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Petaluma hospital foundation at juncture

Future of charity uncertain as St. Joseph prepares to leave hospital

By Matt Brown

As philanthropists attend the Petaluma Valley Hospital Foundation's biggest annual fundraiser this weekend, the charitable arm of the city's main health care facility faces an uncertain future with the imminent departure of its creator, St. Joseph Health.

This year's Benedetti Leadership Celebration, May 6 at the White Barn Project at Beaumont Farms, comes at a crossroads for the foundation that has raised \$6.4 million in 13 years to purchase pricey medical equipment for Petaluma Valley Hospital. As St. Joseph prepares to cease operating the hospital, health care officials are considering the future of fundraising for the facility.

Ramona Faith, CEO of the Petaluma Health Care District, which owns the hospital, said in an email that the district plans to create its own nonprofit arm to take the place of the foundation once the new operator, Paladin Healthcare, takes over the hospital.

"This foundation will be staffed, and it is our hope that current foundation board members would be interested in serving on the newly formed 501(c) board," she said.

"Paladin has stated they will support the hospital foundation both directly and indirectly, as well as other community fundraising efforts."

She said that fundraising support is an important part of the model at Petaluma Valley Hospital.

"In order for Petaluma Valley Hospital to continue as a high quality hospital it is imperative that there is ongoing investment in new medical equipment and advanced technology," she said. "The Petaluma Valley Hospital Foundation has done an exceptional job raising funds to support our community hospital and the district will work to ensure philanthropic efforts continue as we move forward with Paladin."

Andrea Learned, vice president of development for St. Joseph, said the foundation board is waiting until the health care district and Paladin finalize their operating agreement later this year before deciding the foundation's fate.

"We will take a look at all of our choices," she said. "No final firm decision has been made as to what will happen to the foundation."

The health care district launched the predecessor to the foundation in 1975, according to Brett Shinn, a development associate and lone full time staff member of the Petaluma Valley Hospital Foundation. In 1997, when St. Joseph took over operations of the hospital, the fundraising arm was called the Petaluma Community Health Foundation and remained under control of the district.

In 2003, St. Joseph recreated the Petaluma Valley Hospital Foundation and has continued to manage it ever since, Shinn said.

St. Joseph's contract to operate the hospital ended this year, and negotiations with the district on an extension failed. The district is currently negotiating with Southern California-based Paladin on an operating agreement, which officials hope to have in place by the end of the year.

Donna Beels, president of the Petaluma Valley Hospital Foundation board, said the goal was to spend all of the foundation's money on the hospital by the time Paladin takes over.

"We are working on spending the money before St. Joseph leaves," she said.

All of the equipment that the foundation has purchased will stay with Petaluma Valley Hospital, Shinn said.

The foundation has purchased MRI machines, a scanner used for CAT scans and hospital beds. Last year, it bought a 3D tomosynthesis mammography system, which helps detect breast cancer, and is raising funds for a mobile C-arm, which is used in orthopedic surgery.

Mike Tomasini, the foundation board member who will be honored at this year's Benedetti fundraiser, said the board has discussed its future after St. Joseph, but no decision has been made yet.

"With the expectation of a new operator, the foundation is kind of in a transition, a wait-and-see," he said. "Nothing has really been decided. We are aware that at some point decisions will be made, but there is not enough information yet for the next step."