

**MINUTES OF THE DECEMBER 15, 2010 REGULAR MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

President Ostroff called the meeting to order at 6:15 p.m. in Groverman Hall at Petaluma Valley Hospital, 400 N. McDowell Blvd., Petaluma.

PRESENT:

Fran Adams, RN, BSN, Member-At-Large
Robert Ostroff, MD, President
Kathryn Powell, MS, Vice-President
Stephen Steady, MD, Secretary
Josephine S. Thornton, MS, Treasurer

ALSO PRESENT:

Julie Clark, MD
Suzanne Cochrane, Board Liaison
Daymon Doss, CEO
Michael Johnson, MD
Richard Nadale, Controller
Todd Salnas, COO, SJHS

CONSENT CALENDAR:

A motion was made by Director Thornton, seconded by Director Powell to approve the December 15, 2010 Agenda and the November 18, 2010 minutes. This motion was approved by all present.

PUBLIC COMMENTS / QUESTIONS:

Michael Johnson, MD attended this meeting to express concern over the recent removal of specific GI equipment from the Petaluma Valley Hospital (PVH) Surgery Department to the Santa Rosa Memorial (SRM) Surgery Department. Dr. Johnson explained the removed equipment was a large capital purchase for PVH and was purchased to be utilized by a physician with a specialty in this field. Dr. Johnson further explained the equipment had not been utilized at PVH due to unavailability of a specialized physician and was moved to SRM where specialty services could be provided.

As Medical Director of the PVH Surgery Department, Dr. Johnson expressed concern of the process in which the GI Equipment was removed from PVH without physician involvement, nor was discussion on utilization of the equipment ever brought up. Dr. Johnson noted contracting

of physician services at PVH utilizing the equipment and providing a specialty to the community was not explored.

Director Thornton, as PVH Board representative, will bring this concern to the SRM Alliance Board meeting scheduled for Friday, December 17, 2010 and report back to the PHCD Board.

BOARD COMMENTS:

There were no board comments.

HAITI MEDICAL VISIT:

Julie Clark, MD provided a slide show on her recent trip to Haiti providing medical assistance to the residents of Haiti due to the earthquake that occurred on January 12, 2010. Dr. Clark worked at St. Damien's Hospital which was founded more than 20 years ago and after the earthquake became the only hospital in the area to provide medical treatment for obstetric and pediatric care for much of Port-au-Prince.

Dr. Clark shared with the Board the medical needs and services available to Haiti residents and aside from dealing with the recent cholera outbreak, is working to expand obstetric services by creating ante partum rooms where sick mothers-to-be can receive care. Dr. Clark is working with an international group called "Friends of the Orphans" a 501(c)3 organization that has been fundraising directly for St. Damien's for over 20 years. St. Damien's is in need of beds, equipment, and medical supplies and will be reaching out to local organizations for donations to improve services and care to the sick mothers-to-be.

Dr. Clark will be returning to Haiti in March and is working towards fundraising efforts in the amount of \$30,000 from local organizations that will be used to develop an Obstetrics Wing at St. Damien's Hospital.

Board of Directors thanked Dr. Clark for her presentation along with her compassion and care to medical services to the residents of Haiti. Directors made local organization recommendations to Dr. Clark to provide her presentation to help expand her fundraising efforts.

DUTRA ASPHALT PLANT

A copy of the recent communication from the PHCD Board of Directors to the Sonoma County Board of Supervisors regarding the proposed Dutra Asphalt Plant EIR, Revised Project II, was included in the Board packet. In the communication, the Board did not take an advocacy position on the project but is asking the Board of Supervisors to fully understand the possible health implications and complete the appropriate analysis of the project. The Board of Supervisors is scheduled to conduct a final vote on the Dutra Asphalt Plant in December.

SLATE OF OFFICERS:

Daymon Doss opened the nominations for officers of the Petaluma Health Care District Board of Directors.

President Ostroff provided a recommendation for a slate of officers for consideration.

President	Fran Adams, RN, BSN
Vice-President	Robert Ostroff, MD
Secretary	Stephen Steady, MD
Treasurer	Josephine S. Thornton, MA
Member-At-Large	Kathryn Powell, MA, MSHA

A motion was made by Director Thornton, seconded by Director Powell to approve the proposed slate of officers as listed above. This motion was approved by all present.

Assignment of Committees

Board of Directors reviewed the current list of Committee meetings and will communicate to Suzanne Cochrane, Board Liaison, any changes to the committee list.

Mr. Doss explained the formation of a new committee titled Community Health Initiatives for Petaluma Area was due to the request of Director Thornton and Director Powell as interested Committee members. A presentation from Committee members on the structure and purpose of this committee will be presented at the January Board meeting.

STRATEGIC PLANNING COMMITTEE REPORTS:

Asset Management Committee

Director Thornton noted the Asset Management Committee met on December 8, 2010 and will be presenting information regarding PHCD's Lynch Creek property and Cader Lane in closed session.

Director Thornton will be requesting a financial model for the District be developed through the Asset Management Committee.

Petaluma Valley Hospital:

Director Thornton reported the next SRM Alliance Board meeting is scheduled for Friday, December 17, 2010.

Todd Salnas, COO, SJHS announced the recent Meditech implementation for core systems allowing PVH to meet the meaningful use requirements on time has been completed. This allows physician order entry, physician documentation, and clinical documentation for the staff. Work continues to resolve system issues particular with those departments that interact with the nursing floors. Additional computers have been ordered to improve accessibility as requested by Physicians.

The Emergency Department Management System, also part of the Meditech system that was installed about two months ago, continues to work through details around coordination with the lab and ancillary services.

