



4. Attach two copies of all documents or items you believe provide credible evidence to support your allegations. NRS 281A.440.2(b)(1) requires you to submit all related evidence to support your allegations. NAC 281A.435.3 defines credible evidence as a minimal level of any reliable and competent form of proof provided by witnesses, records, documents, exhibits, minutes, agendas, videotapes, photographs, concrete objects, or other similar items that would reasonably support the allegations made within the complaint. Credible evidence does not include a newspaper article or other media report if the article or report is offered by itself.

State the total number of additional pages attached (including evidence) 90, including tabs.

**REQUESTOR'S INFORMATION:**

NAME: <u>NICOLE M. HARVEY, ESQ.</u> <u>for MATTHEW REES</u>	E-MAIL: <u>Nicole@nicoleharvey.com</u>
ADDRESS: <u>458 COURT STREET</u>	
CITY, STATE, ZIP: <u>RENO, NV 89501</u>	
TELEPHONE: <u>775-359-2211</u>	CELL PHONE: <u>775-752-8570</u>

By my signature below, I do affirm that the facts set forth in the foregoing complaint and attachments thereto are true and correct to the best of my knowledge and belief and I am willing to provide sworn testimony if necessary regarding these allegations.

Matthew E Rees  
 Signature  
 Print Name: Matthew E Rees

1/29/10  
 Date

**Please return an original signed form, two copies of the form, and three copies of the supporting documents and evidence to:**

Executive Director  
 Nevada Commission on Ethics  
 3476 Executive Pointe Way, Suite 10  
 Carson City, Nevada 89706

Ethics complaints submitted by facsimile will not be considered as properly filed with the Commission.  
NAC 281A.255.3



## ATTACHMENT 1

This Complaint is brought before the Nevada Commission on Ethics after Steve Evenson, a Trustee on the Board of Pershing General Hospital, admitted in public and on the record of an open meeting that his involvement on that board is in furtherance of his own personal interest. An investigation of this matter will reveal that Mr. Evenson has violated NRS 281A.400(2)<sup>1</sup>, as well as NRS 281A.400(7)<sup>2</sup> and 281A.400(9)<sup>3</sup> in furtherance of his personal interests, and in the interests of Dr. Stanley McCart. Upon information and belief, Mr. Evenson has a commitment in a private capacity to the interests of Dr. Stanley McCart, for the purposes of NRS 281A.400(2).

Matt Rees began his career in March, 2003 as CFO of Pershing General Hospital ("PGH"). Less than a year later, in January, 2004, he was promoted to CEO. In this capacity, Mr. Rees' relationship with the Board of Trustees was and is governed by the Bylaws and by his employment contract.

In the winter of 2005/2006, Mr. Rees was dealing with a serious personnel issue at PGH. It came to Mr. Rees' attention that the Director of Nursing at PGH had taken some retaliatory action against an employee. After investigating the incident, Mr. Rees concluded that the most appropriate action for him to take was to terminate the Director's employment.

At the time Mr. Rees made his decision to terminate the Director of Nursing, it happened that the Director was also the romantic interest of Dr. Stanley McCart. Upon his girlfriend's termination from the hospital, Dr. McCart made a demand upon the Board of Trustees. He demanded that they must either terminate Mr. Rees' employment as CEO, or accept his six months' notice of resignation.

During that time, allegations were made that Mr. Rees violated the open meeting law in the course of the termination of Dr. McCart. The Attorney General's office twice investigated Mr. Rees' conduct, and twice found no violations of the open meeting law. As Dr. McCart pushed for Mr. Rees' termination, he informed the Board he would resign as early as March 31, 2006 if Mr. Rees was allowed to stay on as CEO. The Board of Trustees ultimately accepted Dr. McCart's resignation,

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<sup>1</sup> **NRS 281A.400(2)** A public officer or employee shall not use his position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages for himself, any business entity in which he has a significant pecuniary interest, or any person to whom he has a commitment in a private capacity to the interests of that person.

<sup>2</sup> **NRS 281A.400(7)** A public officer or employee, other than a member of the Legislature, shall not use governmental time, property, equipment or other facility to benefit his personal or financial interest.

<sup>3</sup> **NRS 281A.400(9)** A public officer or employee shall not attempt to benefit his personal or financial interest through the influence of a subordinate.

effective March 31, 2006. See, 2/22/06 Meeting Minutes attached and incorporated as Exhibit A.

During this time of turmoil involving Dr. McCart, Steve Evenson was present at the Board meetings as a member of the public. It is important to note that Mr. Evenson once served as the PGH Board's counsel, and resigned from that position in the Fall of 2003. Mr. Evenson argued that the elderly people in their community would be adverse to the change in medical staff, and generally lobbied for the board to keep Dr. McCart and fire Mr. Rees. See 2/22/06 Meeting Minutes, attached and incorporated herein as Exhibit A, at page 2. Mr. Evenson's involvement in the 2006 McCart proceedings included his statements to others that "you don't let your doctors go, you fire your CEO."

The resignation of Dr. McCart was highly controversial. Since his resignation, Dr. McCart has been in the PGH facility several times. On several occasions, he made it known to hospital staff that he is interested in returning to work at PGH. Noteworthy is the fact that Dr. McCart has resigned from PGH on three prior occasions as the result of a similar threat to quit if PGH keeps its Administrator. On one other occasion, Dr. McCart tendered the same threat of resignation and the Board acquiesced in firing its CEO.

In May of 2006, hardly two months after Dr. McCart's resignation from PGH, Mr. Evenson was appointed to fill a vacancy on the PGH Board of Trustees. Upon being appointed, Mr. Evenson told several people, including PGH Accounting Manager Patti Speer, that his goal as Trustee was to "get Matt fired." Speer testified to this statement during the public comment of the Board's open meeting on December 30, 2009, and challenged Mr. Evenson not to deny the truth of her words. Mr. Evenson did not deny it. See, 1/7/10 Article, attached and incorporated herein as Exhibit B.

In addition to announcing this purpose to hospital executive staff, Mr. Evenson challenged Mr. Rees directly. Within a day of his appointment, Mr. Evenson appeared in Mr. Rees' office and told Mr. Rees, "You know I don't have the votes right now to terminate you" Mr. Evenson later confirmed these statements to Mr. Rees on the record in an open meeting. An audio recording will be provided as soon as possible.

As Roger Mancebo, former Chairman of the PGH Board of Trustees, noted at the Open Meeting of the Board on December 28, 2009, Mr. Evenson's record as Trustee belies his true personal interest in "getting Matt fired." See, Exhibit B at page 7.

As a Trustee, Mr. Evenson spoke with employees of PGH, and warned them that Matt would take any opportunity to retaliate against them. Mr. Evenson represented to some of these individuals that if they would report any wrongdoing by Matt, Mr. Evenson would protect their position with PGH. For the record, it is

unclear to complainants whether Mr. Evenson intended to use his authority as Trustee, or his license to practice law to protect these employees. In either event, he would stand to gain personally by the outcome.

In August, 2008 Mr. Evenson was called into Mr. Rees' office with Chairman Mancebo and Director of Finance Marjorie Skinner regarding an issue involving an employee to whom Mr. Evenson had promised protection. The employee had submitted misrepresented mileage for which he had been reimbursed an excess of over \$3,000. Mr. Evenson had also stated to Mr. Rees and Mr. Mancebo that he wanted no action taken regarding this issue because he had promised this employee protection. When Ms. Skinner insisted on the importance of this amount of money, Mr. Evenson responded that he did not care about the money. In the December 30, 2009 Board meeting Mr. Evenson professed to be concerned about handling financial matters in the "highest judiciary manner". Mr. Evenson's actions demonstrated his concern is applied with a different standard where Mr. Rees is involved.

At the May 31, 2006 meeting of the Board, Mr. Evenson was already laying the groundwork for his attack on Mr. Rees. See 5/31/06 Meeting Minutes attached and incorporated herein as Exhibit C. For example, on page 4 of the minutes, "Mr. Evenson wondered if the 'wind fall' from the mines should have been an action taken by the Board not the Administrator as far as paying off the loan for the county." (sic) It is reported later in that conversation that Chairman Mancebo welcomes Mr. Evenson to the Board.

Later in the May 31, 2006 meeting, "Mr. Evenson wants to know what is the disconnect between the Board and the Administrator," and, "Mr. Evenson feels Mr. Rees preaches the chain of command too much, and it takes the 'Mayberry' out of working at PGH." Even more to the point of his personal agenda, "Mr. Evenson stated that we need to mend the PR for the hospital. The doctors are the face of the hospital. All of the recent events have come at an inopportune time."

This May 31, 2006 meeting – the very first meeting of Mr. Evenson on the Board – ends with the beginning of the instant controversy:

Mr. Evenson suggested the Board review all hospital policies and procedures and make changes. He wanted to know if the excess net proceeds from mines should have been Mr. Rees' decision, or the Board's. He stated the Board needs to set clear policies and guidelines regarding contracts. Ms. Mills said first you need to understand what is operations and what is not. Mr. Evenson stated policy could eliminate the PR problems.

After the verbal warnings that he would be on the hunt for Mr. Rees' job, Mr. Evenson implemented his plan to begin the process. He began by demanding

detailed financial information about the hospital. Mr. Evenson and Mr. Rees exchanged an email argument from July 24, 2006 through July 26, 2006, which was at the time copied to Chairman Mancebo and Todd Plimpton, counsel for the Board. See, 7/26/06 Evenson Email attached and incorporated herein as Exhibit D.

At a prior board meeting, Mr. Evenson requested detailed information about the hospital's credit cards, including bills and charges. Mr. Rees promised the information would be made available, and checked with Attorney Plimpton to make sure he was not breaking any rules by disclosing financial information. Attorney Plimpton suggested the information should not be allowed to leave the physical location of the hospital, but that it should be freely available for the Trustees to review. Mr. Rees passed this information to Mr. Evenson. Mr. Evenson's email response is hostile, and twists Mr. Rees' message to make it sound as if Mr. Rees does not trust Mr. Evenson. The colloquy between the two reveals Mr. Rees' professional and calm demeanor, and Mr. Evenson's sarcastic and obnoxious allegations and demands.

In like manner, Mr. Evenson has attempted to color every mistake and misstep of Mr. Rees as being unethical, illegal and/or dishonest, and he has used his position as Trustee to acquire an informal engagement as Board counsel, which afforded him an opportunity to push his personal agenda.

In March of 2008, Attorney Plimpton was deployed to Iraq. The Board became aware of Attorney Plimpton's military leave at their meeting on March 26, 2008. See 3/26/08 Meeting Minutes attached and incorporated herein as Exhibit E. Attorney Plimpton's letter referred the Board to his law firm, Belanger & Plimpton, for representation in his absence. Instead of using the law firm properly appointed as counsel for the PGH Board, Mr. Evenson suggested to the Board he could fulfill that role. The other members knew Mr. Evenson is a licensed attorney, and acquiesced to his request. Mr. Evenson thus used his authority and position as Trustee to have himself informally appointed to the role of acting counsel to the Board with respect to negotiating the PGH contract with Mr. Rees. See 4/30/08 Meeting Minutes, attached and incorporated herein as Exhibit F, at page 4.

During the April 30, 2008 meeting, for the "Legal" portion of the meeting, Mr. Plimpton is reported as absent, and "Steve" (Mr. Evenson) is reportedly acting in the role of counsel. This carries through the record. See 5/15/08 Meeting Minutes, attached and incorporated herein as Exhibit G, at page 3. The minutes reflect Mr. Plimpton is still absent, and indicate that "Matt is to contact Steve if he has any questions regarding the contract." Mr. Evenson contacted the Reno office of Littler Mendelson and had several conversations with Littler attorneys about the CEO contract, and a review of PGH policies and procedures. See, Littler Mendelson invoice for services, attached and incorporated as Exhibit H. Had Attorney Plimpton been in Nevada, he would have been the appropriate person to carry out these tasks.

In his role as counselor, Mr. Evenson was able to make certain changes in the CEO contract without notifying the Board. As Mr. Mancebo explains in his letter, Exhibit I, Mr. Evenson returned to the Board with a CEO contract that incorporated changes never approved by the Board.

This is extremely significant. The new contract changes the way the CEO bonus is calculated. Originally, the bonus was calculated as a percentage of hospital revenue based on a calendar year. The new contract called for calculation of the bonus as a percentage of hospital revenues based on a fiscal year. The original contract called for payment of the bonus in quarterly payments based on the contract date. The new agreement calls for quarterly payments of the bonus ensuing the end of the first fiscal year, and dependent upon the CEO receiving a "positive annual review for any fiscal year." The new agreement also allowed for an annual salary increase for a "positive annual evaluation."

First, since the PGH fiscal year ends June 30<sup>th</sup>, the implementation of the new contract left a three month period of time for which Mr. Rees could not receive a bonus or be considered for an annual pay increase.

Second, at the time the new contract was going into effect, Mr. Rees had already agreed with the Board that his bonuses were to be paid quarterly to avoid the negative effect of the lump sum payment on the hospital's cash flow. Also for the sake of the hospital's financial health, Mr. Rees had agreed to wait to receive bonus payments that were earned and approved by the Board.

Before Mr. Rees began taking payments on his past due bonus, he notified Chairman Mancebo and Attorney Plimpton of his intent to do so. Both men acknowledged what Mr. Rees was doing, and neither suggested Board approval would be required to take the payment already approved by the Board.

Mr. Evenson claims to have heard Mr. Rees was taking a bonus through an anonymous letter. See Anonymous Letter, attached and incorporated as Exhibit J. Mr. Evenson immediately brought the matter before the Board and accused Mr. Rees of wrongdoing. Mr. Evenson has accused Mr. Rees of improperly calculating the amount of his bonus by including funds in gross receipts that Mr. Evenson does not think should be included in the calculation, though Mr. Evenson personally made the motion April 30 of the previous year to pay Mr. Rees' lump sum bonus based on the gross receipts he is questioning. See Exhibit F and Bonus Schedule attached and incorporated herein as Exhibit K. Mr. Evenson also insists Mr. Rees should have asked the Board for permission to begin accepting payments of a bonus the Board already approved.

Upon information and belief, Mr. Evenson used his position as Trustee to become unofficially engaged as Board counsel for the purpose of changing the CEO contract. Mr. Evenson has taken advantage of the provisions that changed without

anyone's notice to attempt to catch Mr. Rees in noncompliance, and to cast a shadow on his character. See, Mancebo Letter at Exhibit I.

Attorney Plimpton has counseled Mr. Evenson in the past to remind him of the difference between the role of counselor and the role of Trustee. Attorney Plimpton reminded Mr. Evenson as recently as the December 28, 2009 open meeting of the Board. Despite these reminders, Mr. Evenson's website to promote his private practice states, "Steve currently serves as legal counsel for the Pershing County Hospital." See 1/27/10 Website Page, attached and incorporated as Exhibit L.

Mr. Evenson more recently gained some traction with his allegations by twisting the facts of an office miscommunication in April, 2009. While Mr. Rees was on vacation, Rusty Kemp was asked to send the Board an update on a payment made to PERS. Ms. Kemp reported the check was sent. The check was actually not sent yet, and was held back when PGH executives realized they did not have the funds to cover the check; the check sat in Accounting Manager Patti Speer's drawer. When Mr. Rees returned from vacation and realized that the Board believed a payment was made that was never sent, he informed the Board of the situation. Importantly, Mr. Rees' report to the Board was made before the Board had to make any decisions that would have been affected by the information.

Since then, Mr. Evenson has attempted to use this "PERS incident" to cast a shadow on Mr. Rees' credibility in at least three ways: (1) he cites the incident for evidence that Mr. Rees gives the Board bad information on financial issues; (2) he has used the incident to persuade board members that Mr. Rees is not credible by implying Mr. Rees only told the Board about the check "because he had to"<sup>4</sup>; (3) he has separated the resulting misreporting on the PGH balance sheet that the PERS payment was made as further evidence of Mr. Rees' dishonesty.

On several occasions, Mr. Evenson has directly demanded work from hospital staff, in violation of NRS 280A.400(7) and (9). On May 20, 2009, Mr. Evenson carried on an email argument with Rusty Kemp, executive assistant to Matt Rees. This exchange was had among all the members of the board, via email. See 5/20/09 Email attached and incorporated as Exhibit M. This argument demanded time and energy of Ms. Kemp that she could have otherwise have directed to hospital business, specifically to her boss, Matt Rees.

On July 1, 2009, the Board of Trustees reviewed Mr. Rees' performance for the period of February 2008 to February 2009. This review was never noticed as a meeting to review Mr. Rees' performance, professional competence and character. During this meeting, Mr. Evenson attacked Mr. Rees' character, and brought events

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<sup>4</sup> In May, 2009, Mr. Evenson contacted the other Trustees via telephone and told them Mr. Rees only told them of the PERS error "because he had to," suggesting that Mr. Rees is otherwise dishonest and would not have properly disclosed the information.

into question which were outside the timeframe being considered. A recording of this session will be provided as soon as possible.

Mr. Evenson again demanded the attention of hospital staff in his October 23, 2009 email, which implies Mr. Rees is guilty of overpaying himself by comparing Matt Rees to Bob Loux. See 10/23/09 email, attached and incorporated herein as Exhibit O. The Commission will note this message was circulated well outside the hospital Board and staff; it was even sent to a local newspaper reporter.

On August 4, 2009, Mr. Evenson pulled Mr. Rees out of a board meeting in progress, and told Mr. Rees to suggest a 25% discount on old hospital accounts receivable. Mr. Evenson stated it would not be appropriate for him to bring it up himself in the meeting because he would personally benefit greatly from the suggestion due to a large outstanding personal balance. By the time of this interaction, Mr. Rees was actively, daily, having to watch his back, and explain his actions. Mr. Rees did make the suggestion for the discounts, believing it was an opportunity to mend fences with Mr. Evenson, and to dissuade Mr. Evenson from continuing the personal attack. See 8/4/09 Meeting Minutes attached and incorporated herein as Exhibit N.

Mr. Evenson's violations regarding hospital staff time were discussed at the board meeting on December 30, 2009, and Mr. Evenson insisted his demands on staff do not constitute any violation. He has since continued to demand work from hospital staff, as evidenced by his January 12, 2010 letter to Ms. Kemp. See 1/12/10 Evenson Letter attached and incorporated herein as Exhibit P.

Another very recent incident which was mischaracterized by Mr. Evenson at the December 30, 2009 board meeting involved the unrelated events of a small fire at the hospital and a sprinkler malfunction. Mr. Evenson related an experience at the grocery store wherein other patrons asked him about the "hospital fire." Mr. Evenson was angry that he did not know what the patrons were talking about. The "fire" consisted of smoldering wires in an appliance at the hospital facility. Hospital maintenance handled the situation, and the hospital never required evacuation. Mr. Evenson demanded the Board be notified of everything that malfunctions at the hospital, and right away. Months later, in December, the sprinkler system in the administrative offices spring a leak. Mr. Rees himself crawled up into the ceiling to assess the problem. Before maintenance had even begun the repair, Mr. Rees directed an employee to contact the board members to let them know there was a leak. There was no other information to share with the board, since the report was being made as the matter was being assessed. Mr. Evenson uses the example of this phone call to show that the hospital is poorly run, since the caller did not have full information.

The audio recordings of the open meetings of the PGH Board of Trustees will be provided as soon as possible. A review of these audio recordings will reveal monologues and soliloquy by Mr. Evenson wherein he twists the truth and

confounds the record and then demands the board agree that Mr. Rees cannot be trusted. This is the manner in which Mr. Evenson has been carrying out his personal agenda since his appointment in May of 2006.

At the December 30, 2009 meeting, Mr. Evenson admitted to having this personal interest in seeing Mr. Rees terminated. CFO Patti Speer told the Board about her first conversation with him as Trustee, and his disclosure that at that time, it was his only goal, to terminate Mr. Rees. There are several other witnesses listed on Attachment 2 whose testimonies will provide further evidence that these allegations are true. Additionally, audio recordings of the meetings will be provided to the Commission as soon as possible.

