

**MINUTES OF THE FEBRUARY 22, 2012 REGULAR MEETING OF THE  
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

**CALL TO ORDER:**

President Adams called the meeting to order at 6:15 pm in the conference room at 1425 N. McDowell Blvd.

**PRESENT:**

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

**ALSO PRESENT:**

Suzanne Cochrane, Board Liaison  
Ramona Faith, CEO  
Rick Nadale, Controller  
Todd Salnas, COO, SJHS  
Tom Gaebe, Community Member

**CONSENT CALENDAR:**

**A motion was made by Director Ostroff, seconded by Director Thornton to approve the Agenda as written. The motion was approved by all present.**

**A motion was made by Director Ostroff seconded by Director Steady to approve the January 11, 2012 minutes as written. This motion was approved by all present.**

**PUBLIC COMMENTS/ QUESTIONS:**

Director Steady asked if clarification regarding conflict of interest has been obtained regarding members participating on a Board appointed Advisory Committee. Ramona Faith has been in contact with District Counsel regarding this request and is awaiting a response. Recommendation was made to schedule a conference call with District Counsel to include Director Steady and Ramona regarding any conflict of issue questions.

**BOARD COMMENTS / QUESTIONS:**

Discussion ensued on scheduling Board ipad training. Recommendation was made to schedule an ipad training for Board of Directors from 5:30pm to 6:15pm at the March Board meeting. Suzanne will make these arrangements and communicate to Board members.

### **CEO REPORT/UPDATE**

Directors reviewed the February CEO Report asking for clarification on gathering data for the Heart Safe Community project. Ramona reported that a committee consisting of EMS personnel from the Fire Department, representation from the American Heart Association, Healthquest and Maria Larsen are gathering data for the Petaluma area and will be bringing this information to the Board when available.

### **FINANCE REPORT:**

Rick Nadale presented the financial report noting the year to date Statement of Revenue and Expense shows a profit of \$12,978 which is \$263,505 better than the budgeted year to date loss of \$250,527.

The District's rate of return on investments decreased .03% to 4.99% for January 2012.

A year to date report for the Petaluma Women's Health was distributed. PHCD spent \$37,912 in the month of January 2012 for Petaluma Women's Health (PWH) operational expenses. PWH made a \$35,000 reimbursement payment to the District in January. The note receivable from PWH at the end of January reflected a balance of \$703,772 on the District's books.

Ramona and Rick recently met with Petaluma Women's Health physicians who are considering proposals from RRMG and Annadel Medical Group. A decision is expected to be received by the end of March. Once the decision is made it will take about four months for the transition to occur. The physicians are also working to develop an integrated model with Petaluma Health Center who would contract with the entity they select. Dr. Kosinski and Dr. Clark would like to present the integrated model to the full Board at a future meeting once a medical group has been selected.

### **BOARD COMMITTEE MINUTES:**

#### ***Asset Management Committee:***

Director Thornton reported individual meetings were held with Petaluma Council members, Browman Development Company, Ramona and Rick to discuss the project for the District's Lynch Creek property. At these meetings, Ramona reviewed the District's mission, vision, and strategic priorities, including desire to explore opportunities to increase revenue which could then be reinvested into our community. Meetings were very positive

and a conference call has been arranged for next week with Browman Development Company to discuss our next steps.

***Director Powell removed herself from the meeting for the next discussion.***

Rick Nadale brought forth to the Asset Management Committee the outstanding loan that was advanced to the Petaluma Health Center in the amount of \$200,000 due and payable to the District by December 31, 2011. The Petaluma Health Center requested this loan due to the delay in receiving meaningful use funds. To date the Health Center has not received the meaningful use payment.

Rick explained that in discussions with Tim Moran, the Petaluma Health Center could pay back \$100,000 at this time. The MOU could then be re-written for the remaining loan of \$100,000 to the Petaluma Health Center.

Discussion ensued with Directors concerned that the MOU with the Petaluma Health Center has expired and requested a revised MOU be prepared to include built in late fees and notification dates if a delay in payment is necessary. In addition, future discussions for loans should be focused around partnering for possible programs/projects pertaining to wellness in the community.

**A motion was made by Director Thornton to receive at this time a payment of \$100,000 from the Petaluma Health Center and the remaining \$100,000 continue as a loan with payment due to the Petaluma Health Care District by May 31, 2012. This loan shall be prepared to include built in penalties or increase in interest rate should payment not be received. This motion was seconded by Director Ostroff and approved with a vote of 4 ayes, 0 noes, and 1 abstains.**

***Director Powell returned to participate in the meeting.***

A further recommendation was made for the Petaluma Health Center to provide an overview on their programs/services offered to the community at an upcoming Business Development Committee meeting.

