

Del Norte Healthcare District  
Board of Directors Meeting

Agendized  
Board Packet

Tuesday, July 26, 2022

**June/July 2022**  
**6/24/2022 – 7/20/2022**

<u>Name</u>	<u>Description</u>	<u>Ck#</u>	<u>Amount</u>
Wen-Cor Cleaning	Inv. 20220467	10236	300.00
D/V/RX	dental Reimb.	10237	181.00
Frontier	Elevator Line	10238	61.83
D/V/RX	Dental Reimbursement	10239	369.00
D/V/RX	RX reimbursement	10240	42.49
DNSWMA	Sharps	10241	75.00
Doris Hendricks	June Payroll	10242	1325.27
CalPers	July Premium	EFT	2958.78
GSRMA	Ins Premium 7/1/22-6/30/23	10243	16393.00
Tri Counties Bank	Credit Card	10244	14.99
Adobe	14.99		
Charter	6/30/22-7/29/22	10245	169.97
U.S. Postal	P.O. Box fee	10246	212.00
Del Norte Office	Supplies	10247	18.40
D/V/RX	RX reimbursement	10248	19.81
D/V/RX	Dental reimbursement	10249	2985.00
Chris Vaughan	Back Flow Test	10250	75.00
EDD	Payroll Taxes	EFT	22.03
U. S. Treasury	Payroll Taxes	EFT	319.98
McMillan & Mayle	June Service	10251	930.00
CCWD	6/9/22-7/7/22	10252	1942.71
CCWD	same/garden	10253	41.20

**Del Norte Healthcare District  
Financial Report  
June 30, 2022**

ACCOUNT	June 1, 2022	September 30, 2021	June 30, 2022
	Bk./Inv. Acct. Bal.	Note Payable	Bk./Inv. Acct. Bal.
LAIF (Investment Account)	2,279,654.08		2,279,654.08
Tri Counties- Bus. Cking. Acct.	75,119.63		44,409.56
Tri Counties - Money Mkt. (holding) Acct.	7,601.70		35,191.39
Tri Counties- W.C. USDA Auto Pay	20,044.17		20,044.34
<b>TOTAL BK./INV. ACCT BALANCES</b>	<b>2,382,419.58</b>	<b>0.00</b>	<b>2,379,299.37</b>

BUDGET CATEGORY			
INCOME	Anticipated Income	Income Received To Date	Remaining/(Surplus) Anticipated Income
Interest LAIF & bank Accts	7,500.00	4,863.99	2,636.01
Tax Receipts	525,000.00	677,182.71	-152,182.71
Rent (Open Door \$ 10250.00)	123,000.00	123,000.00	0.00
DHHS Lease (\$6800.00)	81,600.00	81,600.00	0.00
Utility Reimbursement 80%	50,400.00	45,693.01	4,706.99
Insurance Reimbursement Pers-D/V/RX	15,200.00	15,614.80	-414.80
Miscellaneous Income	1,000.00	7,439.40	-6,439.40
<b>Sub-Total</b>	<b>803,700.00</b>	<b>955,393.91</b>	<b>-151,693.91</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>803,700.00</b>	<b>955,393.91</b>	<b>-151,693.91</b>

EXPENDITURES	Annual Budget	Paid to Date	Budget Amt. Available
<i>Personnel Expenses</i>			
Payroll	17,000.00	15,863.00	1,137.00
General Benefits/SSI/EDD/WC	5,000.00	4,151.00	849.00
Cal Pers	41,400.00	38,684.61	2,715.39
Dental, Vision, RX	39,000.00	18,777.42	20,222.58
<b>TOTAL PERSONNEL EXPENSES</b>	<b>102,400.00</b>	<b>77,476.03</b>	<b>24,923.97</b>
<i>Operating Expenses</i>			
Pacific Power	25,000.00	22,328.94	2,671.06
Blue Star Gas	22,000.00	22,700.16	-700.16
Crescent City W & S	16,000.00	13,237.82	2,762.18
Telephone & Internet	5,000.00	3,900.93	1,099.07
Office Supplies and Expenses	3,000.00	890.34	2,109.66
Training & Education	2,500.00		2,500.00
<b>TOTAL UTILITIES AND OFFICE EXPENSE</b>	<b>73,500.00</b>	<b>63,058.19</b>	<b>10,441.81</b>

DEL NORTE HEALTHCARE DISTRICT  
MONTHLY FINANCIAL REPORT, PAGE 2  
September 30, 2022

Budget Category	Annual Budget	Paid to Date	Budget Amt. Available
<i>Professional Services Expense</i>			
Legal	10,000.00		10,000.00
Accounting	15,000.00	9,335.00	5,665.00
Election Expense			0.00
Healthcare Needs Assessment	60,000.00		60,000.00
Mental Health Facilitator	20,000.00		20,000.00
Other Professional Expenses	10,000.00	7,401.36	2,598.64
Insurance	16,000.00		16,000.00
<b>TOTAL PROFESSIONAL EXPENSE</b>	<b>131,000.00</b>	<b>16,736.36</b>	<b>114,263.64</b>
<i>Building Maintenance</i>			
Materials & Supplies	10,000.00		10,000.00
Grounds Keeping	12,000.00	11,360.00	640.00
Land Clearing	15,000.00		15,000.00
Maintenance Services	30,000.00	10,841.80	19,158.20
<b>TOTAL BUILDING MAINTENANCE</b>	<b>67,000.00</b>	<b>22,201.80</b>	<b>44,798.20</b>
<i>Contributions</i>			
High School Scholarship (\$500.00 x 4)	2,000.00	2,000.00	0.00
Childcare Scholarship	5,000.00	5,000.00	0.00
CR Nursing Scholarship	10,000.00		10,000.00
Grad Night Safety Program	500.00	500.00	0.00
Sharps Containers	600.00	300.00	300.00
Swim Lessons	45,000.00	40,301.00	4,699.00
Covid Vax	56,500.00	38,899.11	17,600.89
General Projects	0.00		0.00
<b>TOTAL CONTRIBUTIONS</b>	<b>119,600.00</b>	<b>87,000.11</b>	<b>32,599.89</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>493,500.00</b>	<b>266,472.49</b>	<b>227,027.51</b>
<b>CAPITAL EXPENSES</b>			
	<b>Annual Budget</b>	<b>Paid to Date</b>	<b>Budget Amt. Available</b>
Fixed Assets	0.00		0.00
Building Repairs (DHHS)	20,000.00		20,000.00
<b>TOTAL CAPITAL EXPENSES</b>	<b>20,000.00</b>		<b>20,000.00</b>
<b>TOTAL OPERATING &amp; CAPITAL EXPENSES</b>	<b>513,500.00</b>	<b>266,472.49</b>	<b>247,027.51</b>
CONTINGENCY FUND	20,000.00		20,000.00
<b>TOTAL OPERATING EXPENDITURES</b>	<b>533,500.00</b>	<b>266,472.49</b>	<b>267,027.51</b>
<b>SURPLUS</b>	<b>270,200.00</b>		<b>270,200.00</b>

**Minutes of Regular Board Meeting  
Del Norte Healthcare District  
June 28, 2022, 6:30 PM**

- 1. **CALL TO ORDER:** Meeting commenced at 6:30 p.m. in person and via zoom link.
- 2. **ROLL CALL:**  
Present: Directors Santillan, Pearcey, Austen, Young and Chairman Caldwell.  
Absent: 0
- 3. **PUBLIC COMMENT:** None
- 4. **CONSENT CALENDAR:**
  - a. Approval of bills paid.
  - b. Approval of financial report for May 2022.
  - c. Resolution 2021-1: Pursuant to AB 361 is hereby renewed, considered and that the pandemic remains, will be considered for an additional 30 days.

