

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

CALL TO ORDER:

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

Director Thornton reported that the Asset Management Committee approved The Camden Group proposal at the August 21, 2012 meeting for a cost of \$67,000 plus out of pocket expenses. Directors' Thornton, Ostroff, and Powell participated in this meeting and, due to conflict of interest with President Adams and Director Steady, this item was not brought to the full board.

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:

Suzanne Cochrane, Board Clerk
Ramona Faith, CEO
Richard Nadale, Controller
Todd Salnas, Executive VP/COO, SJHS

CONSENT CALENDAR:

A motion was made by Director Thornton, seconded by Director Steady to approve the consent calendar. This motion was approved by all present.

PUBLIC COMMENTS/QUESTIONS:

There were no public comments.

BOARD COMMENTS/QUESTIONS:

There were no Board comments.

DISCUSSION ON PUBLIC COMMENTS:

Ramona Faith, CEO, clarified with District Counsel that quality of care issues brought forth by the nursing staff are not appropriate to be discussed in closed session and should

be handled through a due process established by St. Joseph Health System. The Hospital Stewardship Committee was established as an advisory committee and was designed to facilitate dialogue between PVH employees and hospital management when internal conflict arises that has not been addressed in a manner that satisfies the employee. This committee does not have the authority, accountability or funding to address specific procedural or staffing issues. Items addressed in open comments at PHCD Board meetings should then be discussed through the appropriate processes established.

Discussion ensued regarding the continuation of the Agenda item “Discussion of Public Comments” as a standard Agenda item. President Adams and Ms. Faith will discuss this item off line.

CEO REPORT:

Ramona Faith noted effective September 1, 2012 the Petaluma Women’s Health OB/GYN Office will become part of the Annadel Medical Foundation. During this transition, one District position was eliminated and will not be transferred to Annadel Medical Foundation.

A meeting occurred with Ms. Faith, Rick Nadale, Gary Cahill and Steven Arago representing Dunakilly, and Stephen Rose from the City of Petaluma Planning Department regarding the PVH Master Site Plan. At this time, documents pertaining to the Planned Unit Development EIR Report are still being searched for Dunakilly by the City of Petaluma. The District will be contacting Basin Street Properties to see if they can locate a copy of the PUD EIR Report for the 2008 proposed MOB project. In addition, the District will also be searching the warehouse for these documents. Ms. Faith and Rick Nadale have scheduled a conference call for next week with Gary Cahill and Alan Ada of Dunakilly to discuss the next steps in this process.

The Asset Management Committee approved The Camden Proposal to move forward with the evaluation process of Petaluma Valley Hospital. Ms. Faith has informed SJHS of the District’s Due Diligence process and that contact may be made by The Camden Group to obtain necessary data to complete the Phase 1 project.

Ms. Faith distributed a revision to the current District logo. Discussion ensued with recommendations made.

Through the CHIPA Committee, the District is sponsoring the East Side Farmer’s Market scheduled to begin on September 4th. The District will be manning a booth at these events promoting health and wellness. In addition, the District will be working with the Petaluma Health Center, SJHS, and Kaiser to share this space demonstrating the collaboration of health services in our community.

ACHD staff will be visiting the District on October 8th in their effort to branch out and visit Health Care Districts. Board members are invited to participate and will receive additional information once the Agenda is finalized.

Ms. Faith continues discussions with Todd Salnas, SJHS, and Jaynie Boren, Regional Vice President, regarding a collaborative process to educate and market to the community a new insurance product for Sonoma County residents.

A conference call with Verihealth, Philips, and the District regarding Telemedicine is scheduled.

PETALUMA VALLEY HOSPITAL REPORT:

Todd Salnas, President, St. Joseph Health, Sonoma County, provided updates on the operations of Petaluma Valley Hospital.

Mr. Salnas will be in contact with Ms. Faith to set up a time in October to present the annual Petaluma Valley Hospital report and strategic plan for the future. PVH is in their third year of their Strategic Plan for Sonoma County and is currently working on updating the strategic plan with Executive Management Team with a presentation scheduled in September to the SRM Alliance Board.