## INDEX OF EXHIBITS

Exhibit A	2/22/06 Meeting Minutes
Exhibit B	1/7/10 Article
Exhibit C	5/31/06 Meeting Minutes
Exhibit D	7/26/06 Evenson Email
Exhibit E	3/26/08 Meeting Minutes
Exhibit F	4/30/08 Meeting Minutes
Exhibit G	5/15/08 Meeting Minutes
Exhibit H	Littler Mendelson Invoice
Exhibit I	Mancebo Letter
Exhibit J	Anonymous Letter
Exhibit K	Bonus Schedule
Exhibit L	1/27/10 Evenson Website
Exhibit M	5/20/09 Evenson Email
Exhibit N	8/4/09 Meeting Minutes
Exhibit O	10/23/09 Evenson Email
Exhibit P	1/12/10 Evenson Letter

**TAB A**



PERSHING GENERAL HOSPITAL AND NURSING HOME  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING MINUTES  
February 22, 2006

**PRESENT:**

Roger Mancebo, Chairman  
Jack Riehm, Vice Chairman  
Richard Wagner, Secretary  
Jim Goldsworthy, Member  
Mark Hostman, Member  
Joe Pierce, Member  
Stanley W., McCart, MD, Member  
Matt Rees, Administrator/CEO  
Todd Plimpton, Legal Counsel  
Marjorie Skinner, Director of Finance  
Cindy Hixenbaugh, Administrative Assistant

**ALSO PRESENT:**

Nadine Tranquilla, Patti Speer, Kelly Gibson, Susan Dunham, Roy Card, Kim Billmeyer, Steve Evenson, Francie DeBraga, Wendy Malich, Kim Ruiz, Rachel Klingan

**MINUTES:**

**1. CALL TO ORDER**

Chairman Mancebo called the Regular Meeting of the Pershing General Hospital and Nursing Home Board of Trustees to order at 7:00 p.m.

**2. PUBLIC COMMENT**

Rachel Klingan addressed personal concerns with the Board including receiving statements from billing and having to come to the billing office to clarify what she owes the hospital through the years. She is frustrated with not knowing how much she owes and the hospital has spent \$80 in postage just to her for her statements. She heard rumors about the hospital deficit and losing three weeks billing. She doesn't want to lose the facility as it is a viable part of the community. She also heard there is a hostile work environment and that employees are afraid to speak out. The doctors are leaving, she is upset, and this is not acceptable to her. The doctors are a viable part of the community. The hospital should have some accountability and have frequent independent audits. The Board should be accountable to the public. The Board needs to evaluate themselves and there are people who can come out and do that for them. Matt Rees can't do his job if the Board doesn't give or direct parameters. She suggested the Board go through intense staff development and training. Mr. Rees stated that the Board will have a training opportunity on March 10, Carver Governance Seminar, as listed on this Agenda as well as the Western Region Trustees Symposium in Lake Tahoe this June. Mr. Rees stated that the Board has in their packet a draft of the audited financial statements. Mr. Rees suggested Ms. Klingan stop by the Business Office or bring her issues to him. Ms. Klingan stated she is aggravated with billing; it is confusing and overwhelming. Mr. Rees stated that CPSI retrained the Business Office for two weeks starting on Jan. 29. Mr. Mancebo stated that most of her concerns were based on rumor except the billing issues. He stated that all concerns go to the Board or Mr. Rees and the staff and/or community can meet with either of them before the Board meeting so as not to make unsubstantiated accusations at the meeting. Ms. Klingan stated she heard the rumors from credible people. She said if there is validity to the issues, address them and it is not good to have mistrust in the community. Mr. Mancebo stated we can only have open meetings; we cannot do anything about rumors. Mr. Goldsworthy stated that three years ago the hospital was almost \$1 million in the hole. The financials are getting better and better, but far from

perfect. Three years ago, no one was interested in the hospital's situation and he tried to get the community to pay attention. Now with the County and City Joint Meeting everyone is interested. He continued, we are not near the problem as before and what goes through the community is not always credible. He saw the hospital coming close to closing its doors and no one was interested. Mr. Plimpton added that the hospital's current liabilities have decreased by 65% or \$1 million in just two years. Mr. Wagner reviewed Ms. Klingan's concern with her top two being billing issues and computer system problems. Ms. Skinner told the Board that the hospital is getting reimbursement from PMSI in the amount of \$25,000 because the system did not work. Ms. Klingan stated she wants a facility close by that is viable. Mr. Plimpton gave Ms. Klingan a copy of the current liabilities sheet and draft audit to review. Ms. Klingan stated that finances aside, when she comes to the facility to receive medical service, she does not want to hear things not related to her medical care. Mr. Plimpton then told the Board and the audience about an incident that an employee's spouse had overheard at the local barber shop caused by rumor. Mr. Plimpton stated he does not associate with companies that are not in good standing. He told everyone to remember that rumor/innuendo is not the truth. He is willing to talk to anyone regarding this organization and regarding contract negotiations. Mr. Goldsworthy thanked Ms. Klingan for her comments.

Patti Speer asked the Board for the floor and stated that back in 1980-1984 the hospital was worried about money and the care of the community and patients was number one. She asked audience members to stay united and not listen to rumors. She told the audience that training occurs frequently at the facility. She said we have meetings to discuss the hospital's difficulties and community perception. This Board has accomplished many things for the facility and it is a positive element in the community for whatever happens. She asked everyone to support the facility and look at what is right for what is here. Ms. Klingan stated she wants to engage the community. She was driven by personal issues and is close with those living it. Ms. Speer stated the community needs the facility.

Kim Billmeyer, Health Information Management Director for the hospital, stated that she left a job of 20 years to come here. She started here as a consultant in the Fall and made her decision to leave a secure job to come here because she felt we could use her skills here. She has not dealt with anyone that has not respected her opinion or that was not nice. Those having a problem are not generally vocal and don't ask questions. There is a chain of command – manager, administration, board. All Board members are available for questions. She said that people should be responsible to ask questions. No one puts forth effort to take the right steps to get questions answered. Rumors undermine the good work the hospital is doing.

Steve Evenson requested the floor stating he was legal counsel for the Board for years in the past. He stated his family trusts the physicians and will have to adjust to the fact the doctors are leaving. He said this is downright tragic. Dr. McCart's letter says it all. Mr. Evenson has had hospital employees telling him the problems in the hospital and as a member of the community he is telling the Board to solve it. He stated that the cash basis of hospital is still breaking even and all the employees and Board deserve credit for doing this, Dr. McCart too. He is here to offer his assistance to help make it work well. The hospital is important to his family and business. He is concerned about the continuity of care for the community and his family. He told the Board to solve the problem because the hospital will be in big trouble.

An unidentified community member stated that the hospital residents are used to Dr. McCart and Dr. Baker. She said that Dr. McCart has left and come back in the past. She wanted to know why the hospital could not keep him happy. Mr. Mancebo stated that the hospital negotiated in good faith right up to getting Dr. McCart's resignation. Dr. McCart stated he did not agree with Mr. Mancebo with the negotiations process and there are issues. Mr. Mancebo stated that he is devastated by losing two doctors and he thought he did everything he could to keep the doctors here. Mr. Goldsworthy stated that all companies have turn over and sometimes this is what happens in business. Mr. Mancebo then called for any other comment. Dr. McCart stated he had an issue that he would like to address under Other on the Agenda.

**3. APPROVAL OF MINUTES: January 25, 2006**

The Board reviewed the Minutes of the Regular Board Meeting on January 25, 2006.

**The Board took the following action:** Joe Pierce moved to approve the Regular Board Meeting Minutes from the January 25, 2006 Regular Board Meeting. Jim Goldsworthy seconded and the motion carried.

**4. CRITICAL ACCESS HOSPITAL (CAH) ITEMS:**

**A. OLD BUSINESS**

- i. Members of the Pershing General Hospital and Nursing Home Board of Trustees to provide signatures for the amended Board Bylaws as approved at their January 25, 2006 meeting. (IDA)\***

All Board members signed the PGH Board of Trustees Bylaws as finalized at their January 25, 2006 Regular Board Meeting.

**B. NEW BUSINESS**

- i. Administrator's Report (IDA)\***

Mr. Rees stated the Draft Audit is in the Board packet for review. He has been working on several issues this past month. Medicare issues have been resolved. He is waiting for deadlines for filing the Medicaid cost reports for 2004 and 2005. The hospital had a clean audit and management worked with auditors to provide all necessary information. Prior to 2004, there was only one other year in the last seven that had net revenue. In both 2004 and 2005, the hospital had net revenues. We hosted a Beller & Associates training for hospital Department Heads and some City and County employees attended. The Cost Reduction Plan was implemented to help pay off the County loan and Medicare/Medicaid. Some of the reductions included pay cuts and a decrease in travel pay for those who commute. We hope that more employees will move to Lovelock with travel pay reduced. We have also implemented other items to make us run more efficiently. With these reductions, we will save approximately \$253,000 over the next year. The plan was put into effect and payroll expenses in February have already been reduced. Dr. Gadallah has signed a contract with the hospital and he will start working in May. He will come here from Hawthorne where he played a major role in a successful turnaround. We will interview Dr. Westling from Ely on March 20. Time will be scheduled for Board members to meet Dr. Westling and ask questions. NRHP is hosting the Carver Governance Seminar and it will be telecast in the Education Room at the hospital on March 10. Mr. Rees asked Board members to RSVP to Cindy Hixenbaugh. Mr. Rees discussed the hospital's current liabilities which decreased by \$1 million since 2003. In 2003, the liabilities were at \$2.6 million. He distributed a current liabilities sheet, which broke down the liabilities for what is due in a one-year period. The hospital is operating on a day-to-day basis with cash. We are trying to keep expenses down, trying to improve AR, and trying to build a reserve.

- ii. Director of Finance Report (IDA)\***

Marjorie Skinner reviewed the financial statement and statistics with the Board. She reported that January is the highest month in the last 12 months and Lab is the highest it has been in a while. She added a line for Clinic procedures to the statistics. There were 17 Clinic procedures. Mr. Mancebo asked if February would be as good as January given fewer days in February and lower inpatient statistics. Mr. Rees stated that revenue will be good, but not as high as January. Ms. Skinner stated that with the implementation of the Cost Reduction Plan there has been a drop in expenses. She reported \$900,000 in revenue with a bottom line of \$86,000. The \$150,000 County grant is reflected in the bottom

line and if we were take that out it would make the bottom line a negative. Medicaid will be performing audits in April. She will be compiling information for them. Jim Goldsworthy asked how many audits the hospital goes through annually. Mr. Rees stated that Medicaid does an audit every 2-3 years. Medicare does annual desk audits and multiple desk audits for the cost report. They look at Board minutes, financial information, etc. Our independent auditors conduct an annual audit and there is a Workers Compensation audit and some other minor audits. Joe Pierce asked how cash flow is. Mrs. Skinner stated cash is on a day-to-day basis. CPSI provided training for our Business Office and Financial Services, which provided good information to use the system to its fullest. She stated that with Kim Billmeyer here, Health Information Management Director, we are recovering many charges. We are working very hard to have cash flow.

**iii. Director of Clinical Services Report (IDA)\***

Mr. Rees reported that Deanna Davis is unavailable to give a report this month. The nursing department has one position open because a new hire decided not to come. January has been busy with many inpatients.

**iv. Director of Long Term Care Report (IDA)\***

Nadine Tranquilla reported there are 25 residents in Long Term Care. There were two discharges and one admission. She is reviewing referrals for admissions. Her staff received continuing education on the Aging Process. A CMS Survey will be conducted in the next two months. Ms. Tranquilla congratulated Jodie Chico for achieving her Activities Director Certificate.

**v. Read and take action on resignation letter from Stanley W. McCart, MD (IDA)\***

**The Board took the following action:** Jack Riehm moved to accept Dr. Stanley McCart's letter of resignation as of February 28, 2006.

Richard Wagner asked the Board to discuss where negotiations failed for him to understand why Dr. McCart resigned. Mr. Plimpton told the Board it is all right to discuss negotiations if Dr. McCart agrees and that Dr. McCart has representation if he so chooses. Mr. Plimpton stated negotiating a contract is one of the most interesting and challenging things, he has done. Mr. Plimpton said he had at least two conversations with Dr. McCart and Mr. Rees spoke to Dr. McCart. Dr. McCart made his wishes known for his contract. Dr. McCart retained counsel to aid in negotiations. Mr. Plimpton and Mr. Rees negotiated with Dr. McCart's counsel at length. We are disappointed we could not get Dr. McCart's contract signed. The contract was in excess of what was asked for and it reduced Dr. McCart's time expectations. The contract terms were based on recommendations from Dr. McCart and we used his terms for the recruitment of a third physician. Mr. Plimpton and Mr. Rees met with Dr. McCart's counsel in Reno. Mr. Plimpton stated that they thought they came to terms with a five year contract and good package. Mr. Plimpton stated that he did not know Dr. McCart was going to resign. He thought all terms were addressed, but for some reason the contract was not signed. We have had some locums working at the facility for continuity of care and to help reduce Dr. McCart's hours. Dr. Gadallah has signed a contract with the hospital, Dr. Westling has an interview with hospital, and Dr. Gebrail may also come on board. We thought we came to terms with Dr. Baker also, but she has also decided to resign. After much effort, we were unable to have the doctor sign a contract. Mr. Rees met with Dr. McCart and then Mr. Rees and Mr. Plimpton went to meet with Dr. McCart's attorney to clarify items, and the next day Mr. Rees received Dr. McCart's resignation letter. Dr. McCart stated that negotiations have been ongoing for eight months and during that time, it was his understanding that he had a verbal agreement with Mr. Rees regarding a schedule. Dr. McCart stated that there were some changes made and he was given the feeling that he had the rug jerked out from under his feet. Mr. Wagner asked Dr. McCart if the negotiations were close in his eyes. Dr. McCart stated money remuneration was close and in terms that he did not want to cover every other night and weekend was the central issue that drug out negotiations. Dr. McCart stated he was willing, but he took some offense at a statement regarding an exorbitant

amount he receives and feels that its time to go. Jack Riehm stated the Board should follow Dr. McCart's wishes and terminate the contract as of February 28, 2006. Dr. McCart stated that according to his contract it should go to August 9, 2006. Mr. Plimpton asked Dr. McCart if he wanted the Board to carry him the six months. Dr. McCart stated that Mr. Rees' letter states that he will be held to the terms of his contract. He stated that if the Board wants him to term sooner, then he would like 60 days notice. Mr. Plimpton read Dr. McCart's resignation letter as a point of clarification. In the letter, it indicated that Dr. McCart would consider terminating his contract as of March 31, 2006. Mr. Plimpton asked Dr. McCart if he wants to terminate the contract on March 31, 2006 or in six months. Dr. McCart stated he would leave in six months if the hospital recruited another physician or with a 60-day notice if the hospital had a new recruit. Dr. McCart stated he does not want to leave in a lurch. He stated he would come and work for a week at a time to help the hospital. He said it is not our purpose to sabotage the hospital. Mr. Plimpton clarified to the Board that Dr. McCart has a six-month continuation of care clause in his contract (Term of Agreement). Dr. McCart would like to enforce the contract but will take a 60-day notice. Mr. Plimpton recommended that the Board accept Dr. McCart's resignation with a 60-day notice and give administration the authority to work with Dr. McCart for other services. Dr. McCart stated he is willing to live with March 31, 2006. Mr. Wagner asked Dr. McCart if his mind is made up. Dr. McCart stated there are issues that are not being dealt with and there is no willingness to deal with them. Mr. Wagner requested details of the discrepancies. Mr. Plimpton told Mr. Wagner to speak to Dr. McCart regarding any discrepancies. Mr. Wagner asked where we/administration are not meeting up with Dr. McCart. Mr. Wagner questioned that Dr. McCart's needs are not being met and ours are not either. Mr. Plimpton suggested the Board not pursue this subject at this time. He stated we are trying to let him leave as graciously as we can. There was a lot of effort to make it work. It may not succeed, if ever and we do not want to discuss this to the detriment of Dr. McCart or the Board. Mr. Plimpton stated his willingness to talk about reasons not coming to an agreement if Dr. McCart says it is all right. Mr. Plimpton suggested a Personnel Session be set to discuss these issues. He also recommended the Board accept Dr. McCart's letter of resignation, talk to Dr. McCart in good faith in a Closed Session with his attorney present, and air this in the right forum. Mr. Mancebo asked Dr. McCart if he was willing to do the same. Dr. McCart stated that for the benefit of the community and avoiding acrimony they do this in a Closed Session. Mr. Plimpton stated issues come out better in a Closed Session. He suggested the Board accept the letter and hold a Closed Session. Dr. McCart then asked the Board to accept that the interim amount he requested from Mr. Rees as previously agreed upon. Ms. Skinner stated that it would be beneficial to the community if the issues were kept in closed session without the public involved. Mr. Wagner stated that it would be an injustice to Dr. McCart without getting the facts if both parties are willing. Mr. Plimpton stated in order to hold a Personnel Session you have to notify the other party 20 days in advance and post for a personnel session. He stated that March 19 would the soonest he could meet with the Board. Mr. Riehm reminded the Board that he has a motion on the floor. Mr. Plimpton suggested the motion be amended to reflect March 31, 2006 as the day of resignation.

Discussion continued. Mr. Mancebo stated that if the motion is passed, we could still go forward with a Closed Session. Mr. Plimpton stated that a Closed Session could still be held and Dr. McCart can still withdraw his resignation. Mr. Plimpton stated that there could still be discussions with Dr. McCart putting the ember aside to be able to renew faith in the negotiations process and come to an understanding agreeable to the hospital and Dr. McCart. Dr. McCart can withdraw his resignation at any point.

**The Board took the following action:** Jack Riehm moved to accept Dr. Stanley W. McCart's letter of resignation as of March 31, 2006. Jim Goldsworthy seconded and the motion carried. Richard Wagner voted nay, all other votes were ayes.

Jack Riehm stated he read the letter and had a conversation with Dr. McCart and finds Dr. McCart not happy practicing here. He wanted to leave and the door is open for him. Dr. McCart stated he is happy practicing here. Mr. Mancebo stated that it is the understanding of the Chair that a Closed Session can take place and Dr. McCart can withdraw his resignation. Dr. McCart has been duly admonished to bring his attorney with him. A meeting could be held after March 19. Mr. Plimpton said letters of notification would be sent to all Board members.

At this time, Mr. Plimpton read Section 8 of the physician agreement to the Board including Dr. McCart to reiterate that any discussion regarding contract matters should wait until the closed personnel session so information is not skewed in any way. He read:

Confidentiality of Information - During the term or upon termination of this Agreement, Physician shall not, at any time, in any manner, either directly or indirectly, divulge, disclose or communicate to any person, firm or corporation in any manner whatsoever any information concerning any matter affecting or relating to the business of Hospital, its manner of operations, its plans, processes, or other data without regard to whether all of the foregoing matters will be deemed confidential, material or important. The parties hereto stipulate that as between them, the same are important, material and confidential, and gravely affect the effective and successful conduct of the business of the Hospital and that any breach of the terms of this paragraph shall be a material breach of this Agreement. The Physician shall not disclose information relating to the Hospital operations to persons other than members of the Medical Staff, State licensing boards, third party reimbursement agencies, or hospital regulatory agencies without written consent of the Hospital, or unless required to do so by law.

**vi. Check Signer Approval (IDA)\***

Ms. Skinner asked the Board to approve the new members of the Board and staff as check signers. At the January 25, 2006, meeting the new Board members and staff provided their signatures on the cards, but the Bank needs the minutes to reflect the Board's approval for the signatures. The new signers are: Joe Pierce, Dr. Stanley McCart and Deanna Davis.

**The Board took the following action:** Richard Wagner moved to approve the new Board members as check signers for the hospital. Jack Riehm seconded and the motion carried.

**vii. Review and approval of amended Letter of Conditions and related amendments for the USDA Loan. Chairman to sign the Letter of Intent to meet the amended conditions when approved by the Board of Trustees (IDA)\***

Ms. Skinner stated she met with the auditors and they recommend that due to the hospital's growth mode we request an amendment to the Letter of Conditions for the USDA Loan. The letter was included in the packet for review by the Board of Trustees.

**The Board took the following action:** Jack Riehm moved to approve the amended Letter of Conditions and related amendments for the USDA Loan and the Chairman will sign the Letter of Intent to meet the amended conditions as approved by the Board of Trustees. Mark Hostman seconded and the motion carried.

