



**MINUTES OF THE MARCH 1, 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 lobby conference room at 1425 N. McDowell Blvd.

PRESENT

Fran Adams, RN, BSN, Secretary
Elece Hempel, President
Robert Ostroff, MD, Vice President
Josephine S. Thornton, M.A., Treasurer
Joseph Stern, Board Member at Large

ALSO PRESENT

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Erin Howseman, Board Clerk, PHCD
David Ziolkowski, COO of St. Joseph Health
Norman Shore, St. Joseph Health
Katherine Lattimore-Stern, St. Joseph Health
Ra Criscitiello SEIU
Carol Libarle, PVH Foundation Board
Mary Farrar, PVH Foundation Board

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.

CONSENT CALENDAR

A motion was made by Director Ostroff to approve the March 1, 2016 agenda, and the February 15, 2016 and February 16, 2016 board minutes. Director Adams seconded the motion. This motion was passed by a vote of 5 ayes (Directors: Hempel, Ostroff, Thornton, Adams, Stern) and 0 noes.

PUBLIC COMMENTS

Ra Criscitiello from SEIU asked that board create space on the agenda during the March 15, 2016 board meeting for public comment and presentation regarding the bidding entities.

BOARD COMMENTS

There were no board comments.

PETALUMA VALLEY HOSPITAL Proposed PVH 3-D Mammography Machine Purchase

David Ziolkowski, COO of St. Joseph Health – Sonoma County, accompanied by Norman Shore and Katherine Lattimore-Stern, gave a presentation on SJH's proposal to purchase 3D mammography equipment for PVH. The highlights of the presentation were as follows:

- SRM Alliance and the PVH Foundation are exploring the option of purchasing and installing state of the art 3D mammography equipment at PVH
- The installation timeline of such equipment is projected at approximately nine month after funding is secured
- The equipment cost of the 3D mammography machine is estimated at \$570,000
- The construction cost is estimated at \$350,000 for a total installation figure of \$920,000
- The PVH Foundation is currently finalizing a fundraising budget/projection but it is possible that the total cost of the project will not be completely PVH Foundation funded
- The 3D mammography equipment would be the main goal for the Benedetti fundraiser
- SRM Alliance is interested in partnering with PHCD to support the 3D mammography project

The proposal:

Realizing that the current PVH lease contract between SJH and PHCD expires on January 19, 2017, SJH is seeking a capital expenditure agreement with PHCD similar to the previous Chiller and Generator agreement to allow for:

1. The apportionment of the equipment and /or construction expense (not covered by fundraising) to PHCD for the remaining useful life of the equipment upon a possible termination event between SJH and PHCD and;
2. The commitment from PHCD to support the installation and ongoing operational support of the 3D mammography program in the event another non-SJH hospital operator is required to complete the construction installation and maintain ongoing operations of the 3D mammography screening program.

Director Adams asked why SJH is proposing to bring this particular piece of equipment to PVH at this time considering that there has been a 25% reduction in the last ten years in the amount of radiology services being done at PVH. Norman Shore answered that PVH needs state of the art equipment in order to remain competitive with other hospitals in the area. The equipment will lead to greater cancer detection and 40% fewer call backs. Director Adams asked if PVH does a large enough volume of these examinations to make this purchase worthwhile. Mr. Shore responded that PVH does over 400 screening procedures a month, and it is important for the community to have the standard of care for this core service.

CEO Ramona Faith asked how much money is anticipated to be raised at the Benedetti fundraiser. Mr. Ziolkowski stated that typically \$200,000 to \$300,000 is raised, and hopefully additional funds will be raised. Mr. Ziolkowski stated that SJH is not presenting a formal proposal at this time until the PHCD and the PVH Foundation have confirmed interest in the proposal. At that point, SJH will go forward with making the mammography machine the focus of the Benedetti fundraiser, and begin marketing the idea.

Concerning marketing for the mammography machine, CEO Faith stated that it is very important for the community to hear that PHCD supports the purchase and the hospital will have this service regardless of who the future operator of the hospital may be. Mr. Ziolkowski stated his agreement. CEO Faith stated that PHCD would like to be involved in the marketing effort. President Hempel noted that PHCD will need to make a greater commitment to the Benedetti fundraising effort than it has previously.