Director Pearcey made a motion to approve the consent calendar as submitted. Director Austen seconded the motion.  
Motion passed 5 - 0

5. **REVIEW/POSSIBLE REVISION AND APPROVAL OF THE MINUTES FROM THE May 24, 2022, MEETING.**

Director Austen made a motion to approve the minutes as submitted. Director Santillan seconded the motion.  
Motion passed 5 - 0

6. **COMMUNICATIONS:**

- a. Open Door: No one present

**7. COMMITTEE REPORTS:**

**A. BUDGET/FINANCE COMMITTEE:** (Director Young and Chair Caldwell).

1. Approval of the 2022 - 2023 Budget

Director Pearcey made a motion to approve the 2022 - 2023 budget. Director Santillan seconded the motion.  
Motion passed 5 - 0.

**B. NEWSLETTER/WEBSITE COMMITTEE:** (Directors Austen and Pearcey).

1. Pet Fire Safety (Director Pearcey)
2. Del Norte Community Health Fair (Director Austen)
3. Community COVID-19 Vaccine Availability (Director Austen)
4. COVID-PROOFING Your Home (Director Austen)
5. Maternal Child and Adolescent Health (Director Austen)

Director Austen made a motion to publish the 5 newsletters.  
Director Young seconded the motion.  
Motion passed 5 - 0

**C. HEALTHCARE EXPANTION:**

1. Mental Health Update: See attached email between Director Austen and Supervisor Starkey.

Chairman Caldwell had a discussion with Supervisor Starkey regarding what a facilitator does.

Chairman Caldwell: Sutter Coast owes the community a lot of money and they should be using their profits for fulfilling community needs. Mental health needs are on the top of the list. It doesn't need a study or a grant, they just need to do it. We don't have any power of enforcement but the County has some and they just need to put they're foot down and demand that Sutter do something. That is where a facilitator could

come in. We would just like Sutter to fulfill their obligation. Director Austen to keep in touch with Supervisor Starkey.

**D. HEALTH PROMOTION:**

1. Swimming Lessons:(Director Young)

The pool is closed for repairs until August.

a. Discussion/Possible action regarding senior month passes and recreation swim.

There was discussion regarding possible funding of senior swim passes and recreational swim. There were multiples ideas discussed on what the criteria's would be to qualify for the senior passes. There was also discussion on sponsoring open recreational swim. Director Austen to discuss the ideas with Ashley at the city.

2. Outdoor Activity update:(Director Santillan)

Still waiting on information regarding the mountain bike project.

**8. REPORT OF EXECUTIVE SECRETARY: As Reported**

There was discussion regarding the issues of the homeless camp and the trash dumping on the undeveloped land. Executive Secretary to contact Fish and Wildlife and code enforcement officer.

**9. UNFINISHED BUSINESS:**

**10. NEW BUSINESS:**

a. Discussion and approval of changing committee 7 b (Newsletter/Website) to Marketing Committee to include Newsletters, Website and Facebook. (Director Austen).

Council Henion suggested we call the committee Community Outreach committee due to the District doing more of an outreach to the community instead of marketing.

Director Austen made a motion to change the name to Community Outreach Committee. Director Pearcey seconded the motion. Motion passed 5 - 0.

- b. Discussion and approval of the July facebook posts submitted by Director Austen.

Chairman Caldwell approved this item to be included in the 7 b motion under newsletter/website committee.

- c. Discussion and approval of the medical debt survey presented by Director Austen.

After discussion on the survey Director Austen to revise the survey to have less personal information requested.

- 11. **INDIVIDUAL DIRECTORS REPORT OF ACTIVITIES:**
- 12. **PUBLIC COMMENT FOR ANY CLOSED SESSION ITEMS:**
- 13. **ADJOURNMENT TO CLOSED SESSION:**
- 14. **RETURN TO OPEN SESSION AND REPORT OF ANY ACTION:** Nothing to report currently.
- 15. **ADJOURNMENT:** Meeting Adjourned at 7:34 PM

Minutes prepared and submitted by:

Minutes approved by:

\_\_\_\_\_  
Doris Hendricks, Executive Secretary

\_\_\_\_\_  
Elizabeth Austen, Secretary



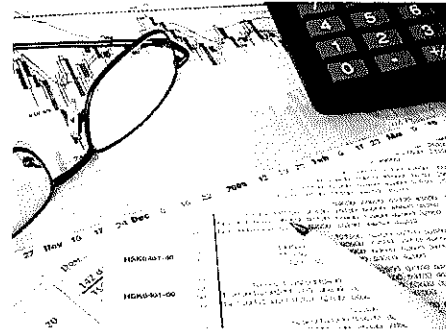


Del Norte  
**Healthcare  
District**

*A collaborative approach to personal and  
community health through education, prevention,  
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## Avoiding Medical Debt

According to Kaiser Health News, medical debt now touches over 100 million people in America, as the U.S. healthcare system pushes patients into debt on a mass scale. There are, however, ways to avoid and mitigate medical debt. In particular, it is important to resist the urge to procrastinate. If you disagree with a medical bill, it can be tempting to set it aside and “worry about it later” but this can result in interest charges or even being turned over to collections. This will not only lower your credit rating but it may also increase your stress. Be proactive and avoid the issue from escalating.



### Keep Track of Your Records

Keep track of all of your paperwork, visits, and contacts with your provider. Making a dated list of all your medical appointments and tests/procedures will help you remember exactly what you are being charged for once the bills arrive. Your insurance company may also send you an explanation of benefits (EOB) explaining what portion they paid and what you will be responsible for. Any time you have contact with your doctor or health insurance company, be sure to document the date, time, who you spoke to, and what was discussed. You will need this information later if discrepancies arise. When your medical bill arrives, be sure to compare it with your own log. Then track how you are paying the bill; important details are: date paid, amount paid, name of provider who was paid, check number, and remaining balance due if not paid in full.

### Contact Your Provider

Providers are human and sometimes make mistakes. A simple call to the billing department listed on your bill can often resolve the error. Be sure to have your bill in hand when you call so can reference the billing account number and billing details. If your concerns are settled, ask the representative to send you a corrected bill in the mail and keep this as part of your records. Ask the representative for an approximate time as to when you should receive the corrected bill and then contact them again if you do not receive it.

### Request an Itemized Bill

If your medical bill is vague or seems unusually high, your provider must provide you with an itemization of services upon your request. This will list all the services, tests, and procedures administered during your visit and their billing codes. An itemized bill is similar to a grocery receipt—it should list specifically what you are paying for and how much you are being charged.