**viii. Acceptance of Employment Contract between Pershing General Hospital and Yoursi Gadallah, MD (IDA)\***

Richard Wagner requested more information regarding this contract, paragraph one, because it is an Employment Agreement and Dr. Gadallah has himself as a personal corporation. Mr. Rees stated Dr. Gadallah would be an employee of the hospital and Dr. Gadallah uses the personal corporation distinction for tax purposes. Mr. Plimpton stated that any physician can be a personal corporation.

Mr. Plimpton stated that this contract is similar to previous contracts based on a three-physician schedule. Dr. Gadallah agreed to work five days in the Clinic and one ER shift during the week and two weekends per month or 10 ER shifts per month. He is willing to see walk-ins and do a half-day Clinic on Saturdays. An addendum to this agreement would have to be added for the Saturday Clinic, but he is willing to do this. The next physician would do more ER coverage. This physician will be an employee of the hospital and the real benefit to him will be PERS and malpractice insurance, which is built into his

base pay. The only other change is an incentive in terms of bonus based on growth of the hospital and it is a good thing to tie remuneration based on the success of the hospital. Dr. Gadallah attended the Lions Club meeting and toured the hospital on his last visit. He was instrumental in turning around Ely and Hawthorne. He has two children (ages 11 and 7). He is looking for a residence in Lovelock. Mr. Plimpton recommended the Board approve the contract at this meeting, otherwise putting it off could jeopardize the contract. Dr. Gadallah wants to tell Hawthorne he has a job elsewhere because they are putting pressure on him to stay.

**The Board took the following action:** Mark Hostman moved to accept the Employment Contract between Pershing General Hospital and Yousri Gadallah, MD. Joe Pierce seconded and the motion carried.

Mr. Goldsworthy asked if the bonus is based on physician billed charges. Matt Rees stated the bonus is based on charges. There is no change from previous contracts. Mr. Pierce asked if billing is being held up because doctors are slow on records. He suggested language be put in the contract to alleviate that.

Mr. Plimpton stated that in order to control rumors in the community copies of the contracts need to be by request only and anyone wishing information on this contract should come in to the hospital ask to review a copy of the contract. He asked the Board members to turn in their copies out of respect for the new physician. He said there does not need to be a bunch of copies out in the community. He suggested that a log be kept of those requesting copies of the contract for accountability. We cannot guarantee someone won't distribute the contract. We are trying to protect the nature of the employment and trying to prevent a million copies.

It was noted that there was an error on the Addendum A page in the contract. The word THIRTY should be THIRTEEN in reference to \$13,000. The change will be made.

- ix. **Discussion and Action on Board of Trustees Bylaws to omit the physician member of the Hospital Board due a conflict of interest as new physicians will be contracted as employees of the facility not independent contractors. The Joint Conference Board Representative will report to the Board any information deemed necessary and informational as provided by the physicians from their quarterly meetings. The new physicians will also notify the CEO or Director of Clinical Services of any questions or concerns they may have regarding medical issues. Either the CEO or Director of Clinical Services will bring forth the issues to the Board at their regular monthly Board Meetings. (IDA)\***

Mr. Mancebo stated that all new physicians may be employees of the hospital and they will receive PERS and malpractice and this is agreeable to most physicians. There would be an employee sitting on the Board and this could cause a conflict of interest. Mr. Plimpton stated that employees can serve on Boards and be voting members. There is no difference here. Mr. Mancebo stated he saw benefits to having an independent contractor physician on the Board, but is it wise to have an employee sit on the Board. Mr. Plimpton will research this issue and bring the information back to the Board. He will contact the Attorney General's office and get a recommendation/highlight on this issue. Mr. Plimpton did state that in the Bylaws it states you can have a Commissioner "or" a physician appointed to the Board.

Bylaws can be amended to state the physician or chairman be non-voting members on the Board. Chair does not vote unless there is a tie. The chairman cannot vote to tie it up either. Kim Billmeyer asked if there would be conflict of interest on agreements if the employee physician was on the Board. Mr. Plimpton stated that the Attorney General spoke on this issue and Board members can vote on areas of perceived conflict as long as they expose it first. Mr. Plimpton gave an example that if a Board member got a contract with hospital. He can vote on the budget for the contract. He would have to disclose the conflict and ask if the Board had any problem with his involvement. Mr. Rees stated he put this on the Agenda to discuss if there would be a problem in the future if an employee could not be on the Board.

The Commissioners want to know if we want them to be on the Board. The term was up in August. Mr. Goldsworthy stated he would make a motion to recommend to the Pershing County Commissioners that we delete the position of physician on our Board. Mr. Rees stated this was put on the Agenda for clarification because Dr. Gadallah would be an employee.

**The Board took the following action:** Joe Pierce moved to table discussion and action on Board of Trustees Bylaws to omit the physician member of the Hospital Board due a conflict of interest, as new physicians will be contracted as employees of the facility not independent contractors. The Joint Conference Board Representative will report to the Board any information deemed necessary and informational as provided by the physicians from their quarterly meetings. The new physicians will also notify the CEO or Director of Clinical Services of any questions or concerns they may have regarding medical issues. Either the CEO or Director of Clinical Services will bring forth the issues to the Board at their regular monthly Board Meetings until Todd Plimpton can provide a highlight/recommendation or opinion from the Attorney General. Jim Goldsworthy seconded and the motion carried.

Dr. McCart added that physicians can be helpful to the Board as an employee or independent contractor.

- x. **Approve Initial and Re-Appointment Privileges for Nighthawk Radiology Group, Northstar Imaging and contracted physicians (IDA)\***

**The Board took the following action:** Jim Goldsworthy moved to approve Initial and Re-Appointment Privileges for the following physicians: Dr. Paul Guttman, Dr. John Boardman, Dr. David Prothro, Dr. Robert Riether, Dr. Antonette Cortese, Dr. Leon Jackson, and Dr. James Sloves. Dr. McCart seconded and the motion carried.

- xi. **Review and Approval of Warrants (IDA)\***

The Board reviewed the Warrants as presented in the Board packet.

**The Board took the following action:** Jim Goldsworthy moved to approve the Warrants. Jack Riehm seconded and the motion carried.

- xii. **Review and Action on Write-Offs and Legal Actions (IDA)\***

The Board reviewed the Write-Offs and Legal Actions. Mr. Plimpton has met with hospital staff regarding several different files. It has been hard work to clear the deck on some of the billing. There should be a net gain of \$50k to \$65k on one estate and another \$35k bill that had no executor for the estate. He is working with the Director of Finance and walking through the billing meticulously. There was discussion on claiming money from a bankruptcy and that medical billing has preference over non-secured debt. He asked the Board to approve the Write-Offs and Legal Actions subject to discharge of the bankruptcy.

**The Board took the following action:** Jack Riehm moved to accept the Write Offs and Legal Actions subject to the discharge of bankruptcy. Richard Wagner seconded and the motion carried.

## 5. **MATTERS FOR BOARD DISCUSSION:**

### A. **CORRESPONDENCE (ID)**

None.

### B. **LEGAL (ID)**

None.

C. OTHER (ID)

i. March 10, 2006 Carver Governance Video Conference in the PGH Education Room from 8:30 a.m. to 4:30 p.m. All Board members are encouraged to attend. Board members should R.S.V.P. to Cindy Hixenbaugh (ext. 245 or [cindy@pershinggenhospital.org](mailto:cindy@pershinggenhospital.org)) so all necessary arrangements and registrations can be made by February 28, 2006.

Dr. McCart addressed a rumor that has been going around that he is refusing to see patients when he is on call. He stated that he is careful to make sure he takes patients in the Clinic when on call, but does not make appointments because he feels it is fraudulent to give a time when he is actually on call in the ER. He also stated that he and Dr. Baker are willing to help when needed.

Joe Pierce asked if there was a procedure for insurance companies to be honored by the hospital. Mr. Rees stated that if the insurance is a PPO they have to honor us as the only provider in a 50-mile radius. We contract with all insurance companies we are presented if possible. The hospital has a letter from the insurance commission that says a PPO has to pay the hospital the full rate because of the 50-mile rule. This question was for Safeway employees and he will follow up with them about what kind of insurance they have.

6. ADJOURN (IDA)\*

The Regular Board of Trustees meeting commenced at 7:00 p.m. and adjourned at 9:05 p.m.

**The Board to the following action:** Richard Wagner moved to adjourn the February 22, 2006, Regular meeting of the Board of Trustees. Jim Goldsworthy seconded and the motion carried.

Respectfully submitted by Cynthia Hixenbaugh, Executive Assistant



From: Matt Rees <matthewerees@yahoo.com>  
Subject: Fw: Hospital story  
Date: January 7, 2010 10:27:27 PM PST  
To: "Esq. Nicole M. Harvey" <Nicole@NicoleHarvey.com>

News paper article

-- On Thu, 1/7/10, Lovelock Editor <lr.editor@gmail.com> wrote:

From: Lovelock Editor <lr.editor@gmail.com>  
Subject: Hospital story  
To: matthewerees@yahoo.com  
Date: Thursday, January 7, 2010, 11:59 AM  
By Alicia Craig  
The Lovelock Review-Miner  
LOVELOCK — Issues regarding the running of Pershing General Hospital prompted hospital board members to discuss the performance, professional competence and character of hospital CEO Matt Rees in an open session at their Dec. 30 board meeting.

Board members made no decision as to the outcome of Rees' employment with the hospital at this meeting but said a special meeting would be called to discuss whether complaints could be resolved or whether Rees would be asked to resign.

Board members Steve Evenson and Jim Goldsworthy were the most vocal about their dissatisfaction of Rees' job performance. All board members were present for the Dec. 30 meeting, including Evenson, Goldsworthy, Jack Riehm, Joe Pierce, Mark Hostman and Chairman Roger Mancebo.

After the regular business of the meeting, Goldsworthy asked for a recess to wait for Evenson to arrive at the meeting. Following a 20-minute recess, PGH attorney Todd Plimpton explained that NRS (Nevada Revised Statutes) 241.031 dictates that the job performance of a CEO of an entity that is funded by public funds be held in an open session. Plimpton said the purpose of this meeting was to provide Rees with a list of concerns from the board that could result in his termination. He said that Rees' attorney had requested a list and that he was unable to obtain one from the board so this meeting would serve to inform Rees that he was on notice that items discussed at the meeting, if not resolved, could result in his termination.

Rees' attorney Nicole Harvey told the board that Rees had not been given any written grievances from the board. She mentioned that Rees' last evaluation was unsatisfactory but did not mention any reasons for the unsatisfactory mark. She cited NRS statutes, which had not been adhered to, that provide for an employee such as Rees to be informed of unsatisfactory job performance.

Chairman Mancebo asked who wanted to start the list. Goldsworthy at that point said he would like to adjourn the meeting.

"I would like to see this meeting adjourned to make sure we cross every T and dot every I. Matt is already seeking counsel; I want to make sure this thing is going absolutely perfectly from this point on," Goldsworthy said.

Mancebo said he did not think adjourning was fair to Rees. "I don't think that is fair. We put him in the position where he felt he had to do this (obtain legal counsel)," Mancebo said.

"Oh no, he put himself in the position," Evenson

responded.

Rees said that he had asked Mancebo what topics were going to be discussed at the meeting. "When I didn't get any answer, that's when I thought it was time to get legal counsel to say 'I've got some rights here,'" Rees told the board.

"For Matt Rees to come in here with an attorney and tell us he doesn't know what the problems are with us, either indicates that he is incredibly ignorant or he hasn't been here for the last seven meetings," Evenson said.

Other board members stopped him after that comment. Goldsworthy indicated that he would like to adjourn the meeting again. "These things need to be said, but I don't want to walk into a trap," Goldsworthy said. Statute requires that if you call someone in to review their professional competence, performance and character you have to let them know what the issues are, Harvey told the board. "That's not to say that Matt's pretending he doesn't know what's happening," she added. She said that she and Rees had talked for many hours about what he thought the issues might be, but if the board had a list of what they perceived were the issues she could address those issues.

"I'm letting you know that this is what the rule requires. I understand that it didn't get done, so while we're here now let's do it," Harvey said. She said she was willing to waive the improper handling of the matter in order to resolve the problems. Many times people stop suing each other over the issues and start suing each other over how they are suing each other, she said.

"That only serves to exacerbate and make worse the underlying problem, and that is exactly the opposite of what we are trying to do here. Tonight we're trying to find resolution. We're trying to find out what the issues are, find out how to fix them and find out how we can make this hospital run better," Harvey said.

Goldsworthy said one of the issues is regarding the hospital's chain of command. He noted that if employees are not able to resolve issues in collaboration with the hospital administration, they are able to bring their complaints to the hospital board. Evenson said that there is a perception among the board that they are to be avoided as part of the chain of command.

Another issue that Evenson brought up was communication. He cited two incidents: one of hearing about a small fire at the hospital while he was in line at the grocery store and was not informed about it from Rees. The second incident was when a pipe had burst at the hospital. A staff member was told to call the board members to inform them of the situation, but the person making the call had no information about the location or seriousness of the situation.

"If you're going to delegate a responsibility to somebody, why don't you give them the tools necessary to meet the responsibility of the obligation you delegated them to perform?" Evenson asked.

"It seems like we're giving him hell for doing something that we gave him hell for not doing the time before," Mancebo interjected.

Another issue that was brought up was a feeling that the board is a nuisance. Harvey asked if that was a feeling among the full board. She indicated that Mancebo, by shaking his head, did not feel the same. None of the other board

members indicated one way or the other, although Goldsworthy voiced his concern that Rees did not answer questions on his own but through a lawyer. He said that even in regular board meetings Rees would refer to Plimpton to answer questions for him.

Changing the subject, Evenson said, "How about the issue of saying that PERS had been paid for \$60,000 and then there is a check stuffed in a drawer for a couple weeks?"

Evenson also made allegations that on a separate occasion the board was told the PERS debt was \$170,000 when it was actually \$260,000. He also alleged that Rees was paying himself a bonus without the permission of the board and would have overpaid himself \$10,000 if the board had not received an anonymous letter bringing it to the attention of the board. Evenson was also concerned about Rees' attendance, stating that Rees had been taking off every Thursday without informing the board.

The discussion again changed direction when Goldsworthy pointed out that a subcommittee had been appointed to look into the bonus issue and had had a meeting with Rees on the matter. But discussion of the results of the meeting had not been put on the agenda and the rest of the board had not been informed of the results.

The discussion took many turns through the course of the meeting, some readdressing issues that had already been discussed. The frustration of Evenson was evident in tone and volume of his voice. At one point Goldsworthy put up his hands and said, "I'm done. I don't know how to proceed, I'm done."

Plimpton spoke up to calm the tension and to get the meeting back on track. Plimpton explained that by statute the board needed to provide Rees a list of items so that Rees and his attorney could effectively address them. He said that looking at the issues as an observer, the major problem was the repetitive nature of the issues that kept coming back.

"Sometimes these issues don't get resolved so we can move on. We have revisited these issues time and time again. That's not a criticism, it's happened several times. The communication issue, the PERS issues, all those things are symptoms of a lack of process that exist in the relationship between you guys and the CEO," Plimpton said.

He suggested that a fair question to pose to Rees was what systems or processes would he put in place to make sure these issues did not keep coming back.

"The concerns you guys are raising are the result, I think to a certain extent, of the lack of a system," Plimpton said. "By setting this agenda you are telling him that if you don't straighten this out we are going to ask you to resign or fire you. That's the truth and that's the adult part of this thing."

Plimpton also told the board that they needed to make the issues direct and not hostile.

Harvey said that she was prepared to address the issues of the bonus and the bonus as compensation, and the PERS mistakes. "What I really want to leave you with tonight is that every time there has been a mistake Matt has brought it to your attention before you had to do anything with it," Harvey told the board.

She reminded the board that when the PERS check was not mailed Rees was on vacation and when he came back as soon as he found out about the mistake he let the board know. Later in the meeting PGH Financial Coordinator Patty Speer told

the board that it was an oversight in her office that the check was not mailed. Speer addressed the PERS issue, saying that while she was out of the office another member of the office had thought that the check had been sent out and told the administrative assistant so. When she came back to the office the miscommunication was rectified, she said, adding that there had not been a mistake of that kind made since.

"That was not his mistake, that was my office's mistake," Speer said. "That mistake was told, it was clarified and has not happened since then. It should be behind everybody and not brought up all the time. That was not Matt's fault, that was my office's fault."

Speer also noted that she had told the board the same story previously.

Harvey asked the board if the issue could be settled since they had heard the story for a second time. The board was silent. Plimpton interrupted the silence by saying, "I do not want to put my clients (the hospital board) on the spot while you are standing up issues and knocking them down one by one. I do think we are going to follow this up with another meeting."

Harvey then went on to address the issue of bonus and incentive compensation. Rees' employee contract, which was renewed by the board last year, provides for his annual salary of \$132,500, a 2 percent raise every year with a satisfactory review and a .1 percent bonus based on gross receipts of the hospital. She pointed out that Rees had taken a voluntary pay reduction for six months in 2006 and another pay reduction for 26 pay periods this fiscal year.

"This is because he is concerned about the cash flow and the health of this hospital," Harvey told the board. Harvey pointed out that according to NRS statutes, if an employer wants to decrease salary and make that decrease all the compensation that is due to the employee, there is a process to do that. "That wasn't pursued because that was never the intent. The intent was taking the voluntary reduction now to help the cash flow. As an employer, the hospital cannot never pay the decrease back," Harvey informed the board.

"So you're saying we have to pay him back," Evenson asked.

"Yes, at some point, pursuant to his contract. This contract is an agreement between the hospital and Matt," Harvey answered. "If you want to change the contract, you amend the contract."

Harvey said that the hospital has the potential liability to pay back all employees who took a voluntary pay decrease. In a later interview Harvey clarified that this was a possibility depending on how the matter was initially handled. She did not know how the pay decreases were handled with the rest of the hospital staff.

Evenson asked to have the matter put on the next agenda to find out how much money the hospital is liable for, how the hospital will be able to pay it back and how many peoples' positions would have to be cut in order to pay it.

"We're dealing with half a dozen people, over a course of several years, who make \$40 or \$60 per hour who have taken pay reductions that we are now being told we have to make up as an unfunded mandate. I think we need to figure out how much that is and we need to get them paid and we're going to need to know what employees we're going to have to cut in order to pay them," Evenson said.

"She's trying to demonstrate to you guys Matt's good faith effort," Plimpton said, trying to regain order in the room.

"No she's trying to put the screws to us for more money," Evenson replied, which brought a chuckle from some of the board members and people in the audience.

"I understand your perspective on that, but I did not take it that way," Plimpton said. Evenson reiterated that he wanted it put on the agenda. Moving on, Harvey addressed bonus and compensation issues. She said that NRS mandates that employees are to be paid first. Harvey explained that is why Rees had taken his contracted bonus.

In a later interview Evenson said that part of the problem with Rees taking the bonus was that it was not brought before the board prior to him taking it and that he was basing the .1 percent bonus on income from tax revenues and a loan from the county instead of just the revenue generated from the hospital.

Rees later said that the bonus he was taking was money due him from 2007 and that the confusion lay in that his contract for this year had been changed as to how he was to receive his bonuses. Previously he received his bonuses in a lump sum at the end of a calendar year. It was negotiated this year that he would receive smaller quarterly bonuses and that he would receive them based on the revenue of the previous fiscal year. Rees said that he had told the hospital's legal counsel and hospital board chairman Mancebo of his intentions to start taking his bonus and neither of them told him to take it to the board. He said that his thought was that those two men would inform the other board members instead of making an open meeting statement that could affect hospital morale. He said that he had only taken two \$500 payments before members of the board brought it to public scrutiny and that after a subcommittee inquiry of the matter he negotiated with the subcommittee and agreed to take an amount less than what he felt his contract called for. But even at the lesser amount, the subcommittee ruled that he was still owed \$2,000.

"I never took anything that I didn't honestly think was owed to me. My intent was never to take more than I was entitled," Rees said.

In a later interview Harvey said, "Matt has not done anything illegal or unethical. More than once he has gone without incentives or bonuses because the hospital was going through a hard time."

