



**MINUTES OF THE JULY 17, 2019 MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 5:33 PM in the lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Elece Hempel, President
Crista Nelson, Vice President
Jeffrey Tobias, MD, Treasurer

ABSENT

Fran Adams, RN, BSN, Secretary
Gabriella Ambrosi, Director-at-Large

ALSO PRESENT

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Stanella Penfield, incoming Board Clerk, PHCD
Ruth Wells, outgoing Board Clerk, PHCD
Matthew Kelman, Exchange Bank
John Siri, MEDITECH
Bryan Mueller, MEDITECH
John Mullen, MEDITECH
Vilma Casli, MEDITECH
David Southerland, St. Joseph Health
Wendi Thomas, RN, Petaluma Valley Hospital

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

Director Tobias read the mission and vision of the Petaluma Health Care District.

The mission of the Petaluma Health Care District is to improve the health and well-being of our community through leadership, advocacy, support, partnerships and education.

Petaluma Health Care District envisions a healthy community, a thriving hospital, and equitable access to health and wellness services for all.

CONSENT CALENDAR

A MOTION was made by Director Tobias and seconded by Director Nelson to approve the following Consent Agenda items:

Agenda for July 17, 2019

Minutes of the PHCD Board meeting of June 17, 2019

Financial Statements for May 2019

This motion was PASSED by a vote of 3 ayes (Directors: Hempel, Nelson, Tobias) and 0 noes. Directors Adams and Ambrosi were absent.

PUBLIC COMMENTS ON NON-AGENDIZED ITEMS

There were no public comments.

BOARD COMMENTS

Director Nelson reviewed two chapters *52 Ways to Make a Better Board*, which the board is reading together. Chapter 34 advises directors to be well prepared to speak for their ideas concisely, and ensure they are mission focused. Chapter 35 directs board members to understand how the board's authority works in the organizational structure. Public boards have a responsibility to the community.

CEO Faith noted that mid-year most board members have met the requirement for 8 hours of continuing education each year.

PETALUMA VALLEY HOSPITAL

The Board welcomed David Southerland (Interim PVH VP of Operations) to the meeting. He provided an operational update.

Director Tobias asked for an update on the prior report of mold. Mr. Southerland acknowledged that additional incidents have developed, and the areas involved are being addressed.

Lab equipment upgrades are coming soon. USB 797/800 (Sterile environment) Pharmacy requirement to be compliant by the end of December seems unrealistic. \$2M in work needs to be done. Overall the PVH building is in good shape, but there is considerable deferred maintenance. SJH is budgeting to make significant improvements.

Quality metrics remain high and financial targets are being met.

Director Hempel questioned a reference in the PVH May financials regarding a ST Network billing for administrative services when PVH is not included in the ST Network application. Mr. Southerland will research and report back.

Wendi Thomas reported that PVH continues to have difficulty with inter facility ambulance transport. Private ambulance company staffing shortages have been problematic for almost a year. SJH will present at the County level EMS meeting on Monday, July 22 and may ask PHCD to assist in the discussion.

PVH management met with Petaluma Fire relative to fire preparedness. PVH is at risk for power outage in preventive situations and is preparing backup generator capacity. Hospital used to be exempt from power cut off, but this is no longer true. Hospitals are the last to be shut off, but still at risk. Director Faith asked SJH to let the District know if assistance or support is needed regarding this issue.

Mr. Southerland noted SJH plans to replace the PVH generator system which will be very expensive.

President Hempel suggested that they consider negotiating with Petaluma Transit to have access to their stock of generators since they are much closer in proximity.

Mr. Southerland reported that feedback from the Attorney General's public hearing meetings was very positive for the ST Network application.

The Board thanked Mr. Southerland and Ms. Thomas for their reports.

MEDITECH ELECTRONIC MEDICAL RECORD PRESENTATION

The Board welcomed a group from MEDITECH to the meeting.

CEO Faith reviewed MEDITECH's history as the EMR system provider for PVH. Segregation of PVH data was an impediment to prior plans to transfer to a new hospital operator. MEDITECH has new technology to demonstrate that will make data transfer easier, should it be necessary to do so.

Bryan Mueller gave overview of presentation. Complete EHR, can be installed within six months. It allows autonomy of electronic health records, independent of operator.

MEDITECH has been in use at PVH since 1998. 120 California facilities use MEDITECH products and they enjoy long-term customer loyalty. One hallmark of MEDITECH products is integration; one patient, one record, one bill. They presented a video to demonstrate the usability by both medical professionals and patients.

Bryan Mueller addressed implementation. The industry is moving this way, toward a web-based platform.

CEO Faith asked if PHCD was in a position where a change in hospital operator was needed could PVH data be separated from the SJH system? Mr. Mueller affirmed that MEDITECH is able to separate the data and create a system to maintain PVH/PHCD's independence.

President Hempel asked whether patient information would be exchangeable with other health systems, and the MEDITECH team assured that it is.

Mr. Siri recognized that this new product would solve PVH's EHR problem. President Hempel stated that PVH data should be retained by the District and would like this point as part of the lease negotiation. Mr. Siri assured that if PHCD changes EMR vendors in the future that, "your data is your data."

Mr. Mueller assured that interoperability between systems and organizations will work.

The MEDITECH team showed a demonstration of integration of data from a variety of providers and a video of testimonial from MEDITECH customer (King's Daughters). Highlighted patients that are at risk, results that are abnormal. Easily manages population health.

The Board thanked the MEDITECH team for their presentation.

Financial Sustainability occurred next, but is minuted in the order of the agenda.

