

MENDOCINO COAST HEALTH CARE DISTRICT
775 RIVER DRIVE, FORT BRAGG 95437

MEMORANDUM

TO: MCHCD Board of Directors
FROM: Paul Garza, Jr.
DATE: July 31, 2025
SUBJECT: Monthly Report

Medicaid Funding

There is still much to be determined with respect to the impact on our hospital from the cuts to Medicaid and MediCal made by Congress and the California Legislature. The federal cuts appear much more challenging. From the perspective of our District operations, we are not impacted by the cuts because we do not receive reimbursement for medical services. Our concern, however, remains focused upon the viability of our hospital and the residents who may not receive the medical care they need. Until the administrative rule changes are published, we will not have a clear picture. It is fortunate that we are affiliated with a large, well-resourced partner who offers the likelihood of enabling our local hospital to continue. I am hopeful the Board will approve my request to attend the Association of California Healthcare Districts' conference at the end of September so that I may learn more and, hopefully better understand how the changes may impact us locally.

Audit

I am pleased to announce that very shortly we will have an unqualified audit for fiscal year 2021. I anticipate that we will need a special meeting next week to receive the audit. The process of getting this audit completed has been extremely difficult, time consuming and expensive because of failures in the past to follow widely accepted practices. It is also important, however, to note it was also complicated by the affiliation with Adventist Health and the onset of COVID. I am grateful and want to thank our staff, both Agency Administrator Wylie and Chief Financial Allen, for their determined hard work in getting this audit completed. Following the 2021 audit, it appears we will have the successive years completed by the end of the end of September. No audits for the years following 2021 could be completed without the baseline established by the 2021 audit.

In addition to demonstrating to the public that the District's finances are in appropriate conditions, these audits are required by State agencies and the bank holding our bond.

Retrofit/Modernization vs. New Facility

We have been promised cost estimates for retrofit/modernization options we have reviewed in previous workshops on August 7. That will help us determine the best path forward.

Adventist Health Leadership Change

Adventist Health announced the new leader of their North Coast Network, which includes our hospital, Ukiah Valley, Howard Memorial, Clear Lake, St. Helena and Vallejo. We look forward to working closely with the Adventist Health team.

Community Outreach

We are looking for opportunities to communicate to more community groups. If you know of a group that is meeting and would be interested in learning about our work with the hospital, please let us know. You can either call, text or email Kathy Wylie or myself.

- Kathy Wylie, District Manager, 707.962.3175 info@mendocinohcd.gov
- Paul Garza, Chair, Board of Directors, 714.348.9844