The last issue Harvey addressed was dealing with part of the hospital by-laws that states that a board member shall not become involved in employee matters. Harvey alleged that a hospital board member, who she didn't name at the time, had been involved in trying to get employees to call him if they thought Rees was doing something wrong. She called upon one employee, Cindy Hixenbaugh, who testified at the meeting that she had brought up the issue of paying the insurance for contract employees' families, which nothing had been done about, so she wrote a letter to the board about it. She said that she had received a call from one of the board members telling her to let him know if she experienced any retaliation because of coming to the board. She told the board member that she had not received any and did not believe there would be any retaliation. Harvey questioned Hixenbaugh if the board member had promised to protect her job in exchange for any information and Hixenbaugh said no, only if she felt that there was any retaliation.

"Just to be clear, was that board member me?" Evenson

asked Hixenbaugh.

"Yes," she replied.

"And did I ever tell you to be sure to call me if Matt was doing anything wrong?" Evenson asked.

"No," she replied.

"Was that comment ever made?" Evenson questioned again.

"Not to me," she answered.

After that Mancebo opened the meeting up for public comment.

Steve Sherman was the first to comment. He said that he felt the inquiry was a witch-hunt and that when looking at whatever mistakes were made they should also look at the good Rees has done for the hospital and community.

"This gentleman (Evenson) said that Matt takes off every Thursday. What he didn't mention is that Matt takes off to coach the girls high school golf team," Sherman said. He added that he was ashamed of Evenson's attendance at the meetings. "I'd like to see you offer a voluntary resignation, but I know that's not going to happen because this is your witch-hunt," Sherman said.

Evenson replied that the issue was not that Rees was taking off, but that he did it without asking the board first.

"This goes toward the lack of communication and the feeling that the board is a nuisance," he said.

Next to comment was PGH Maintenance Manager Loren Bianchi.

"This hospital does not have a communication problem, this hospital has an accountability problem, and I hold the board members, Matt, legal counsel, you're all accountable," Bianchi said. He said that he holds himself accountable when things fail at the hospital, even though it is not his fault. "I didn't make it that way, but it's my responsibility to fix it. I expect everybody in this room to hold themselves to the same standard or resign. If you're not here to do your job, then resign," Bianchi stated.

Speer asked the board that considering the first of the year was at hand, everyone start fresh, look forward and not keep bringing up the old problems.

"My hope as an employee is that you guys can resolve things, look forward. Whether you like people who are in the hospital or run the hospital, we need to separate our feelings and do what's best for the facility and the public," Speer said. She added that if Rees leaves she didn't think there was anyone else who would be willing to "come to a place that is not very solvent."

During public comment Evenson gave a recap of what led up to the meeting. He admitted that in June he had asked Rees to resign. He said that he was very upset with Rees about the PERS incident and took Mancebo and Plimpton to Rees' office and asked Rees to resign. After that time he said he had a change of heart and did not go to meetings from around August to November. Around November the anonymous letter came out and he began getting many complaints from senior staff members about Rees. The information obtained in the anonymous letter is why we're here, Evenson said.

"To call this a witch hunt ... I get out of this that it's a witch-hunt and people want accountability, well, which is it? If we're trying to hold somebody accountable for what could be interpreted as taking wrongfully, \$10,000 more than they may have been entitled to, we're on a witch hunt. If we don't do anything about it then we're unaccountable," Evenson said. "The reason why we are here is because myself and several other board members doesn't trust the CEO to put forward accurate numbers and when given the opportunity to tell us what's going on in

an informative way by which we can make decisions, we are not given that opportunity. That is why we're here tonight. It is not a witch-hunt."

He continued: "I have a half-dozen incidents where Matt has been given every opportunity to improve and change what he has done and the only thing I got out of that is that was him paying himself his bonus without coming to us first and then being completely off base in the amount, which is a huge problem that everyone seems to want to brush under the rug like it's no big deal, when it's not private money. That belongs to every taxpayer, man, woman and child in this county and it needs to be handled in the highest judiciary manner. I don't know what kind of message we're sending to the employees, I don't know what kind of messages we're sending to Matt and I don't know what kind of message we're sending to the community, but I don't think any of them are very good."

After Evenson's comments, Speer asked Evenson if he could put all the issues behind him if the board decided to keep Rees on as the CEO.

"When you came on the board, and you said this directly to me, was that you wanted to get rid of him (Rees)," Speer told Evenson, who did not reply. She reminded Evenson and the other board members that their jobs were policies and procedures and to help the hospital find money.

"There's so much that you guys can do that is positive, but this just keeps wearing you guys down and it's wearing down the community," Speer said.

Mancebo said he had that same feeling from the very beginning.

"I asked you that Steve, and you promised me that was not the case. It seems like your actions prove otherwise. You came in here with a chip on your shoulder as soon as you saw another attorney. The way this came down, that can't happen to us," Mancebo told Evenson.

Evenson started to speak but then apologized and said nothing more.

Mancebo then announced that at the first of the year he would be the chairman of the county commission board and that it was the chairman's responsibility to appoint the chairman for the hospital board. He said it was his intention to step down from the hospital board and appoint county commissioner Pat Irwin as the hospital board chairman. He added that although he would be stepping down shortly, it was his intention to follow this issue through until it was resolved.

"I don't feel like we are all on the same page. Maybe that's part of the problem. I think maybe with some fresh eyes and some fresh ideas and a fresh start, maybe you can get something going," Mancebo told the board. "The thing that frustrates me the most is that we're going back, we're laying the groundwork to get rid of Matt, we're going clear back to the PERS thing, we're going clear back to things that have happened in the past. If we truly wanted to get at the problem, and you said this yourself Steve, the thing that ticked you off was this bonus. If you remember right the bonus thing we didn't find out, he (Rees) found it out himself. We found out that he was getting it by the anonymous letter, I'll give you that, but he's the one who came up with the difference and figured he should be using a different formula (to calculate the bonus)."

After that Mancebo said he wanted to adjourn the meeting. Plimpton cautioned the board members not to talk about this meeting for the sake of open meeting laws. The next meeting is scheduled for Jan. 27, although there is the possibility

of a special meeting being called before then.

--  
David Gouger/Jen Anderson  
Managing Editor/Assistant Editor  
Winnemucca Publishing/Lovelock Review-Miner





PERSHING GENERAL HOSPITAL AND NURSING HOME  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING MINUTES  
May 31, 2006

**PRESENT:**

Roger Mancebo, Chairman  
Jack Riehm, Vice Chairman  
Jim Goldsworthy, Member  
Mark Hostman, Member  
Joe Pierce, Member  
Steve Evenson, Member  
Marjorie Skinner, Director of Finance  
Deanna Davis, Director of Clinical Services  
Matt Rees, Administrator/CEO  
Cynthia Hixenbaugh, Executive Assistant

**ALSO PRESENT:**

Nadine Tranquilla, DLTC, Patty Mills, Debbie Mock, Nancy L. Baker, Kelly Howard, John Packham, Steve Boline, Tabor Griswold, Jeannie Daugherty, Steve Rasch, Janice Rasch, Franci de Braga, Wendy Milich, Brooke Wagner, Andre Howard

**MINUTES:**

**1. CALL TO ORDER**

Chairman Mancebo called the Regular Meeting of the Pershing General Hospital and Nursing Home Board of Trustees to order at 7:00 p.m.

**2. PUBLIC COMMENT**

Kelly Howard, PTA, with Sierra Rehab stated that her company has been given a 90-day cancellation notice from Pershing General Hospital and will stop services as of June 30. Sierra Rehab has been contracted with Pershing General Hospital for six years. She is concerned about the continuity of care and consistency of care when Sierra Rehab leaves. She is concerned with the company coming in. They have acute, clinic, schools, Home Health, Battle Mountain, and McDermitt to oversee. She does not feel it is reasonable for this company to take over our care. She is unsure of the care our community will get. The company does not have a specific certification for a specified treatment for five people she currently sees from Lovelock and Winnemucca with this specific condition. These people will have to have the treatment again. The condition is something these people are born with and need the treatment. Mrs. Howard read a letter from a patient. The condition the letter speaks of is Lymphadema. Mrs. Howard is concerned that we won't have someone living in Lovelock for continuity of care. Jeannie Daugherty stated that she does not like to travel out of town and Mrs. Howard is capable of different physical therapy methods. She stated that Mrs. Howard is an attribute to the community and feels it beneficial to give her a contract.

Dr. Nancy Baker spoke to the board about comments that were made at a previous meeting. She stated she is sorry if she misrepresented to the community some information. The reason why she is leaving the community is because the reason she became a doctor was not to be an ER physician. She wants to teach and educate. She wants to go into the Clinic. An opportunity presented to her for four and a half days per week in a Clinic and she seized that opportunity. She said it is sad that she is leaving this community. She said I love Lovelock and Pershing County. It has been a very sad time in her life. Many people have seen her go through this sad time in her life. This has been hard on her and her family. Deanna Davis and Jim Goldsworthy attempted to talk to her about staying several times. Board members told Dr. Baker that she would be missed.

**3. APPROVAL OF MINUTES: April 26, 2006**

The Board reviewed the Minutes of the Regular Board Meeting of April 26, 2006. Joe Pierce asked that Wendy Milich's name be spelled correctly. Milich. Ms. Milich stated that the name Tippens also needs corrected. Tippens.

The Board took the following action: Jack Riehm moved to approve the Regular Board Meeting Minutes of April 26, 2006, with corrections. Joe Pierce seconded and the motion carried. Steve Evenson abstained because he was not present at the meeting.

**4. CRITICAL ACCESS HOSPITAL (CAH) ITEMS:**

**A. OLD BUSINESS**

- i. Review and Approve contract for Muhammad Bari, RPh. Authority given by the Board to the CEO to negotiate the changes within guidelines given at their May 18, 2006 Special Board meeting. (IDA)**

The Board discussed approving an hourly rate of \$62 per hour for Mr. Bari. They will allow Matt Rees to negotiate the rest of the contract for approval at the next Board meeting. Todd Plimpton is still working on the contract.

The Board took the following action: Mark Hostman moved to approve \$62 per hour for Muhammad Bari, RPh at this time and allow Matt Rees and Todd Plimpton to complete the contract and bring to the next Board meeting for approval. Jim Goldsworthy seconded and the motion carried. Steve Evenson abstained.

**B. NEW BUSINESS**

- i. Administrator's Report (IDA)\***

Matt Rees reported the following: We had a successful month in May. Our average daily census was 3+. Long Term Care had an average daily census of 27+. Clinic saw 609 patients and as of yesterday, CT did 69 exams for the month. We are on divert at this time with all seven beds filled. We are looking at the rooms we are renovating to go up to 15 beds from the seven we have. We are looking at opening up the drive through window for the pharmacy, but we need an alert system to tell the pharmacist someone is waiting. We have dietary staff needs so if you know of anyone looking for a job, have them apply. Amy Gogert has been covering extra shifts. We changed insurance companies for the employees. Home Town Health (HTH) was going up 48% so we chose Anthem Blue Cross Blue Shield (BCBS) for the employees. BCBS offered only a 17% increase as compared to 48% HTH offered. We had a BBQ for our employees and served over 125 people. We held a raffle for employees to win a flat screen TV or a BBQ grill. Two board members came to the picnic. Joe Pierce stated he would have attended if he had known. We received three defibrillators from the NHA and we were able to replace all of our old ones. We will have a meeting with Care Flight to discuss them being based out of Lovelock. They like the option of coming to Lovelock. We are looking at the total cost of getting them to come here. We will present the proposal to the Board with costs and possible relief from the County for fencing, etc. The crew can actually help in the facility. Deanna Davis stated that Care Flight would not come into a community unless they are asked. Care Flight does not go out on a call until the ambulance calls for the assistance. Care Flight would leave from our hospital to Reno. They would not be stealing business from our ambulance. Patients still have to meet criteria to take Care Flight to Reno. Brooke Wagner asked what the costs associated with them coming here are. Mrs. Davis said Care Flight pays for their support staff and they can help in the ER. All of their crewmembers are instructors. They will do all of the training free for our staff. They will help with traumas, etc. Jack Riehm asked about the fuel needed for the service. Mrs. Davis stated that Mike Williams said they have a tanker for fuel and they will have to put in an above ground concrete vault on site at the hospital, which could cost around \$30,000. This will be the one big cost of bringing them here. Winnemucca already has the costs approved to have Care Flight stationed there, but Care Flight was glad to hear from Lovelock and would much rather be based here. Jim Goldsworthy asked if Care Flight personnel would live here. Mrs. Davis stated that they are looking at starting on July 1. They will start with 12-hour shifts and then go up to 24-hour shifts. We have nurses here who qualify for Care Flight who can work with them. Joe Pierce asked Mrs. Davis what happened to the talks with the fixed wing outfit. Mrs. Davis stated that Continental and Am. Flight are struggling and the fixed wing out of Elko may be closing soon too. This is another reason to bring Care Flight here. We rely on Care Flight and they will be the only option. Steve Evenson asked if there would be no fixed wing outfits for burn victims. Mrs. Davis stated that there are fixed wings in Oregon, California and Idaho that still fly. Mr. Mancebo stated that the prison would use Care Flight as well or an ambulance.

- ii. Discussion and Review of Pershing General Hospital Employee Survey conducted by Nevada FLEX Program, John Packham, Director. (IDA)\***

John Packham distributed copies of survey results report. Mr. Packham stated that the request Mr. Rees made for an employee survey to be conducted by the Nevada Flexibility Program, UNR School of Medicine, is a typical one. He stated he understood the urgency of the request and agreed to be a third party to distribute, receive, and tally the results of the survey. The surveys were included in the paychecks. Brooke Wagner asked Mr. Packham the costs involved with this survey. Mr. Packham stated there is no cost associated with this survey. The FLEX Program assists CAH hospitals through grants. He stated there were 19 close-ended questions and 1 open-ended question included in the survey. The survey was done in an attempt to make sure there was anonymity of responses. Of 96 survey distributed in the Friday paychecks, Mr. Packham stated he received 62 back. Brooke Wagner asked how the surveys were collected. Mr. Packham stated the surveys were sent via US mail to his office. Mr. Packham reviewed the key findings: a significant minority of hospital employees who are dissatisfied with hospital administration and the hospital board performance and communication. While a majority of the hospital's employees are satisfied with hospital administration and the board, there is substantial room for improvement across a wide range of issues. Mr. Packham reviewed the survey sequentially with the Board. Mr. Packham's conclusions and recommendations: Employee dissatisfaction expressed in this survey suggests the need for immediate action by the PGH administration and board. Survey indicates a number of vehicles for improving administration-employee communication and the manner in which employee concerns are addressed by administration and the board. Survey also indicates a high level of employee recognition of PGH as both a place of employment and the quality of care provided. ORH, UNSOM, and NRHP will assist PGH with the facilitation of strategic hospital planning and performance improvement activities resulting from the survey's findings, including a follow-up survey. (Survey Results Report Attached to these Minutes) Mr. Packham stated that he recommends immediate action by the administration and board to conduct staff or facility wide meetings. If the Board decides to take action, they will conduct a follow up survey in six to nine months. Mr. Mancebo stated that this Board is willing to do the things to get on the right track. We would like to use your expertise in these areas (Packham). We have a lot of work to do and we need to get started right away. Mr. Evenson asked Mr. Packham if anything could be said about those people who did not answer questions. Mr. Packham stated that the response he received from our facility was better than typical. Because the survey was done on the fly, Thursday completed questionnaire, Friday sent out questionnaires, it happened quickly. He would have given one month's notice to employees that a questionnaire was coming and we would probably get back 80%. Mr. Evenson asked if there is an industry standard for those that say they don't give a hoot or those that say I'm so happy. Tabor Griswold stated that 65% means there is some reliability. There may have been bias from day shift to night shift. There was a big push during the day, but we don't know what happened on nights. There would be better responses with more notice and coordination. Brooke Wagner asked if results would be distributed to employees. Joe Pierce stated that we need to embrace the results, the good, the bad, and the ugly and these are not issues to be swept under the rug. Brooke Wagner stated she thinks it would be helpful to employees to see the shortcomings. It was suggested the paycheck to be a good way to distribute the results. Mrs. Davis stated that she didn't feel it was the Board's intent to not share the results. Mr. Evenson stated that after discussing the findings of the survey, this is exactly what was brought to this Board. We need a special meeting to give Matt assistance to solve this. He also wants to remark on the strengths. He said let's see what steps we need to take to not have this happen again. Mr. Mancebo stated that this is part of the plan. Discussion ensued on this subject. Mr. Rees stated that we went forward with the survey because of issues raised at previous meetings that the public brought forth. We appreciate your input and it spurred some action. Mr. Mancebo stated that he is very proud that most employees are working with their hearts not their wallet when it comes to recognition. He thanked John Packham, Steve Boline, and Tabor Griswold for their assistance in this matter and we will follow up and get rid of the "red bars."

### iii. Director of Finance Report (IDA)\*

Marjorie Skinner reported that April was a decent month and May's statistics have improved too. We actually had better numbers in May than in April. With regard to the Income Statement, net income was \$21,000, revenue 10% of single month, \$813,000 is roughly 10% of year to date. We will be close to \$10 million in revenue at the end of the year. We could go over the \$10 million if revenue keeps increasing. We will have the CPSI Materials Management Module installed in purchasing to keep track of inventory better. We will be able to expense them and route to accounts payable automatically. This will be good for our inventory and we should be in full swing by the first of the year. Joe Pierce asked if the system would catch lost charges. Matt Rees stated we still have a manual system. Mrs. Skinner stated that it would help us keep better track of items. Steve Boline has been working with Mrs. Skinner and he initiated a monthly financial analysis. Mr. Boline stated that over the last year the Department of Taxation has been involved in PGH activities. The Local Government Finance Committee meets quarterly and Mr. Boline provides them a standard presentation and general narrative about the overall financial condition of the facility. He noted that quarterly performance improved, cash has decreased over the year, but AP has been paid down in addition to the PERS payment. We have not recorded excess accrual for net proceeds (mining tax). We will put it against the County loan. He was involved in Nye County in the late 90's. Pershing County, Lovelock, and all entities work together with tax rates and

loans. Everyone is showing good faith. We had a spike in AR and now it has come back down. We are waiting for money from Medicaid/Medicare. Mr. Boline summarized his report stating that operations continue to stabilize. PGH will need to continue to monitor this. Things are improving but we are by no means out of the woods. Mr. Boline credited Marjorie Skinner for keeping the books balanced. PGH had very few audit adjustments and we anticipate a clean audit. Mr. Boline stated he provides the income statement, balance sheet accounts, and evidence of accounts receivables to the Local Government Finance Committee. He would like to see Marjorie Skinner do this on a monthly basis. We are heading in a positive direction and the Clinic is tremendous and a source of pride for this community. It serves as a feeder into the main hospital. Your Clinic serves as a model for small rural hospitals. We don't have a lot of cash in the bank, but we have a lot of confidence. Mr. Rees thanked Mr. Boline for his help in training our staff and his assistance with the financial information. Mr. Mancebo also thanked Mr. Boline for his assistance. Mr. Evenson asked Mr. Boline questions regarding operating expenses, depreciation, and bad debt. Mr. Boline stated that a cash analysis for February is included in his materials. Mr. Evenson wondered if the "wind fall" from the mines should have been an action taken by the Board not the Administrator as far as paying off the loan for the County. Mr. Mancebo and Mr. Boline explained to Mr. Evenson that it is a goodwill gesture to pay off loans. The County gave the hospital a loan of \$150,000 and a grant of \$150,000 last year. The grant helped pay off the PERS, which was in arrears. The note on the loan of \$150,000 is due by 6/30/06. The loan and grant are separate from what the hospital received with the tax rate the City allowed us. Mr. Boline also explained that there could be a liability problem with the Medicaid Cost Reports, but they will accept time payments. If Medicare owes us, that will help pay off Medicaid. Mr. Evenson asked if things are as bleak as they say. Mr. Rees stated that we have vendors who are out over 30 days and we need to get below that. We still have some work to do to get AP down below 30 days. Mr. Rees reviewed Current Liabilities. We still have current liabilities sucking up cash. It will take an influx of \$300,000 to \$400,000 to do that. Mr. Evenson asked what is there that needs to be done. The City rejected your plea. Do you have cash in the bank? Mr. Rees stated we have \$23,000 to \$24,000 in the bank. Mr. Evenson wanted to know what could or should we do. Mr. Rees said, we need to continue to provide better services, take action on the survey, and provide better customer service. Mr. Rees said we have an agenda item, which asks for Board permission to pursue a credit line with Wells Fargo. With the credit line, we will be able to pay out more AP. We can use the credit line to help with payroll. If we can allot that whole amount, we need to keep a little excess in there. Mr. Evenson stated things are getting better, what can we do as a Board to discuss where we are going. It's not good to have to get a credit line to meet payroll. Mr. Mancebo stated we have been working on these things. We are trying to get on the right track. Mr. Mancebo said he welcomes Mr. Evenson to the Board and appreciates his constructive questions. Mr. Evenson stated the physical plant is much better. This is an obvious concern (cash flow issue). Mr. Mancebo stated we have a graph that shows how many days out we are. Mr. Rees stated it takes \$26,000 to operate the facility daily. Mr. Mancebo stated our pit falls are the boiler and chiller. Mr. Riehm said that if these go down, the hospital would close. Mr. Mancebo said that for the last three or four months the hospital has taken it in the shorts in the community and they don't help us at all. When people say something negative, they go to Reno for care. We need to repair our reputation as far as doing the right things and get some confidence back. The more confidence, the better. Mr. Goldsworthy asked how many patients have been seen in the Clinic. Mr. Rees stated that the Clinic saw 690 patients and there are seven patients in Acute. We are now on divert. We have been like that twice this month. Mrs. Davis stated that seeing 600 patients was abnormal, but now it's normal to see that many patients.

#### iv. Director of Clinical Services Report (IDA)\*

Deanna Davis reported the following: We have been averaging two patients on the floor. We are now at 3+, way above average. We have had five to seven patients in the last two weeks, which utilizes all beds. We had to turn two patients away. One was turned away because of lack of equipment. We are at seven patients and will continue to stay there. We don't usually see the inpatients in the summer. We are looking at changing the East Wing beds to acute rooms as well as the old Clinic hallway. Long Term Care does not fluctuate from 28 patients. We need to look at our community for Long Term Care patients. Mr. Evenson stated we need a pediatric room. Mrs. Davis stated that we will also have a hospice or respite room with a bed and recliner or day bed, refrigerator, microwave for the patient who is dying and their family. If the family needs a break from taking care of the family member, they can bring that person to our facility. We will also have a reverse isolation room. Andre Howard asked if we will have the nurses to staff the new rooms. Mrs. Davis stated that as the average increases she will look at staffing. She has reviewed changing nighttime CNAs to be full time. When the census goes up to four, we will add a Ward Clerk. They would not be licensed, but would take care of all the paperwork. I have more staff than we have positions for. We are blessed and lucky. Two CNAs are graduating as RNs this month and they have signed a contract to work for us for three years. If we go up to 14 patients, we need one more nurse. Mr. Mancebo requested that Mrs. Davis provide a schematic with the proposed changes. Mrs. Davis stated the State did a walk through and we need to certify the new beds, but our call system is still incomplete. Mrs. Davis also discussed being able to do peripherally inserted catheters and the training she has received. Patients will now be able to come to PGH for this procedure. The nursing staff will be trained to do this procedure too. She has

also looked at providing chemotherapy to patients instead of having to go to Reno. We can do the chemotherapy here. We need to train the nursing staff and have a separate biohazard area. We will arrange for a trainer to come here. Having the chemotherapy here means a short ride home for the patient when they are feeling ill and in pain. The chemotherapy would be on the hospital side as an outpatient procedure. We will be able to use a hospital bed. We will need the primary physician to supervise and we will use Humboldt's policies. Mrs. Davis is planning a Children's Fair. Also, Couer Rochester will have 250 employees in for PFTs and Eagle Picher will start tomorrow with 100 employees for their annuals. The County agreement is being worked out separately. Debbie Mock and Katherine Forred are working together to create agreements for these companies. We are also looking at AT Systems. We may have to extend respiratory hours due to the growth with Dr. Devlin and Dr. Gadallah on staff. We are looking to add them to Friday and through the weekend. Clinic information: Dr. Prothro is coming once a month and may need to come out twice a month with his partner, Dr. Maddux. Dr. Dilley is booked each month. We are in the process of recruiting a general surgeon. Dr. Murphy will start a sports clinic once a week in July. Dr. Gadallah may work with Washoe Pregnancy Clinic to do pre-natal care here. The patient would then deliver at Washoe. He has already completed the training with them. Andre Howard stated to the Board that he is gratified to have more services available, but why is the hospital eliminating a service (lympadema massage)? He said if we are adding, why are we eliminating a service? Mrs. Davis stated that we did not decide to eliminate the lympadema therapy. We decided, based upon services provided from the company, they are no longer meeting their terms in the contract. The new company will have a physical therapist come here as well as recruit a physical therapist to be full time at our facility and live in Lovelock.

**v. Director of Long Term Care Report (IDA)\***

Nadine Tranquilla reported that the census is 26 in Long Term Care, 87% occupancy. We had two discharges; two residents passed away. We have an average daily census of 90%. Her staff has received training in nutrition and hydration. Two of her nurses have completed their associates and will be taking their boards soon.

**vi. Approve Hospital working with Wells Fargo Bank to obtain a \$100,000 line of credit (IDA)\***

Mr. Rees asked the Board to consider starting the process of working with the County to receive a \$100,000 line of credit from Wells Fargo Bank. In February, Medicare did not issue checks for a one-week period. In March or April, Medicaid did not send payment to us because of an error in processing the claims. We get checks on the third Monday of the month. Not a single hospital received their payments. Situations like these that without a cash reserve is why we need to work with Wells Fargo. We will negotiate with Wells Fargo a monthly fee. Eventually we could get to a point where we would not have to touch the credit line if we have a cash reserve. Another example he provided is two years ago Medicaid ran out of money, which causes us to not have any money. The Board suggested a policy be drafted for use of the money.

**The Board took the following action:** Jack Riehm moved to begin negotiations with Wells Fargo for a \$100,000 Credit Line. Joe Pierce seconded and the motion carried.

**vii. Approve Reappointment of Clinical Privileges for Dr. Lillian Cavin, MD and Dr. Robin Prasad, MD of Nighthawk Radiology Group (IDA)\***

Joe Pierce asked if we had already approved Dr. Cavin's appointment last month. Ms. Hixenbaugh stated that the name was added in error. The Medical Staff hadn't approved her reappointment yet because of a malpractice notice that came in. The notice was old and had been viewed by the previous approving committee. The Medical Staff approved her privileges at their May 11 meeting.

**The Board took the following action:** Jim Goldsworthy moved to approve Reappointment privileges for Dr. Lillian Cavin and Dr. Robin Prasad. Mark Hostman seconded and the motion carried.

**viii. Approve Initial Appointment of Clinical Privileges for Dr. Yousri Gadallah, MD, Dr. R. Bruce Bannister, DO, Locum Tenens and Dr. Carl Recine, MD of Nighthawk Radiology Group (IDA)\***

**The Board took the following action:** Jim Goldsworthy moved to approve Initial Appointment of Clinical Privileges for Dr. Yousri Gadallah, Dr. R. Bruce Bannister, and Dr. Carl Recine. Mark Hostman seconded and the motion carried.

**ix. Review and Approval of Warrants (IDA)\***

The Board reviewed the Warrants. The Board questioned an overpayment on a work care claim to the Sheriff's Department. Debbie Mock stated the Business Office is cleaning up several company accounts. Also discussed was the amount we pay Larson Allen for their audit (\$20-\$30k), cost report (\$5-\$10k). If Medicare comes back with adjustments to the Cost Report, we go back to Larson Allen and we are charged for the changes.

**The Board took the following action:** Joe Pierce moved to approve the Warrants. Jack Riehm seconded and the motion carried.

**xi. Review and Approval of Write Offs and Legal Actions (IDA)\***

The Board discussed a private pay account of \$8,000 (nursing home patient), which is uncollectible. Jack Riehm noted that the write offs are so much better now then they were four years ago.

**The Board took the following action:** Jack Riehm moved to approve the Write Offs and Legal Actions. Mark Hostman seconded and the motion carried.

**5. MATTERS FOR BOARD DISCUSSION:**

**A. CORRESPONDENCE (ID)**

**B. LEGAL (ID)**

Mr. Rees stated that Jim Shirley, District Attorney, received a letter from the Attorney General's office regarding their conclusion to the investigation of the alleged Open Meeting Law violation.

**C. OTHER (ID)**

The Board members discussed conducting a special board meeting for the purpose of reviewing and recommending to the administrator a plan of action to take in response to the employee survey results. Mr. Evenson stated that he wasn't sure if it should be a closed session because it did not pertain to a person character, conduct, etc. Mr. Mancebo stated that if we want to change the colors on the chart, we need to leave the session open. Mr. Evenson suggested a subcommittee that reports to the Board and possibly have an informal meeting and report back. While Mr. Evenson appreciates Mr. Goldsworthy's comments on focusing on the satisfied people, he feels the need to focus on the dissatisfied employees and give them the opportunity to be heard and address concerns. Mr. Evenson stated it is not realistic to zero out the red column or to get 100% in the blue column. Mr. Evenson stated his displeasure with Mr. Plimpton charging the hospital \$3,000 in fees. He would like to see Care Flight here, start an auxiliary, and get private fundraisers going. The Lions Club or the Soroptimists could fund the Pediatric room. A workshop was suggested to go over the survey. Mr. Goldsworthy stated that all the hospital employees need to step up and be heard. Mr. Evenson said, "At some point, we need to buy the pizza." Mr. Mancebo said we need a priority list and an open agenda. The Board would like to know what the open-ended question #20 comments were and would like them provided at the workshop for review. Mr. Riehm noted some contradictions in the employees answers with the supervisors being wonderful and admin and board not. Administration hires the managers and the Board hires the Administrator. Mr. Evenson wants to know what the disconnect is between the Board and Mr. Rees. Mr. Riehm inquired about the number of resignations and terminations. Ms. Mills stated that there have been 18 resignations and 9 terminations since she became Human Resources Director, which is a 20% turnover rate. She believed six to be disgruntled resignations. The Board wanted to know if there is a better place to work in Lovelock. Mr. Rees stated that he reminds staff about the chain of command but they take it as if he is telling them what to say. Simply stated, co-workers cannot solve problems for fellow employees. Only the supervisor can solve the problem and ask for assistance from administration if needed. Mr. Evenson feels Mr. Rees preaches the chain of command too much and it takes the "Mayberry" out of working at PGH. Ms. Mills stated that the breakdown seems to be between supervisors and administration. Mr. Mancebo stated, we will fix this by working together. Mr. Evenson stated that we need to mend the PR for the hospital. The doctors are the face of the hospital. All of the recent events have come at an inopportune time. Mr. Rees suggested meeting on June 21. Mr. Pierce stated that this is the first negative presented to the Board. There are many, many positives, but he knew there would be negatives. Mr. Hostman said he received a second phone call from a person in the community concerned with physical therapy going. The person was saddened to see Dr. McCart go too. Mr. Mancebo stated the physical therapy change is to make better services available in the community. We had to look at the 100s of people who use our physical therapy services and this is the choice we needed to make for the betterment of the hospital.

Mr. Goldsworthy stated that Mr. Rees has had to change the culture in the hospital and we have to consider that some employees may try to drag it the other way. Mr. Evenson stated that the physical therapy contract could have been cancelled in six months instead of right now and it would have been less of a PR problem. Mr. Mancebo suggested staying in better communication with Mr. Rees via email or going to meet with him more often. He suggested the use of email as a communication tool. Mr. Mancebo and Mr. Riehm will attend the Trustees Symposium in Lake Tahoe in June. With all that is going on, we are trying to get help.

Mr. Evenson suggested the Board review all hospital policies and procedures and make changes. He wanted to know if the excess net proceeds from mines should have been Mr. Rees' decision or the Board's. He stated the Board needs to set clear policies and guidelines regarding contracts. Ms. Mills said first you need to understand what is operations and what is not. Mr. Evenson stated policy could eliminate PR problems.

**6. ADJOURN (IDA)\***

The Regular Board of Trustees meeting commenced at 7:00 p.m. and adjourned at 10:05 p.m.

Respectfully submitted by Cynthia Hixenbaugh, Executive Assistant

**TAB D**

*Earlier Communications*

Todd A. Plimpton

From: steve evenson [nevadaracer@hotmail.com]  
Sent: Wednesday, July 26, 2006 6:14 AM  
To: matt@pershinggenhospital.org  
Cc: todd@gbis.com  
Subject: RE: Request for Credit Card Statements

Matt:

Two things you just said can pretty much cover and illustrate our problems:

1) " just like at the swim meet when you accused me of speaking with the paper instead of just asking me."

I believe that, from any third grade reading level, that sentence seems to say that I was talking with you about what happened with the newspaper. I didn't know that talking with you about what happened was being accusatory. In fact, I clearly recall that I asked you how did that ("that" being that we had permanently raised you spending authority when, in fact, it was only temporary) get into the newspaper and you said you didn't know. I then said that you were quoted in the story and you said that you had never talked to her. I accepted what you said and we moved on. If I missed something in that regard, let me know. Further, if that is "accusing" you of something instead of just "asking" you, you are much too sensitive. I could have waited until the next board meeting, brought in the paper and quizzed you about the quotes on the record in front of the board. If what I did do is going to be construed as some sort of accusatory conversation, then I can take everything with you up in writing so that nothing is misinterpreted or what until board meetings.

2) "Your lack of respect for me and my staff is evident by your unwillingness to find both sides of the story."

Interesting statement....I can't even get one side of the story when billing records can't be handed over because I am, apparently, the wrong hands. How many sides of that story can there be, sir?

Further, Todd's reasons for not giving them to me are not legal...they are security. Why didn't you and Todd just take out the account numbers and other info from the account? That, I am sure, is really difficult. Never crossed your mind did it? If that is done, what is the reason for not giving me the records? Furthermore, I (and I believe any member of the public) is entitled to know what was charged, what the interest rate is and whether or not that 60k appearing in the bills is in our financial statements.

You and your senior staff have created the ultimate "us v. them" mentality. Every single request, every single issue involves some sort of ulterior motive which you and your senior staff jump to believe is fueled by a desire to fire you or harm your administration. Of course, that mentality, imho, has become a self-fulfilling prophecy.

I believe I was showing respect and restraint by not bringing the matters up at a public meeting or by trying to deal with them orally. Obviously that has backfired, as my motives are subject to your and your senior staffs one-sided interpretations. Thank you for indicating to me how to conduct myself in the future.

With regard to Ms. Mock and Ms. Skinner, it is interesting that I didn't have to mention to you what I was speaking about and how do you know that one occasion with Ms. Skinner is the only time and only employee I was talking about? You don't, because it isn't. Ms. Skinner can feed you some

bovine fecal matter about "seeing her anyway" and "not caused by my visit" but the bottom line is that whenever I go visit somebody there calls are made and meetings suddenly happen over what was said and what I wanted.

I could go on and on, but since I am clearly a "them" to you and your senior staff, there is no point in trying to change any minds. This e-mail has made that very clear.

Steve

>From: "Matt Rees" <matt@pershinggenhospital.org>  
>To: "'steve evenson'" <nevadaracer@hotmail.com>,"'Todd A. Plimpton'"  
><todd@gbis.com>,<rmancebo@gbis.com>,"'Cindy Hixenbaugh'"  
><cindy@pershinggenhospital.org>  
>Subject: RE: Request for Credit Card Statements  
>Date: Tue, 25 Jul 2006 11:42:53 -0700  
>  
>Steve,  
>  
>I would hope that I would have the support of board members when I  
>follow counsel's advice. I did not go seeking advice so that I could  
>avoid giving you the credit card statements like you implied. I was at  
>a school board meeting because my daughter was speaking and during a  
>break Todd asked to speak to me. I did not approach him. I would ask  
>for the same respect that you are asking us to give. You stated "just  
>ask me and I will say so", just  
>like at the swim meet when you accused me of speaking with the paper  
>instead  
>of just asking me. I have always been honest with you and I will continue  
>to be. I am not trying to hide anything from you and I am not going to  
>give  
>you copies of the statements unless counsel advises me otherwise. I hope  
>that you respect the position that I am in and would like your support in  
>following the board's counsel's advice.  
>  
>I would welcome you to come in and look at the credit card statements.  
>I understand the advice from Todd, because of identity theft and people  
>using other people's credit card information; any number of copies of  
>the credit card statements is too many. No offense intended.  
>  
>I know that you and Todd have had your issues in the past, don't put me  
>in the middle of it. If you have a question about Todd's advice then  
>he is the board's attorney and you need to take the issue up with him  
>or the board. Since he is the attorney for the board, I will be  
>following his advice and expect that in so doing I will have the  
>board's support.  
>  
>One other side note, Steve: Debbie being called into Marj's office had  
>nothing to do with your visit. Marj had told Debbie at least a week  
>prior to the meeting that she had some things to discuss with Debbie.  
>If the subject of you visiting Debbie's office came up it was only a  
>small part of a conversation and was in no way disciplinary. If in the  
>future I or anyone of my staff members were to discipline anyone for  
>speaking to a board member  
>I would expect you to take action. My staff knows that I do not tolerate  
>retaliation.  
>  
>I also have told board members that I expect that if they have  
>questions that the questions should come through me. It is  
>professionalism and following the chain of command to address issues in  
>that manner.  
>  
>I do not appreciate your assumptions of wrong doing. Please do not  
>threaten  
>me or my staff if you have an issue let's take it up in a personnel session

>and discuss it. Your lack of respect for me and my staff is evident by  
>your  
>unwillingness to find both sides of the story. I would appreciate it if in  
>the future you would get both sides of the story before making assumptions.  
>I support my staff and would appreciate your support of my staff and this  
>facility. Instead of reacting, act. You have this obligation as a  
>representative of this community.  
>  
>Thanks, Matt  
>  
>Cc: Todd Plimpton, Roger Mancebo,  
>  
>  
>  
>  
>-----Original Message-----  
>From: steve evenson [mailto:nevadaracer@hotmail.com]  
>Sent: Monday, July 24, 2006 7:08 PM  
>To: matt@pershinggenhospital.org  
>Cc: rmancebo@gbis.com  
>Subject: RE: Request for Credit Card Statements  
>  
>Matt,  
>  
>Although the e-mail is from Cindy, I note that you wrote it. I'm  
>sending copies of my reply to Roger and Todd.  
>  
>The level of arrogance it takes to imply that by giving requested  
>information to a board member it may "fall into the wrong hands" is  
>beyond human comprehension to me. While you and Todd may not like the  
>fact I am on the board, I am still on the board. When I ask for  
>information, much of which is public record, I expect to be given to me  
>in a timely and professional manner. Not one thing I have requested  
>since I have been on the board has been provided thus far.  
>  
>There is no reason for you to even ask Todd about giving me this  
>information. I tried to be as nice and as informal as possible in  
>asking for this information. I followed up with a quick visit to the  
>office and was told I would have it soon. You never mentioned that I  
>would have to have Todd's "approval" or "blessing" before I obtained  
>these records. I didn't check my e-mail for a few days and then I get  
>word that I am considered, by you and Todd at least, to possibly be  
>"the wrong hands."  
>  
>Now I am forced to ask what is being hidden and by whom and for what  
>purpose? You create 90% of your own problems, Matt...and relying on  
>Todd for advice isn't going to solve that and will quite likely make it worse.  
>I  
>  
>suggest you start being direct and honest in your responses to simple  
>questions and then maybe, just maybe, every time a question is asked  
>your responses won't be questioned.  
>  
>I expect the information to be ready for me or my staff to pick up by  
>4pm Tuesday, July 25.  
>  
>One other side note, Matt: If I EVER hear again of an employee that I  
>visit  
>  
>at that hospital being called in for a visit with their supervisor to  
>discuss what I was visiting with them about, I will have YOUR butt  
>before the board on a closed personel session. I know that the concept  
>of me having friends or other business to conduct at the hospital is  
>beyond you and some of your senior staff's abilities, but I will not  
>have people called  
>  
>in to answer questions merely because I chose to visit them at work.