### Request Your Chart Notes

If you visited an Emergency Room, your visit will be billed as a “level of service.” There are 5 levels that are billed. Level 1 represents the lowest level of service and Level 5 the highest, and the difference in service levels could mean thousands of dollars in fees. While hospitals establish their own procedures for deeming their levels, they are required to, upon your request, to provide you with the explanation as to how your level was determined. Obtaining a copy of your physician notes is one way to help you understand how your level was determined.

### Submit an Appeal

If you are unable to resolve your billing concern with the billing department, call the telephone number on the bill and ask to “appeal the bill”. Ask the representative what you

### **Contact Your Insurance Company**

If your provider does not address your concerns, contact your health insurance company and let them know. If you suspect fraud, you will need to explain to your insurance company why, i.e. being billed for a service which was not administered.

### **Contact the Medical Authorities for Your Jurisdiction**

#### ***California Department of Health Care Services***

<https://www.dhcs.ca.gov/Pages/default.aspx>

#### ***California Department of Public Health***

<https://www.cdph.ca.gov/>

### **California Legislators and State Senators**

State Capitol

1303 10th Street, Room 5061

Sacramento, CA 95814

Phone: 916-651-4002

### **Contact Your Local Board of Supervisors**

The Board of Supervisors are the governing body for the County of Del Norte and certain special districts. The Board enacts ordinances and resolutions, adopts the annual budget, approves contracts, appropriates funds, appoints certain County officers and members of various boards and commissions. You can access to the Board of Supervisors and express your concerns by contacting them [via phone or email](#). You can also attend a [meeting](#) and state your concerns via a public comment.

### **Contact Your Local Healthcare District**

If you have already contacted your provider and still are not satisfied, you can [contact the Del Norte Healthcare District](#) which works in collaboration with other hospitals, clinics, and healthcare providers. It is the intent of the board to maximize its impact on health by building relationships to make the quality and cost of healthcare publicly transparent, honest, and responsive.

Sincerely,

Del Norte Healthcare District Board of Directors

Kevin Caldwell, M.D.

Michael Young

Elizabeth Austen

Tonya Pearcey, R.N.

Juan Santillan

Source:

[https://khn.org/news/article/diagnosis-debt-investigation-faces-of-medical-debt/?utm\\_campaign=KHN%20-%20Weekly%20Edition&utm\\_medium=email&\\_hsmi=216874766&\\_hsenc=p2ANqtz-QvdGZg9TZpMd1qh5DcU-7BQ12rfi0WD9JfXC6Yt351TxGFI6nWOutaisKKOaG6ht66NImIE3VQQyVQ4yYD5P7ip6hOg&utm\\_content=216874766&utm\\_source=hs\\_email](https://khn.org/news/article/diagnosis-debt-investigation-faces-of-medical-debt/?utm_campaign=KHN%20-%20Weekly%20Edition&utm_medium=email&_hsmi=216874766&_hsenc=p2ANqtz-QvdGZg9TZpMd1qh5DcU-7BQ12rfi0WD9JfXC6Yt351TxGFI6nWOutaisKKOaG6ht66NImIE3VQQyVQ4yYD5P7ip6hOg&utm_content=216874766&utm_source=hs_email)

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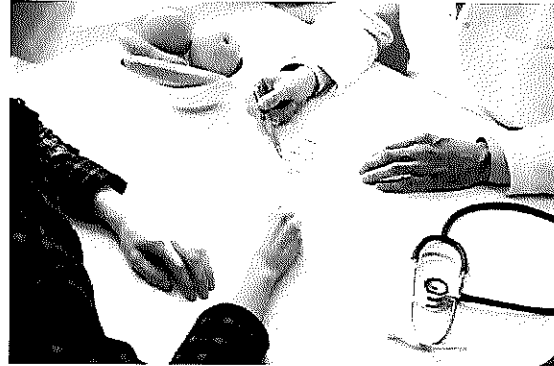


Del Norte  
**Healthcare  
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## **Advocate for Yourself**

Having a doctor you can trust is important but it is equally crucial that you take an active role in managing your own health and treatment plan(s). There are many things you can do to advocate for yourself and a quality physician will appreciate your initiative and welcome your approach.



### **Keep Track of Your Records**

Just like logging your medical bills, you should also be keeping track of what is happening with your health. Prepare for your medical appointment by taking note of your concerns and bringing the list with you to the appointment. This will help reduce your anxiety before and during the visit and will help ensure you don't forget anything. If you get nervous or struggle to remember things, you can also take notes during the appointment. It may also benefit you to bring a trusted friend or family member with you. You can also ask the doctor if you may audio record the visit.

### **Do Your Research**

Medical terminology can be extremely confusing. Rather than trying to make your own diagnosis before seeing the doctor, start by making a written list of your concerns and/or symptoms (such as pain, fever, swelling, etc), past treatment if any, and your health history for your doctor. When researching your health, use reputable websites like MayoClinic.org which contains facts on hundreds of conditions. If a website is set up to sell you something, look elsewhere.

### **Ask Questions**

Remember that although your provider is an important part of your healthcare team, you are the ultimate authority. Don't be shy about asking questions making suggestions. You have a right to understand what is happening with your care and explaining this to you is an important part of your doctor's job. If you disagree with a treatment plan, then it is part of your job to address this with your doctor. Good care happens through good communication between the patient and the provider.

### **Get an Authorized Contact**

An authorized contact can be a trusted friend or family member that helps you with your healthcare. You can give your provider/insurance company permission to share your information with this person such as medical records and test results. This person may also come with you to your appointments and assist you in completing paperwork or with filing an appeal. Another option is to establish a legal surrogate, who by law must be notified of your treatment plan, including any changes in treatment. Since a medical surrogate is a legal designation which provides specific authorities to the patient and surrogate, it is advisable to discuss this option with an attorney familiar with the legal aspects of medical decision making and end of life care.

### **Don't Give Up**

You are the best spokesperson for your health and your body. Take an active role in your care. If you feel that something is wrong, do not settle until you get the answers. If your provider is unable to help you, get a second opinion.

