



**MINUTES OF THE FEBRUARY 17, 2017 SPECIAL MEETING OF THE  
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

**CALL TO ORDER**

President Hempel called the meeting to order at 12:00 PM 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

**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 17, 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.**

**PUBLIC COMMENTS**

There were no public comments on non-agenda items.

## **BOARD COMMENTS**

There were no board comments on non-agenda items.

## **CONSIDERATION AND DETERMINATION OF SUCCESSFUL BIDDER TO LEASE AND OPERATE PETALUMA VALLEY HOSPITAL**

CEO Ramona Faith reported that the Petaluma Health Care District received proposals from three interested parties: KPC Health, Paladin Healthcare and Pipeline to operate Petaluma Valley Hospital. The bidders conducted a hospital site visit, met with physicians and on site hospital administrator, Petaluma Health Center leadership, and the District CEO and Board of Directors. After a thorough and extensive evaluation process and careful consideration for all the information provided by each bidder, the qualitative input gained from the site visits, and supplementary data provided by consultants, CEO Ramona Faith recommended to the District Board of Directors that the District move forward with Paladin Healthcare.

Paladin Healthcare is a for profit organization headquartered in El Segundo, Ca. Paladin owns and operates four hospital in southern Ca. and has a management services agreement with Howard University Hospital in Washington, DC. Paladin has experience operating and strengthening community hospitals and describes themselves as focused on quality, patient satisfaction, community development for improved health, strategic initiatives and financial viability. Paladin Healthcare has committed to a long term lease arrangement with the District, maintaining the current core services offered at the hospital, ongoing financial investment in operations, service lines, physician services and the facility, partnering with our FQHC and collaborating with community healthcare leaders, including SJH to ensure a smooth transition of hospital operations. Paladin has also committed to honoring all union bargaining agreements that are in place. (see the attached presentation at the end of the minutes).

Director Stern commented that in the process of identifying the next operator of PVH, the board had looked at the mission and values, and the financial capacity of an operator, as well as their quality focus and commitment to the community. Director Stern said that the board enlisted the input from the community including nurses and physicians, citizens and patients, and then hosted visits from all three bidders who had the opportunity to meet with physicians and community members. After that, the board did a careful analysis of each operator and their proposal. The entire process helped the board to determine their recommendation for the next operator of PVH.

Director Adams agreed with Director Stern, and commented that one concern of the board has always been the employees of the hospital, and looked for verbiage that protected the employees. Director Adams stated that the board felt it received that from Paladin Healthcare, which has agreed to honor the union contracts and a minimum 6 month job guarantee for current employees.

## **Public Comments**

Linda Buskey-Berg, organizer with California Nurses Association, commented that she was glad to hear the concerns of the nurses, technical and service staff have been heard regarding collective bargaining agreements, but still requested to meet with the board to discuss the process.

Chris Manson, SJH, commented that St. Joseph's was pleased that the District is moving expeditiously to find the next operator for PVH, and wanted to reiterate that SJH is making plans to have a smooth transition to the new provider on September 1, 2017.

**A motion was made by Director Thornton to approve Paladin Healthcare as the future operator of Petaluma Valley Hospital subject to final negotiations which was seconded by Director Monday.**

### **Board Comments**

Director Adams commented that she felt excited about the opportunity to bring business back to the Petaluma community.

Director Thornton commented that her main concern throughout the process has been financial sustainability over the long term. With the current changes in health care throughout the country, a small community hospital is vulnerable to many challenges. Director Thornton stated she is not only supporting Paladin Healthcare because they have the capability to run a good hospital, but also because they are allied with sound financial resources which has the capability to provide needed investment and some down-side risk protection during hard times. Director Thornton stated that a major priority is to maintain local access to the quality emergency services at PVH.

Director Monday thanked the other board members who have worked very hard on the criteria. Director Monday stated that despite the tight timeline, the board still did the necessary due diligence.

President Hempel thanked PHCD staff for their work, and thanked the community for being engaged, and reiterated that a quality, financially sound hospital is what the board and the community is striving for. President Hempel stated that the board will continue reaching out to the community, which will be voting on the recommendation.

**President Hempel called for a vote. The motion was passed by a vote of 5 ayes (Directors: Hempel, Monday, Thornton, Adams, Stern) and 0 noes.**

In response to a question from Chris Manson, SJH, Ramona Faith commented on next steps. Ms. Faith stated that the District will move forward on negotiating and finalizing a definitive agreement with Paladin. The District will be facilitating discussions between Paladin and SJH to negotiate an operations transfer agreement. All parties will need to work together to ensure a smooth transition of operations.

Jane Read commented that Ms. Faith would be meeting with PVH physicians, staff and with PVH leadership later in the day to inform them of the Board's recommendation.

### **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**

President Hempel adjourned the meeting into open session with nothing to report out of closed session.

### **ADJOURN**

President Hempel adjourned the meeting at 1:30 PM.  
Submitted by Fran Adams, Board Secretary

Recorded by Erin Howseman, Board Clerk