>If  
>you  
>  
>or your staff want to know if I was talking about them, just ask me and  
>I will say so. But do not let what happened last week happen again.  
>Period.  
>  
>You wonder why half of your employees work in fear and don't trust you  
>and your high level staff.  
>  
>Thank you for your prompt attention to these matters.  
>  
>Steve  
>  
>  
>  
>>From: "Cindy Hixenbaugh" <cindy@pershinggenhospital.org>  
>>To: <nevadaracer@hotmail.com>  
>>CC: "Roger Mancebo" <rmancebo@gbis.com>, "Matt Rees"  
>><matt@pershinggenhospital.org>, "Todd Plimpton" <tplimpton@msn.com>  
>>Subject: Request for Credit Card Statements  
>>Date: Thu, 20 Jul 2006 13:46:33 -0700  
>>  
>>Steve,  
>>  
>>  
>>  
>>I ran into Todd Plimpton the other day at the school board meeting  
>>and he asked what was happening at the hospital. In our  
>>conversation, I  
>mentioned  
>>your request for copies of the credit card statements and he  
>>suggested  
>that  
>>you come in to the facility to look at the statements in the Accounts  
>>Payables office so that the credit card numbers and other information  
>>on the statements don't fall into the wrong hands. If you have any  
>>questions about  
>>this, Todd asked that you give him a call at his office.  
>>  
>>  
>>  
>>Contact Patti Speer, Financial Services Coordinator, at 273-2621 ext.  
>257,  
>>to set up a time to look at the statements so she can have everything  
>ready  
>>for you.  
>>  
>>  
>>  
>>Matt Rees  
>>  
>>Chief Executive Officer  
>>  
>>Pershing General Hospital  
>>  
>>273-2621 ext. 201  
>>  
>>matt@pershinggenhospital.org  
>>  
>>  
>>  
>>  
>>  
>>  
>>  
>>  
>>

> >  
> >Cynthia Hixenbaugh  
> >  
> >Executive Assistant to the CEO  
> >  
> >  
> >Pershing General Hospital and Nursing Home  
> >  
> >P.O. Box 661  
> >  
> >855 Sixth St.  
> >  
> >Lovelock, Nevada 89419  
> >  
> >775-273-2621 ext 245  
> >  
> >775-273-3213 fax  
> >  
> >cindy@pershinggenhospital.org  
> >  
> >  
> >  
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> >  
> >P.O. Box 661 Lovelock, Nevada 89419  
> >Telephone (775)273-2621 / Fax (775)273-3215  
> > <<http://www.pershinggenhospital.org/>>  
> ><http://www.pershinggenhospital.org>  
> >  
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# **TAB E**



PERSHING GENERAL HOSPITAL AND NURSING HOME  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING MINUTES  
March 26, 2008

**PRESENT:**

Roger Mancebo, Chair  
Jack Riehm, Vice Chair  
Steve Evenson, Member  
Mark Hostman, Member  
Joe Pierce, Member  
Matt Rees, CEO  
Patti Speer, Financial Coordinator  
Laurie Schmith, Executive Assistant

**1. CALL TO ORDER**

Chairman Mancebo called the Regular Meeting of the Pershing General Hospital and Nursing Home Board of Trustees to order at 7:09 p.m. A quorum was present when the meeting was called to order.

**2. PUBLIC COMMENT**

Chairman Mancebo called for public comment. Hearing none, Chairman Mancebo proceeded with regular business.

**3. APPROVAL OF MINUTES: February 27, 2008**

The Board reviewed the minutes of the February 27, 2008 Board of Trustees meeting. Mr. Pierce noted the spelling on Page 2, last sentence, cute should read Acute.

**The Board took the following action:** Mark Hostman moved to approve the Regular Board Meeting Minutes of February 27, 2008 with the corrected spelling. Steve Evenson seconded and the motion carried. All ayes. Joe Pierce abstained from the vote, as he was not present at the February board meeting.

**4. CRITICAL ACCESS HOSPITAL (CAH) ITEMS:**

**A. NEW BUSINESS**

**i. Approval of Initial Privileges for Jonathan Foral, MD and Thomas Rembetski, MD. (IDA)\***

**The Board took the following action:** Jack Riehm moved to approve Initial Privileges for Dr. Jonathan Foral, MD and Dr. Thomas Rembetski, MD. Joe Pierce seconded and the motion carried. All ayes.

**ii. Approval of Reappointment Privileges for Kathleen J. Adams, MD, Leon S. Jackson, MD, Bill Maddux, MD, Michael Murray, MD, David L. Prothro, MD, James H. Sloves, MD, Gary E. Turner, MD, Dietrich von Feldmann, MD and Jeffrey Wachs, DO. (IDA)\***

**The Board took the following action:** Joe Pierce moved to approve reappointment privileges for Kathleen J. Adams, MD, Leon S. Jackson, MD, Bill Maddux, MD, Michael Murray, MD, David L. Prothro, MD, James H. Sloves, MD, Gary E. Turner, MD, Dietrich von Feldmann, MD and Jeffrey Wachs, DO. Jack Riehm seconded and the motion carried. All ayes.

**iii. Approval of revised Values, Mission, and SWOT analysis. (IDA)\***

The Board members reviewed the revised Mission, Values and Goals that the staff and board members discussed at the Board Retreat. The Board Retreat went very well. The staff and board members worked very well together to develop these changes.

→ The Board took the following action: Jack Riehm moved to approve the revised Mission, Values and Goals. Joe Pierce seconded and the motion carried. All ayes.

**iv. Long Term Care Director's Report (ID)**

Nadine Tranquilla's report was provided to the board members for review and was read by Matt Rees. The census is currently at 18. A copy of the LTC report is enclosed for reference.

**v. Finance Director's Report (ID)**

Ms. Speer reviewed the statistics with the members of the board. Mr. Mancebo referred to the February statistics and stated that the February statistics were great. Mr. Rees added that it was really incredible to see this increase; however, we are still working on the collection process. We are still in a very tight position as far as cash goes. We have been working with Patty Goldsworthy to look at how we can increase the cash. We are still paying what we owe on the cost report. The auditors will be re-filing the revised cost report very soon.

**a. Review and Approval of Warrants (IDA)\***

Mr. Riehm inquired as to the new equipment that was purchased. Mr. Rees explained that the dryer caught on fire, so we needed to purchase a new dryer. There was also a fire in the kitchen, and the employee has been talked to.

The Board took the following action: Steve Evenson moved to approve the warrants. Joe Pierce seconded and the motion carried. All ayes.

**b. Review and Approve Write-Offs and Legal Actions (IDA)\***

The members of the board reviewed the Write-Offs.

The Board took the following action: Jack Riehm moved to approve the Write-Offs. Joe Pierce seconded and the motion carried. All ayes.

**iv. Director of Clinical Services Report (ID)**

Ms. Davis was not present. Mr. Rees indicated that by looking at the statistics, it is very clear that it has been very busy. Mr. Mancebo inquired as to what the increase was related to. Mr. Rees indicated that it was due to the flu and pneumonia.

**v. Administrator's Report (ID)**

Mr. Rees indicated to the information provided to the members regarding the Trustees Symposium in Boise, Idaho if they are interested in attending. The CT is up and running. The board recessed to look at the new CT. Judith Ambata, Radiology Technician, gave a presentation of the CT to the members of the board. Mr. Evenson inquired as to how the attendance to the Symposium would work. Mr. Rees indicated that the hospital would pay for the travel, hotel and registration. It would come out of the Administration budget. We would like to see one or two of the board members go. Jack and Roger went the last time, so it would be a good idea for two others to go.

**5. MATTERS FOR BOARD DISCUSSION:**

**A. CORRESPONDENCE (ID)**

Mr. Rees indicated there was a letter from Mr. Plimpton in regards to his short-term Deployment and a letter from the water Board to attend an educational meeting regarding the open meeting law. Mr. Evenson suggested that we check into if it would be required to post that two or more board members may attend the meeting. Mr. Rees agreed that he would look into the posting requirements.

**B. LEGAL (ID)**

Mr. Plimpton was absent.

**6. ADJOURN (IDA)\***

The Regular Board of Trustees meeting commenced at 7:09 p.m. and adjourned at 8:08 p.m.

**The Board took the following action:** Jack Riehm moved to adjourn the Regular Meeting of the Board of Trustees. Steve Evenson seconded and the motion carried. All ayes.





PERSHING GENERAL HOSPITAL AND NURSING HOME  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING MINUTES  
April 30, 2008

**PRESENT:**

Roger Mancebo, Chair  
Jack Riehm, Vice Chair  
Steve Evenson, Member  
Mark Hostman, Member  
Joe Pierce, Member  
Matt Rees, CEO  
Marjorie Skinner, Financial Coordinator  
Rusty Kemp, Executive Assistant

**1) CALL TO ORDER**

Chairman Mancebo called the Regular Meeting of the Pershing General Hospital and Nursing Home Board of Trustees to order at 7:04 p.m. A quorum was present when the meeting was called to order.

**2) PUBLIC COMMENT**

Chairman Mancebo called for public comment. Hearing none, Chairman Mancebo proceeded with regular business.

**3) APPROVAL OF MINUTES: March 26, 2008**

The Board reviewed the minutes of the March 26, 2008 Board of Trustees Meeting.

**The Board took the following action:** Joe moved to approve the Regular Board Meeting Minutes of March 26, 2008, Jack seconded, the motion carried. All ayes.

**4) CRITICAL ACCESS HOSPITAL (CAH) ITEMS:**

**a) New BUSINESS**

**i) Approval of reappointment privileges for Yousri Gadallah, MD, and Thomas Naegele, DO**

**The Board took the following action:** Jack moved to accept the reappointment privileges for Dr. Yousri Gadallah, MD and Dr. Thomas Naegele, DO., Jim seconded, the motion carried. All ayes.

**ii) Discussion regarding Pershing General Hospital employee health insurance benefits and employee pay portion (IDA)\***

Matt Rees informed the board that the hospital is in the process of sending out health insurance for bid. Our health insurance cost based on our usage will increase anywhere from 30% to 40%. Many companies have moved to having the employee pay a portion of the premium due to the increase of premiums. We are bringing this option to the board for discussion. We are considering the employee pay \$10 toward dental and pay the full premium for vision, which currently is approximately \$7 per month. We are also considering \$25 to \$35 per pay period to be paid toward the medical insurance.

The Board took the following action: The Board requested this information be disseminated to all employees as soon as possible. They would like a notice placed in the next newsletter regarding this consideration and that it will be on the agenda for the next board meeting.

iii) Discussion and action on changing the date of the regular Board of Trustees from May 28, 2008 to May 15, 2008 (IDA)\*

The date change is to accommodate the budget hearing, which we are required by law to have on the 15<sup>th</sup> of May. We are proposing the regular board meeting be held on the same night, Thursday May 15, 7:00 pm at the community center. This will eliminate having two meetings in the month of May.

Marj will be out of the country on this day and will not be able to attend; Patti Speer will be sitting in for her.

The Board took the following action: Jim motioned to change May's Regular Board Meeting to May 15, 2008, Mark seconded, the motion carried. 4 ayes. 1 nay.

iv) Long Term Care Director's Report (ID)

Nadine Tranquilla's report was provided to the Board Members for review, which was read by Matt Rees. Our census will rise to at least 21 residents by the end of the month, a 15% increase from what it has been. We are receiving one referral from Winnemucca, and another from Renown.

The Board Chairman asked for questions; no questions asked.

v) Finance Director's Report (ID)

Marj reviewed the statistics with the members of the board; she stated that it is the highest it has ever been. Corresponding with that our gross revenue is the highest it has ever been, at 1.8 million. Marj will be meeting with Steve Boline to review our net revenue. He will be helping us with our budget as well as help us monitor contractals with EOB and Denial Logs. We have a cost-cutting plan in the works including cutting back on overtime, expenses, conferences, and education assistance that is not mandatory.

Matt passed out a letter from Medicare to each board member for review. This report shows the rate paid by Medicare. They decreased our inpatient rate from \$2,697 to \$1,312 and our swing bed rate from \$2,104 to \$851. These loer rates will be applied until July 01, 2008. In the past, Medicare allowed us to pay the overpayment over a longer period. This year Medicare has decided to recoup the overpayment over a shorter period.

Matt passed out a letter addressed to the Governor stating the problems we are having with Medicaid regarding the approval and billing process. The letter states different ways the state can save money as well as the hospital. The letter also includes a recommended policy change in shortening the period from application approval to receipt of payment.

We have spoken with the State Healthcare Committee in regard to the length of time it is taking to receive payment they have informed us they will look into why. We will keep the board updated.

The cost reports for 2006 and 2007 will be amended and resubmitted. This will lower the Medicare amount we owe of \$453,000 giving us a savings of approximately \$100,000 for 2007. The amended 2007-cost report will also increase the rate we receive from Medicare. The amount of savings for 2006 is pending.

Two residents pending Medicaid have been approved. Medicaid should be sending payments within the next two weeks.

The Board Chairman asked for questions; no questions asked.

### Review and Approval of Warrants (IDA)\*

Steve requested the balance of the credit cards. The American Express card has a balance of approximately \$50,000 to \$70,000. The Chase credit card is current. Steve wants to ensure that the credit card balances are included in the financial reports. It was noted that the credit card amount is included on the balance sheet, on the general ledger and on the accounts payable report. It is not included on the income statement unless it has been paid. The interest on the credit cards is about 22%.

Steve noted that the hospital's liability has increased to approximately a million dollars since last year. Matt stated that the largest increase of \$800,000 of that liability came from third party payables. Because of the amount owed to Medicare, we have increased our liability, approximately \$300,000 this year. This amount has been added and expensed as a contractual expense.

Steve inquired as to whether the hospital has an open line of credit. Matt informed the Board that a bill passed where state law prevents government agencies from having an open line of credit.

Roger inquired about the solar panels and if the hospital has received a credit from the electrical company. Matt informed the Board that he would look at the information. Matt also informed the Board about a website where they would be able to see the savings on a daily basis. This website will also inform you of any problems the solar panels are having. A month ago, we discovered one of the panels was not working properly. We called Burning Man, who came out and repaired the panels. Personnel checks the website on a regular basis.

Jack requested a comparison of power usage from March 2007 to March 2008. Jack would like this information on Friday May 2.

The Board Chairman asked for questions; no questions asked.

The Board took the following action: Joe motioned to approve warrants, Jack seconded, the motion carried. All ayes

vi) Review and Approve Write-Offs and Legal Actions (IDA)\*

The members of the board reviewed the Write-Offs.

The Board Chairman asked for questions; no questions asked.

The Board took the following action: Jack motioned to approve the write-offs, Joe seconded, the motioned carried. All ayes

vii) Director of Clinical Services Report (ID)

Ms. Davis was not present. Deanna is out with a doctor's note. She did want the Board to know funds are being provided by UNR to send two nurses, herself and one doctor to attend certification for ALSO (Advanced Life Support Obstetrics). This is training on delivering babies in the ER.

viii) Administrator's Report (ID)

The CT is up and fully functioning and we are seeing an increase in usage. Toshiba did additional employee training on hip and spine bone density, which gives a more comprehensive study. With this ability we are bringing in more referrals. While Toshiba was here, they also made some adjustments to the machine.

We received from USDA the approval to send the Cooling Tower out for bid. We are working with Ainsworth and Associates, the engineering company, to send the project out for bids. We may need an extra meeting in June in order to approve a bid. Matt will stay in contact with Roger on the timing of accepting a bid. The projected timeline: the bid process takes 30 days; it will take 6 to 8 weeks to build and deliver the cooling tower, plus the time it takes for the construction at the site.

Reviewed the letter addressed to the Governor.

The T.V. for the waiting area was ordered using American Express points. It should be here within the next couple of weeks. The T.V. will be used to show advertisements of what the hospital offers, similar to what Humboldt Hospital is doing in their waiting area.

Reviewed the increase in gross revenues \$13 million from last year, and we will be just under \$18 million in gross revenue this year. Twenty four percent of this is coming from outside the county. More analysis will be done to look at what pay class is coming to our facility. We do not want too many Medicaid patients, as Medicaid does not cover our costs. UNR is also doing a study to find why people are choosing our facility and what services they are using in the Lovelock area. When the report is issued, the Board will receive a copy. We will also send a copy to the city and county commissioners.

Jim questioned how IHS patients are dealt with. Unless it has been pre-certified, they cannot be seen at the clinic because the hospital will not receive payment for services.

Introduction of Matt Rees' new assistant, Rusty Kemp.

The Board Chairman asked for questions; no questions asked.

**5) MATTERS FOR BOARD DISCUSSION:**

**a) CORRESPONDENCE (ID)**

Roger inquired as to whether any decision was made as to who would be going to the Symposium. Joe informed the Board that he was 90% – 95% sure he would be going. Steve mentioned that if he was to go, he would only be able to attend Wednesday and Thursday. However, with the cost he is not sure if he will be going.

**b) LEGAL (ID)**

Mr. Plimpton was absent.

A CLOSED SESSION WILL BE HELD IN ACCORDANCE WITH THE PROVISIONS OF NRS 241.015; THE BOARD OF TRUSTEES WILL DISCUSS EMPLOYEE PERFORMANCE APPRAISAL

**SESSION REOPENED AT 8:30**

Steve confirmed the prior employment contract for Matt Rees was for three years. This should alleviate any questions that arose in the closed session.

Board Members discussed their concerns regarding Matt Rees' employment contract. The main concern, with the contract is how would the hospital pay accrued vacation or sick time if Matt decided to end his employment with the hospital, or if he should become disabled? Has the hospital set aside funds to cover this expense?

The Board feels it is in the best interest of the Board Members as well as Matt Rees, to have a lawyer who specializes in employment contracts review the contract prior to anyone signing. There are many firms in Reno that specialize in employment contracts. Steve will contact them to see what the expense would be to review the contract along with the personnel policy. Steve requested a copy of the personnel policy from the HR director.

Steve would like, at a later meeting, to analyze what he calls "unfunded mandates" for all employees with similar contracts. Matt informed Steve that funds for vacation time are on the balance sheet.

Board Members agreed to table the contract until the next meeting. It was also agreed that for the time being, until the new contract is signed, Matt Rees would continue to work under the old agreement.

Matt requested the Board vote on his bonus that was agreed to last year. Matt agreed to receive the bonus over a period of 60 days.

Steve would like to get a legal opinion as to whether Matt can request his hospital bill paid out of his bonus, before taxes are paid.

**The Board took the following action:** Jim motioned to table the employment contract and pay a reasonable fee to have an attorney look at the contract, Jack seconded, the motion carried. All ayes

**The Board took the following action:** Steve motioned to approve the bonus amount of \$12,254.21 after determining whether it is legal to pay the hospital before taxes are paid, the amount determined will be paid to Mr. Rees with installments over a period of 60 days, Jim seconded, the motion carried. All ayes

#### **6) ADJOURN (IDA)\***

Session Adjourned at 8:51 p.m.

**The Board took the following action:** Jack motioned to adjourn the Regular Board Meeting, Joe seconded, the motion carried. All ayes.





PERSHING GENERAL HOSPITAL AND NURSING HOME  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING MINUTES  
May 15, 2008

**PRESENT:**

Roger Mancebo, Chair  
Jack Riehm, Vice Chair  
Steve Evenson, Member  
Mark Hostman, Member  
Joe Pierce, Member  
Jim Goldsworthy  
Matt Rees, CEO  
Patti Speer, Financial Services Manager  
Deanna Davis, Director of Clinical Services  
Rusty Kemp, Executive Assistant

**1) CALL TO ORDER**

Chairman Mancebo called the Regular Meeting of the Pershing General Hospital and Nursing Home Board of Trustees to order at 7:11 p.m. A quorum was present when the meeting was called to order.

**2) PUBLIC COMMENT**

Chairman Mancebo called for public comment. Hearing none, Chairman Mancebo proceeded with regular business.

**3) APPROVAL OF MINUTES: April 30, 2008**

The Board reviewed the minutes of April 30, 2008 Board of Trustees Meeting.

The following corrections were noted: Add Jim Goldsworthy's name to the list of those present, as he was present.

