

**MINUTES OF THE JULY 22, 2010 REGULAR MEETING OF THE
PETLAUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

President Ostroff called the meeting to order at 6:20 p.m. at the Petaluma Health Care District, 1425 N. McDowell Blvd., building conference room.

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:

Suzanne Cochrane, Board Liaison
Daymon Doss, CEO
Tristan Kouk, Administrative Fellow, SJHS
Rick Nadale, Controller
Todd Salnas, COO, SJHS

CONSENT CALENDAR:

A motion was made by Director Adams, seconded by Director Powell to approve the July 22, 2010 Agenda and the June 24, 2010 minutes noting corrections in the minutes under section Petaluma Valley Hospital from *Annadel Model to a managed care contract model and payor mix to third party payor mix*. This motion was unanimously approved by all present.

PUBLIC COMMENTS / QUESTIONS:

Todd Salnas, COO, SJHS, introduced Tristan Kouk, Administrative Fellow, through SJHS.

BOARD COMMENTS / QUESTIONS:

There were no Board comments.

CONFLICT OF INTEREST CODE:

Suzanne Cochrane, Board Liaison, reviewed the 2010 Biennial Conflict of Interest Code for review by PHCD Board of Directors. Ms. Cochrane explained the Conflict of Interest Code is established guidelines for completing the annual Economic Interest Forms, a responsibility of each Board of Director. The Conflict of Interest Code Appendix outlines specific positions responsible for completing an annual economic interest form.

After review by Directors, a motion was made by Director Powell, seconded by Director Adams to approve the Conflict of Interest Code as written. This motion was unanimously approved by all present.

STRATEGIC PLANNING COMMITTEE REPORTS:

Asset Management Committee:

Director Thornton reported the Asset Management Committee met with Bill Sullivan, Bank of Marin, for an annual review of the District's Investment Policy Statement. Revisions included a reduction in corporate bond investments to 65% of the District's portfolio. Reductions in corporate bond investments will continue once maturity of corporate bonds occurs and the District reaches a goal of 35% to 40% invested in corporate bonds. As corporate bonds are scheduled to mature, this goal should be reached within the next few years.

At the July 14, 2010 Asset Management Committee meeting, the District's Investment Policy Statement was approved. A copy of the approved Investment Policy Statement was distributed to Directors for their information.

Director Thornton further reported the Asset Management Committee is exploring options for the use of the 1301 Southpoint building with the Petaluma Health Center scheduled to move into their new facility in November 2011. As the District receives income through rent of this space, the Committee is looking at ways to continue to maintain revenue earnings for this property.

Daymon Doss, CEO, provided an update on the status of the OIG Settlement. The District's attorney prepared a settlement offer of \$350,000 to SJHS Attorney with negotiations occurring and a final settlement agreement totaling \$419,000. This was presented to the Asset Management Committee and approved. Documents have been prepared, signed by the District and forwarded to SJHS for final signatures.

Petaluma Valley Hospital:

Director Thornton stated the SRM Alliance Board did not meet in July.

Todd Salnas, COO, SJHS, updated the Board of Directors on issues relative to general surgery call coverage for the PVH Emergency Department. As the current contract ended June 30th, general surgeons have been in communication with SJHS requesting an increase in on-call pay. With a restricted budget for on-call services at PVH, there is limited funding available to hire Locums. SJHS is very supportive in maintaining emergency surgeries at Petaluma Valley Hospital but within the budget restrictions. With the hiring of Locums for the month of June to cover necessary vacancies, the budget does not allow for Locums to be hired on a regular basis. Therefore, when necessary, Santa Rosa physicians will be covering any vacancies for the month of August. Mr. Salnas will continue to work with the on-call surgeons to develop a system that will work for both the surgeons and SJHS while staying within budget restraints.

Discussion ensued regarding SRM physicians covering at PVH or patients being transferred to Santa Rosa Memorial and the process for patients to receive follow up care in Petaluma. If patients are required to receive follow up care in Santa Rosa, Petaluma could lose potential patients.

Mr. Salnas noted that patients seen by Locums will be asked by local physicians to provide follow up or continued care to these patients and understands the concerns regarding Santa Rosa on call physicians providing follow up care to Petaluma based patients.

Board of Directors expressed concern over the transferring of patients to Santa Rosa Memorial that could give the Community an impression that surgeries are not being done at Petaluma Valley Hospital or a message relayed that PVH is not a full service hospital.

Mr. Salnas understands the Board's concerns and stressed that SRM Alliance is also in support of providing on-call surgery coverage and will continue to take the appropriate steps to obtain full coverage in accordance with the communication from SRM Alliance to the PHCD Board of Directors.

After lengthy discussion, if coverage remains an issue in August, this topic of General Surgery on-call coverage for PVH Emergency Department will be placed as a closed session item for the PHCD Board of Directors meeting scheduled for August 26, 2010.

Mr. Salnas reported the June financials for Petaluma Valley Hospital indicate a \$19,000 loss and year end financials are at a \$600,000 profit. The ER Advertising Campaign for patients to receive care within 30 minutes when visiting the ER at PVH is underway with positive responses received.

Mr. Doss is working with the City of Petaluma to obtain additional Hospital signage to be placed throughout the Petaluma Community.

Hospital Stewardship Committee:

Director Adams noted the June 23, 2010 minutes were included in the packet and no further meeting has been scheduled.

Joint Venture Committee:

Director Steady updated the Board on the upcoming Regional Action Plan (RAP) meeting scheduled for July 30, 2010.

Director Steady expressed concern over the lack of physician participation for the July 30th RAP as well as the commitments from the Districts to move forward with the next process.

Mr. Doss noted that invoices have been sent to participating Districts but no payments have been received to date. SJHS has provided their payment through Council support.

Physician Relations Committee:

Mr. Doss is working with Dr. Guerra on the closing of her practice with the District maintaining her patient medical records. Patient letters have been sent from Dr. Guerra announcing the District's involvement and outlining the process for obtaining their medical record. Petaluma Women's Health has sent a second letter to Dr. Guerra's patients with information pertaining to the PWH practice.

The Board asked if patients that request their records be monitored by zip code to reflect the number of patients that are leaving the area and seeking patient care elsewhere. Mr. Doss will work with Leenie Atwood on this request.

South County Mental Health Collaborative:

Director Adams reported the next meeting of the South County Mental Health Collaborative is scheduled for September 16, 2010.

WORK ITEM: REPORTS

President's Report:

President Ostroff reviewed the current on-going task list with no changes or additions noted by Directors.

CEO Report:

Information pertaining to the Next Gen's Annual Bunco and Texas Hold'em Tournament was distributed noting Lifeline will be a major sponsor of this event.

Mr. Doss and Maria Larsen, Lifeline Manager, will be meeting with SJHS to discuss their recent conversations pertaining to the establishment of an exclusive contract with another organization that provides similar products. The current Lease between SRM Alliance and the PHCD has a non-competitiveness clause included as well as the mentioning of a Lifeline Program as part of the Petaluma Health Care District.

ADJOURN TO CLOSES SESSION:

President Ostroff adjourned the meeting to closed session pursuant to the following:

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

ADJOURN TO OPEN SESSION:

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

DISCUSSION OF PUBLIC COMMENTS:

No items were discussed.

NEXT STEPS:

No items were discussed.

ADJOURN:

President Ostroff adjourned the meeting at 8:50 p.m.

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane