

**FILED**

**AUG - 6 2008**

**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF TRINITY**

**BY: DONNA HANOVER, DEPUTY CLERK**

*DH*

**TRINITY COUNTY GRAND JURY  
2007-2008**

**HEALTH AND HUMAN SERVICES COMMITTEE  
FINAL REPORT**

**MOUNTAIN COMMUNITY HEALTHCARE DISTRICT/TRINITY HOSPITAL**

**This Report was Approved  
On June 10, 2008**

**2007/2008 Trinity County Grand Jury  
Health and Human Services Committee  
Final Report**

**MOUNTAIN COMMUNITY HEALTHCARE DISTRICT/TRINITY HOSPITAL**

**Purpose:**

This committee has discussed community concerns regarding the viability and operations of Trinity Hospital since its ownership was transferred from TPUD to the special district in January, 2007. The citizens of Trinity County have a vested interest in the outcome of this transfer of ownership as a special tax assessment has been levied to assist the survival of this hospital. A specific issue that has recently drawn a great deal of public controversy is the announced intention of MCHD to purchase the Hayfork Clinic.

**Background:**

Request for this investigation was submitted to the full Grand Jury on November 12, 2007. Approval was granted on the same date by the Grand Jury based on concerns for and by the community.

**Method of Investigation:**

Several members of the Grand Jury attended the November Hospital Board meeting and obtained financial reports and 2007 budget information. At a later date, 2008 budget information was also requested and obtained.

Grand Jury interviews were held with the following individuals:

Hospital administrative official on Feb. 11, 2008

Hospital administrative official on Feb. 14, 2008

Hospital board member on March 3, 2008

Hospital board member on March 3, 2008

Two Grand Jury members interviewed a hospital administrative official with follow up questions on March 20, 2008

One concerned citizen was interviewed on April 21, 2008

**Finding #1**

A special tax assessment was voted into law and is being levied on property owners in Trinity County. Many of the general public had the impression that the special tax money would be used to pay down the debt with vendors, not for operating costs. It is also unclear to the general public as to how the specific annual amount of the special tax was determined.

In spite of the special tax assessment, Trinity Hospital has made no progress in paying down its debt. In fact, without the special tax money, the hospital would be unable to meet month to month operating costs. As of January 31, 2008, Trinity Hospital was still not making a monthly profit. The most recent information prior to the writing of this report is there was a net loss of \$14,409 in March of 2008 and a total loss of \$168,133 for the first three months of 2008.

**Recommendation #1**

Improve the communication between medical staff and the billing department by emphasizing timely and accurate charting, followed up by timely and accurate billing to gain the best advantage for Medicare/Medi-Cal and private insurance reimbursements. Explore all options to negotiate our burden of debt with vendors (a form of bankruptcy called Chapter 11).

Explore all avenues for securing grant funding to offset the Governor's budget cuts that will affect rural hospitals.

**Finding #2**

The intention of the Board of Directors and top hospital management is to move forward with the purchase of the Hayfork Clinic. There is public concern and controversy regarding this intention.

**Recommendation #2**

Inform the general public regarding the process of arriving at the purchase price of the Hayfork Clinic and obtaining an appraisal.

Public meetings should be held in Hayfork to gain information regarding the willingness of the citizens of Hayfork and surrounding area to support the clinic by making their medical appointments locally instead of driving to Weaverville or Redding.

Consideration needs to be made for the expense of a "benefit package" for employees.

Monthly financial statements of the clinic should continue to be scrutinized if this transaction reaches escrow.

**Finding #3**

It is difficult to recruit qualified professional staff to a small rural hospital.

The hire of three contracted and qualified RNs from India increased the legal patient load to ten beds. However, it was not economically feasible to renew this contract, so the three RN's were let go which drops the legal bed availability to five.

**Recommendation #3**

More effort should be expended for Trinity Hospital personnel to work in conjunction with the Trinity Chamber of Commerce to market this area directly to a number of nursing schools since hiring of employees by the hospital is less expensive than through a contracted company.

Trinity Hospital should look into developing its own web site through the talent of local computer experts.

**Finding #4**

The convalescent hospital (skilled nursing facility) consistently makes a profit.

The Weaverville Health Clinic and the Dental Clinic have never shown a profit.

**Recommendation #4**

The Weaverville Health Clinic and Dental Clinic need to be monitored over the next 6-12 months to see whether a more positive pattern develops.

Explore all options to increase space and staffing so that the convalescent hospital (skilled nursing facility) could be expanded.

**Finding #5**

There is neither a plan for what happens at the end of 2011 nor is there a fund to make any needed structural repairs on the building or required earthquake retrofits by 2013.

**Recommendation #5**

It is understood that a first strategic planning session took place in February of 2008. The public needs to be kept informed of such planning sessions. A schedule for regular meetings needs to be made and announced in the *Trinity Journal*. The *Trinity Journal* also needs to have an opportunity to report on the results of the planning sessions.

**Finding #6**

The hospital district has weathered a number of difficult staffing changes of key employees during 2007-2008 that could potentially jeopardize the operating efficiency of Trinity Hospital.

**Recommendation #6**

Strategic planning sessions could address planning for the potential loss of key hospital officials. A contingency plan needs to be in place for the replacement of key administrative and medical officials in order to continue smooth operating procedures and service delivery to the community.