The Board took the following action: Joe moved to approve the Regular Board Meeting Minutes of April 30, 2008 with corrections, Jack seconded, the motion carries. All ayes.

**4) CRITICAL ACCESS HOSPITAL (CAH) ITEMS:**

**a) New BUSINESS**

i) Approval of Reappointment Privileges for Sean Lehmann, DPM, America V. Oujevolk, MD and E. Steven Sweeney, MD. (IDA)\*

The Board took the following action: Jack moved to accept the reappointment privileges for Sean Lehmann, DPM, America V. Oujevolk, MD and E. Steven Sweeney, MD, Jim seconded, the motion carries. All ayes.

ii) Discussion regarding Pershing General Hospital Employee Health Benefits and Employees paying a portion of the premium (IDA)\*

As discussed in the last Board Meeting employees were informed of the potential employee contribution toward health insurance. The notice was in the hospital newsletter and discussed in the department head meeting. Employees responded positively, felt the option was reasonable, and understood the difficulty in getting better quotes from providers.

The Board discussed whether contract employees should pay a portion of their health premium. This was tabled until the next meeting to discuss how to handle the seven employees who are on contracts and possibly renegotiating their contracts. Jim requested information regarding upper level employees and their benefits from other hospitals. Matt agreed to obtain this information.

There are two health insurance options Pershing General Hospital is looking at - HSA plan with a \$1500 deductible, 100% paid, a similar plan to what we currently have, a \$1500 deductible and 80%/20% paid, or a plan where the employee has the option of taking the HSA or the 80/20 plan. We are also looking into an 18-month plan to change our fiscal year from starting in June to starting in January. This will keep employees from having to come up with two deductibles during the year.

Open enrollment is held in June, therefore a decision of which plan to use will need to be made prior to the next Regular Board Meeting. The Board approved administration to decide which health insurance plan Pershing General Hospital will use. If a different option than the ones mentioned in the meeting is considered, then an emergency meeting will be called.

The Board requested they be notified of the plan chosen.

**The Board took the following action:** Jim motioned to table the discussion on contract employees and approve administration to choose insurance plan, Steve seconded the motion, the motion carries. All ayes.

**iii) Long Term Care Director's Report (ID)**

We are pending authorization to fill the one male bed we have available. Long Term Care will then be filled to capacity.

**iv) Finance Director's Report (ID)**

The month end statistics for May will not be ready until the Regular June Board Meeting.

Revenue is down. However, the numbers will not be available until the next Regular Board Meeting. We had one doctor out on vacation during the month causing statistics to drop. We did experience an increase of patients seen at the hospital. More patients on Medicare are coming in before their renewal month, which is July begins. CT scans continues to go up.

**(a) Review and Approval of Warrants (IDA)\***

The check for \$100,000 was to MMA for the rebate of the solar power panels.

**The Board took the following action:** Joe motioned the approval of warrants, Jack seconded, and the motion carries. All ayes.

**(b) Review and Action on Write-Offs and Legal Actions (IDA)\***

**The Board took the following action:** Joe motioned the approval of write-offs, Jim seconded, and the motion carries. All ayes.

**v) Director of Clinical Services Report (ID)**

The number of patients seen has gone down in the clinic for the last month, this is normal when a physician is out. The community is healthy; however, people are still going to the clinic.

Staff is continuing their education and keeping their certifications up to date.

There were problems with the paging and patient call system. The company we purchased the system through has identified the problem and is sending new pagers at no cost to the hospital.

**vi) Discussion and Approval of fiscal year 2008-2009 Review tentative budget and approval as final Budget (IDA)\***

Marj is working with Steve Boline, from NRHP making the final adjustments to the budget for FY '08/'09. Steve is reporting the information to the Local Finance Committee. The budget is a conservative one regarding contractual and expenses. We have budgeted for a full staff, along with some overtime expense even though we are not currently at full staff and continue to cutback on overtime.

Roger had a question as to how Steve has been compensated for the work he is doing for Pershing General Hospital. Matt reported that UNR has a Flex Grant in which Steve is paid from. This grant is specifically to help hospitals become critical access hospitals, then it helps to maintain their critical access status and to ensure they stay financially sound.

With all the work Steve has done for the hospital, Roger has suggested we send Steve a thank you letter signed by all the Board Members, some type of gift certificate or even a dinner.

Jim questioned the jump in purchase services and professional fees. Matt reported the jump was due to more doctors and a jump in revenue on the budget. We take the last 6 months and add 5% for a projected budget amount. With this increase, the purchase services and professional fees increase as well. If the gross revenue is less then projected the purchase services and professional fees will be less as well.

Jim questioned why the proceeds in mines went down. Matt reported that we receive this number from taxation, and the number is usually conservative.

Joe questioned the difference between purchase services fees, professional fees, and physician fees. Matt reported that the professional fees are the nurses, CNA's and others who require a license, except for physician. Physician fees are for the doctors. The physician fees went down due to hiring Dr. Vaz who covers the ER, however, this caused the salaries to go up.

**The Board took the following action:** Joe motioned the approval of the fiscal year 2008-2009 tentative budget to the final Budget, Jim seconded, and the motion carries. All ayes.

**vii) Administrator's Report (ID)**

Since it has not been that long since our last meeting there is not a lot to report. We have been working on the budget. We continue to have problems receiving money from Medicaid and Medicare, causing money to be tight. The Credit Card has decreased by \$10,000; the remaining balance is approximately \$60,000. We have not introduced any new services; we are working to become more efficient with the ones we do offer.

) Matt will be on vacation for the next two weeks.

**5) MATTERS FOR BOARD DISCUSSION:**

**a) CORRESPONDENCE (ID)**

No correspondence presented.

**b) LEGAL (ID)**

Mr. Plimpton was not present.

**c) OTHER (ID)**

X Each Board Member received the revised CEO employment contract; Matt is to contact Steve if he has any questions regarding the contract and have all issues resolved prior to the next Regular Board Meeting.

Approval of contract was tabled until the next Regular Board Meeting.

Discussed having a Special Board Meeting to cover CEO contract, possibly the 11<sup>th</sup> of June.

**6. ADJOURN (IDA)\***

The Regular Board of Trustees meeting commenced at 7:11 p.m. and adjourned at 8:06 p.m.

) **The Board took the following action:** Jack moved to adjourn the Regular Meeting of the Board of Trustees. Jim seconded and the motion carries. All ayes.



2039

**LITTLER MENDELSON**  
A PROFESSIONAL CORPORATION

**INVOICE SUMMARY**

DATE: June 24, 2008  
CLIENT: PERSHING GENERAL HOSPITAL AND NURSING HOME  
CYNTHIA HIXENBAUGH, HR DIRECTOR  
855 6TH STREET  
P.O. BOX 661  
LOVELOCK, NV 89419

**RECEIVED**  
JUL 08 2008  
BY: *CA*

Privileged & Confidential

\$1585.00  
pd \$500.00 CR 015222 11-25-08 srl  
\$1085.00 Balance

CLIENT MATTER NUMBER: 059888.1000  
MATTER: GENERAL  
BILLING ATTORNEY: 1797 Karyn M. Taylor  
INVOICE: 3337745

Review of Administrators contract -

Legal Services for the period ending May 31, 2008

Total Fees for Services Rendered \$1,585.00  
Total Disbursements \$0.00  
Total Amount Due This Invoice \$1,585.00

VENDOR NUMBER	01792
TRANSACTION DATE	6-30-08
INVOICE #	3337745
P.O. #	
INVOICE DATE	6-24-08
DUE DATE	7-24-08
INVOICE AMOUNT \$	
GL NUMBER	AMOUNT
4122535	1585.00
<i>Payment due upon receipt</i>	

LITTLER MENDELSON, P. C. THE NATIONAL EMPLOYMENT & LABOR LAW FIRM ©  
P. O. Box 45547, San Francisco, CA 94145.0547 Phone: 800.264.1031 Fax: 415.439.6255

DATE: June 24, 2008

Invoice No 3337745

Page 2

CLIENT  
MATTER  
NUMBER: 059888.1000

CLIENT: PERSHING GENERAL HOSPITAL AND NURSING HOME  
MATTER: GENERAL

**Legal Services for the Period Ending May 31, 2008**

Date	Atty	Hours	Description
05/05/08	SK	0.50	Review client's employee handbook and employment contracts in preparation to advise client re change in vacation payout policy and change in benefits offered to employees' dependents.
05/06/08	KMT	0.25	Telephone conference with Mr. Evenson re paying vacation time and revising handbook and contracts re insurance.
05/06/08	SK	0.50	Legal research re change in vacation payout policy.
05/13/08	SK	1.50	Prepare employment agreement for Chief Executive Officer.
05/14/08	KMT	1.00	Conference with Mr. Evenson and Ms. Ketner re revisions to employment contract. Review and revision of memorandum re revisions to employment agreement.
05/14/08	SK	0.50	Revise and finalize executive employment agreement following conference with Mr. Evenson.
05/14/08	SK	0.25	Finalize executive employment agreement for client's review.
05/14/08	SK	0.50	Conference with Ms. Taylor and Mr. Evenson re revisions to executive employment agreement.
05/14/08	SK	0.50	Prepare memo to Board re suggested revisions to executive employment agreement.
05/22/08	WCS	1.50	Speak with Karyn Taylor about scope of assignment. Review model personnel file provisions. Begin reviewing personnel file. (no charge)
05/23/08	WCS	1.50	Continue reviewing employee handbook. (no charge)
Total Hours		8.50	
Total Legal Fees			\$1,585.00

DATE: June 24, 2008

Invoice No. 3337745

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CLIENT  
MATTER  
NUMBER 059888.1000

CLIENT  
MATTER PERSHING GENERAL HOSPITAL AND NURSING HOME  
GENERAL

Date Atty Hours Description

**Fees Summary**

Timekeeper		Hours	Rate	Fees
Karyn M. Taylor	Shareholder	1.25	350.00	437.50
Sandra Ketner	Associate	4.25	270.00	1,147.50
Wesley C. Shelton	Associate	3.00	N/C	N/C
<b>Total Legal Fees</b>		<b>8.50</b>		<b>\$1,585.00</b>

**Total Amount Due For This Invoice**

**\$1,585.00**



January 22, 2010

Roger Mancebo  
Former Chairman  
Pershing General Hospital Board of Trustees

Re: Matt Rees, CEO of Pershing General Hospital

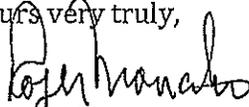
To Whom It May Concern:

This letter is to formalize certain events surrounding salary and bonus negotiations between the Board of Trustees and Matt Rees for Pershing General Hospital.

At the April 30, 2008 meeting when Mr. Rees' contract with the bonus provision was negotiated, Mr. Rees, for the sake of the hospital's cash-flow situation, suggested his bonus be paid out quarterly throughout the current year rather than in one lump sum at the end of the year. The Board having been well familiar with the hospital's struggle to make lump sum annual payments accepted Matt's suggestion and made these terms a part of his contract.

The entire agreement related to Mr. Rees' salary and bonus was negotiated and memorialized at that meeting; however, Trustee Steve Evenson, an attorney on the Board, indicated he was not sure some provisions in the contract were "legal". Because our legal counsel was at the time serving our country in Iraq, Mr. Evenson with board approval engaged a law firm to review the contract. Mr. Evenson engaged a law firm in Reno, Nevada to review the contract, and took it upon himself to consult and approve revisions to the contract. **The changes in the calculation and payment of Mr. Rees' bonus made during the review of the contract by Littler Mendelson, P.C. were not the same terms that the Board discussed and agreed to with Mr. Rees.**

Yours very truly,



Robert Mancebo



I would like more then anything to ask my questions and present my concerns face to face at a board meeting but I know that if I do I will lose my job at Pershing General Hospital.

It is understood that by presenting my questions and concerns in the manner of an anonymous letter an answer will not come directly, but the concern here is the well being of the staff that runs this hospital and to hopefully open the eyes and ears of those people that can improve the situation.

Some months ago Matt Reese<sup>f</sup> asked the board for a financial bonus in addition to his paycheck. That this bonus was put on hold due to the financial difficulties of the hospital.

It has recently come to attention that said bonus is approved and to be paid in the sum of over \$10,000.

WOW!!! Am I ticked off!!

How can Mr. Reese<sup>f</sup> take a bonus when hospital staff is at reduced work hours, there is a salary freeze in effect, and the employees work diligently 36 plus hours a week while Mr. Reese<sup>f</sup> is rarely in attendance or shows up for a few hours a day then leaves???

Ask around the hospital where Matt is and the answer commonly seems to be -  
GOLFING!

How can Mr. Reese<sup>f</sup> take a bonus when the hospital has vendors that have not been paid in over 3 - 4 months? The \$10,000 that is to be in Mr. Reese<sup>f</sup>' pocket could be used to provide many supplies that run vital departments; supplies that are currently not even on order.

Why is the only administrator at work on Fridays the Director of Finance? Are we only a 4 day a week operation?

Why is the Front Desk/Admitting closed at noon on Friday when the clinic is open till 12:30 and Pharmacy till 1:00?

If Deanna Davis is the second in charge at the hospital then why is it that both Mr. Reese<sup>f</sup> and Ms. Davis seem to be gone at the same time a lot?? For that matter, why does Deanna do so much work at home and not in the office?

No wonder we are in so much financial trouble!!!





\$ 980,849.20
\$ 956,577.30
\$ 1,098,766.67
\$ 1,095,668.29
\$ 1,109,810.69
\$ 922,189.92
\$ 1,103,013.05
\$ 854,770.94
\$ 797,014.95
\$ 1,238,634.58
\$ 910,876.15
\$ 1,186,242.32
<u>\$ 12,254,414.06</u>





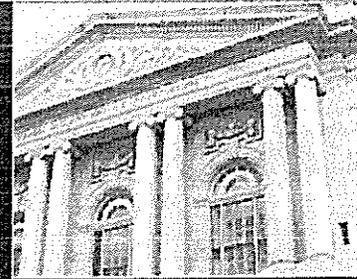
1035 Dartmouth Avenue  
Lovelock, Nevada 89419  
phone - 775.273.2529  
fax - 775.273.9529  
email - [nevadaracer@hotmail.com](mailto:nevadaracer@hotmail.com)



**Family Law**



**Criminal Defense**



**General Practice**

### Mr. Evenson's Profile

Steve Evenson is a native Nevadan, born in Reno and raised in Carson City where he graduated from High School in 1985. Steve then furthered his education at the University of Nevada-Las Vegas, graduating there in 1989 with a Bachelor's Degree in History. Steve also served in variety of Student Government activities and was Student Body President his senior year.

Following college, Steve proceeded to University of Pacific-McGeorge School of Law and graduated there in 1992. Since then Steve has been fortunate to hold a variety of positions in Nevada. While maintaining a private civil practice, Steve served as City Attorney for Caliente, Nevada, for five years and District Attorney for Esmeralda County, Nevada for two and a half years. Prior to that Steve, again while in private practice, served as a part-time City Attorney for Henderson, Nevada and as a Deputy District Attorney in Lincoln County, Nevada. Steve is now in private practice full time and divides his time between his home office in Lovelock and his office in Fallon.

Steve currently serves as legal counsel for the Pershing County Hospital, Lovelock Meadows Water District, Tonopah Town Board, Round Mountain Town Board, Smoky Valley Library District and conflict Public Defender for Nye and Pershing Counties.

Engaged to Stacey and has three great kids, Vincent, Madeline, and william. For further personal information please see the hobby and links page.

#### Mr. Evenson's Profile - Hobbies and Links - Contact Information

The Steve Evenson web site is designed to provide educational information only and is not intended to offer legal advice. Information contained in this website is not intended to create an attorney-client relationship, nor does it constitute legal advice to any person reviewing such information. No electronic communication with Steve Evenson, on its own, will generate an attorney-client relationship, nor will it be considered an attorney-client privileged communication.

Web site created by [AttorneyLocate.com](http://AttorneyLocate.com), part of the [AllLaw.com](http://AllLaw.com) Network.



## Matt Rees

---

**From:** steve evenson [nevadaracer@hotmail.com]  
**Sent:** Wednesday, May 20, 2009 6:39 PM  
**To:** rkemp@pershinghospital.org; Todd Plimpton; cindy@pershinghospital.org; deanna@pershinghospital.org; marj@pershinghospital.org; matt@pershinghospital.org; patty@pershinghospital.org; jimgoldsworthy@sbcglobal.net; mhostman@sbcglobal.net; mhostman@doc.nv.gov; Roger Mancebo; Todd Plimpton  
**Subject:** RE: 05/19/09

Matt or Rusty (as I'm not sure who wrote this):

"Staff reduction is on the agenda as a discussion topic." Wrong. The agenda clearly states that it is (IDA) which stands for Information, Discussion and Action as stated at the bottom of the agenda itself.

As for the recitation of the minutes from meetings, it has been stated, repeatedly, that we need to work together on all issues and specifically cutting of jobs. I believe it has been clearly stated that when cuts are made for budget reasons the board must be a part of that, as, last time I checked, we control the budget.

Moreover, this attitude of "that's not what is in the minutes" or "that's not what is specifically stated in the motion" is just the attitude that I am talking about when I say that we are being treated as a nuisance. If administration feels the need to have to go back through the minutes to determine exactly what was and wasn't said, then I would say it is pretty clear that they are trying to find the line they can go to and not go over it and treating the board like an attorney treats an opposing party. Sounds kinda like how Congress does things...and I am sure the administration does not want to be compared with them.

My recollection is that, time and time again, we have been told to be part of the team and that we have to go along with the team and be a solution to the problem. I have no problem with that and fully support it. However, it is hard to be on the same side with someone who clearly believes that there are two sides to this issue. Matt, in attitude, this e-mail and in conduct, clearly thinks that there are two sides. There are not.

There is one side: The best interests of this community and facility. Matt's job performance, or lack thereof, is not a part of that equation...until it starts to affect the facility or the community. The primary way, in my opinion, is that Matt continues to believe there are two sides and continues to supply whatever information or misinformation he wants to us on whatever basis he wants. You want examples...let's just use the latest...

On the PERS issue, I have spoken to Matt, Rusty and one other person in administration about the issue and, in a shocking development, have heard three different stories.

Now, forget about the he said, she said in all of that, because it really doesn't matter. Here is what matters: Our packet says 120k, we are told in an e-mail that it is 178k and, what I confirmed this morning, is that there is another 60k+/- due for May out there that Administration isn't worried about yet because May isn't over. SOOOOOOO the actual amount is more like 240k+/- and that, my friends, is one-half of our line of credit.

This is crisis management at its worst. It cannot continue to be tolerated and a change is necessary.

As for the pre-authorization issue. That pre-dates Rusty's arrival and I know it was discussed in several meetings, because we were, monthly approving thousands of dollars in lost money for failure to pre-auth. I, and I believe other board members, were very clear that these kinds of amount losses should result in discipline for whatever employee did not obtain the pre-auth. Period. You cannot expect to lose 11k a month

because somebody forgot. In this market and economy those kinds of lapses can and should result in termination...perhaps if it happens once to someone, it will not happen again...for a while. I think those losses need to be specifically investigated and reported back to the board before they are written off. We are laying people off and losing 11k because somebody didn't pick up the phone? Please...

As to the pharmacy, we were presented in an e-mail from Rusty/Matt that the negotiations were already under way to sell the pharmacy. I didn't pull that out of a hat. Second, you are wrong again about the Agenda...the agenda clearly states that this is a IDA item. Third, my reference to not having the information, is that I don't have anything from WIPFLI to review prior to the meeting. Matt said he would try to get that today. Fine, but I am allowed to say that we might want that information before 7:00pm tomorrow? I mean we might to look it over before we decide to sell anything.

On the line of credit. I'm going to be even more direct than usual. This is our last line of financial defense. Period. When that is gone we are tapped out. Period. I don't give a darn about what was on a past agenda and approved. It was approved with inaccurate information either being intentionally or unintentionally provided to the board regarding, inter alia, the amount owed to PERS. Thus, I do not believe in any way shape or form that ONE DIME of that money should be spent by the administrator or any other person until we have a specific meeting to know exactly where it is going and for how much.

