

Petaluma
**HEALTH CARE
DISTRICT**

**MINUTES OF THE FEBRUARY 9, 2017 SPECIAL MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER

President Hempel called the meeting to order at 7:30 AM in the lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Elece Hempel
Fran Adams, RN, BSN
Josephine S. Thornton, M.A.
Joseph Stern
Becky Monday

ALSO PRESENT

Ramona Faith, CEO, PHCD
Erin Howseman, Board Clerk, PHCD
Andrew Koblick, Controller, PHCD
Linda Buskey-Berg, CNA
Luisa Acosta
Anne Sulonen
Vanessa Coe
Jonathan Velasco
Tim Grace
Jude O’Nym
Ra Criscitiello
M. Bloom
Jennifer Crews

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

CEO Ramona Faith 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 healthier community; a thriving hospital; local access to comprehensive health and wellness services for all.

CONSENT CALENDAR

A motion was made by Director Adams to approve the February 9, 2017 agenda which was seconded by Director Stern. This motion was passed by a vote of 5 ayes (Directors: Hempel, Monday, Thornton, Adams, Stern) and 0 noes. Director Monday requested that dates for CHIPA Quarterly meetings be placed on the agenda under Upcoming Events.

PUBLIC COMMENTS

Jude O’Nym, representative of California Nurses Association, commented that PVH nurses would like the PHCD board members to require that prospective bidders honor existing contracts with employee unions and guarantee jobs and services for the community.

Dr. Kellen Galster read his email addressed to a number of PVH physicians and staff with a copy to CEO Ramona Faith expressing belief in the excellence of patient care at PVH, and optimism about the hospital’s future with a new operator. The body of this email is included at the end of these minutes.

ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into closed session pursuant to:

- **Government Code §54956.8 closed session; real property transaction; meeting with negotiator – 400 North McDowell Blvd.; GE Healthcare Camden Group, and Bouey & Black, LLP;**

ADJOURN TO OPEN SESSION

PUBLIC COMMENTS

There were no public comments.

BOARD COMMENTS

There were no board comments.

ADMINISTRATIVE REPORT

CEO REPORT

CEO Faith reminded board members that their required Ethics Training is due March 1, 2017. Ms. Faith, Directors Stern and Monday attended the ACHD Leadership Conference the previous week where they completed the Ethics training. Andrew Koblick, Controller, and Erin Howseman, Board clerk, will also complete the training. Ms. Faith reported that she attended the Petaluma City Council’s goal setting session on Saturday, February 4, where she updated the Council on District priorities and spoke about the impact of city council decisions on the health of our community.

Ms. Faith reported that PHCD is leading and participating in Petaluma Walking Day, working with AHA and Petaluma businesses to support employee health and wellness.

Ms. Faith recommended that the Board Governance session scheduled for February 13, 2017 become a special board meeting to review the proposals received from the hospital operator bidders.

FORGING A NEW PATH FOR PETALUMA VALLEY HOSPITAL-OPERATOR TRANSITION

Public Comment

Linda Buskey-Berg, representative for California Nurses Association, commented that she and fellow nurses have concerns about for-profit companies bidding to operate PVH. Ms. Buskey-Berg asked that PHCD make it a contractual requirement for bidders to recognize hospital unions and to respect existing collective bargaining agreements. In addition, union members would like to meet with the District board before a decision about a bidder is made, and would like access to content of the bids from Pipeline Health, Paladin Healthcare and KPC group. Ms. Buskey-Berg submitted a formal written request for information. This is included at the end of these minutes.

Dr. Fred Groverman, former board member of PHCD and former member of the Association of California Hospital Districts, thanked board members for their work. Dr. Groverman emphasized the importance to the community of the assets of the District, and expressed his concern that these assets not be sold.

Jennifer Crews, labor and deliver RN at PVH, commented that PVH is a very good hospital, and nurses and staff care deeply about their patients. Ms. Crews expressed her concern and hope that the quality of care will remain high with the transition.

CEO Report on Forging a New Path

Ms. Faith referred to the latest communication in the board packet listing the actions taken in the past two weeks, and planned actions for the next two weeks. Ms. Faith remarked that she has received comments that the communications have seemed repetitive, and explained this is because over the last 6 – 8 weeks, the work of the District has been the same: identifying and answering questions and seeking data from St. Joseph Health (SJH) so that bidders have the information they need to submit their proposals. Ms. Faith reported that the District received a petition from PVH employees indicating their support for the District's efforts in identifying a future operator, and these employees believe that the District is working with employees' interests at heart toward the goal of meeting the needs of community by ensuring local access to a quality hospital.

Ms. Faith reported that there are three interested bidders who have submitted proposals. A thorough in-depth evaluation of the proposals and proposers must occur in a short time frame due to negotiations ending abruptly in October with SJH. SJH has agreed to operate the hospital until September 1, 2017, and SJH and the District have both committed to work together for a smooth transition.

Director Adams commented that the District put out the Request for Proposals publically, and the District's choices are the bidders who responded with proposals.

Ms. Faith commented that the District received information about postings by the union's bargaining units which were placed in the hospital, and requested that in the future, these postings be shared with the District.