Sincerely,

Del Norte Healthcare District Board of Directors  
Kevin Caldwell, M.D.  
Michael Young  
Elizabeth Austen  
Tonya Pearcey, R.N.  
Juan Santillan

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**AUGUST FACEBOOK POSTS**

1. **[All newsletters to be posted as they are published.]**  
**[with comments disabled]**

1. **Have you subscribed to our newsletter yet? This is a great way to stay informed with how we are responding to the needs of the community and ensuring that residents are enjoying optimal health through the delivery of wellness services. All you need to subscribe is an email address. We value your privacy and we will never give out your email address to anyone else.**

**<https://delnortehealthcare.com/subscribe-to-newsletter>**  
**[with comments disabled]**

1. **Don't miss our board meeting tomorrow night at 6:30 PM. At this time, our meetings are held both virtually and at the District office on 550 E. Washington Blvd., Crescent City, CA. Go here to access the zoom link: (zoom link)**  
**[with comments disabled]**

1. **We want to see you! Come to our board meeting tonight at 6:30 PM. At this time, our meetings are held both virtually and at the District office on 550 E. Washington Blvd., Crescent City, CA. Go here to access the zoom link: (zoom link)**  
**[with comments disabled]**

1. **Do you keep track if your doctor visits? Making a dated list of all your medical appointments and tests/procedures will help you remember exactly what you are being charged for once the bills arrive. Your insurance company may also send you an explanation of benefits (EOB) explaining what portion they paid and what you will be responsible for. Any time you have contact with your doctor or health insurance company, be sure to document the date, time, who you spoke to, and what was discussed. You will need this information later if discrepancies arise. When your medical bill arrives, be sure to compare it with your own log. Then track how you are paying the bill; important details are: date paid, amount paid, name of provider who was paid, check number, and remaining balance due if not paid in full. (more info: <https://delnortehealthcare.com/appealing-a-medical-bill>)**

**[with comments disabled]**

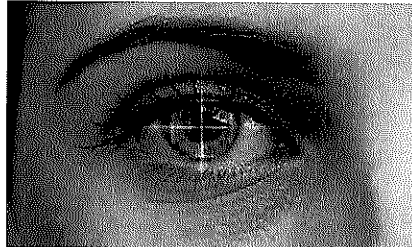
1. **Have you ever received a medical bill that is incorrect?**  
Providers are human and sometimes make mistakes. A simple call to the billing department listed on your bill can often resolve the error. Be sure to have your bill in hand when you call so can reference the billing account number and billing details. If your concerns are settled, ask the representative to send you a corrected bill in the mail and keep this as part of your records. Ask the representative for an approximate time as to when you should receive the corrected bill and then contact them again if you do not receive it. (more info: <https://delnortehealthcare.com/appealing-a-medical-bill>)

**[with comments disabled]**

**1. If your medical bill is vague or seems unusually high, your provider must provide you with an itemization of services upon your request.** This will list all the services, tests, and procedures administered during your visit and their billing codes. An itemized bill is similar to a grocery receipt—it should list specifically what you are paying for and how much you are being charged. (more info: <https://delnortehealthcare.com/appealing-a-medical-bill>)  
**[with comments disabled]**

**1. Have a large medical bill?** Requesting your chart notes can be useful. If you visited an Emergency Room, your visit will be billed as a “level of service.” There are 5 levels that are billed. Level 1 represents the lowest level of service and Level 5 the highest, and the difference in service levels could mean thousands of dollars in fees. While hospitals establish their own procedures for deeming their levels, they are required to, upon your request, to provide you with the explanation as to how your level was determined. Obtaining a copy of your physician notes is one way to help you understand how your level was determined. (more info: <https://delnortehealthcare.com/appealing-a-medical-bill>)  
**[with comments disabled]**

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**August is Eye Exam Month for Adults and for the Children it is Eye Health and Safety Month.**

For many of us, August signals an almost end to summer vacation and a reminder to prepare our children for the classroom and athletics, while you are at it, time to schedule the adults also.

Good vision and eye protection go a long way to success in school. Not only that but protecting those blue, brown, green and hazel eyes on and off the court should be a priority, too.

During Children's eye health and safety month, parents be sure to schedule a routine eye exam. Have them fitted with the correct prescription lenses and depending on their required needs.

Make sure students wear the required protective gear for their classes and athletic activities, too. Schools provide all the proper gear in chemistry, automotive and other courses and educators are trained to show students how to use them. Encourage your students to follow the teacher's instructions for their own safety and others.

**HOW TO OBSERVE**

Schedule an eye exam for your student and have a talk about eye safety. Get ready for the new school year and you'll have a successful and healthy one, too! #ChildrensEyeAndSafetyMonth

For the adults in the household, check with your optometrist to see when you are due for a comprehensive vision exam. If you are experiencing symptoms, be sure to make an appointment as soon as possible. For more information visit [www.cdc.gov](http://www.cdc.gov). Use #NationalVisionExamMonth to share on social media.

Sincerely,

Del Norte Healthcare District Board of Directors  
Kevin Caldwell, M.D., Elizabeth Austen, Michael Young, Tonya Pearcey, R.N., Juan Santillan

**SOURCES:**

<https://www.nei.nih.gov/learn-about-eye-health/nei-for-kids>

<https://www.optometrytimes.com/view/5-reasons-observe-national-eye-exam-month-nationaldaycalendar.com>

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August  
 SPINAL  
 MUSCULAR  
 ATROPHY  
 Awareness  
 Month

Spinal Muscular Atrophy Awareness Month takes steps to find a cure a genetic disease affecting 1 in 11,000 births.

SMA (spinal muscular atrophy) damages motor nerve cells in the spinal cord. Those who suffer from SMA lose the ability to walk, eat and breathe without medical intervention.

Spinal Muscular Atrophy Awareness Month strives to raise awareness of the condition caused by the deficiency of a motor neuron protein called SMN and other rare forms of Spinal Muscular Atrophy (SMA) that stem from chromosome mutations. Spinal Muscular Atrophy Awareness Month seeks to educate the public and generate support for those with SMA. Through research, a cure can be found.

Spinal Muscular Atrophy is a motor neuron disease characterized by the “wasting away” of nerve cells, called motor neurons, in the spinal cord. Spinal muscular atrophy is the leading genetic cause of death in babies under the age of two. It affects families of all ethnic backgrounds, often with no prior history of the disease. In the U.S. one person in every six- to ten thousand develops the disease, and one in fifty is a carrier. All levels of SMA require varying degrees of treatment, involving some combination of medication, technology, and therapy. The good news is that many children and adults with SMA lead full, productive lives, with the proper treatment and physical therapy.

The goal of SMA Awareness is to show our support through local and national events, raise awareness, educate the general population, create funding for more research and help find a cure. Through this month-long awareness campaign and more like it annually, it is hoped to honor all those whose lives have been affected by SMA and bring about future change.



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### **HOW TO OBSERVE**

Visit [www.curesma.org](http://www.curesma.org) to learn more about Spinal Muscular Atrophy. Get involved by volunteering or making a donation. Light a candle for those who have passed away from SMA and honor those who are fighting the disease. Use #CureSMA to share on social media.

### **HISTORY**

Spinal Muscular Atrophy Awareness Month was founded to create support and advocacy for those who battle the disease and to seek a cure.

Sincerely,

Del Norte Healthcare District Board of Directors

Kevin Caldwell, M.D., Elizabeth Austen, Michael Young, Tonya Pearcey, R.N., Juan Santillan

### **SOURCES:**

[nationaldaycalendar.com](http://nationaldaycalendar.com)

[www.curesma.org](http://www.curesma.org)

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Elizabeth Austen <austen.betty@gmail.com>

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## mental health

1 message

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**Elizabeth Austen** <austen.betty@gmail.com>

Fri, Jul 15, 2022 at 10:05 AM

To: Valerie Starkey <valerie.starkey@co.del-norte.ca.us>

Hi Valerie,

I hope you are doing well and enjoying the lovely weather.

Just wanted to check in with you and see if there are any updates or upcoming meetings regarding the crisis continuum that I can report to my board?