ADMINISTRATIVE REPORTS

PRESIDENT'S REPORT

President Hempel requested an update on nurses' request. CEO Faith reported that PSNP requested use of the Lynch Creek vacant lot for public rally events. Insurance issues will not allow such events. The District Board declined the request.

CEO REPORT

According to board policy, the CEO receives an annual performance evaluation to be completed by September 30. That process will begin in the coming weeks, managed by President Hempel.

The Governance Committee will meet in August to draft a Board Advocacy Policy and review bylaws and board meeting policy to address any inconsistencies. Given the challenge of meeting a quorum during summer months, the recommendation is to change from monthly board meetings to a minimum of 10 regular board meetings annually.

CEO Ramona Faith introduced Stanny Penfield who is succeeding Ruth Wells as Board Clerk, and acknowledged Ms. Wells' integrity in performing the job for the past 18 months.

Crista Nelson will join CEO Faith at the NBBJ health Care Conference July 29.

FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL

CEO Ramona Faith reported.

SJH anticipates an answer from AG by end of Sept. The public meetings went well.

Board Education occurred next, but is minuted in the order of the agenda.

FINANCIAL SUSTAINABILITY

Matthew Kelman, the District's investment fund manager, joined the meeting at 7:05pm and gave a brief summary of economic conditions during the April-June quarter. The District portfolio continues to earn approximately 2.5% return, net of fees. The PHCD Finance Committee has asked for options for managing cash to generate additional yield. PHCD has quite a bit of cash in its portfolio.

Matthew Kelman provided examples of investment distribution of daily liquid funds that could earn extra yield without substantial increase in risk. [At Director Tobias' request, Mr. Kelman presented examples of how the PHCD portfolio could leverage a better return without undo risk.]

Dr. Tobias questioned whether management fees could be reduced on the cash and proposed that PHCD explore options to reduce management fees to increase yield. Mr. Kelman cautioned that focus should be on return rather than fees.

President Hempel suggested PHCD do some internal modeling of its income/expenses relative to developments with the PVH lease negotiation. Consider the cost of one or more ballot initiatives. She asked the board to review its investment policy

The Board thanks Mr. Kelman for his report. He was excused from the meeting at 7:39 pm.

Approval of FY 2019-2020 Budget

Dr. Tobias and Mr. Koblick presented the FY 2019-2020 final budget which incorporates the changes discussed at the June 17 meeting.

As of May 31, 2019 the unaudited Statement of Net Position reflects assets of \$7,542,421 and liabilities of \$395,326 leaving the net fund balance at \$7,147,095.

The month and year to date ended May 31, 2019 the unaudited Statement of Revenue and Expense shows the net loss of \$54,711 and net loss of \$277,924 respectively, which is \$51,259 and \$796,318 better than the budgeted loss of \$105,970 and \$1,074,242.

	May-2019 Actual	May-2019 Budget	Variance		YTD Actual	YTD Budget	Variance
Operations Revenue	85,664	81,092	4,572		929,826	900,466	29,360
Operations Expense	(154,088)	(191,941)	37,853		(1,743,519)	(2,028,376)	284,857
Results from Operations	(68,424)	(110,849)	42,425		(813,693)	(1,127,910)	314,217
Other Income	13,713	4,879	8,834		535,769	53,668	482,101
Net Income(loss)	(54,711)	(105,970)	51,259		(277,924)	(1,074,242)	796,318

The results from operations for the month of May are as follows:

Revenue for the month of May includes:

- HealthQuest Service Revenue is \$3,592 better than budget.
- AED Retail Sales is \$281 better than budget.

HealthQuest/Heart Safe Community/AED is profitable Year to Date.

Expenses for the month of May are \$37,853 less than budget primarily due to:

- Purchase Services is \$23,055 less than budget.
- Professional – Legal is \$11,425 less than budget.

Month and Year to Date Portfolio Income for May is \$9,188 and \$58,418 respectively better than budget. Year to Date Other Income includes the \$400,000 settle of Hospice and a \$23,653 settlement with Connect America as well as investment income.

A MOTION was made by Director Tobias and seconded by Director Nelson to approve the FY 2019-2020 operating budget. This motion was PASSED by a vote of 3 ayes (Directors: Hempel, Nelson, Tobias) and 0 noes. Directors Adams and Ambrosi were absent.

Public Comments: There were no public comments.

The Administrative Reports occurred next but are minuted in the order of the agenda.

BOARD EDUCATION: ADVERSE CHILDHOOD EXPERIENCES (ACEs)

CEO Faith noted the Districts priority of increasing awareness of ACEs trauma informed practices. The Board was to view the TEDMED video by Nadine Burke Harris, MD: How childhood trauma affects health across a lifetime and discuss. PPSC uses ACEs test to screen seniors for shared housing.

It was decided to defer this agenda discussion to the next board meeting so Fran and Gabriella can be included in discussion.

STRATEGIES TO INCREASE BOARD MEMBERS' ACTIVE ENGAGEMENT WITH COMMUNITY MEMBERS

This topic will be deferred to a future board meeting.

INFORMATIONAL ITEMS

CEO Faith reviewed upcoming events in the community. Directors Hempel and Nelson will join the District table at the Petaluma Education Foundation BASH on September 7.

PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into Closed Session at 8:10 PM for

- **Government Code §54956.8** Closed Session; real property transaction; meeting with negotiator – (400 North McDowell Blvd.)

ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session at 8:23 PM.

President Hempel reported that no decisions were reached in closed session.

PLUS / DELTA

No comments were offered.

ADJOURN

The next regular Board meeting is scheduled for August 21 at 5:30 PM.

President Hempel adjourned the meeting at 8:24 PM.

Submitted by Fran Adams, Board Secretary

Recorded by Ruth Wells, Board Clerk