



**MINUTES OF THE JUNE 7, 2016 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 conference room at 1425 N. McDowell Blvd Suite 103.

**PRESENT**

Fran Adams, RN, BSN, Secretary  
Elece Hempel, President  
Robert Ostroff, MD, Vice President  
Joseph Stern, Board Member at Large

**PRESENT REMOTELY**

Josephine S. Thornton, M.A., Treasurer  
Panos Lykidis, Camden Group

**ALSO PRESENT**

Ramona Faith, CEO, PHCD  
Erin Howseman, Board Clerk, PHCD  
Andrew Koblick, Controller, PHCD  
Todd Salnas, President SJH, Sonoma County  
Jaynie Boren, VP, Strategic Services SJH  
David Ziolkowski, COO SJH  
Bob Just, CEO SJH  
Vicky White, SJH  
Vanessa DeGier, SJH  
Sam Lee, SJH  
Subodh Chowdhry, SJH  
Chris Manson, SJH  
Bob Curry, SJH  
Pamela Tuft, SJH  
Jane Read, VP Operations, PVH  
Kitty Brown, RN PVH

**MISSION AND VISION**

Director Adams 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.*

## **CALL FOR CONFLICT**

President Hempel called for conflict. There was none.

## **CONSENT CALENDAR**

**A motion was made by Director Ostroff to approve the June 7, 2016 agenda, the May 17, 2016 minutes, and the May 20, 2016 minutes which was seconded by Director Stern. This motion was passed by a vote of 5 ayes (Directors: Hempel, Ostroff, Thornton, Adams, Stern) and 0 noes.**

## **PUBLIC COMMENTS**

There were no public comments.

## **BOARD COMMENTS**

Director Ostroff commented that Wayne Fairchild, assisted by Jeff Adams had been engaged by the PHCD board to do a retrospective analysis of PVH finances and the resulting report indicates that the impact of Kaiser on PVH volumes is restricted to obstetrics, pediatrics and gynecology. In other areas, Kaiser remains flat, and is not the problem in decreased volumes at PVH. On the other hand, volumes at Santa Rosa Memorial Hospital, UCSF and Marin General are increasing in Petaluma zip codes. Director Ostroff stated that Jeff Adams would send his report to any board member who wished to receive it.

Director Ostroff also commented that according to the District's timeline, the "quiet time" in the due diligence process began January 20, 2016, and was supposed to be over April 20, 2016. Director Ostroff noted his discomfort with the continued quietness, and would like to bring the situation with negotiations with St. Joseph Health, the remaining bidder, to the attention of the public, and remarked that, according to the timeline, negotiations should have been completed seven months ago.

Director Adams expressed concern that the PHCD board does not have any options other than SJH at this point.

Director Thornton asked to have Jeff Adams report sent to her, as its conclusions seem to conflict with other information she has seen. Ms. Thornton also expressed frustration with the rate of progress in the due diligence, but questioned if the PHCD board should report to the public when it is still in negotiations with St. Joseph Health.

President Hempel agreed that the process has been frustrating, but that reporting to the public should be done in a strategic manner, with one voice as a board, and with consistent information. President Hempel encouraged the board to work to move negotiations forward.

CEO Ramona Faith stated that the board came to the public in January with the information that two entities remained in the bidding process: Prime Healthcare and St. Joseph Health. In April, the board announced to the public that the focus would be on SJH only.

## **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.; The Camden Group.**

## **ADJOURN TO OPEN SESSION**

President Hempel adjourned the meeting into open session and reported that no action was taken in closed session.

## **ADMINISTRATIVE REPORT**

### **PRESIDENT’S REPORT**

President Hempel congratulated CEO Ramona Faith on receiving the North Bay Business Journal’s Women in Business award.

## **ST. JOSEPH HEALTH STRATEGIC PLAN PRESENTATION**

St. Joseph Health’s draft Strategic Plan was presented by Todd Salnas and Jaynie Boran, with support from David Ziolkowski, Bob Just and Jane Read. The presentation began with a summary of a facility review report on PVH which was conducted by Partner Engineering and Science, Inc. and listed immediate repairs and deferred maintenance costs. Included in the list of needed repairs were: roof, boiler room, low pressure boiler, chiller, large generators, and elevator. PHCD estimated cost for the total is \$2,699,155. SJH estimated cost is \$3,032,259. David Ziolkowski commented that SJH agrees with the recommendations, and has funded the majority of the items identified. Mr. Ziolkowski gave specific information about the schedule of repairs and upgrades.