AGREEMENT REGARDING CAPITAL EXPENDITURES: AMENDMENT NO. 1 MAMMOGRAPHY EQUIPMENT

Ms. Faith reported that St. Joseph's approached the District two years ago regarding major capital expenditures for the hospital. An agreement was reached between the District and SJH for SJH to move forward on the replacement of the chiller and the generator, a need reinforced by the property condition assessment report by Partner Engineering and Science Inc. (March 3, 2016), for PHCD. At issue now is the 3D Tomosynthesis mammography machine for which funds have been raised by the community, but which might not be installed before SJH transfers hospital operations to the new operator. Ms. Faith requested board approval for the total remaining project cost of \$356,000 to install the new piece of equipment, since SJH will not cover that cost. Ms. Faith requested that the District cover the installation cost so the new mammography equipment can be installed and then negotiate with the new operator the cost of installation. The 3D machine is not a deferred capital expense – it is a replacement with a state of the art piece of equipment.

Director Adams questioned what would happen if the District did not agree to cover the installation cost. Ms. Faith responded that the equipment would not be installed until arrangements were worked out with the new operator, but said it was important for the community, who generously raised funds to purchase the machine, to see that there would not be a delayed process in moving forward with the 3-D machine.

A motion was made by Director Thornton to approve expenditure by PHCD of \$356,000 to install the 3-D mammography equipment at Petaluma Valley Hospital which was seconded by Director Stern. This motion was passed by a vote of 5 ayes (Directors: Hempel, Monday, Thornton, Adams, Stern) and 0 noes.

INFORMATIONAL ITEMS

Ms. Faith reviewed the informational items including upcoming events. Ms. Faith asked for the board's support and participation in Butter and Egg Days Parade; Health Care District Month Proclamation at the Petaluma City Council meeting on May 1; and the Benedetti Leadership Celebration May 6. Ms. Faith also reported that the District will again be hosting a community breakfast in May, tentatively set for May 25, in conjunction with Healthcare District Month in May, with a focus on celebrating the hospital, our health care team, and the transition to a new operator.

Director Thornton, in reference to the Benedetti Leadership Celebration, asked if there is a provision in place for funds not spent by September 1, 2017 to be transferred to another 501c3 entity in the community. Ms. Faith responded that Todd Salnas (SJH President) and Andrea Learned have indicated that funds raised will be spent on other needed hospital equipment. In addition, the District is currently exploring the formation of a 501c3.

President Hempel confirmed that the February 13, 2017 Board Governance training will become a special board meeting.

ADJOURN

President Hempel adjourned the meeting at 10:00 AM.

Submitted by Fran Adams, Board Secretary
Recorded by Erin Howseman, Board Clerk

Ramona Faith

From: Kellen Galster <kgalster@gmail.com>
Sent: Tuesday, February 07, 2017 12:28 PM
To: Wendi Thomas
Subject: Hospital Operator

Hi All,

Three potential hospital operators have submitted bids to the Petaluma Health Care District. All of these operators manage successful hospitals in Southern California and are looking for opportunities to expand to Northern California.

Personally I am excited! As the sole hospital in the region, we would be a flagship institution. Petaluma Valley Hospital has a great opportunity to grow in the region. I firmly believe that the expanding population of Petaluma needs and deserves this hospital to grow as our town grows. I see more hospital services, better systems, and more staff in our near future.

The next few months will hold many challenges, both known and yet unknown. That said the beating heart of this hospital is the Emergency Department. I have never worked with a closer more dedicated group of health providers. We are a family in our ED, and because of that bond we will continue to provide excellent high quality care for the people of Southern Sonoma County!

Kellen Galster MD
Assistant Medical Director
Petaluma Valley Hospital Emergency Department



CALIFORNIA
NURSES
ASSOCIATION

A Voice for Nurses. A Vision for Healthcare.



National
Nurses
United

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February 9, 2017

Ramona Faith, Chief Executive Officer
Petaluma Health Care District
1425 N. McDowell Blvd, #103
Petaluma, CA 94954

RE: California Public Records Act (CPRA) Request for Information
Petaluma Valley Hospital

Ramona -

It is my understanding that the District has settled on three entities as possible owner/lessor/operators of Petaluma Valley Hospital. Obviously, this is of great concern to the Registered Nurses represented by the Association and we request that Association representatives and Registered Nurses are provided with the earliest possible opportunity to meet with the District Board to discuss its commitment to patient care and maintaining and improving our community hospital regardless of which bidder is eventually selected.

Additionally, on behalf of the Registered Nurses and pursuant to the California Public Records Act (CPRA), the Association requests the following information related to the District's efforts to secure a new operator/owner for the Hospital:

- 1) Complete copies of all written materials submitted by the three bidding entities, including proposals, budgets, financial information, draft agreements, management structure, and all other written materials submitted as part of each entity's bid.
- 2) Complete copies of all responses to the District's initial Request for Proposals (RFP).
- 3) Complete copies of all written materials submitted by the three bidding entities that describe their commitment to maintain and/or expand all current health services at Petaluma Valley Hospital.

- 4) Complete copies of all written materials submitted by the three bidding entities that describe their commitment to maintain and/or expand current charity care contributions to the PVH/Sonoma County community.

I am requesting that a determination on this request be made within ten (10) days of your receipt of it, and an even prompter reply if you can make that determination without having to review the record[s] in question. If you determine that any or all of the information qualifies for an exemption from disclosure, I ask you to note whether, as is normally the case under the Act, the exemption is discretionary, and if so whether it is necessary in this case to exercise your discretion to withhold the information. If you determine that some but not all of the information is exempt from disclosure and that you intend to withhold it, I request that you redact it for the time being and make the rest available as requested. If I can provide any clarification that will help expedite this request, please contact me at (510) 452-7352 or iselden@calnurses.org.

Thank you for your prompt response to this request for information and again, please let us know the earliest availability of the District Board to meet with the Association and our Registered Nurses regarding the future of the hospital.

Sincerely,



Ian Selden

Labor Representative