

**MINUTES OF THE JULY 27, 2011 REGULAR MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

President Adams called the meeting to order at 6:15 p.m. 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
Suzanne Cochrane, Board Liaison
Ramona Faith, CEO
Lucinda Lofftus, RN, PVH
Richard Nadale, Controller
Jane Read, VP of Operations, PVH

CONSENT CALENDAR:

A motion was made by Director Thornton, seconded by Dr. Ostroff to approve the May 25, 2011 Minutes, June 22, 2011 Minutes and revised the July 27, 2011 Agenda to reflect postponing a presentation by Pointe West Pacific Alliance to the August 24, 2011 Board meeting. This motion was passed by all present.

PUBLIC COMMENTS / QUESTIONS:

Kitty Brown, RN, PVH requested confirmation of the Hospital Stewardship Committee meeting scheduled for August 11, 2011 at 4:30 p.m. and questioned if an Agenda would be prepared prior to the meeting.

Discussion ensued noting the Hospital Stewardship Committee has been confirmed for August 11th and a notice will be sent to Committee members.

Kitty Brown will forward information pertaining to the appropriate contact person to send Committee notices too.

BOARD COMMENTS:

There were no Board comments.

POINTE WEST PACIFIC ALLIANCE, INC PRESENTATION:

This topic was postponed until the August 24, 2011 Board meeting.

BOARD COMMITTEE REPORTS:

Asset Management Committee:

Director Powell removed herself from the meeting during the topic of the Petaluma Health Center.

Rick Nadale, Controller, has received a request from the Petaluma Health Center to draw down from the approved loan of \$1.338 million in the amount of \$300,000. Mr. Nadale further explained that the terms of the original loan have been revised due to the request from Cal Mortgage that no repayments of any debt may occur prior to July 2013 with the first payment due to the District in July 2013. The Petaluma Health Center has offered to set up a restricted fund in which monthly payments will be deposited and available to the District in July 2013. The note between the Petaluma Health Care District and the Petaluma Health Center stated that the loan will be fully paid by June 2017.

Discussion ensued regarding the affect of the District's cash flow due to no payments received until July 2013 and if the 2011-2012 Budget included payments from the Petaluma Health Center.

Rick Nadale explained that no repayment of the loan to the District was included in the 2011-2012 Budget.

It was further noted that the Petaluma Health Center may be requesting financial assistance from the Petaluma Health Care District due to recent reduction in Medicare payments and the non passing of the State Budget.

A motion was made by Director Thornton to approve the disbursement of \$300,000 from the approved \$1.338 million loan with the MOU to include compound interest to accrue on monthly

payments, an option to collect all of the cash plus interest that has accrued in the restricted fund in July 2013 and to revise the final payment date to be February 2017. This motion was seconded by Director Ostroff and approved by a vote of 4 ayes and 1 abstains.

Petaluma Valley Hospital:

Jane Read indicated Petaluma Valley Hospital financials reported positive income for the month of June 2011 due primarily to a high census. Staffing issues occurred due to a high census that also resulted in the transferring of patients.

Managers continue to evaluate and work with staff on ways to improve patient satisfaction issues as reflected on employees' evaluations. The majority of staff understands the patient satisfaction rating shown on evaluations with managers acknowledging staff in other avenues.

Stroke Certification continues to move forward and PVH has begun planning presentations and conducting chart audits that will demonstrate the efforts in developing standards for stroke certification.

Ms. Read noted there are seven projects to be implemented in FYE 2012 with management evaluating the most affective and efficient way to implement these projects.

The OB Department has installed a new floor and received new paint. Currently researching the cost to update desks and furniture in the OB Department is taking place.

Ms. Read responded on a question regarding developing an Inpatient Hospice facility in Sonoma County raised at last month's Board meeting, noting that research supported a facility that would serve Sonoma County and in order to be successful would need to be located in a area that would serve a larger population. At this time SJHS is still researching what can be done for inpatient services for palliative care and hospice care.

Director Ostroff noted a goal of implementing a partnership with Marin-Sonoma IPA was for physicians to develop relationships between counties and the transfer of patients amongst the counties would occur.

Discussion ensued regarding developing a matrix that will provide data on patients leaving the ER and then being readmitted. Ms. Read will follow up on this request.