Have a great weekend,  
Beth

MEMORANDUM

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TO: Del Norte Healthcare District Board of Directors

FROM: Michael Young, Director (Treasurer)

July 20, 2022

Re: Swimming Programs

During Budget discussions two possible programs were suggested, but not included in the adopted Budget. It was stated that further information be provided for these programs, then they might be considered for funding with a Budget amendment. The following is to provide an update on both.

Public Swim

The suggested program is that the Healthcare District fund a 1.5 hour public swim every Saturday on a "full rental" basis (water slide included) for \$100 per hour (\$150/week - (\$7800/year). This is a discounted rate that needs City Council approval. It is expected to be on the Council's August 1 agenda. I plan to attend. Assuming the City Council's approval of the discounted rate, I recommend the Board approve our participation and plan a Budget amendment at the August meeting. If the Council does not approve the discounted rate, the full rental rate would be \$225 per week (\$11,700/year).

Senior Swim Passes

We also discussed a possible program to provide swim pool passes for seniors (60 years old) financially unable to purchase passes. It was suggested that those seniors that have a Del Norte County issued "Passport to Services" or are willing to sign a self certification of income be eligible to receive a monthly swimming pool pass. The City staff is willing to qualify seniors on that basis. For those eligible the Healthcare District would pay the fee (\$50) for the each monthly pass issued with a maximum number of passes per month. (The maximum is to limit the District's obligation at least until we have some history as to the number of passes being issued.)

If the Board is still interested in this possible program, there are a couple issues yet to be resolved. First, what is the income level for eligibility if the senior does not have a Passport to Services? I suggest some percentage of the Federal Poverty Level. Beth has some information on that. I suggest an income less than 200% of the Federal Poverty Level. This would be \$25760 for a one-person household and \$34840 for a two-person household.

Second, what maximum number of monthly passes are we willing to fund? I suggest 20 passes which would be \$1000 per month (\$12,000/year).

Assuming the Board wishes to continue and these two issues are settled, we can work out the remaining details with the City and bring this back to the Board in August for final action and Budget amendment if needed.

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## Certification of Income – Self-Verification

2022 Federal Income Poverty Levels	
Household Size	Annual Income
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660

For families/households with more than 8 persons, add \$4,540 for each additional person.

<https://www.coveredca.com/pdfs/FPL-chart.pdf>

\_\_\_\_\_  
Print First and Last Name

I, \_\_\_\_\_ certify that my annual household income falls under the standards as indicated in the above Federal Income Poverty Level chart. My household size is \_\_\_\_\_ people and my annual household income is \$\_\_\_\_\_.

I attest that the above statement about myself and my household, is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Certification of Income – Self-Verification

2022 Federal Income Poverty Levels by 200%	
Household Size	Annual Income
1	\$25,760
2	\$34,840
3	\$43,920
4	\$53,000
5	\$62,080
6	\$71,160
7	\$80,240
8	\$89,320

For families/households with more than 8 persons, add \$9,080 for each additional person.  
<https://www.coveredca.com/pdfs/FPL-chart.pdf>

\_\_\_\_\_  
Print First and Last Name

I, \_\_\_\_\_ certify that my annual household income falls under the standards as indicated in the above Federal Income Poverty Level chart. My household size is \_\_\_\_\_ people and my annual household income is \$\_\_\_\_\_.

I attest that the above statement about myself and my household, is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Certification of Income – Self-Verification

2022 Federal Income Poverty Levels by 300%	
Household Size	Annual Income
1	\$38,640
2	\$52,260
3	\$65,880
4	\$79,500
5	\$93,120
6	\$106,740
7	\$120,360
8	\$133,980

For families/households with more than 8 persons, add \$13,620 for each additional person.

<https://www.coveredca.com/pdfs/FPL-chart.pdf>

\_\_\_\_\_  
Print First and Last Name

I, \_\_\_\_\_ certify that my annual household income falls under the standards as indicated in the above Federal Income Poverty Level chart. My household size is \_\_\_\_\_ people and my annual household income is \$\_\_\_\_\_.

I attest that the above statement about myself and my household, is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Secretary Report****July, 2022**

I have enclosed two more thank you notes from Del Norte High School scholarship recipients.

I have enclosed a copy of the final budget layout for your records.

I have enclosed a copy of the picture from the 4<sup>th</sup> of July thanking the Healthcare District for the swim lessons.

Notice of Public Hearing. I have enclosed documents regarding a mini-storage facility and the letter that was sent in response to the late notice in receiving this information. I did receive a response back from the Clerk of the Board of Supervisors in that the letter should have went to the Planning Commission and that she would forward it to them.

I have been in touch with Dave Mason regarding the clean up and clearing of the property. He will be contacting me for a meeting that will include myself and Chairman Caldwell.

I have left multiple messages with Fish & Wildlife and have not received a return call.

I have been in contact with Diane at the Sheriff's office requesting a meeting with the Sheriff in regards to our homeless problem. I did have to make multiple calls to the sheriff dept. this month due to homeless and domestic issues. After speaking with Diane I have noticed an increase in response time and multiple officers responding. I have not heard back on my request to meet with the Sheriff.

I have been in contact with Frank's Heating and 1<sup>st</sup> Service regarding the renewal of maintenance contracts for both buildings for the HVAC.



JUN 27 2022

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Dear Ms. Hendricks,

Thank you so much to the Del Norte Health Care District for granting me a \$500 scholarship. I sincerely appreciate being chosen. I will be attending UC Davis, and your contribution has made a huge difference in me being able to afford college. Thank you again for supporting my education.

Sincerely,  
Sriya Joshi

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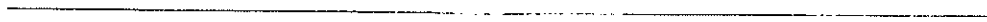
JUL 0:1 2022

Dear Doris Henricks,

Thank you so much for the Scholarship. My transition to college will be difficult, its contributions like this that will get me through that transition and started in my college journey.

Sincerely,

Kyland Minyard



**DEL NORTE HEALTHCARE DISTRICT  
BUDGET 2022 - 2023**

**INCOME:**

Interest - LAIF .....	9,600.00
Tax Receipts .....	655,000.00
Rent (Open Door Clinic \$10,250.00/mo) .....	123,000.00
DHHS Lease (\$6,800.00/mo.) .....	81,600.00
Utility Reimbursement 80% from Open Door .....	54,400.00
Insurance Reimbursement Pers-D/V/RX .....	19,000.00
Misc. Income .....	<u>1,000.00</u>
<b>TOTAL ANTICIPATED INCOME</b>	<b>\$943,600.00</b>

**EXPENDITURES:**

**Personnel Expenses**

Payroll .....	17,000.00
General Benefits/SSI/EDD/WC .....	5,000.00
CalPers .....	60,000.00
Dental, Vision, Rx .....	21,000.00
Past Board Health Benefits.....	<u>22,400.00</u>
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 125,400.00</b>

**Operating Expenses & Utilities**

Pacific Power .....	27,000.00
Blue Star Gas .....	27,000.00
Crescent City W & S .....	14,000.00
Telephone & Internet .....	4,000.00
Office Supplies & Expenses .....	2,000.00
Training & Education .....	<u>2,500.00</u>
<b>TOTAL UTILITIES</b>	<b>\$76,500.00</b>