Director Adams asked if a purchase made in 2015 for GI equipment resulted in increased revenue from GI procedures due to the purchase. Mr. Ziolkowski answered that the GI equipment purchase was made to replace antiquated equipment, and cannot be linked to growth. Likewise, he stated that the new mammography equipment may also not result in growth of the service.

Director Ostroff stated he would like the PHCD board to consider a lead donation or a matching donation to encourage the fundraising process. President Hempel asked if Petaluma Health Center patients receive their mammograms at PVH, and was told by Mr. Ziolkowski that they do, but surgical follow-up is done in Santa Rosa. Biopsies are done in Petaluma. CEO Faith stated that the future operator would need to consider how to increase the number of breast surgeries done in Petaluma.

CEO Faith reported that the engineer's preliminary report of the physical assessment of PVH showed that for immediate repairs and deferred maintenance costs, the estimate is about \$800,000 for the hospital.

A motion was made by Director Thornton to give PHCD staff approval to examine ways to partner, invest and align with SJH and the PVH Foundation to fund the purchase of the 3D mammography machine. Director Ostroff seconded the motion. This motion was passed by a vote of 5 ayes (Directors: Hempel, Ostroff, Thornton, Adams, Stern) and 0 noes.

ADMINISTRATIVE REPORT

CEO UPDATE

CEO Ramona Faith gave a report on the Board of Directors Governance Self-assessment Survey Results completed in November 2015, which showed little change from the previous survey done in 2013. A high-level summary was included in the board packet which showed that in general, the board members approved of the board's performance on board governance. CEO Faith proposed postponing discussion until the board's strategic planning session to consider strategies for improvement in selected areas.

PHCD received the grant from Partnership Health Plan of California for the Sober Circle Pilot Program, securing the second year of funding, for which there will be a press release coming out soon. There was an update from Health Action, of which CEO Faith is a board member. Petaluma Valley Hospital's Family Birthing Center recently received a Baby Friendly recognition, the first in Sonoma County, and there was a celebration scheduled for later in the day. Because of PHCD's work in the community, the County Department of Health Services contacted CEO Faith to participate in an interview process to help identify best practices to improve the health of low income Californians. PHCD received a Philanthropy award from the North Bay Business Journal, and there will be an event on March 30, 2016.

Partner Engineering Science, Inc., who is doing a property condition assessment of PVH, has completed the onsite review. A preliminary report has been received, is being reviewed, and will be presented at a future board meeting. The MedVal valuation will be conducted the week of March 7, 2016, and will include real estate appraisal of PVH campus and the Hospice of Petaluma building at 416 Payran; and fixed asset analysis of PVH, Hospice of Petaluma, Santa Rosa Memorial Hospice, Healdsburg Hospice, and 110 Lynch Creek.

The Petaluma City Council and the Sonoma County Board of Supervisors will be designating the month of May as Healthcare District Month, and the District is currently planning activities to educate and raise awareness of the role of the Petaluma Health Care District. On Thursday, May 26, 2016 PHCD will host a Community Partnership Appreciation Breakfast, and award a \$5,000 2016 Nonprofit Health Equity Award to a nonprofit that serves the community in areas of healthcare inequity, as well the 2016 Healthcare Hero Award. CEO Faith reported that she and Director Stern attended the ALPHA Fund Partnership meeting February 18 – 19, 2016 in Sacramento.

CEO Faith noted that there is a conflict between the special board meeting scheduled for April 5 and ACHD Legislative Day in Sacramento, which CEO Faith and Director Stern will be attending. The board members agreed to cancel the April 5, 2016 board meeting. The board also agreed to postpone putting SEIU on a board meeting agenda until such time as the board solicits input from the public regarding the bidders to be the next PVH operator, given that the bidding process is currently in a quiet time.

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.

ADJOURN

President Hempel adjourned the meeting at 9:00 A.M.

Submitted by Fran Adams, Board Secretary

Recorded by Erin Howseman, Board Clerk