



**MINUTES OF THE FEBRUARY 16, 2016 REGULAR 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

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
Erin Howseman, Admin. Assnt., PHCD
Andrew Koblick, Controller, PHCD
Don Bouey, Attorney, Bouey and Black LLP
Jane Read, VP of Operations, PVH
Gary Johanson, M.D., Annadel Medical Group
Mark Provan, Regional VP Post Acute Services Northern California Region
Chris Vallee, Director of Hospice Program
Analilia Jimenez-Perez
Jeff Adams, SEIU
Erik Dimitruk
Ra Criscitiello
Darvi Roussye
Kimberly Davis
Jose Balibreo
Dennis Dugan
Kim Davis
Jeff Adams
Peggy Leshkey

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 February 16, 2016 agenda, seconded by Director Adams. This motion was passed by a vote of 5 ayes (Directors: Hempel, Ostroff, Thornton, Adams, Stern) and 0 noes.

PUBLIC COMMENTS

Analilia Jimenez-Perez, Medical Assistant, commented that she was opposed to the consideration of Prime Health Care as a potential operator of PVH because she believes Prime does not care about patients. Ms. Jimenez-Perez stated that she does not want Petaluma to lose services, and noted that at Centinela Hospital in Inglewood, Prime cut psychiatric and maternity services. She stated she wishes that the next operator will respect the community's wishes to retain services in Petaluma.

Jose Balibreo, EVS worker at Vacaville, stated that he is strongly opposed to the selection of Prime Healthcare to operate PVH since Prime has a troubling patient safety record. He noted the example of a Prime operated Desert Valley Hospital patient who died in 2012. Mr. Balibreo also spoke about several cases where Desert Valley Hospital, operated by Prime Healthcare, had been negligent in patient care.

BOARD COMMENTS

President Hempel thanked the board for the significant work that was accomplished at the board meeting the previous day.

HEARTSAFE COMMUNITY PRESENTATION

CEO Ramona Faith gave a presentation about HeartSafe Community, one of the services of the PHCD. The HeartSafe Community was established in 2013 to reduce death and disability from Sudden Cardiac Arrests (SCA) by strengthening our community's response through CPR/AED certification and training, strategically placing AEDs with maintenance programs and providing heart health education.

CEO Faith stated that HeartSafe Community has been working with schools to equip school campuses and sites with AEDs, and provide AED training to school staff. A video was presented about a 17-year-old student from an out of state community who went into sudden cardiac arrest during a high school volleyball game. Trained teachers and staff used an AED and started CPR and were able to save her life.

Tami Bender and Tina Deason were introduced and acknowledged for being the catalyst of the HeartSafe Community program. Tami Bender is PHCD's HeartSafe Community Coordinator and Health Quest faculty. Tina Deason oversees the training center and is also a faculty member.

In 2015, Petaluma was designated as a HeartSafe Community by the Petaluma City Council and the Sonoma County Board of Supervisors. In 2015, the program trained 1,054 individuals in hands-only CPR and certified almost 1,100 community residents in CPR, as well as health care providers who are required to be certified. PHCD has a new business partnership with Exchange Bank in which AEDs will be installed this month, February 2016 at nine branch sites. Also, there are two HeartSafe school districts, Petaluma City Schools and Shoreline Unified in Marin County. These campuses have installed AEDs and have AED training and response teams and emergency preparedness plans in place. PHCD has initiated the Golden Heart Award which acknowledges people who have survived or responded and saved a life in our community, with nine awardees so far this year.

The HeartSafe Community program uses a score-based system, with points (“Heartbeats”) earned by enacting various measures—for example, the number of public CPR courses or AEDs installed, with a certain number of minimum points needed according to community size. While Petaluma requires 1,150 Heartbeats to qualify, PHCD has achieved 2,900 Heartbeats. PHCD completed its annual internal review in December to ensure it meets criteria needed for the designation.

CEO Faith thanked the board for its support for the Petaluma HeartSafe Community designation.

REAL PROPERTY TRANSACTION

CEO Ramona Faith updated the PHCD board on the letter from the Service Employees International Union (SEIU) which asserted that board action had been taken approving Prime Healthcare Foundation as a bidder for PVH lease even though that entity, which is separate from Prime Healthcare Services, had not been previously named or discussed at previous PHCD board meetings or in District press releases, and that this constituted a violation of the Brown Act. SEIU stated that Prime Healthcare Foundation should either be dropped from consideration, or the PHCD board should correct the omission by reconsidering the matter. Prime Healthcare submitted bid materials that included both its for-profit hospitals, Prime Healthcare Services, and the related non-profit hospital company, Prime Healthcare Foundation. PHCD had assumed that Prime Healthcare Foundation entity would be included under the Prime Healthcare umbrella, just as it assumed that St. Joseph Health affiliates and Providence Health and Services and its affiliates, which is currently in discussions with St. Josephs about partnering to combine their operations, would be included. In consultation with legal counsel, the District believes that the appropriate next step is to present the potential inclusion of Prime Healthcare Foundation and its affiliates in the continuing bid process for the lease of the hospital, as well as Prime Healthcare Services, St. Joseph Health’s affiliates, Providence Health & Services and its affiliates. CEO Faith noted that there have been no formal discussions or consideration by the PHCD board of any of the bidders at this point, and that the public will be invited to participate in discussions when the bid process is closer to completion. The formal discussions that the PHCD board has engaged in have only been related to the decision criteria.

CEO Faith stated that Prime Healthcare Foundation is a 501(c)3 not-for-profit healthcare system based out of Ontario, California operating hospitals in California and Texas. The Prime Healthcare Foundation is affiliated with Prime Healthcare Services which is a for-profit. St. Joseph Health is a 501(c)3 not-for-profit Catholic health care system, sponsored by the St. Joseph Health Ministry, affiliated with Hoag Hospital, and is in the process of merging with Providence Health and Services, a Catholic health care organization, to create a new single organization. CEO Faith recommended to the board that it should clarify that Prime and its affiliates, and St. Joseph’s and its affiliates are all included in the bidding process.

The public was invited to comment.

PUBLIC COMMENTS

Ra Criscitiello, SEIU, commented on the letter from SEIU to the PHCD board. She stated that the board had originally named the for-profit Prime Healthcare Services as one of the four original bidders, and a January 2016 press release was the first time Prime Healthcare Foundation was listed as a bidder. Ms. Criscitiello commented that it is not possible for the for-profit Prime Healthcare Services to operate the hospital through their Prime Healthcare Foundation, as they are two separate entities. Ms. Criscitiello stated that as the board switched bidders in closed session, and in accordance with the Brown Act, would like to have Prime Healthcare Foundation should be removed from the bidding process, or alternatively, the board should have public hearings on the amendment of adding the for-profit unaffiliated organization.

Garvey Lucell, healthcare worker from Centinela Medical Center, Inglewood, which is operated by Prime Healthcare, commented that she strongly opposed leasing PVH to Prime Healthcare.

Kim Davis, Garden Grove Hospital employee, stated she was present to speak out against Prime Healthcare becoming the next operator of the PVH. Ms. Davis stated that she believes Prime Healthcare is more committed to profit than to the health of her community or its employees.

Erik Dimitruk, SEIU, commented on the letter sent by SEIU to the PHCD board. Mr. Dimitruk referred to the request for public records submitted by the Argus Courier, which was denied by the District. He commented that not enough information has been shared with the public about the bidders and the process. Mr. Dimitruk stated that in looking at financial records of Prime Healthcare Services, it does not mention an affiliation with any other organization, and the financial records of Prime Healthcare Foundation does not mention an affiliation with Prime Healthcare Services. Mr. Dimitruk stated that in order to correct the Brown Act violation, the PHCD board should publicly admit any new bidding entities into the process, and provide the public with opportunities to comment.

Jeff Adams, commented that SEIU has a long history of opposing Prime Healthcare Services. Mr. Adams also commented that the PHCD does not receive funding from public taxes, as the SEIU letter states, and that the previous speakers are not from the Petaluma community.

President Hempel thanked the community members for coming and sharing comments.

BOARD DISCUSSION

President Hempel made a motion that Prime Healthcare Services and Prime Healthcare Foundation and their affiliates, St. Joseph Health Care affiliates, and Providence Health & Services and its affiliates, be included in the continuing discussion and activities relating to the proposed lease of the District hospital facility. The motion was seconded by Director Ostroff. This motion was passed by a vote of 5 ayes (Directors: Hempel, Ostroff, Thornton, Adams, Stern) and 0 noes.

ADMINISTRATIVE REPORT

CEO REPORT

CEO Faith reminded the board that their Statement of Economic Interest Forms are due to the District office by March 15, 2016. Director Ostroff requested that the template from last year be included for reference. The meeting of the PVH hospital physicians and Prime Healthcare is scheduled for February 23, 2016. The meeting of the CEO with the Petaluma Health Center physicians to discuss decision making criteria to determine the future hospital operator is scheduled for February 25, 2016. The District is on the PHCD Board of Directors Meeting Minutes 2-16-16

agenda of the Petaluma City Council for March 7, 2016, and will be providing an end of year report. The St. Joseph Health newsletter mentioned the HeartSafe Community work of PHCD.

CEO Faith also noted that PHCD has received the Philanthropy Award from the North Bay Business Journal. A press release will be out highlighting the new partnership with Exchange Bank.

FINANCIAL SUSTAINABILITY

December 2015 Financials

Andrew Koblick, Controller, reviewed the December 2015 financials.

As of December 31, 2015 the Statement of Net Assets reflected assets of \$10,296,621 and liabilities and deferred revenue of \$1,040,942 leaving the net fund balance at \$9,255,679.

