

**MINUTES OF THE OCTOBER 24, 2012 REGULAR MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

President Adams called the meeting to order at 6:00 pm in the conference room at 1425 N. McDowell Blvd.

Under call for conflict issues, President Adams and Director Steady will remove themselves from the meeting when the meeting adjourns into closed session.

PRESENT:

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

ALSO PRESENT:

Linda Bauer, RN, PVH
Jackie Bedell, RN, PVH
Jaynie Boren, Regional Vice President, SJH
Anna Bruno, RN, PVH
Linda Chen, RN, PVH
Suzanne Cochrane, Board Clerk
Ramona Faith, CEO
Jim Goerlich, RN, PVH
Marcie Holder, RN, PVH
Tami Kennedy, Rn, PVH
Jon Koch
Pam Koch, RN, PVH
Susan Lawler, RN, PVH
Gary Loons, PVH
Rick Nadale, Director of Finance
Lisa Portman-Fain, RN, PVH
Darnell Powell, RN, PVH
Todd Salnas, COO, SJH
Jenny Sims, RN, PVH

CONSENT CALENDAR:

A motion was made by Director Steady and seconded by Director Ostroff to approve the consent calendar to include the October 24, 2012 Agenda and the September 26, 2012 minutes. This motion was approved by all present.

PUBLIC COMMENTS/QUESTIONS:

Jim Georlich, RN, Petaluma Valley Hospital (PVH) spoke on behalf of the nurses attending this evening's meeting with a request to meet with the Board of Directors outside of a Board meeting to share concerns regarding issues pertaining to the recent nursing strike and on-call pay. Topics would include staffing, patient care, on-call pay and safety issues.

BOARD COMMENTS/QUESTIONS:

Ramona Faith responded by stating that the Board of Directors is very committed to Petaluma Valley Hospital and the nursing staff at PVH. Per nursing's request to meet with all five Board members, the District obtained legal advice on how to best proceed with this request and has been advised that due to legal constraints around the Brown Act, a closed session meeting to discuss quality of care issues or a non-noticed meeting of the full Board can not be held. Ms. Faith noted that in communications to the nursing staff a recommendation was made for the nursing staff to meet with Ms. Faith and another board member to review the process and to discuss concerns. This request was declined by the nursing staff.

Ms. Faith also noted, if a meeting was to occur, the question would be raised around the PVH committee structure and internal processes that were followed on issues presented at this meeting.

Directors noted that they are very interested in hearing about the nurses' concerns. The Board is also limited to the types of topics that can be discussed in closed session. The Board encouraged a meeting be arranged with Ramona Faith and one Board member and a select group of nurses to discuss their concerns.

Mr. Goerlich acknowledged this request and will work with Ms. Faith to schedule a meeting in the near future.

DISCUSSION OF PUBLIC COMMENTS:

Susan Lawler, RN at PVH spoke about the recent strike relative to on-call pay and then received a notice from St. Joseph Health that the on-call pay was no longer an issue and will not be reduced. Ms. Lawler felt that this was an expense of legal fees and the cost for bringing in nursing staff to cover during the recent strike that could have been avoided.

CEO REPORT:

Board of Directors reviewed the CEO Report. No additional questions or discussion occurred.

PHCD STRATEGIC PLAN REVIEW:

Ramona Faith distributed a copy of the PHCD Strategic Plan Review that was presented and discussed at the September 26, 2012 Board meeting. No additional questions or discussion occurred.

PETALUMA VALLEY HOSPITAL:

September minutes and financials from the SRM Alliance Board meeting held on October 23, 2012 were distributed to Directors.

Todd Salnas, COO, SJH and Jaynie Boren, Regional Vice-President for Strategic Planning, SJH presented the PVH Annual Report. Items reviewed included Strategic Initiatives for Fiscal Year 2011-2013 and recent successes related to Petaluma Valley Hospital.

In 2012 Petaluma Valley Hospital had no hospital acquired conditions. From a quality stand point, this is a very positive recognition.

The hospital sustained growth in digital mammography and is looking at ways to continue to grow. The Managed Care Contract Alignment also helped to change contracts with insurance companies and there has been significant growth in physicians joining the Annadel Medical Group.

On the topic of payor mix, Medicare went from 38% to 40% which results in changes to financial indicators. Outmigration continues to be an avenue of focus in determining ways to bring patients into our community and St. Joseph Health is looking at ways to offer various health plans available to employers.

Statistics for ED visits included a total of 17,506 patient visits with 15,411 visits without admittance and 2,095 with admissions. There are a total of 256 physicians on staff and 395 employees. The average daily census was 25.7 and the average length of stay was 3.3 days.

Petaluma Valley Hospital serves Petaluma residents, Dillon Beach, Tomales, Marshall, Valley Ford, Rohnert Park, Cotati, and Penngrove. Service area out-migration has increased since CY08. Of the 7,266 cases out-migrating, 44% are going to a Kaiser facility. An additional 22% are going to SRMH.

SJHS Northern Region market share in the PSA has been declining, but have seen a small increase in CY 2010. Kaiser Health System's market share in the PSA had been increasing until CY 2010 when it saw a 1.06% decrease.