**Finding #7**

The Board of Directors and top hospital management are diligent and dedicated to improving the financial situation for Trinity Hospital so that the citizens of Trinity County will continue to have access to emergency medical services and the ongoing medical services of a local clinic and dental clinic.

**Recommendation #7**

The hospital board meets the third Wednesday of every month at 6 P.M. at the Weaverville Library. Members of the public who have concerns and questions are encouraged to attend and participate in these meetings.

If the Hayfork Clinic is purchased, the possibility of rotating occasional board meetings to Hayfork could be considered in order to encourage participation from the community of Hayfork.

It is recommended by the Grand Jury of 2007/2008 that future Grand Juries continue to review the financial situation of Trinity Hospital and report such findings to the public on an annual basis. This could be done by the Health and Human Services Committee, as was done in 2007/2008. Since Trinity Hospital is a special district, the Special District

Committee of the Grand Jury could also give specific attention to the hospital on an annual basis.

Consideration needs to be made to form an "Oversight Committee" of community members who regularly attend board meetings. The Oversight Committee would monitor progress and offer input to the board that could be invaluable in improving the perception of trust and collaboration between the citizens of Trinity County and MCHD/Trinity Hospital.

RECEIVED  
AUG 27 2008  
TRINITY COUNTY  
SUPERIOR COURT



TRINITY HOSPITAL  
Owned and Operated by  
Mountain Communities Healthcare District

To: James P. Woodward  
Presiding Judge of Trinity Superior Court

From: Claire M. Kuczkowski, CEO  
Mountain Communities Healthcare District (MCHD)

Date: August 22, 2008

Re: 2007-2008 Trinity County Grand Jury Report  
Mountain Communities Healthcare District/Trinity Hospital

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On behalf of the Board of Directors of Trinity Hospital, owned and operated by Mountain Communities Healthcare District and myself, I wish to express our appreciation for the Final Report from the Trinity County Grand Jury Health and Human Services Committee.

I am responding to the seven (7) individual finding in the order of presentation as described in the report dated August 1, 2008.

Finding #1

The tax assessment money is utilized for the operation of Mountain Communities Healthcare District as well as for paying down the debt with vendors.

The annual amount of the tax was determined by estimating the additional income needed to maintain the hospital operations through the ongoing five year period of time.

Finding #2

The possibility of purchasing the Hayfork Health Center is still under consideration. A special Board of Directors meeting is scheduled in September in Hayfork as a public meeting to discuss healthcare needs in that community.

Finding #3

Recruitment efforts to attract and hire qualified professional staff is a continual process. The Director of Human Resources utilizes all methods of marketing and advertising available and recruitment strategies to fill the ever changing staffing needs of the district.

Finding #4

The skilled nursing facility does make a significant contribution to overhead. The Trinity Community Health Clinic and Trinity Community Dental Clinic are now financially stabilized and do make a contribution to overhead operations.

James P. Woodward  
Presiding Judge of Trinity Superior Court  
Re: 2007-2008 Trinity County Grand Jury Report

Finding #5

Mountain Communities Healthcare District meets the current requirements of SB 1953 and has had its plan approved to 2013.

Finding #6

Recruitment plans and efforts are underway for both the recruitment and retention of both medical and professional personnel.

Finding #7

It is the goal of the Board of Directors and management personnel that we continue to work together to improve the financial stability of Mountain Communities Healthcare District. Emergency services for the community are a top priority. The health clinic and dental clinics are important and contribute to the total services available. We will continue to seek ways in which we may improve and expand healthcare services throughout the district

cc: Mountain Communities Healthcare District Board of Directors  
Wendy Tyler, Clerk of the Board of Supervisors and Administrative Analyst

DEC 29 2008

TRINITY COUNTY  
SUPERIOR COURT**TRINITY COUNTY**

Board of Supervisors

P.O. BOX 1613, WEAVERVILLE, CALIFORNIA 96093  
PHONE (530) 623-1217 FAX (530) 623-8365

TO: The Honorable James P. Woodward,  
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2007-08  
Grand Jury Health and Human Services Committee Final Report  
re: Mountain Community Healthcare District / Trinity Hospital

DATE: November 4, 2008

The Grand Jury Health and Human Services Committee has requested a written response to their final report on the Mountain Community Healthcare District / Trinity Hospital. The response of the Board is as follows:

**Finding #1:**

A special tax assessment was voted into law and is being levied on property owners in Trinity County. Many of the general public had the impression that the special tax money would be used to pay down the debt with vendors, not for operating costs. It is also unclear to the general public as to how the specific annual amount of the special tax was determined.

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**Response:**

MCHD is an independent Healthcare District with an elected Board of Directors and does not fall under the jurisdiction of the Trinity County Board of Supervisors.

**Recommendation #1:**

Improve the communication between medical staff and the billing department by emphasizing timely and accurate charting, followed up by timely and accurate billing to gain the best advantage for Medicare/Medi-Cal and private insurance reimbursements.

JUDY PFLUEGER  
DISTRICT 1JEFF MORRIS  
DISTRICT 2ROGER JAEGEL  
DISTRICT 3HOWARD FREEMAN  
DISTRICT 4WENDY REISS  
DISTRICT 5



Explore all options to negotiate our burden of debt with vendors (a form of bankruptcy called Chapter 11).

Explore all avenues for securing grant funding to offset the Governor's budget cuts that will affect rural hospitals.

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**Recommendation # 5**

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ANTON R. JAEGEL, Chairman