

**MINUTES OF THE MAY 23, 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:

Kitty Brown, RN, PVH
Ramona Faith, CEO
Rick Nadale, Controller
Todd Salnas, COO, SJHS
Julie Steinberg, RN, PVH

CONSENT CALENDAR:

A motion was made to approve the May 23, 2012 Agenda and the April 25, 2012 minutes by Director Powell and seconded by Director Ostroff. This motion was approved by all present.

PUBLIC COMMENTS:

Julie Steinberg, RN, Petaluma Valley Hospital distributed a letter with signatures from PVH nursing staff addressed to Fran Adams, Board President, and the PHCD Board. The letter indicates concern from the nursing staff about the Board's disregard for issues raised regarding recent changes at Petaluma Valley Hospital. In addition, Kitty Brown, RN, PVH, stated that concerns expressed by the nursing staff are not related to negotiations but focus on the operations of Petaluma Valley Hospital.

Director Steady requested specific examples pertaining to their claims in order to address their concerns. Director Steady also stated that reports pertaining to patient care provided to the District Board reflect positive feedback regarding their service and patient care at PVH.

Kitty Brown will provide the Board with documentation on specific issues within 10 days but noted information is also available on the nurse's website.

Director Ostroff noted his focus for being on the Board was to address concerns relative to the hospital, but without specific examples the Board is not able to address the nurses' concerns. It was also explained that the Lease outlines the relationship between the Board and SJHS that sets specific limitations on areas the Board can make recommendations or changes.

Ramona Faith reminded the nursing representatives that a Hospital Stewardship Committee meeting was scheduled with management from SJHS, PVH, and PHCD for concerns brought forth from the nursing staff to be discussed in an open meeting. It is the Board's understanding that some recommendations from the Hospital Stewardship Committee meeting have been implemented and addressed by SJHS.

In addition, the PHCD Board noted PVH has received positive patient surveys indicating excellent care is being provided at PVH, has been recognized from JCAHO, and has been listed in the top 100 hospitals of its size in the Nation.

Nursing representatives ended their presentation by stating that documents with specific examples will be forwarded to the PHCD Board of Directors.

BOARD COMMENTS:

There were no board comments.

CEO REPORT:

Ramona Faith reviewed the CEO report with Directors with no questions raised. Ms. Faith provided an update on the current status of the Walgreen's project, noting that the City Planning Department has forwarded an itemized list of requirements to Jim Stephens to be completed before moving forward. Mr. Stephens, Ms. Faith and Richard Nadale are working to obtain clarification from City Council on the possibility of a tiered policy for pick up windows.

Ramona Faith and Rick Nadale attended the recent ACHD Annual Conference held in Tahoe in May. Ms. Faith encouraged Directors to attend the May 2013 ACHD Conference.

PETALUMA VALLEY HOSPITAL:

Director Powell reported on the SRM Alliance Board meeting, noting a presentation on Strategic Planning for Petaluma Valley Hospital was shared. Focuses of the Strategic Plan are to reduce costs, increase revenue while maintaining quality of care, and adjust to criteria established in the Health Care Reform Act.

Ms. Faith recommended time be set aside for the District Board to meet with SRM Alliance Board and review the SJHS Strategic Plan for Petaluma Valley Hospital and discuss ways to work together to enhance services for PVH.

Todd Salnas supported the recommendations to hold a joint meeting with the two Boards but suggested working in smaller groups to evaluate projects that enhance the services at PVH and then bring forth information to the two boards. This recommendation was supported by PHCD Board.

Ramona Faith shared with Todd Salnas information presented from the nursing representatives in open session stating recent layoffs had occurred in the Operating Room and asked for clarification. Mr. Salnas will research this information and get back to Ms. Faith.

Ms. Faith also asked Mr. Salnas to provide information regarding the Western Health Alliance Insurance Plan and the impact to the physicians and the community. As the District is in support in developing a position to promote the newly proposed health insurance product, the Board of Directors would like to have information as to how the system will work for local physicians. This topic will be discussed in closed session.

Mr. Salnas reported PVH is focusing on improving quality while managing costs effectively and has seen a reduction in mortality data. The Stroke Program continues to move forward with the focus on securing a neurologist with the goal to obtain accreditation within six months.

SRM Alliance Board approved a budget for PVH and SRM that included a \$10 million dollar reduction in costs. Petaluma Valley Hospital's budget includes a \$1 million dollar loss for IT implementation. PVH Benedetti Fundraiser was very successful raising funds to purchase ICU Monitors. Reduction in call pay has been implemented. The Hospitalist Program continues to be defined with the current focus on selecting four physicians to cover PVH. The EMR program for physicians has been implemented and is working out issues as they arise. The Medical Staff leadership agreed that all physicians will be using the IT system by May 31, 2012.

ADJOURNED TO CLOSED SESSION:

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

Trade Secrets (Health & Safety Code Section 32106(B). Discussion will concern, physician/hospital agreements, HMO agreements, inter-hospital agreements, management services agreements and development of new services and programs. Estimate date of public disclosure: October 2012

Government Code Section 54957.6 closed session regarding employee matters.

ADJOURNED TO OPEN SESSION:

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

A motion was made by Director Ostroff and seconded by Director Powell to hire a consultant to evaluate the gifting opportunities and growth potential of PCF in the Petaluma community. This motion passed by all present.

FISCAL SUSTAINABILITY:

Rick Nadale presented the April 30, 2012 financials noting the Statement of Net Assets reflected assets of \$15,505,582 and liabilities and deferred revenue of \$2,698,088 leaving the net fund balance at \$12,807,494.

The year to date Statement of Revenue and Expense shows a loss of \$25,939 which is \$27,334 better than the budgeted year to date loss of \$53,273. The District's rate of return on investments decreased .11% to 4.69% for April 2012.

PHCD spent \$31,676 in the month of April 2012 for Petaluma Women's Health (PWH) operational expenses. PWH reimbursed the District \$30,000 in April. The note receivable from PWH at the end of April reflected a balance of \$739,083 on the District's books.

Rick Nadale presented Draft #1 Fiscal Year 2012-2013 Budget reflecting a \$1.5 negative operating budget. The draft budget includes losses to the Petaluma Women's Health of \$600,000, elections costs and consultant fees as outlined in the District's Strategic Plan. Mr. Nadale asked the Board to review the draft budget and submit questions directly to Mr. Nadale and staff will be reviewing the Draft budget for possible reductions and present the final budget at the June PHCD Board meeting.

COMMUNITY HEALTH:

Due to time restraints, this topic was not discussed.

COLLABORATION AND PARTNERSHIPS:

Due to time restraints, this topic was not discussed.

INFRASTRUCTURE DEVELOPMENT:

Due to time restraints, this topic was not discussed.

PRESIDENT'S REPORT:

Items pertaining to this section were included in the Board packet.

DISCUSSION OF PUBLIC COMMENTS:

There were no items discussed.

PLUS/DELTA:

No comments were made.

ADJOURN:

President Adams adjourned the meeting at 9:20 pm.

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Clerk