves in concept.

Stephen Harrell moved approve the appointment of Julia Lew as interim legal counsel. Senovia Gutierrez seconded the motion. Approved 5-0.

**16. Update on rental of District properties**

Stephen Harrell reported that he is working on renting the former Women’s Pavilion to a hand surgeon for \$1600 a month. The leases of Top O Morn, Revive, and Fugazzis are expired. He reported there will be a change to the Revive lease to extend for 2-3 years and include the sale of retail items. There will be minimal changes to the Fugazzi lease. He and Kevin Northcraft met with a potential property manager.

Sandy Haskins reported there is a new potential lease with the VA (one on Cherry and one on Gem)

Todd Wynkoop reported that he has received a list of properties Adventist Health is interested in.

**17. Suspend open session – recess to closed session**

Open session suspended at 8:44 pm

**18. Closed session**

- a. Conference with Interim Legal Counsel- Existing litigation (*pursuant to Ca. Govt. Code § 54956.9*)

(1) Update on Medical Malpractice and insured litigation matters to include (all cases in Tulare County Superior Court): Anderson v. Gupta; Brooks v. TRMC; Cabrera v. TRMC; Calderon v. TRMC; Dominguez v. TRMC; Griesbach v. TRMC; Ibarra v. TRMC; Metcalf v. TRMC; Opper v. TRMC; Torres v. TRMC; Torres III v. TRMC.

(2) In re Tulare Local Healthcare District dba Tulare Regional Medical Center -- United States Bankruptcy Court Eastern District of California Case No. 17-13797

(3) HCCA v. Tulare Local Healthcare District, and Counterclaim, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 17-01095 – B

(4) Kumar v. Betre—Tulare County Superior Court Case No. VCU265230 & Appeal

- (5) Phelps v. Greene-- Tulare County Superior Court Case No. VCU270681
- (6) Drilling v. Bell-- Tulare County Superior Court Case No. VCU267051
- (7) Martin Soares v. TRMC-- Tulare County Superior Court Case No. VCU266902
- (8) Gutierrez v. TLHD-- Tulare County Superior Court Case No. VCU271265
- (9)
- (10) TRMC v. Celtic Leasing-- U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01008
- (11) First Source Solutions USA LLC v. TRMC et. al, United States District Court, Eastern District of California Case No. 1:15 –cv-01136
- (12)
- (13) Zulim v TLHD – Tulare County Superior Court Case No. VCU274358.
- b. Consideration and review of settlement agreement and action on proposed settlement of litigation matters:
  - i. Specialty Laboratories v. TRMC-- U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01014
  - ii. Maxim Healthcare Services v. HCCA- - U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01018
- c. Conference with designated negotiators Richard Gianello and Todd Wynkoop regarding the potential real property lease of the Tulare Regional Medical Center to Adventist Health (*pursuant to Ca. Govt. Code §54956.8*)
  - (1) Report and action on Deloitte Fair Market Valuation Report
  - (2) Report and action on real property lease of Tulare Regional Medical Center to Adventist Health
- d. Review and action on contracts with physicians/physician groups to provide clinical services to patients of TLHD/TRMC (*pursuant to Ca. Govt. Code §54957*):
  - i. Call Coverage Agreement by and Between Tulare Local Healthcare District D/B/A Tulare Regional Medical Center and Fateh Entabi, M.D.
  - ii. Radiology Department Professional and Medical Director Services Agreement by and among Tulare Local Healthcare District D/B/A Tulare Regional Medical Center and Los Angeles Radiology Medical Associates, Inc.
  - iii. Professional Services Agreement by and between Tulare Healthcare District D/B/A Tulare Regional Medical Center and Microcorre Diagnostic Laboratory
  - iv. Anesthesia Department Professional and Medical Director Services Agreement by and among Tulare Local Healthcare District D/B/A Tulare Regional Medical Center and Parmount Anesthesia Associates, Inc.
  - v. Emergency Department Professional and Medical Director Services Agreement by and among Tulare Local Healthcare District D/B/A Tulare Regional Medical Center and Vituity
  - vi. Hospitalists Professional and Medical Director Services Agreement by and among Tulare Local Healthcare District D/B/A Tulare Regional

Medical Center and Vituity

- e. Review and Discussion of the California Legislative Audit Office Draft Report  
(*pursuant to CA. Govt. Code § 54975.75*)
- f. End closed session

**19. Reconvene Open Session – Public report of action taken in closed session (if necessary)  
pursuant to Government Code 54957.1**

Report of action taken in closed session sent to news media by email

**20. Adjournment** *Next regular meeting scheduled for 6:30 PM on Wednesday October 24,  
2018 at Tulare City Council Chambers.*