Mr. Salnas stated that SJH is a population health manager, which is a large regional health system that provides a full continuum of services across all service lines and levels of acuity. Mr. Salnas showed a “Snapshot of Providence Health” (*Providence Health & Services is a not-for-profit Catholic health care system with which SJH will soon merge.*) as well as a “Snapshot of St. Joseph Health.”

Jaynie Boren reported on the FY 16 Successes at Petaluma Valley Hospital. Annadel Medical Group has continued rapid growth, currently with 165 providers. At-Risk Lives continues to grow, with Western Health Advantage signing on 35 companies in December 2015. The Medicare Advantage plan SCAN reports a 99% retention rate of enrollees. Petaluma Valley Hospital has been recognized as a “Baby-Friendly” birth facility, the only hospital in Sonoma County to receive the designation. PVH currently has excellent quality scores in the Health System including an exceptional score in patient satisfaction.

Mr. Salnas presented the FY17 Strategic Plan:

### *Essentiality*

- Increase access for vulnerable populations by establish medical homes
- Promote healthy eating and physical activity
- Improve behavioral health and substance disorder care
- Expand psych support services and Crisis Stabilization Unit
- Improve care and for seniors
- Provide oral health treatment and education to underserved children

### *Population Health Management*

- Grow Western Health Advantage (WHA) and SCAN membership
- Execute Utilization Management (UM) Plan
- Develop an evidence based plan for managing high risk patients

### *Value*

- Meet Value Based Purchasing performance (clinical process, outcomes, patient safety, and patient satisfaction)
- Implement hospital acquired infection plan (CAUTI, C.Diff, CLAPSI, Surgical, MRSA)
- Continue to roll out Just Culture initiative
- Reduce ED wait times and LWOTs
- Reduce preventable mortality (Sepsis, COPD, CHF, MI, Pneumonia)
- Hardwire POLST and/or AD for Annadel's high risk, O/P Palliative, and SCAN populations
- Complete quality data governance and documentation initiatives
- Implement Medication Reconciliation upon admission and discharge
- Implement Advance directives and POLST for high risk populations

### *Network of Care*

- PVH Lease
- Expand regional referral programs (e.g, PVH First bed/capacity strategy)
- Continue to expand outpatient therapy
- Enhance access to Palliative Care services
- Develop behavioral health support initiative

### *Engaged People*

- Continue to implement last year of "Bold" formational programs for all frontline staff
- Implement departmental employee engagement plans
- Expand leadership development program

### *Physician Partnership*

- Expand the primary care network and Open Access clinics
- Expand Hospitalist Program
- Achieve Stroke Ready Center certification
- Achieve breast program accreditation
- Implement dyad leadership model
- Evaluate medical students and NP/PA externship program partnership
- Expand specialist coverage (e.g: hospitalist, Intensivist, Pulmonary, General Surgery, Neurology)

### *Information Sophistication*

- Implement and achieve Meditech Scanning Software solution to achieve paperless chart for inpatient departments
- Implement Clarity and Hart (previously known as Personal Hub and Clinical Hub)
- Implement Tele Health Strategy
- Implement Prompt Care EMR system
- Finalize decision on Cardiac PACS solutions

Mr. Salnas shared PVH medical staff suggestions for the strategic plan:

- Expand Pulmonary Medicine (I/P and O/P)
- More robust urology, nephrology, and GI coverage needed
- Consider GI Hospitalist Model at PVH

- Expand Infectious Disease presence at PVH
- Expand echo coverage needed (After discussion coverage expanded from 3x a week to 4x a week. Currently analyzing 5<sup>th</sup> day)
- Investigate additional Center of Excellence at PVH
- Support local ENT in providing allergy testing services
- Consider expanding infusion practice on Lynch Creek Oncology office
- Recruit Vascular trained (fellowship) General Surgeon
- Recruit General Surgeon with the ability to do colonoscopies. (Recruited Dr. Keri Weigle)
- Expand specialist coverage

Mr. Salnas also shared PHCD Executive Leadership Feedback:

- Recruit more hospitalist coverage
- Critical Care Coverage (presenting revised model to Med Staff Q1 FY17)
- Interventional radiology (IR) Coverage
- Expand GI Coverage
- Stroke Program
- Add more telehealth options
- MRI 7 Days a week
- Service Line Expansion (Integrative Medicine Program, Orthopedic, & Cancer)

Mr. Salnas reported on SJH's South Sonoma County Integrated Delivery System Market Strategy, which includes physician recruitment, regional strategy and population health.