Patient experience is a priority and St. Joseph Health continues to focus on timely access, safety, and high reliability. Strategic Initiatives on Quality include reduction in mortality, re-admissions, a redesign of work, and providing the technology needed to reduce variations and provide efficient, integrated care.

In addition, a goal to build a regional referral center, including local and system-wide infrastructure was shared.

Integrated Delivery System (IDS) is also a Strategic Initiative. This would include implementing EMR across the IDS continuum, coordinate patient care and manage transitions, develop the capability to operate as an ACO, and utilize hospice, home health, palliative care, and other outpatient services.

There were no major payor mix changes in Fiscal Year 2011 and Fiscal Year 2012.

Under Employee Engagement & Wellness Strategic Initiative, established goals are to engage St. Joseph Health employees as meaningful partners in realizing St. Joseph Health's mission outcomes and improve the health of employees. An Employee Engagement Survey was completed by PVH employees and process will be implemented to improve in the areas that showed low results.

Focuses around reducing childhood obesity, untreated dental decay among children and improving the health of the community by developing a medical fitness center are also part of the Strategic Initiatives in the Wellness & Health Improvement area.

The Community Benefit strategy for the St. Joseph Health System Sonoma County is based on integrating actions through three strategic elements that address the political, social, behavioral and physiological determinants of health.

Key strategies under the Community Benefit Plan include Children's Healthy Weight Initiative, Youth Alcohol Abuse Prevention Initiative, and the Care Management for Low-Income Seniors Initiative.

PVH income for fiscal year 2011-2012 shows a loss of 1.9 million with capital expenditures totaling 4.4 million. Continued improvements in productivity and a focus on improving cost/adjusted discharge by reviewing clinical practices is a positive change for the FY13 budget. Action plans for operational and financial improvements are being implemented. Reimbursement from Medicare will impact FY13 around Meaningful Use.

Key Strategies for the future include an integrated delivery system, regional referral and cost structure.

The Board of Directors thanked Mr. Salnas and Ms. Borin on their PVH Annual Report.

ADJOURN TO CLOSED SESSION:

Due to conflict of interest issues, President Adams and Director Steady removed themselves from the October 24, 2012 Board meeting. Vice-President Ostroff will be responsible for the officiating the meeting.

Due to time restraints and the request for the full board to be present during the discussion of employee matters, Section 54957.6 regarding employee matters will be postponed until the November 28, 2012 meeting.

Vice-President Ostroff 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.**

ADJOURN TO OPEN SESSION:

Vice-President Ostroff adjourned the meeting into open session and reported no action was taken during closed session.

FISCAL SUSTAINABILITY:

The September 30, 2012 Financials were reviewed and approved as written. It was noted as of September 30, 2012 the Statement of Net Assets reflected assets of \$15,124,817 and liabilities and deferred revenue of \$2,312,874 leaving the net fund balance at \$12,811,943.

A letter from Matson and Isom acknowledging the excellent work completed by the Accounting Department during the recent PHCD Audited Financials was shared. A full report will be presented at the November Board meeting.

The Asset Management Committee held their meeting on October 22, 2012 and reviewed the Quarterly Financial Report. The Camden Project is underway and they are evaluating data received from St. Joseph Health along with reviewing the current Lease. Ramon Faith continues to be in touch with Mr. Valentine who is overseeing this project. Asset Management Committee will be utilized as the Committee who will be working with Camden on completing this project.

COMMUNITY HEALTH:

Community Health Initiative for Petaluma Area (CHIPA) continues to identify and prioritize the health issues that impact the Petaluma community.

South County Behavioral/Mental Health is also focusing on identifying the gaps in the Petaluma Community that relate to Behavioral and Mental health. This committee will be a sub-committee of the CHIPA committee.

COLLABORATION AND PARTNERSHIPS:

At the recent Business Development Committee it was recommended to not move forward with a contractual arrangement with Dunakilly to develop a master site plan for the PVH

Campus at this time. This is due to the recent findings from the City of Petaluma Planning Department locating documents that reflect previous work around a Master Site Plan for the PVH Campus. Once the District has determined their scope of work, Dunakilly will be considered to submit their proposal for Phase II of the project for the PVH Campus.

Healthy Community Consortium provided an update on their current accomplishments, activities, goals and projects that are currently being developed. The District provides a yearly sponsorship of \$15,000 to Healthy Community Consortium.

INFRASTRUCTURE DEVELOPMENT:

The Board approved the proposed Board Orientation Packet. Recommendation was made for newly appointed Directors to review with District Council any conflict of issues they may have in their role as a Director.

Newly appointed Directors will be sworn in on December 7, 2012 at 12:00 noon.

PRESIDENT’S REPORT:

Upcoming Events were reviewed. Any interested Directors who would like to attend the ACHD Legislative Day or the Annual meeting is to contact Suzanne Cochrane, Board Clerk.

The November/December board meeting is scheduled for November 28, 2012.

ADJOURN:

Vice-President Ostroff adjourned the meeting at 9:10 pm.

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Clerk