As for the plan of action and financial correction plan, that was also a major issue involving the deception of whether or not to include the line of credit in the report to the state or some similar issue, as I recall. That being said, I do not view the long term survival or, at this moment, the short term survival of this facility to be anywhere near guaranteed without a significant change in how the administrator handles his financial accountability to the board and the facility.

To be clear: Spoon fed means, to me, a lack of full disclosure on issues. Being told what Matt wants us to know, nothing more, nothing less.

BTW, what is the interest rates, today, on the credit card balances? Are they appearing anywhere on our balance sheets?

This doesn't have to be this hard. We have a facility in real financial trouble. One that, if it fails, will absolutely devastate our already hurting community and just about insure that no new growth takes place, not to mention the potential loss of some of what is already here. We should be working together and writing long e-mails about solving problems and not having a debate about whether or not Matt is telling the whole truth whenever he opens his mouth, writes an e-mail or has someone write an e-mail for him. However, I believe that until I can trust Matt to give accurate information to the board we cannot solve the problems we are now facing.

I request that this ENTIRE e-mail, including mine yesterday and Matt/Rusty's response, be printed out and added to the record at the meeting so that there is no issue regarding the open meeting law.

Thank you for your time.

Steve

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From: rkemp@pershinghospital.org  
To: nevadaracer@hotmail.com; todd@gbis.com; cindy@pershinghospital.org;  
deanna@pershinghospital.org; marj@pershinghospital.org; matt@pershinghospital.org;  
patty@pershinghospital.org; jimgoldsworthy@sbcglobal.net; mhostman@sbcglobal.net;  
mhostman@doc.nv.gov; rmancebo@gbis.com; tplimpton@msn.com  
Subject: RE: 05/19/09  
Date: Wed, 20 May 2009 15:02:08 -0700

Staff reductions –

Staff reduction is on the agenda as a discussion topic. The only request made by the Board regarding personnel issues to be placed on the agenda is stated in the minutes of the Special Board Meeting held January 02, 2009. "Roger stated that if someone is hired back, he feels that before this takes place it needs to be approved by the Board to review the revenue and expense to determine whether the hospital can afford to bring this position back. "

In the minutes of the Board Meeting held December 2008, "Mark commented that the concern he has, is hearing about the cuts through other people and not through Administration. He believes that better communication is needed between the Board and Administration. A quick e-mail letting everyone know what is happening and why would be great." Therefore, e-mails have been sent to the Board Members, informing them of up coming cuts and when they would be taking place.

On May 13, 2009, the following e-mail was sent to the Board Members:

Admin has been watching the statistics and with volumes in LTC and Acute being down, we are needing to make additional reductions in expenses, which includes reducing staff. Administration is looking at each department and will be working with departments to determine what reductions will be made.

In the Administrators Employment Agreement under Employment and Duties of Employee it states "Employee shall perform those responsibilities assigned to him and render services as are necessary and desirable to protect and to advance the best interests of the Hospital, including but not limited to managing all personnel, Financial, operational and institutional matters of Pershing General Hospital, Clinic and Nursing Home." Therefore, seeing that the volumes continue to decline, it was determined through the Administration Council that more cutbacks in personnel and hours were going to be needed. Department heads were notified and given the responsibilities to determine whether layoffs or cutting back on hours was needed. As each department head understands their department and

what is needed to accomplish the assigned tasks, it was felt the decision should come from them. Just as was done with the last reductions, the worksheet will be presented at the Board Meeting.

#### PERS –

April 27, 2009 Rusty was asked to send out an update on PERS. She called AP department, they looked at the system and gave the amount the system showed as amount due. This was then forward on to the Board Members. Later, it was discovered that the information was incorrect, the amount was \$58k more than what was given to the Board Members. Once it was determined that the \$58k would not be paid in May, the Board was informed.

#### Write-Offs..

In the minutes of the Board Meeting held in March 2009, Marj informed "The Board was informed that the Business Office is in the process of cross training to ensure write-offs are kept at a minimum." There was never any mention of guaranteeing that write-offs for no pre-authorizations would be kept under \$10k. However, since the February meeting there has been a \$4k write-off for no prior authorization in March 2009, nothing in April 2009, and a \$6k write-off for no prior authorization. I am not sure what you are referring to when you talk about a \$10k pre-authorization write-off. If you could please provide more information, I will be happy to look into it.

In the minutes of the Regular Board Meeting held April 2009, it was noted that "the write-offs are lower than last month. It is believed that the cross training taking place in the Business Office is to be attributed to the lower amount."

#### Pharmacy –

The discussion of the pharmacy is Item number 7 on the agenda for the Regular Board Meeting for May 21, 2009. At this time, Matt will present information that has been gathered and the results from Wifli if the information is available for the meeting. With Bari leaving, and people approaching Matt on selling the pharmacy, he felt it was a good idea to bring it in front of the Board to decide what would be best for the hospital.

I am not sure what you are meaning when you state, "I don't see that anywhere..." If you could please clarify what you feel is missing from the agenda, I will be able to address that.

#### Line of Credit

At the April 23, 2009 Special Board Meeting the following was presented to the Board.

- i. Approval and authorization to disperse money received from Nevada State Bank. (IDA)\*

Matt presented to the Board a list of accounts and requesting authorization to pay these accounts when the money is received from Nevada State Bank.

The Board took the following action: Joe approved giving Administration authorization to pay the accounts on the handout, Jim seconded the motion, and the motion carries. Each Board Member signed the handout.

Regarding the statement that "you are being treated like a nuisance by the administrator", we are requesting specific examples of when this has occurred. As requested by the Board, e-mails are sent out almost everyday giving details of what is going on at the hospital. I do not understand what you are referring to with your statement "being 'told' what is going on". I would also like clarification on what you mean by "spoon fed". As information is given to me, I send it to the Board via e-mail as requested by the Board.

At the December 2008 Regular Board Meeting Matt presented a financial action plan. A plan of correction was presented to Board at the January 2009 Regular Board Meeting.

Are you requesting an additional plan than what has already been presented?

**Credit Card Balances:**

As of April 2009 we have \$11,982.29 on our American Express Open, Chase Visa \$27,747.52. Both cards have been used to pay AP vendors and travel. Those are the only credit cards that have a balance on them.

*Rusty Kemp*

Executive Administrative Assistant

Pershing General Hospital

775.273.2621 x 245

775.273.3213 fax

Rkemp@pershinghospital.org

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**From:** steve evenson [mailto:nevadaracer@hotmail.com]  
**Sent:** Tuesday, May 19, 2009 7:25 PM  
**To:** rkemp@pershinghospital.org; Todd Plimpton; cindy@pershinghospital.org; deanna@pershinghospital.org; marj@pershinghospital.org; matt@pershinghospital.org; patty@pershinghospital.org; jimgoldsworthy@sbcglobal.net; mhostman@sbcglobal.net; mhostman@doc.nv.gov; Roger Mancebo; Todd Plimpton  
**Subject:** RE: 05/19/09

Hello all:

Strange...I thought the staff reductions was an action item on the agenda for the board.

Strange...I thought that we owed PERS about 100k less than we were told.

Strange...I thought that we were not going to be seeing anymore 10k+ write offs for no pre-authorizations...

Strange...I thought we were paying WIFLI for information on whether or not to sell the pharmacy, but I don't see that anywhere...

I have had it with being treated as a nuisance by our adminisitrator and being "told" what is going on after it happens or it has already been decided by others.

It is our obligation to make sure that this hospital runs in as economically sound manner as possible. All that seems to happen is that we are spoon fed whatever information at a given moment is necessary to manage whatever the current crisis is and that there is no long term planning of any kind at all.

I do NOT approve, at all, of any proceeds from that line of credit being spent until we have some sort of verifiable accountability for what is owed to who and for how much.

BTW, what are the credit card balances?

Steve

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**From:** rkemp@pershinghospital.org  
**To:** todd@gbis.com; cindy@pershinghospital.org; deanna@pershinghospital.org; marj@pershinghospital.org; matt@pershinghospital.org; patty@pershinghospital.org; jimgoldsworthy@sbcglobal.net; mhostman@sbcglobal.net; mhostman@doc.nv.gov; rmancebo@gbis..com; nevadaracer@hotmail.com; TPlimpton@msn.com

Subject: 05/19/09  
Date: Tue, 19 May 2009 16:31:47 -0700

Staff reduction and reduction in hours will take place in the next couple of weeks. The staff members affected have been notified.

The pump was replaced at 3:50 and the units were cooling at 64 degrees by 4:00 pm. Notification was sent to the State as required.

Evaluation forms – As Roger is out of town, please place the forms in a sealed envelope and return to Rusty by Wednesday 5:00 pm.

If you are having problems with the board packet, please let me know and I will send a hard copy via regular mail.

If you have any questions or need clarification on anything please contact me.

Thank you

*Rusty Kemp*

Executive Administrative Assistant

Pershing General Hospital

775.273.2621 x 245

775.273.3213 fax

Rkemp@pershinghospital.org

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PERSHING GENERAL HOSPITAL AND NURSING HOME  
BOARD OF TRUSTEES  
SPECIAL BOARD MEETING MINUTES  
August 4, 2009

**PRESENT:**

Roger Mancebo, Chair  
Jack Riehm, Vice Chair  
Jim Goldsworthy, Secretary  
Joe Pierce, Member  
Steve Evenson, Member  
Todd Plimpton, Legal Counsel  
Matt Rees, Administrator  
Marj Skinner, CFO

**ABSENT:**

Deanna Davis, DON  
Mark Hostman, Member

**1. CALL TO ORDER**

Chairman Roger Mancebo called the Special Board Meeting to order at 7:08 pm.

**2. PUBLIC COMMENT**

Question: Will there be further cuts and is the staffing at level requirements?

Answer: We have staff members who are on-call employees that we can utilize if there is a need for additional personnel. At this time there will be no other cuts.

Question: What is the percentage of people going to another facility from Lovelock?

Answer: We do not have the number; however, UNR has a study that determines where people are going and why. It is believed that the residents in the community are not coming to the hospital because they have heard there are problems at the hospital. Word needs to get out that the hospital is still give the quality care it always has.

Comment: It is reported that the hospital in Fallon is having major problems. They are losing the ability to give quality care and covering their ER shifts.

**3. CRITICAL ACCESS HOSPITAL (CAH) ITEMS:**

**4. NEW BUSINESS**

- i. Discuss and action requesting further financial assistances from Pershing County. (IDA)\*

Roger clarified his reasoning as to why he cancelled the agenda item that was to be placed on County Commissioners Committee Meeting for August 5. He felt that it was not the appropriate time to ask for more money from the county, as they had just given the hospital an advance. He feels there are still things the hospital can do before going back to the County for additional funds.

Matt reviewed the presentation, with the Board Members that was requested by the Board Members to be presented at the County Commissioners Committee Meeting.

Steve questioned as to why the budget amount for FY 2009 was so high and if this was why we were unable to keep within budget. Matt replied that the budget is based on an average increase calculated over the last few years.

Steve questioned if there was a long-term plan put into place. Matt responded that today's meeting is to put together a long-term plan.

Jim questioned if the hospital is receiving all the tax revenue that is allocated for the hospital. Matt responded that the hospital was receiving the full amount allocated.

Roger felt the presentation was good, and should be shown to the Joint Commission and see if the tax revenue can be re-allocated, giving the hospital a larger percentage.

Roger believes the hospital will level off and cash flow will increase. Matt commented that other entities know what their cash flow will be, as a hospital we cannot predict what our cash flow will be from one year to the next.

Board Members continued to discuss how the hospital was going to resolve the cash flow problem it is facing. Jim mentioned having Steve Boline attend one of the Board Meetings to explain in more detail the income statement, budget and the balance sheet. He would also like to see the scorecard put into place for the next Board Meeting. Steve would like to see as accurate numbers as possible. The Board Members feel they need to be involved in the decisions regarding the financial aspects of the hospital. Roger will inform the Commissioners that there is a possibility the hospital will be requesting an additional advance.

- ii. Discuss and approve an article or letter from the Board Members to be submitted to the Lovelock Review Miner promoting the hospital. (IDA)\*

The letter will be drafted by a few of the Board Members with a review by all Members prior to submitting the letter to the paper. The letter will be reviewed Friday in order to have it placed in the paper for the following week. It was also decided that once a month one department would be spot lighted, this will be done the Administration Team.

- iii. Approve changes to the Personnel Policies sick leave and PTO (IDA)\*

No changes are required on the policy, Department Heads will be held responsible in enforcing the current policy.

- iv. Discuss and approve a discount policy for self-pay clients (IDA)\*

Board Members discussed different options of giving those patients with outstanding balances a discount. It was decided that a statement stating a 10% savings if paid within 15 days invoice date to be applied only on new accounts. On the older accounts, if they pay within 20 days they receive 25% off their entire bill, if paid before October 15, 2009.

5. ADJOURN (IDA)\*

The Special Board Meeting was adjourned at 9:24 pm.



**Matt Rees**

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**From:** steve evenson [nevadaracer@hotmail.com]  
**Sent:** Friday, October 23, 2009 5:42 AM  
**To:** rkemp@pershinghospital.org; alicia@r-miner.lovelock.nv.us; chultgren@pacific.edu; amy@pershinghospital.org; cindy@pershinghospital.org; dawnr@pershinghospital.org; deanna@pershinghospital.org; gmoulton@pershinghospital.org; helen@pershinghospital.org; jweeld@pershinghospital.org; jodie@pershinghospital.org; jalbin@pershinghospital.org; kaydawn@pershinghospital.org; Laurie Schmith; lbianchi@pershinghospital.org; marj@pershinghospital.org; matt@pershinghospital.org; mlawrence@pershinghospital.org; pattis@pershinghospital.org; patty@pershinghospital.org; rpadilla@pershinghospital.org; roy@pershinghospital.org; jimgoldsworthy@sbcglobal.net; jlsipierce@sbcglobal.net; mhostman@sbcglobal.net; mhostman@doc.nv.gov; Roger Mancebo; Todd Plimpton; Todd Plimpton  
**Subject:** RE: "annonymous" letter...

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**From:** [rkemp@pershinghospital.org](mailto:rkemp@pershinghospital.org)  
**To:** [cindy@pershinghospital.org](mailto:cindy@pershinghospital.org); [deanna@pershinghospital.org](mailto:deanna@pershinghospital.org); [marj@pershinghospital.org](mailto:marj@pershinghospital.org); [matt@pershinghospital.org](mailto:matt@pershinghospital.org); [pattis@pershinghospital.org](mailto:pattis@pershinghospital.org); [patty@pershinghospital.org](mailto:patty@pershinghospital.org); [jimgoldsworthy@sbcglobal.net](mailto:jimgoldsworthy@sbcglobal.net); [jlsipierce@sbcglobal.net](mailto:jlsipierce@sbcglobal.net); [mhostman@sbcglobal.net](mailto:mhostman@sbcglobal.net); [mhostman@doc.nv.gov](mailto:mhostman@doc.nv.gov); [rmancebo@qbis.com](mailto:rmancebo@qbis.com); [nevadaracer@hotmail.com](mailto:nevadaracer@hotmail.com); [todd@qbis.com](mailto:todd@qbis.com); [TPlimpton@msn.com](mailto:TPlimpton@msn.com)  
**Subject:**  
**Date:** Thu, 22 Oct 2009 09:15:22 -0700

Rusty:

Let's throw an item on this agenda or the board meeting agenda about Matt's bonuses. I think, because of the annonymous letter that was sent, the discussion needs to be public, on the record and transparent.

I have two words for everybody...

Bob Loux.

If you don't know who that is...

Steve

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January 12, 2009

Ms. Rusty Kemp  
Administrative Assistant  
Pershing General Hospital and Nursing Home  
Lovelock, NV 89419

Re: Requests for Information

VIA FAX & HAND DELIVERY

Dear Ms. Kemp:

Pursuant to our phone call of earlier today, I am asking for the following items to be provided to me, some of which were not requested in the phone call.

1) A copy of the tape of the sub-committee meeting wherein the amount of Mr. Rees' 2008 bonus was determined. A complete transcript of that meeting would be great as well, if that is not possible, a copy of the tape will do.

2) A copy any and all requests for vacation and or records of vacation time made by or taken by Mr. Rees since January 1, 2007. I am assuming that there is some form filled out to document his vacation requests and/or vacation time taken.

3) A copy of any and all donations, charitable contributions, fees or donations made by PGH and to whom they were made since January 1, 2006. More specifically, I would like to know when, if ever, Mr. Rees and/or other staff members of the hospital have played golf at any time at any event with the fees being paid by PGH. If golf was ever played with fees paid by the hospital, was it specifically approved by the board and, if so, when? Please provide minutes to any meeting where that approval was undertaken or discussed.

4) A determination of how much liability the hospital is now facing based upon the determination by Mr. Rees legal counsel that the voluntary pay deduction taken by him and other senior administration staff must still be paid pursuant to Nevada law. Please break said amounts by employee. If necessary, only use Mr. Rees name for his amount and keep confidential the remaining employees amounts.

I also specifically request the following matters be placed on the board agenda for whatever and whenever meeting is appropriate.

A) Determination of how to pay for any amounts owed to any employee based upon a determination that previously taken voluntary pay cuts must still be paid, as determined by Mr.

Rees' legal counsel at the December 30, 2009 meeting. (IAD)

B) Discussion/Decision to terminate Mr. Rees' contract without cause. (IAD).

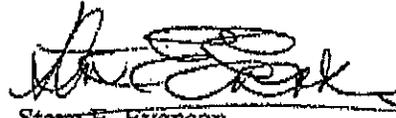
C) Discussion/Decision to terminate Mr. Rees' contract with cause for the sole reason of how Mr. Rees handled his bonus coupled with a historical lack of communication with the board of Trustees. To determine the appropriate course of action for undertaking a termination with cause. (IAD)

D) Discussion/Decision on the appropriate discipline for Mr. Rees under his contract for the sole reason fo how Mr. Rees handled his bonus coupled with a historical lack of communication with the board of Trustees. To determine the appropriate course of action for undertaking discipline of this nature with cause. (IAD)

With regard to B, C and D I ask that your work with Mr. Plimpton to insure that all statutory requirements are met for those items.

Thank you in advance for your courtesy and cooperation in this matter.

Sincerely,



Steve E. Evenson  
Trustee



**ATTACHMENT 2**

Name	Contact Information
Matthew Rees, PGH CEO	1840 Arobio Ln. Lovelock, NV 89419 775-273-7393 Home 775-273-2621 ext 201 Work
Steve Evenson, current Chairman	1035 Dartmouth Ave. Lovelock, NV 89419 775-273-2529 Work 775-273-7223 Home
Todd Plimpton, counsel for PGH Trustees	1135 Central Ave Lovelock, NV 89419 775-273-2631 Work 775-273-1629 Home
Roger Mancebo, former Chairman	590 14 <sup>th</sup> Street Lovelock, NV 89419 775-273-2351 Home 775-273-0409 Work
Jim Goldsworthy, former Trustee, husband of Risk Manager Patty Goldsworthy	1175 Franklin Ave Lovelock, NV 89419 775-273-3507 Home
Jack Riehm, Trustee	795 Cornell Ave Lovelock, NV 89419 775-273-7788 Home
Mark Hostman, Trustee	1265 N. Meridian Lovelock, NV 89419 775-273-2586 Home
Joe Pierce, Trustee	1510 Dartmouth Ave Lovelock, NV 89419 775-273-7468 Home
Patti Speer, PGH Accounting Manager	585 Rogers Rd Lovelock, NV 89419 775-273-2621 ext 257 Work 775-273-2551 Home

Cindy Hixenbaugh PGH HR Director	775-273-2621 ext 202 Work 775-273-0423 Home
Rusty Kemp, Asst. to Matt Rees	775-273-2621 ext 245 Work
Marjorie Skinner, Director of Finance	775-273-2621 ext 256 Work 775-273-1428 Home
Dr. Stanley McCart Former employee of PGH	William B Ririe Hospital Clinic 6 Steptoe Circle Ely, NV 89301 775-289-3612
Alicia Craig, Reporter Lovelock Review- Miner	1475 Cornell Avenue Lovelock, NV 89419 775-273-7245 Work
Yousri Gadallah, Physician, PGH	1595 Elmhurst Lovelock, NV 89419 775-273-2621 ext 268 Work 775-273-7830 Home