**Professional Services Expense**

Legal .....	10,000.00
Accounting .....	18,000.00
Election Expense .....	10,000.00
Mental Health Facilatator .....	20,000.00
Other .....	<u>0</u>
Insurance .....	<u>17,000.00</u>
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$75,000.00</b>

**Building Maintenance**

Materials & Supplies .....	10,000.00
Grounds Keeping .....	13,000.00
Land Clearing .....	15,000.00
Maintenance Services .....	<u>15,000.00</u>
<b>TOTAL BUILDING MAINTENANCE EXPENSE</b>	<b>\$53,000.00</b>

**Contributions**

High School Scholarship (\$500.00 x 4) .....	2,000.00
Childcare Scholarship .....	5,000.00
CR Nursing Scholarship .....	10,000.00
Grad Night Safety Program .....	500.00
Sharps Containers .....	600.00
Swim Lessons .....	50,000.00
Food HUB Operations .....	16,400.00
Swim Camp .....	<u>5,000.00</u>
Non-Emergency Transport.....	25,000.00
Gateway Education.....	57,000.00
<b>TOTAL CONTRIBUTIONS</b>	<b>\$171,500.00</b>

**TOTAL OPERATING EXPENSES** **\$ 501,400.00**

**Capital Expense**

Fixed Assets.....	0
Building Repairs (DHHS).....	20,000.00

**TOTAL CAPITAL EXPENSES** **\$20,000.00**

**TOTAL OPERATING & CAPITAL EXPENSES** **\$521,400.00**  
**CONTINGENCY** **20,000.00**  
**TOTAL OPERATING EXPENDITURES** **\$541,400.00**

**TOTAL ANTICIPATED INCOME** **943,600.00**  
**MINUS TOTAL OPERATING EXPENDITURES** **- 541,400.00**  
**SURPLUS OF** **= \$402,200.00**



THANK YOU  
MEASURE DISTRICT  
& DN HEALTHCARE DISTRICT  
Crescent City Swim Club Sharks

STOP

JUL 01 2022

**NOTICE OF PUBLIC HEARING**  
**DEL NORTE COUNTY PLANNING COMMISSION**

NOTICE IS HEREBY GIVEN that the Planning Commission of the COUNTY OF DEL NORTE will hold a public hearing to consider the requests listed below. ALL PERSONS ARE INVITED TO APPEAR AND BE HEARD. Comments may be submitted in writing at, or prior to, the hearing. Those wishing to be notified of the final action must submit a written request. Appeals must be filed with the Clerk of the Board of Supervisors by **July 18, 2022**. If you challenge the decision of the Planning Commission, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the public hearing.

DATE OF HEARING: July 6, 2022  
TIME OF HEARING: 6:00 p.m.  
PLACE OF HEARING: 981 H Street, Suite 100, Crescent City, CA 95531  
and VIA Zoom and [media.del-norte.ca.us](http://media.del-norte.ca.us)

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\*\*\*Environmental Review of a Mini-Storage Facility – The applicant proposes to construct 283 storage units, ranging in size from 25 square feet (5' wide by 5' long) to 200 square feet (10' wide by 20' long), for a total of 34,110 square feet of storage space. Height of the metal storage buildings will vary between 10 feet and 11 feet. The proposal will also include a two-story office building that will measure approximately 30 feet long by 32 feet wide and 25 feet in height. Primary access to the storage buildings will be located on East Washington Boulevard. The parcel is currently undeveloped and is approximately 1.9 acres in total area. The General Plan Land Use designation for the property is General Commercial and the Zoning designation is Central Business (C-3). MAP2201 – APN 117-053-002 located at Harrold Street and East Washington Boulevard, Crescent City, CA 95531.

Please contact the County Planning Division at (707) 464-7254 with any questions.

DATE: June 20, 2022 Del Norte County  
PUBLISH: June 24, 2022 Planning Division  
Community Development Department

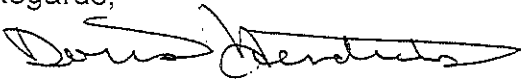
DEL NORTE HEALTHCARE DISTRICT

P.O. Box 2034 • 550 East Washington Blvd., Ste. 400 • Crescent City, CA 95531  
(707) 464-9494

Dear Clerk of the Board of Supervisors,

The Del Norte Healthcare District Board of Directors would liked to have had an opportunity to weigh in on the Mini-Storage Facility being proposed on East Washington Blvd. Due to the holiday weekend we did not receive the information until July 1<sup>st</sup> and the Board was unable to receive the information in a timely manner. Due to the procedures that the Healthcare District has to follow we did not have time to review all the information prior to the meeting on July 6, 2022. We understand that this project has been approved. We would hope that in the future the "Notice of Public Hearings" can get to the public sooner.

Regards,



Executive Secretary, Doris Hendricks  
Chairman of the Board, Kevin Caldwell M.D.

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MEMORANDUM

TO: Del Norte Healthcare District Board of Directors

FROM: Michael Young, Director (Treasurer)

July 20, 2022

Re: Request for Proposals for Accounting Services

In response to our 2020-2021 Financial Audit we committed to retaining the services of a professional accountant to update our accounting system. We have included \$18000 in our 2022-2023 Budget for accounting services.

The attached Request for Proposals (RFP) outlines the proposed schedule. I would expect work will begin before the end of the year and be completed before the end of the fiscal year.

The City Finance Director has provided I have a long list of qualified California accounting firms. We will need to reduce the list somewhat and then send out the RFP to them. The Finance Director has also indicated her willingness to be on an interview panel once we have selected possible candidates.

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REQUEST FOR PROPOSAL  
TO PROVIDE  
PROFESSIONAL ACCOUNTING SERVICES

The Del Norte Healthcare District is seeking professional accounting services to update and improve its financial accounting system. These improvements are in response to matters included in the Management Letter accompanying the audit of the 2020-2021 financial records for the District. A copy of that Management Letter, with District responses, is attached. The matters included in the Management Letter include, but not limited to, development of a new accounting system to comply with the latest GASB requirements and recommendations. If after a review of the Management Letter, if your firm intends to submit a Proposal, an electronic copy of the entire 2020-2021 audit will be provided upon request.

Questions regarding this Request for Proposals shall be submitted in writing via email ( [dnhcd@delnortehealth.com](mailto:dnhcd@delnortehealth.com) ) no later than 5:00pm September 2, 2022. A written email response will be provided to all persons requesting a copy of questions and responses by August 15, 2022.

As a minimum, Proposals shall include:

1. Information as to the qualifications and experience of the person(s) that will be responsible for the services provided,
2. References of organizations for which similar services have been provided,
3. Estimated schedule to provide the services,
4. Estimated cost to provide the services (this shall be provided in a separate sealed envelope to be opened during contract negotiations).