*Physician Recruitment:*

- Actively recruiting 5 Primary Care Physicians in FY2016.
- Continued active recruitment of outside physicians to focus SRMH/PVH as a retention mechanism for appropriate community access of physicians.
- Remain available as a viable option for community physicians who might leave the community due to inability to meet the physician-related changes of health care reform.

**Board Discussion**

Director Adams questioned how many patients need to be enrolled in managed care programs to be profitable. Mr. Salnas responded that for specialties like cardiology and ear, nose & throat, 30,000 patients would be necessary to fully support a specialist. Ms. Boren added that SJH's customer service keeps patients coming back to them.

Ms. Faith questioned if the strategy for recruiting specialists was specifically for PVH. SJH responded that the recruitment projections were specifically for Petaluma, and all specialists would have a portion of all of their time at PVH, although the population of Petaluma is not able to support some specialties and those would be shared with Santa Rosa Memorial.

Ms. Faith shared feedback that the PHCD has received from PVH physicians: There were positive comments about the Transfer Center; the hospitalist program has been a struggle, and recruitment has been difficult; the greatest need is coverage in the areas of critical care, GI, and neurology. As a strategy for service line growth, the following should be addressed: 24 hour critical care, GI with IR seven days a week, neuro-stroke care and tele-health.

In order of priority: Lexiscan (*a fast-acting stress agent that increases blood flow in the arteries to help administer certain tests for coronary artery disease*) and Echo (*the dobutamine stress echo test allows*

*cardiologists to examine the functioning of the heart and valves for patients unable to run on a treadmill or pedal a stationary bicycle) seven days a week, and MRI more than currently available.*

Ms. Faith brought up the issue of identifying a regional service that would draw patients to Petaluma, including possibly offering alternative therapies.

Director Ostroff asked which services could be brought to or strengthened in Petaluma that would not compete with SR Memorial, but could compete with Sutter and Marin General, such as integrative medicine. Director Ostroff suggested the creation of a strategic plan for Petaluma within a regional system that did not compete for the same patients. Director Adams stated that the report from Wayne Fairchild shows that the losses to PVH of services and patients relate to gains at SR Memorial, and as the service lines at PVH decline, it becomes harder to recruit good doctors.

Director Ostroff distributed an excerpt from the report by Wayne Fairchild, and stated that the report shows over the last ten years a consistent line of decrease of patient services. Although being part of a regional healthcare system enables PVH to offer more services than a stand-alone hospital, Director Ostroff remarked that the report does not portend future survival for PVH. Director Ostroff asked for a discussion about metrics that would allow the PHCD board to determine that the present decline of services is being reversed. Director Ostroff said feedback from physicians indicates the primary problem at PVH is the inability to care for critically ill patients due to lack of 24/7 intensivist coverage.

Mr. Salnas responded that SJH has brought in a full time intensivist for the first time in the history of PVH in the last 6 or 7 years, and that SJH's strategic plan calls for a 24/7 coverage model, and a date will be provided. Mr. Salnas also said that the coverage that was committed to is currently being provided: on-site coverage Monday through Friday with the weekend complemented by telemedicine 24/7. At this point, SJH is committing to a higher level of coverage. CEO Faith noted that PVH now has critical care patients and does not have a place to transfer them.

Mr. Salnas responded that the entire region of northern California lacks sufficient critical care beds. Bob Just reported that SJH is planning a two-phase approach. Currently, weekend coverage at PVH is by telemedicine. The first phase would be add an in-person intensivist on weekends which would involve having the Santa Rosa team rotate to Petaluma and also to contract with a local intensivist, so there would be an in-person presence for some hours on Saturday and Sunday. The second phase involves changing from the current practice at PVH of a Monday through Friday covered model, while Santa Rosa Memorial uses a seven days on – seven days off model, so the two teams will have to be integrated.

When Mr. Salnas asked for the PHCD board's definition of 24/7, Director Ostroff listed: rounds, consistent coverage, telemetry, and availability of a physician to be on site in a certain number of minutes to care for critically ill patients. He added that a hospitalist cannot cover the ICU and still perform other duties such as discharges, admissions, and ER, so it would be a good solution for a hospitalist to cover short-term in the ICU until a physician from Santa Rosa could travel to PVH.