Ms. Read also noted the Annual Report has been completed and will be forwarded to Ms. Faith.

Ms. Faith noted that Kevin Klockenga and Todd Salnas will be presenting PVH Strategic Planning information in closed session at the August 24, 2011 Board meeting.

Hospital Stewardship Committee:

The next meeting is scheduled for Thursday, August 11, 2011.

South County Mental Health Collaborative:

The next meeting of this committee is scheduled for September 15, 2011.

Community Health Initiatives for Petaluma Area:

Ms. Faith and Director Thornton have prepared a letter to be sent to various community leaders. A copy of the letter, list of those who will receive the letter and an Executive Summary of the Needs Assessment that accompanied the letters was included in the Board packet. Appointments will be made within the next 90 days for Ramona Faith and a Committee member to meet with the community leader to provide an introduction of the new CEO and to obtain a better understanding about their business, their goals, and what they perceive are the gaps in health care services in the community. A questionnaire developed by Consultant Babs Kavanaugh and Ms. Faith will be utilized during the individual meeting sessions as a tool and will also be used during the District's Strategic Planning sessions under community input.

WORK ITEMS: REPORTS:

Finance Report:

Mr. Nadale noted that the June financials will be available at the August Board meeting as the end of year closing is still in process.

The Auditors will be auditing the District's financials on August 29, 2011 through September 1, 2011.

Mr. Nadale distributed a year to date monthly analysis regarding the Petaluma Women's Health ending in June. The ending loan balance to the District is \$605,000.

Drs. Kosinski and Clark have met with Redwood Regional Medical Group, Annadel Foundation, and Marin-Sonoma IPA to discuss partnering opportunities. Each organization has requested financial information which has been prepared and mailed. Proposals from each organization should be received in the next month and will be reviewed by the physicians at the PWH.

Discussion ensued regarding the continuation of the District supporting a loss to the Petaluma Women's Health. As the District acknowledged the Petaluma Women's Health for their excellent service to providing OB care, the District is concerned about the continued financial impact and the ability to recoup any losses.

President's Report:

President Adams reviewed the upcoming events sponsored by the District and encouraged Directors to communicate to Suzanne if they are interested in attending any of the events.

CEO Report:

Ramona Faith distributed information regarding the implementation of an Employee Assistance Program new to District employees. For a minimal fee paid by the District, District employees can receive a limited amount of counseling services at no cost to the employee.

Ms. Faith also met with Jeannie Calverley, Employer Relations Specialist of the Community Benefits program through SJHS, to discuss the Wellness in the Work Place program offered to local businesses. The District has signed up to receive health related flyers and newsletter information that will be displayed in the office for employees. In addition, conversations with Community Benefits have occurred regarding partnering for offering CPR services to businesses that receive services through the Wellness in the Work Place program. This could be another avenue to increase awareness of what the District provides as well as increase revenue by conducting CPR classes at businesses, and serve a community need.

Ms. Faith also met with Andrea Learned and Pat Schaefer regarding a concern of the Petaluma Valley Hospital Foundation regarding the ability to fundraise. This is due to the uncertainty of who will be operating the Hospital at the end of the Lease. Discussions ensued regarding the District working towards the development of a Strategic Plan and once that has been completed, information to the Community regarding future plans of the hospital can begin.

Discussion ensued regarding continued requests made from Joe Manthey. District requested Ms. Faith to contact District Counsel and prepare a communication to Mr. Manthey regarding the position of the District relative to future programs.

ADJOURN TO CLOSED SESSION:

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

***Government Code Section 54956.8 closed session regarding real property negotiations at 1301 Southpoint.**

***Government Code Section 54957.6 closed session regarding employee matters**

ADJOURN TO OPEN SESSION:

President Adams adjourned the meeting into open session and reported that the Board of Directors approved an extension to the Purchase Agreement for 1301 Southpoint until seven (7) days upon completion of escrow requests and instructed Ms. Faith to meet with the Petaluma Community Foundation's Executive Committee regarding structural and employee issues.

DISCUSSION OF PUBLIC COMMENTS:

There were no items discussed.

NEXT STEPS:

There were no items discussed.

ADJOURN:

President Adams adjourned the meeting at 9:00 p.m.

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Liaison