Digital Mammography at PVH is scheduled to open in late December or early January. At this time, the project is awaiting approval by OSHPD. Once the digital mammography is open, the analog system at Lynch Creek Imaging will be removed with services offered at PVH. Bone scan equipment will be set up in place of the mammography at Lynch Creek Imaging.

Mr. Salnas provided an update on Hospitalist coverage. At this time, Team Health has been providing coverage over the past several years and has submitted a termination notice. The service has been sent out to bid to other companies and PVH is researching the possibility of doing an interim solution with Team Health using a reduced coverage option and physicians covering their own patients in the interim. The long term goal is to have a robust hospitalist service that manages all of our patients consistently.

A capital equipment meeting with the medical staff was held and they are estimating around a \$2 million dollar budget for fiscal year 2012. The medical staff leadership prioritized their requests.

SJHS is looking at the possibility of opening up negotiations with CNA as outlined in their contract in January regarding wage opportunities.

President Ostroff shared with Mr. Salnas data that has been presented to the Lease Oversight Committee providing information on personnel costs in comparison to wages and benefits and staffing ratio to census changes with other hospitals of similar size. Discussion ensued noting a copy of this information will be forwarded to Mr. Salnas.

Mr. Salnas noted no agreement has been reached in regards to the general surgery call coverage contract. Discussions continue and SRM is currently conducting a study regarding the elected impact on surgeries and at this time has not seen a large reduction in volume but continue to update analysis on a monthly basis. A possible long term solution is to establish partnerships with local physicians and the hospital. Concerns have been raised relative to covering pediatric appendectomies with locum coverage in January.

Dr. Steady noted not all locums have the capability of performing pediatric appendectomies.

Mr. Salnas responded that while that has been true in the past, it appears that all locum coverage is capable of conducting pediatric appendectomies.

Director Steady reported the local physicians have put together a separate volunteer call schedule for notification of their patients that are being seen through the Emergency Room.

Hospital Stewardship Committee:

Director Adams noted no meeting has been scheduled.

Joint Venture Committee:

Director Steady noted the next Regional Action Plan meeting is scheduled for Thursday, December 16, 2010.

Lease Oversight Committee:

Director Ostroff reported at the December 13, 2010 Lease Oversight Committee, a presentation by Brandon Sherrets reviewing various indicators both financially and productivity. Comparisons were completed using five hospitals in similar size. The Committee is recommending selected information from the presentation be shared at a future Board meeting for the full Board to have an understanding on the types of information the Committee has been researching.

President Ostroff further noted that the Committee is reviewing the current PVH Organizational Chart and is looking to hire a consultant to evaluate data collected and provide a better understanding relative to the costs associated in operating a hospital. Daymon Doss and Director Adams have located possible consultants and will be gathering information to be presented at the next Lease Oversight Committee meeting. President Ostroff stressed that the committee has expressed concern over the costs of a consultant and will be reevaluating the appropriateness of hiring consultants.

Physician Relations Committee:

Daymon Doss has been having ongoing meetings with Dr. Kosinski and Dr. Clark regarding increasing profitability at the Petaluma Women's Health. Staffing changes have been implemented with the reduction of the Certified Nurse Midwife and one receptionist. Collections for the month of November totaled \$77,000. Mr. Doss continues to research the operations of Prima OB and how it can assist the Petaluma Women's Health.

Mr. Doss noted the advertisement campaign for the Petaluma Women's Health has been suspended until revisions to the ads can be completed with the incorporated staffing changes.

Director Thornton questioned the number of deliveries at PVH prior to Dr. Kosinski's arrival in comparison to current statistics. Data will be collected and presented to the Asset Management Committee.

South County Mental Health Collaborative:

Director Adams noted the next meeting of the South County Mental Health Collaboration is scheduled for January 20, 2010.

WORK ITEMS: REPORTS:

President's Report:

President Adams reviewed the current Ongoing Task list with input received. Changes will be incorporated and presented at the next Board meeting.

The next PHCD Board meeting date has been changed to Thursday, January 20, 2010. All Directors indicated availability for this meeting. Future meetings will be held on the fourth Wednesday of each month at the Petaluma Health Care District office.

CEO Report:

Mr. Doss noted the upcoming events sponsored by the Petaluma Health Care District as follows:

- Osteoporosis Panel is scheduled for January 25, 2011. AAUW is working with the District on this project.
- The 5th Annual Eating Disorder Conference is scheduled for February 4th and 5th, 2011.
- Community Health Foundation is moving forward with their plans for a Mardi Gras fundraiser with funds raised to assist in the grant giving cycle for community non-profits.

ADJOURN TO CLOSED SESSION:

President Adams adjourned the meeting to closed session pursuant to the following sections:

- **Government Code §54956.8 closed session regarding real property negotiations at Lynch Creek Property.**
- **Government Code §54956.9 closed session regarding pending litigation at 1460 Cader Lane.**
- **Government Code §54957.6 closed session regarding employee matters.**

ADJOURNED TO OPEN SESSION:

President Adams adjourned the meeting into open session and reported on the following items:

The Board recommended moving forward with negotiations for a joint venture agreement with Browman Development Company pertaining to a joint venture project on the Lynch Creek property owned by the Petaluma Health Care District.

The Board further recommended Richard Abbey, Real Estate Attorney to pursue settlement negotiations with owners of 1460 Cader Lane.

In regards to employee matters, no decision was reached regarding replacement of the CEO position at the Petaluma Health Care District.

DISCUSSION OF PUBLIC COMMENTS:

There were no discussions regarding public comments.

NEXT STEPS:

No items were discussed.

ADJOURN:

President Adams adjourned the meeting at 10:00 p.m.

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Liaison