The Proposals to provide these services must be submitted by September 16, 2022. Seven hard copies and one electronic file (pdf) shall be submitted. Acceptance and review of the Proposals will follow the following schedule:

Submit Questions	September 2, 2022
Response to Questions	September 9, 2022
Submit Proposal	September 16, 2022
Select firms to interview	September 27, 2022
Interviews	October 10-14, 2022
Select Firm & negotiate contract	October 25, 2022
Complete work	To be determined

Proposals shall be submitted in a sealed envelope marked "Accounting Services Proposal for Del Norte Healthcare District" to:

Del Norte Healthcare District  
550 East Washington Blvd, Suite 400  
Crescent City, CA 95531

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Date

Del Norte County Board of Supervisors  
Attn: Clerk of the Board  
981 H Street  
Crescent City, CA. 95531

Re: Rationale for review of tax-exempt status of Sutter Health and Affiliated Corporations

Dear Del Norte County Board of Supervisors:

We would like to formally express our concern about the loss of tax revenues to the county that results from Sutter Coast Hospital's tax exemption and the evidence which indicates Sutter Coast Hospital is not operating exclusively for charitable purposes. Historically, Sutter has reported millions of dollars in net profits from Sutter Coast Hospital yet has refused to conduct open meetings and share profit/cost data.

Attached is a letter that our board sent to your board in September 2016. This letter details our concern. Since our submission of that letter, Sutter Health was sued by the California Attorney General for allegations of price fixing and conspiracy to create and maintain a monopoly. Sutter agreed to settle that lawsuit for nearly \$600 million.

Specifically, we ask that the Board of Supervisors submit a request to the California Board of Equalization to conduct a review of Sutter Coast's tax exemption status.

Please contact us if you have questions or need clarification.

Sincerely,

Del Norte Healthcare District Board of Directors  
Kevin Caldwell, M.D.  
Michael Young  
Elizabeth Austen  
Tonya Pearcey, R.N.  
Juan Santillan

September 5, 2016

## RATIONALE FOR REVIEW OF TAX EXEMPT STATUS OF SUTTER HEALTH AND AFFILIATED CORPORATIONS

**Summary:** The tax code requires all non-profit public benefit corporations to organize and operate exclusively for charitable purposes. Evidence that Sutter Coast and Sutter Health are not operating exclusively for charitable purposes includes the following:

- Refusal to comply with records requests from elected leaders
- False claims regarding hospital operations
- Refusal to release data on public health needs
- False claims regarding hospital profits
- Retaliation against dissenting physicians
- Charges for care exceeding market rates
- Large increases in executive salaries following statewide merger
- Multiple false statements on federal filings
- Failure to abide by governing documents
- Apparent violation of California non-profit law

**Background:** Sutter Coast Hospital was incorporated in Del Norte County in 1985. Today, Sutter Coast Hospital remains a locally owned and governed corporation. Sutter Health is the “corporate member” of Sutter Coast Hospital, and controls the appointment of the majority of the hospital Board. In 1985, when Sutter Coast Hospital was granted a charitable tax exemption, it controlled its own cash reserves. In 1996, Sutter Health changed Sutter Coast’s Articles of Incorporation, mandating Sutter Coast contribute to the “financial strength of Sutter Health.” In 1997, Sutter Health wrote a new bylaws provision for Sutter Coast, granting Sutter Health the authority to transfer “excess cash” (cash in excess of two weeks operating expenses) from Sutter Coast Hospital to Sutter Health. Sutter Coast Hospital has been profitable every year since 1985, except for years 2011 to 2013, when Sutter Coast was operating without a Chief Financial Officer, in violation of hospital bylaws and California law.

Sutter Coast Hospital and Sutter Health are classified as tax exempt public benefit charities. The tax code requires Sutter Health and Sutter Coast Hospital to operate *exclusively* for charitable purposes.<sup>1</sup>

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<sup>1</sup> [http://oag.ca.gov/sites/all/files/agweb/pdfs/charities/publications/guide\\_for\\_charities.pdf](http://oag.ca.gov/sites/all/files/agweb/pdfs/charities/publications/guide_for_charities.pdf): “Under the federal tax law definition and to qualify for tax-exempt charitable status, the organization must be organized and operated exclusively for an “exempt” purpose. Exempt purposes are religious, charitable, . . . ” “In addition to these requirements, federal tax law also requires that there must be no “private” inurement or improper private benefit to anyone in a position of control over the charitable organization, . . . ” (p. 1)

**Impact of Sutter Coast Hospital's and Sutter Health's tax exemptions on revenues:**

Tax exemptions for Sutter Coast Hospital and Sutter Health equate to billions of dollars in uncollected revenue. In 2014, Sutter Coast's audited value was \$37.8 million, and net income was \$10.8 million.<sup>2</sup> Sutter Health's 2014 assets exceeded \$14 billion, with cash and short term investments exceeding \$4 billion.<sup>3</sup> In 2012, Sutter Health's annual profits were \$735 million, with total yearly income of \$791 million.<sup>4</sup>

**Evidence that Sutter Coast Hospital is not operating exclusively for charitable purposes:**

(1) The Del Norte County Board of Supervisors has formally requested Sutter Coast Hospital's financial records and meeting minutes, in order to help resolve community concern over hospital operations. The Sutter Coast Hospital Board of Directors, which includes two Sutter Health executives, refused these official record requests.

(2) Multiple false statements by Sutter Health executives regarding the operations of Sutter Coast Hospital, including the following examples:

Former Sutter Coast Hospital CEO Linda Horn claimed that downsizing the hospital to Critical Access status, thereby raising prices on Medicare patients, was a financial necessity.<sup>5</sup> Ms. Horn, and Sutter Coast's self-funded "independent" study both claimed that without Critical Access, the hospital would lose millions of dollars a year.<sup>6</sup> After claiming that without Critical Access, Sutter Coast would be "operating at a loss,"<sup>7</sup> the hospital reported \$14 million in profits for combined years 2014 and 2015, *without* Critical Access designation. Ms. Horn also provided false information on hospital census numbers, erroneously claiming the beds which would be closed under Critical Access designation "have sat empty for years."<sup>8</sup>

(3) At the May 2016 meeting of the Del Norte Healthcare District, a Sutter executive confirmed there were two versions of the Sutter Coast Hospital Strategic Options Study—the "public" version and Sutter's "private" version. The Del Norte Healthcare District requested the private version, in order to further its mission of addressing unmet health care needs. Sutter Coast CEO Mitch Hanna refuses to release the "private" version, even though Sutter Coast funded the study with tax exempt money. Sutter did release a

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<sup>2</sup> [http://www.suttercoast.org/about/2014\\_financials.pdf](http://www.suttercoast.org/about/2014_financials.pdf) (p. 7)

<sup>3</sup> <http://www.sutterhealth.org/about/financials/Sutter-Health-Financials-2014.pdf> (p. 2)

<sup>4</sup> <http://www.sutterhealth.org/about/financials/Sutter-Health-Financials-2013.pdf> (p. 3)

<sup>5</sup> Sutter Health/Sutter Coast Hospital "NewsPlus" by Linda Horn, vol. 7, 12/6/13 (p. 1)

<sup>6</sup> Strategic Options Study for Sutter Coast Hospital, public version, 11/5/13 (p. 1)

<sup>7</sup> Sutter Health/Sutter Coast Hospital "NewsPlus" by Linda Horn, vol. 7, 12/6/13 (p. 1)

<sup>8</sup> *Ibid.*, volume 8, 1/17/14 (p. 3)

"public" version of the study, the findings of which were discredited in a unanimous resolution by ten local elected officials.<sup>9</sup>

(4) Former Sutter Coast CEO Linda Horn claimed 2008 was the last year Sutter Coast was profitable.<sup>10</sup> IRS filings show otherwise--Sutter Coast reported profits exceeding \$7 million in combined years 2009 and 2010.<sup>11</sup>

(5) Sutter Coast Hospital has retaliated against local physicians who voiced concern over hospital practices harmful to patient care.<sup>12</sup> Two of three physicians subject to Sutter Coast's retaliatory conduct have left Del Norte County, worsening the region's chronic physician shortage. Retaliation against health care whistleblowers is not a charitable purpose, and is specifically prohibited under California Health and Safety Code 1278.5.