It was also noted that the Petaluma Health Center offers Kaiser as an insurance choice, an option that does not support the community hospital. As the District moves forward with partnering with the Petaluma Health Center, a discussion to offer additional health care insurance choices should occur.

***Petaluma Valley Hospital:***

Todd Salnas, COO, SJHS, provided a report on Petaluma Valley Hospital.

Todd announced a new OB Manager has been hired and recently started in her position at PVH.

A Hospital Stewardship Committee meeting occurred with staff sharing their concerns regarding a proposed reduction in on-call pay for PVH nurses. The Stewardship Committee meeting was well attended allowing the opportunity for staff to voice their concerns regarding issues at PVH. One issue was around per diem staff working more than a fill in role and not receiving benefits. In looking into this concern, it appears the volumes have continued to be higher than budgeted on a regularly basis and PVH will be adding two new full time CNA positions and maintain a monitoring of continued volume to avoid any layoffs. As the budget was developed with a projection of a daily census of 16, the census has been averaging at a higher rate than anticipated. Todd expressed that it is not in SJHS values to not provide benefits but noted the difficulty in projecting staffing needs as based on projections.

An interim CNO who was hired five months ago will be leaving and temporarily filled with a new Interim CNO, Rhonda Foster, while the search for a permanent CNO continues. The CNO who is leaving played a major part in restructuring around nursing professional development with a leader that is very dedicated to this project. This will create an area wide nursing excellence education in the professional development area.

Next week, the roll-out of the first phase of a two phase process to meet the meaningful use requirements is scheduled for February 28, 2012. With this roll-out, the goal to have 30% of physician participation under meaningful use requirements will be reached. The Medical Executive Committee of PVH supported an expectation that in 30 days from date of the first phase roll-out all doctors will be using CPOE for order entry at PVH. The nursing staff will be going live with CPOE on April 2<sup>nd</sup>, 2012.

Todd further reported that CNA negotiations were re-opened and is still ongoing. A new physician has been added to the El Rose Medical Group as well as a full time Intensivist starting at PVH on March 22<sup>nd</sup>. The SJHS Chief Information Officer has resigned with a new interim hired for a nine month period to assist in the roll out process.

Two Surgeons have committed to cover call for 14 days and SJHS is working on a contract for two additional surgeons to cover outstanding call days in a month. There have been a total of seven doctors that have signed contracts with Annadel Medical Group with two more physicians currently in the negotiation process. Discussions with Petaluma Women's Health practice have also occurred.

Two Orthopedic Surgeons have dropped their provisional status to courtesy at PVH to focus more on completing surgeries at SRM. Todd is in the process of contacting Redwood Regional Medical Group to confirm continuation of providing specialty

orthopedic surgery at PVH.

Board of Directors asked if the Petaluma Health Care District could assist in any way to maintain orthopedic specialty surgeries at PVH. For example, purchasing of special orthopedic equipment. Todd encouraged the District to communicate with Redwood Regional Medical Group regarding status of surgeons, but did not feel that additional specialty equipment was needed for the orthopedic surgeons to continue at PVH.

Todd reported the PVH Budget was built with a deficit due to the implementation of the electronic medical record project. Current Medicare mix at PVH makes up 48% of the volume. If cost structures can be reduced close, insurance rates could be able to be offered competitively.

Ramona discussed the willingness of the District to partner with PVH by offering financial support up to \$500,000 per year for three years, on a project that would increase volume and services at PVH. Ramona reviewed a list of items that were not necessarily volume enhancing. Todd will be working with Jane on completing a list of possible PVH projects for consideration by the District for partnering.

Ramona reported on a recent meeting with MaryAnn Pises and Kent Waldsmith of CalHIPSO regarding physicians obtaining meaningful use criteria to receive higher reimbursement rates from Medicare. In discussions with Kathy Ficco, it was noted that all physicians in the area have been offered assistance for meaningful use certification. Discussions have occurred regarding the District sponsoring a luncheon/dinner for local physicians to offer assistance through CalHIPSO to support the process for meaningful use criteria. A survey is currently being completed to determine how many physicians are not meaningful use certified.

Director Powell recently participated in the SJHS Trustee Conference that was very informative and appreciated the opportunity to attend. Director Powell noted that physician alignment was an item of importance discussed at this conference.

Todd explained a recent communication relative to a potential accidental disclosure of personal health records from Santa Rosa Memorial Hospital and Petaluma Valley Hospital, as well as three other SJHS ministries. Since discovering this situation, files have been secured within their system and are working to eliminate residual or archived information from the Internet.