CEO Faith remarked that the PHCD board needs to be involved with the discussion of metrics to evaluate how SJH is implementing the strategic plan. Mr. Salnas stated that SJH's metrics are focus on membership, performance and quality, and are not census-driven. Director Ostroff commented that his concern is for the long term viability of Petaluma Valley Hospital. Mr. Just responded that there is also a trend with community hospitals toward increased out-patient care, and that SR Memorial is different because it is a Level II Trauma Center, and much of its growth is in high-end tertiary care. Director Adams responded that out-patient procedures at PVH also reflect a downward trend. CEO Faith remarked that PHCD is willing to be flexible about the specific services that may need to change over the next five or ten years depending on future community health needs.

CEO Faith also brought up the need for further discussion on changes at PVH that will occur related to ethical and religious directives, citing services that are currently being provided that will no longer be provided. The PHCD board will need to find other means to ensure these services will be offered. CEO Faith questioned if SJH has a timeline for when these services will no longer be offered. Mr. Salnas responded that the only change will be that tubal ligations will no longer be offered as of the start of the new lease, since end of life services are not offered currently. Ms. Faith responded that the PHCD board would need time to ensure that the service would be still be offered in the community.

There was a discussion about the Attorney General's report on the merger of SJH and Providence as to whether maintaining existing services for five years was a recommendation or a requirement. Director Adams referred to the secular, non-religious division (Western Connect) which allows hospitals to be exempt from ethical directive restraints. Mr. Salnas responded that after looking into it, the CEO of SJH felt that it would not be practical since PVH employees are already part of SJH, and that model has not been used in the state of California yet. Director Ostroff remarked that it would be worth the effort to initiate Western Connect or another method to continue services at PVH which have been offered for the past twenty years. Director Ostroff indicated it would be very difficult for the PHCD board to agree to simply cease offering those procedures, and probably difficult to get public approval to forgo access to procedures which are safe and legal.

There was a discussion about the next phase of Orthopedics at PVH, given that Dr. Barlas, an orthopedic surgeon specializing in hip replacement, will be retiring soon. Ms. Faith commented that there will be a number of physicians retiring in the near future, who have done a great job, but with change comes new opportunity. Mr. Just noted that SJH has to also consider the competition from Sutter in its decisions about where to place specialists.

Director Adams asked if an outside company will be hired to run the Utilization Management plan for capitated patients, (*capitation is a payment arrangement for health care service providers such as physicians or nurse practitioners which pays a physician or group of physicians a set amount for each enrolled person assigned to them, per period of time, whether or not that person seeks care.*) Ms. Boren replied that SJH has hired an outside company, Daraja, to assist with capitation.

CEO Faith asked what outpatient expansion is being considered in Petaluma, as it is an area that should be growing. Ms. Faith also noted that the Wellness Center is not listed in the strategic report, and she would like to know what the vision is for that.

## **CEO REPORT**

### **INFORMATIONAL ITEMS**

CEO Faith reported on the LAFCO memo in regards to Palm Drive as an informational item. CEO Faith called the board's attention to the informational items listed in the agenda including SRJC Petaluma Building Community Breakfast on June 9, the Petaluma Chamber Leadership Health and Human Services Day on June 14, the Sonoma Marin Fair Senior Day on June 23, the North Bay Business Journal's Women in Business Awards Gala on June 29, the River Town Revival on July 16, a shared sponsorship with SJH and Annadel Medical Group, (Director Stern volunteered to work at the table). Ms. Faith reported that the PHCD is sponsoring a AHA Heart Walk in September in Santa Rosa, with a plan to bring a Heart Walk to Petaluma next year.

Ms. Faith called attention to the letter from the American Association of University Women regarding women's health services in Petaluma and also the letter from SJH in response to the NUHW article. Ms.

Faith stated that board members should have received packets in the mail regarding the upcoming election of PHCD board members in November, and asked that members inform the District office as to whether they will be running as soon as possible. Board members who are up for election must return completed paperwork to the Sonoma County Election Office between July 18 and August 12, 2016.

Chris Manson, SJH, asked for a copy of the letter from the American Association of University Women regarding women's health services in Petaluma.

President Hempel noted that upcoming PHCD board meetings are scheduled for June 16, 2016, June 28, 2016, and July 5, 2016. CEO Faith responded that it may be necessary to schedule an additional meeting.

## **ADJOURN**

President Hempel adjourned the meeting at 10:10 AM.

Submitted by Fran Adams, Board Secretary

Recorded by Erin Howseman, Board Clerk