(6) Sutter Health's statewide prices for healthcare are well above market rates.<sup>13</sup> CVT, California's largest self-funded public schools trust, reported charges for care at Sutter facilities were 60% above statewide averages, adding that Sutter hospitals represent seven of the ten most expensive hospitals in California.<sup>14</sup> Carpenter's Health and Welfare Trust determined that use of Sutter facilities in California wasted \$5,000,000 per year in trust funds.<sup>15</sup> Sutter's above market charges for care are harming government, businesses, unions, and individuals throughout California.

According to Stanford University's Alain Enthoven, "*Sutter put themselves in a monopoly position by building a network with "must have" hospitals and then using that market power to drive higher prices everywhere. The high prices for Sutter damage all of us by raising the general level of prices, taking competitive pressure off of other providers.*"<sup>16</sup> Sutter's use of hospitals which operate in monopoly markets (such as Sutter Coast Hospital) to raise healthcare prices statewide is not a charitable purpose.

(7) Following its statewide hospital merger, whereby community owned hospitals were merged into multi-hospital corporations, Sutter Health's top executives more than doubled their own salaries. Between 2007 (pre-merger) and 2012 (post-merger), Sutter Health CEO Pat Fry's compensation increased from \$2.3 million to \$6.4 million per year.<sup>17</sup> In

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<sup>9</sup> Resolution 2015-055, Del Norte County Board of Supervisors and City Council of Crescent City

<sup>10</sup> Sutter Health/Sutter Coast Hospital "NewsPlus" by Linda Horn, volume 7, p. 1 (12/6/13)

<sup>11</sup> IRS Form 990 for Sutter Coast Hospital, tax years 2009 and 2010, available at [guidestar.org](http://guidestar.org)

<sup>12</sup> Letters to California Attorney General and Del Norte County District Attorney, from three physicians with practices in Del Norte County, available on request

<sup>13</sup> <http://www.latimes.com/business/hiltzik/la-fi-hiltzik-california-hospitals-20160613-snap-story.html>

<sup>14</sup> California Value Trust letter to members, Dec. 2013

<sup>15</sup> Carpenter's Health and Welfare Trust Fund for California, Board of Trustees, 12/2/13

<sup>16</sup> Personal communication with Professor A. Enthoven, May 27, 2014, used with permission

<sup>17</sup> IRS Form 990 for Sutter Health, tax years 2007 and 2012, from [Guidestar.org](http://guidestar.org)

2012, compensation to Sutter Health Board members and key employees totaled \$47,937,117. Under California law, a public benefit corporation may not be organized for the private gain of any person.<sup>18</sup>

(8) Sutter Coast's IRS Forms 990 contains numerous false statements, including misrepresentations that the hospital was operating with a CFO (when it was not), that the hospital Board of Directors had reviewed the 990 prior to filing (which it had not), that no changes were made to governing documents (when over 1,300 changes to hospital bylaws had been made), and that no Director had a business relationship with another Director (when an employer-employee relationship existed between two Directors). Sutter Coast's Form 990 also represents that the hospital documented its meetings, when in fact the SCH Board carried out official business during executive session, when no record was kept.

Sutter Health provided false information on Medicare applications, including misrepresentation of hospital ownership, the lack of a CFO, and the number of interested Directors. For example, Sutter Health claimed in a November 2013 Medicare application that John Gates had been CFO of Sutter Coast Hospital since 1/1/12.<sup>19</sup> Numerous hospital documents contradict that statement, including Board meeting minutes from 2012, in which hospital Directors voiced concern that a CFO should be hired.

(9) Sutter Health and the Board of Directors of Sutter Coast Hospital have violated hospital governing documents. Examples include implementation of patient care policies without physician input (for which Sutter Coast was cited by the Joint Commission<sup>20</sup>), operating without a Chief Financial Officer, and refusal to allow a hospital Director unrestricted access to hospital financial records. California law provides every non-profit Director with the absolute right to inspect and copy all books, records, and financial documents of the corporation.<sup>21</sup>

(10) From July 2011 until December 5, 2013, Sutter Coast Hospital operated without its own CFO, in violation of hospital bylaws and California Corporations Code 5213, which require Sutter Coast Hospital to employ its own CFO.<sup>22</sup>

Sutter Coast Hospital operates a closed Board room, refuses official record requests, retaliates against dissension, violates governing documents,

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<sup>18</sup> [http://oag.ca.gov/sites/all/files/agweb/pdfs/charities/publications/guide\\_for\\_charities.pdf](http://oag.ca.gov/sites/all/files/agweb/pdfs/charities/publications/guide_for_charities.pdf), p. 2

<sup>19</sup> Sutter Coast Hospital Medicare Revalidation Application, signed by John Gates 11/8/13

<sup>20</sup> Joint Commission report on Sutter Coast Hospital, survey June, 2013, p. 8

<sup>21</sup> California Corporations Code 6334: "Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation of which such person is a director."

<sup>22</sup> Source: <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=corp&group=05001-06000&file=5210-5215>

falsifies federal forms, charges patients above market rates, and appears to have violated state and federal law.

Sutter Coast Hospital and Sutter Health are public benefit charities. Both corporations were granted the privilege of a tax exemption, which confers specific obligations. Yet both corporations withhold data needed to improve public health and refuse to honor record requests from elected officials. Such refusals prevent verification of compliance with applicable law.

The tax code prohibits non-profit corporations from operating for the benefit of any individual with control over the corporation. Following Sutter Health's statewide merger, top executive compensation nearly tripled.<sup>23</sup>

Review of Sutter Health's and Sutter Coast Hospital's tax exemptions will require **inspection of internal corporate documents** and the collaboration of elected leaders and oversight agencies.

Please contact me with questions or requests for references to this document. As a former Director and current Chief of Surgery of Sutter Coast Hospital, I have personal knowledge and additional documents to support this review.

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Cc: Tania Ibanez, Esq., Office of the California Attorney General  
Cc: Cheryl Johnson, Esq., Office of the California Attorney General

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<sup>23</sup> Sutter Health IRS Form 990 for 2007 and 2012. CEO compensation rose from \$2.3 million to \$6.4 million per year during the five year period before and after Sutter's statewide merger