

**MINUTES OF THE JANUARY 9, 2013 SPECIAL MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

President Adams called the meeting to order at 12:00 noon in the conference room at 1425 N. McDowell Blvd.

PRESENT:

Fran Adams, RN, BSN, President
Robert Ostroff, MD, Vice-President
Josephine S. Thornton, MA, Treasurer
Elece Hempel, Director

ABSENT:

Kathie Powell, MS, Member-At-Large

ALSO PRESENT:

Jayne Boren, Regional VP Strategic Services, SJH
Suzanne Cochrane, Board Clerk, PHCD
Ramona Faith, CEO, PHCD
Richard Nadale, Director of Finance, PHCD
Jane Read, VP of Operations, PVH, SJS
Todd Salnas, President, SJH

CONSENT CALENDAR:

A motion was made by Director Ostroff, seconded by Director Thornton to approve the consent calendar to include the January 9, 2013 Agenda, the November 28, 2012 minutes, and December 7, 2012 minutes.

PUBLIC COMMENTS / QUESTIONS:

There were no public comments

BOARD COMMENTS/ QUESTIONS:

There were no board comments.

ADJOURN TO CLOSED SESSION:

President Adams adjourned the meeting into closed session pursuant to the following section:

- Trade Secrets (Health & Safety Code Section 32106(b)). Discussion will concern development of new services and programs.

President Adams adjourned the meeting into open session.

The Board noted no motion was made in closed session. The Board of Directors directed the CEO to continue discussions with St. Joseph Health regarding specialty services and programs.

ST. JOSEPH HEALTH SYSTEM PRESENTATION:

Jayne Boren, Regional Vice President Strategic Services, and Todd Salnas, President, SJH reviewed strategic planning information that was presented to the SRM Alliance Board and Santa Rosa Memorial Board in a joint strategic planning session held in October 2012.

SJH is embarking on a five year Strategic Plan for 2014-2018 that develops partnerships within our community, engages people throughout the organization, and explores options beyond the walls of the hospital that would provide an integrated health system.

Ms. Boren reviewed the overall objectives to include:

- Create connections and a stronger sense of community
- Provide an update on the status of the Northern California Region strategic plan and gather feedback
- Understand recent changes in the healthcare environment, particularly in Northern California
- Prepare board members in understanding the changing environment and discuss opportunities for collaboration

The Mission Statement is “To extend the healing ministry of Jesus in the tradition of the Sisters of St. Joseph of Orange by continually improving the health and quality of life of people in the communities we serve”. The Vision Statement reads “We bring people together to provide compassionate care, promote health improvement and create healthy communities”.

Mr. Salnas reviewed the coordination of planning efforts with the first stage focusing on information/sophistication, value, and engaging people. The next steps would involve physician partnership, network of care (continuum), and population health management. SJHS will focus on transitioning our business model to a balance of great hospitals and great community care by embracing both an illness and a wellness model.

Mr. Salnas also reviewed the business vision for St. Joseph Health in Northern California to be the partner of choice, caring for the health and wellness of the people in our communities by: providing the best value and highest quality outcomes; through a coordinated, electronically integrated network; optimizing our regional resources, and promoting meaningful collaboration with physicians, employees and other healthcare partners.

Ms. Boren and Mr. Salnas explained the changes included moving from a “sick care model” to the “health care model” requiring redesigning care to impact the value proposition. There will be a need to convert fee-for-service contracts to value-based contract. In addition, there will need to be a proactive reduction of inappropriate tests and procedures and in the variation of clinical practice in regards to cost and quality.

Mr. Salnas noted that shifting to a population health management system requires proactive and collective monitoring of an individual's healthcare quality, compliance, access and outcomes, with the goal to improve the health of an entire patient population.

In the area of Primary Care Physicians, focus will be around expanding the primary care network through working with other physicians that are in our community, establishing contractual relationships with physicians and developing a model that continually transitions with the patient as they enter the hospital and once they are discharged.

Under Physician Partnership, economic concerns and healthcare reform are driving hospital-physician partnerships. The need for greater accountability for cost and quality performance will need to be obtained by hospitals and physicians.

Mr. Salnas shared the goal to reduce the current cost per adjusted discharge currently at 7.5% to a 6% rate. This will be accomplished through the coordination of planning efforts, physician partnerships and a shift in the treatment of patients.

Jayne Boren and Todd Salnas would like to meet with the PHCD Board of Directors to move into the next segment of Strategic Plan with an interactive session. Questions would be provided to the directors prior to the meeting and then shared during the strategic planning session.