The month ended December 31, 2015 showed an operating loss of \$89,195 which is \$8,291 better than the budgeted operations loss of \$97,486. The net loss of \$85,294 is \$2,031 more than the budgeted loss of \$83,263. The six months ended December 31, 2015 showed a year to date net loss of \$443,398 which is \$87,842 better than the budgeted year to date loss of \$531,240.

There was no public comment.

An update was given on the analysis of Petaluma Valley Hospital and Hospice by Partner Engineering Science, Inc., who is doing the property condition assessment. Partner has completed the onsite review, and is currently working with PVH to provide them with the documentation they need to complete their report.

Med-Val Advisors has started work on the appraisal of PVH facilities and will be on site at the hospital the week of March 7.

Preparation for the annual budget will begin in March.

A motion was made by Director Thornton to approve the December financials, seconded by Director Ostroff. The motion was passed by a vote of 5 ayes (Directors Thornton, Adams, Hempel, Ostroff, and Stern).

PETALUMA VALLEY HOSPITAL

Jane Read, VP of Operations, PVH, reported that the Family Birthing Center has just received their Baby-Friendly designation, the first in Sonoma County. Read shared the Clinical Excellence Dashboard System which shows specific metrics that will be tracked. Val Martin is the Sonoma County Coordinator of the Sepsis Taskforce. Read notes that PVH expects to receive the results from the Culture of Patient Safety Survey. The hospital census is up, and all hospitals in Sonoma County have been generally full for the past month. Dr. Kamucha has started as ENT working two days a week in Petaluma, and eventually will be working 3 days a week in Petaluma. There will be a new director of Med-Surg, and the nursing structure will change to have a manager of ICU and ED, a manager over Med-Surg, a manager for the Family Birthing Center, and a director over these areas. PVH is finalizing the budget for FY 17, and is working on a leadership development program. Lastly, Read noted that PVH has started Schwartz Center Rounds, a multidisciplinary forum where clinical caregivers can discuss social and emotional issues that arise in caring for complex patients. Vicky White has been named as CNO of PVH, and starts on April 4, 2016. In

response to a question from CEO Faith regarding the audited financials for last year ending June, 2015, Read reported that the financials have not been received yet.

Dr. Gary Johanson, from Annadel Medical Group, Medical Director of Hospice and Palliative Care Program, gave a presentation on the Hospice program. Jane Read also introduced Chris Vallee, Director of Hospice Program, and Mark Provan, VP of Post Acute Services. Dr. Johanson discussed the range of care offered by Hospice, including palliative care which involves active treatment for patients, and Hospice care which includes pain management. Comfort care is what is given when a patient will die soon. Dr. Johanson noted that there have been innovations to help symptom relief. A strong ethics committee emphasizes communication with patients and autonomy of the patients, but stated that there are other values to consider such as justice and beneficence. Dr. Johanson stated that he believes their organization can relieve suffering and meet patient's needs with a continuum of care.

CEO Faith asked Dr. Johanson to clarify the specific current policy in regards to assisting terminal patients with aid-in-dying. Dr. Johanson answered that Hospice nurses attempt to assess patients' moods and symptoms. When the new California aid-in-dying law goes into effect, probably in the summer of 2016, Hospice's policy will be to collaborate with doctors but not to participate in the prescription or the administration of the drugs, and Hospice nurses will not remain in the room with the patient when they take the drug. The nurses will return to the room after the ingestion.

CEO Faith asked if there will be problems with the PVH doctors writing the prescriptions. Dr. Johanson answered that Hospice will find out which physicians will participate in writing prescriptions, and Hospice will not exert pressure either to participate or not.

Director Ostroff stated the case of a friend with lung cancer who on her own initiative procured drugs in case the end of her life was intolerable. After the Hospice nurse came, Director Ostroff stated that his friend was told she must turn over these pills or Hospice would be ended. Dr. Johanson remarked that this was a wrong thing to do, and that this individual had acted on her own behalf not under the agency; Director Ostroff also commented that an individual in his family had wanted hospice, but was still receiving treatment, and Hospice was denied. Dr. Johanson stated that the policy of Hospice is not to begin Hospice care if the patient is still receiving treatment.

BOARD GOVERNANCE

Directors Fran Adams and Joe Stern reviewed the following PHCD Board policies: the Records Retention Policy, the Purchasing Signature Authority, and the Statement of Investment Policy. A question was raised regarding the Purchasing Signature Authority if the sign off limit is still \$20,000. Director Stern stated he thought the Statement of Investment Policy is sound. CEO Faith stated that the PHCD board's policy is to review board policies annually.

President Hempel called for public comment.

Peggy Leshkey, requested that the board drop Prime Healthcare Services as a bidder to operate the hospital and cited Shasta Regional Center patient privacy violations.

A motion was made by Director Ostroff to approve the PHCD board policies, seconded by Director Stern. The motion was passed by a vote of 5 ayes (Directors Thornton, Adams, Hempel, Ostroff, and Stern).

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 3:00 PM.

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