Ramona will be presenting the District's Strategic Plan to the SRM Alliance Board on February 28, 2012. As part of the District's Strategic Plan preliminary discussions regarding the lease with SJHS will begin.

Todd noted that SJHS is interested in entering into discussions not knowing exactly what

the relationship will look like.

***South County Behavioral Health Collaborative:***

At the January South County Collaborative meeting it was decided to revise their committee to South County Behavioral Health Collaboration. In addition, the committee restructured their format to be a committee that would make recommendations to CHIPA in the areas of service need that relate to behavioral health. A sub committee was developed to review the intake process for psych patients at Petaluma Valley Hospital. This sub committee will be reporting at the March South County meeting.

***Community Health Initiatives for Petaluma Area:***

Director Thornton reported the CHIPA Committee has grown with representation from the County, City, Kaiser, SJHS, non-profits, and the school district. The Committee is in the process of looking at complex data that relates to needs assessments and recently heard a presentation from Peter Rumble of the Sonoma County Department of Health Services. Peter believes that Sonoma County can become the healthiest county in the US and is looking forward to working with the CHIPA Committee to accomplish this goal. Peter also noted that specific data for our area can be prepared along with possible funding for additional programs in our area should be forthcoming.

***Business Development Committee:***

Director Steady reported on the first meeting of the Business Development Committee where discussions occurred on the focus of the Committee. A proposed Committee Charter was reviewed and approved and is presented at this meeting to the full Board for final approval. In addition, Dunakilly will be invited to attend the March 19<sup>th</sup> Business Development Committee to review their proposal and discuss strategic planning goals of the District.

***President's Report:***

President Adams noted Legislative Days in Sacramento are scheduled for May 16<sup>th</sup> and 17<sup>th</sup>. Any Directors interested in attending were to contact Suzanne Cochrane, Board Liaison.

Ramona will be presenting at the Wake Up Petaluma Chamber of Commerce event scheduled for Tuesday, February 28, 2012. In addition, on February 28<sup>th</sup>, Ramona will be presenting the Strategic Plan to the SRM Alliance Board. The Health Care Reform Forum has been rescheduled for May 3, 2012 with Herb Schultz the guest speaker. Mr. Schultz

comes to us from the US Department of Health and Human Services. This will be a community event.

The next Board meeting is scheduled for March 28, 2012. Reminder that this meeting will include an IPAD training during dinner.

#### **STRATEGIC DIALOGUE:**

##### ***Update on Strategic Implementation Plan:***

Discussion ensued regarding reporting of the Committees to be placed under this category. Board supported this recommendation and will revise the Agenda to reflect this change for the next Board meeting.

##### ***Board Assignments and Role of Assigned Member***

Board members discussed representation by Board of Directors who participate on other committees and the responsibility to relay consensus reached by the Board and not report individual opinions. It was also noted that this is a political position and at times the consensus may not be the decision of that board member representing the District.

##### ***Business Development Committee Charter:***

**A motion was made by Director Ostroff, seconded by Director Powell to approve the proposed Business Development Committee Charter as written. This motion was approved by all present.**

#### **ADJOURNED TO CLOSED SESSION:**

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

**Government Code Section 54956.8 closed session regarding employee matters.**

#### **ADJOURN TO OPEN SESSION:**

**President Adams adjourned the meeting to open session and reported that no action was taken in closed session.**

President Adams wanted to update the Board about a meeting with the Petaluma Community Foundation Board President and Executive Director regarding the proposed PCF Business Plan. At this meeting, it was agreed that the Petaluma Community

Foundation would not be presenting their proposed business plan until after the April 21<sup>st</sup> fundraising event. This is due to obtaining a better understanding of their fundraising abilities after this event and provide time to focus on fund development vs business plan development.

Rick Nadale distributed a budget analysis of the Foundation. The Board stressed they were in support of the Foundation's mission but indicated a different business plan needs to be developed to sustain the Foundation with the first priority to be community giving.

President Adams asked for support of the Board for Ramona and Fran to share concerns discussed at this meeting with the Foundation Board. Discussion occurred with the full Board recommending a joint board meeting be scheduled. The purpose of this meeting would be to share the Boards concerns regarding the use of the funds and the willingness to work together to develop a business model that would be beneficial to the community.

**DISCUSSION OF PUBLIC COMMENTS:**

There was no discussion.

**PLUS/DELTA:**

Participants felt it was a very informative meeting.

**ADJOURN:**

President Adams adjourned the meeting at 9:05 pm

*Respectfully submitted,*

Stephen Steady, MD, Board Secretary

**RECORDED BY:**

Suzanne Cochrane, Board Liaison

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