Directors supported moving forward into the next segment in the Strategic Planning process. Questions will be submitted to the Board Clerk for distribution to directors once a date has been selected.

Jayne Boren also updated the Board on the Western Health Advantage insurance stating there are over 700 members currently signed up under the HMO Insurance plan.

Ms. Boren asked if articles distributed prior to the Strategic Planning session were of continued interest to the board. Directors

Directors thanked Ms. Boren and Mr. Salnas for their presentation and were in support of receiving additional information.

CEO REPORT:

Proposed Committee Structure:

Ramona Faith, CEO, distributed a proposed committee structure for 2013 to Board of Directors. Directors were instructed to review the proposed committees and to submit their interest for participation on a specific committee. In addition, Board was requested to contact CEO with any recommended changes in committee structure. Final approval of committee structure will occur at the January 23, 2013 board meeting.

Director Thornton questioned the purpose for the Hospital Stewardship Committee noting the District can be involved in quality of care issues but not employee issues. Ms. Faith and President Adams will research this issue.

Proposed By-Law Changes:

CEO reported President Adams, Director Thornton, Ramona Faith and Suzanne Cochrane met and prepared recommendations for revisions to the PHCD Board of Directors' By-Laws. Directors were asked to review the proposed changes and submit revisions, questions or additional recommendations to the CEO prior to the January 23rd Board meeting. Final approval of By-Laws will occur at the January 23, 2013 Board meeting.

Public Comments/Board Comments:

As requested at the November Board meeting, Ramona Faith obtained clarification on Public Comments/Board Comments Agenda items. Ms. Faith explained that Directors are allowed to ask questions to clarify information presented during Public Comments on non-agenda items. In addition, under Board Comments, Directors can direct staff or board in a next step process on the topic that was presented in Public Comments but are not allowed to engage in dialogue amongst Board members.

Ms. Faith further explained public may provide input on Agenda items at the time of the topic prior to board discussion.

Interest in Officer Positions:

Officer positions will be selected at the January 23, 2013 Board meeting. Board members were encouraged to submit their request for a specific officer position to the CEO prior to the January 23, 2013 Board meeting.

Change in Future Board Meetings for 2013:

A recent conflict was noted for holding the newly recommended 3rd Tuesday of each month for PHCD Board meetings. Suzanne Cochrane will be reviewing availability and communicate to Board other options.

Governance Meeting:

March 4th and 5th has been selected as possible dates to hold Board Governance training. Directors were instructed to confirm availability to the Board Clerk.

Eating Disorder Conference:

Ms. Faith invited Directors to attend the upcoming Eating Disorder Conference scheduled for February 7 & 8, 2013 at the Petaluma Sheraton. The District is a sponsor of this event and has been very instrumental in the development of this program.

FISCAL SUSTAINABILITY:

As of November 30, 2012 the Statement of Net Assets reflected assets of \$14,275,578 and liabilities and deferred revenue of \$2,233,358 leaving the net fund balance at \$12,042,220.

The year to date Statement of Revenue and Expense shows a loss of \$165,471 (including \$8,984 in unrealized portfolio losses) which is \$764,161 better than the budgeted year to date loss of \$929,632.

The District's rate of return on investments increased .57% to 4.71% for November 2012.

At the January 23, 2013 Board meeting, Richard Nadale will be presenting a revised PHCD budget to reflect the change in receivables of \$749,186 from Petaluma Women's Health and will be expensed and reclassified as Community Support as of June 30 2012.

In addition, a revised PHCD Budget to reflect changes in receivables will be presented at the February Board meeting.

Due to scheduling conflict, President Adams excused herself from the Board meeting. Vice-President Ostroff was assigned to run the Board meeting.

PRESIDENT'S REPORT:

Upcoming Events:

Ramona Faith reviewed the following upcoming events;

- AAUW/PHCD Diabetes and Women's Health Forum, January 29, 2013, 7:00-9:00pm, Petaluma Community Center
- ACHD 2013 Leadership Development Program – February 7-8, 2013, Sacramento
- ACHD Legislative Day – April 8-9, 2013
- ACHD Annual Meeting – May 22-24, 2013

Letters of acknowledgement were included in the packet.

ADJOURN:

Vice-President Ostroff adjourned the meeting at 2:10 pm.

Respectfully submitted,

Fran Adams, RN, BSN, Board President

RECORDED BY:

Suzanne Cochrane, Board Clerk