Discussion ensued with the Board of Directors recommending the PVH Annual Report be presented to the Asset Management Committee in October in closed session.

A Medication Error Survey was completed with results received last month. This is a standard survey that hospitals must go through on an annual basis. The results of the survey are being reviewed and recommendations developed to improve processes and address areas that the survey indicated needing improvement.

PVH recently had an organ donor resulting in saving four lives. This process required several hours of staff time and SJH is evaluating ways to streamline the process.

A new initiative is being rolled out involving bedside reporting that will occur at the change of shifts. This new process is designed to help share patient care information with the patient and the patient care givers providing a more personalized approach.

Financials for July indicated over budget by \$720,000 for the month of July. There was an increase of FTE's in productivity hours for the month of July due to the implementing of the EMR program at Hospice. In addition, the hospital experienced an increase in productivity hours due to a delay in implementing new standards.

Mr. Salnas reported recruitment continues for the Hospitalist program. SJH is currently working with Annadel Medical Foundation to incorporate a flex scheduling system.

In addition, ongoing dialogue has occurred regarding a new Health Care Plan for Sonoma County residents through Western Health Advantage. This plan is awaiting State approval and is designed to be competitive with other local health plans.

FISCAL SUSTAINABILITY:

July 31, 2012 Financials:

Rick Nadale, Controller, presented the PHCD financials ending July 31, 2012 noting the Statement of Net Assets reflected assets of \$15,542,126 and liabilities and deferred revenue of \$2,619,941 leaving the net fund balance at \$12,922,185.

The year to date Statement of Revenue and Expense shows a loss of \$34,692 which is \$42,500 better than the budgeted year to date loss of \$77,192.

Physician Notes Receivable includes the 2nd deed of trust on the 1301 Southpoint Blvd sale in the amount of \$534,487 as of July 31, 2012.

Fiscal Year Ending June 30, 2012 Financials:

Mr. Nadale presented the financials ending June 30, 2012 with the Statement of Net Assets at \$15,648,002 and liabilities and deferred revenue of \$2,691,125 leaving the net fund balance at \$12,956,877.

The year to date Statement of Revenue and Expense shows net income of \$123,444 which is \$241,104 better than the budgeted year to date loss of \$117,660.

Matson and Isom has been contracted to conduct the annual audit of the District's financials scheduled for the week of September 17, 2012.

In addition, meetings with Summit Bank and Exchange Bank have occurred and are awaiting their proposals for managing the District's investments and banking needs.

Petaluma Women's Health:

PHCD spent \$31,936 in the month of June 2012 for Petaluma Women's Health (PWH) operational expenses. PWH reimbursed the District \$20,000 in the month of June 2012.

For the month of July, PHCD spent \$27,771 for PWH operational expenses. PWH was not able to reimburse PHCD during the month of July 2012. The note receivable from PWH ending July 31, 2012 reflected a balance of \$776,957 on the District's books.

Asset Management Committee Update:

Director Thornton provided an update on the August 21, 2012 Asset Management Committee meeting.

The Petaluma Community Foundation requested an extension of the transition date to September 8, 2012. Ms. Faith approved this request to allow time for the necessary systems to be set in place.

Board of Directors supported the extension but felt that no additional extensions should be granted.

COMMUNITY HEALTH:

Community Health Initiative for the Petaluma Area:

Director Thornton noted that CHIPA has been working on preparing materials based on needs assessment presentations and Health Action documents for the Strategic Planning meeting scheduled for September 11th. At this meeting, the goal of the CHIPA committee is to identify the top health care needs of the community and link them to the Sonoma County Health Action Goals.

South County Behavioral Health Collaborative:

Director Adams reported on the recent meeting of the South County Collaborative which is focusing on community needs, gaps in services, and community assets. The next steps are to link priorities to the Health Action Plan 2013-2016 and the Transitions in Care Committee.

COLLABORATION AND PARTNERSHIPS:

The Business Development Committee did not meet in August.

INFRASTRUCTURE DEVELOPMENT:

Upcoming Election:

Suzanne Cochrane reported there were three candidates that applied for the three open Board of Director positions. These three applicants will fill the open positions eliminating the requirement to hold an election in November. The three applicants are Robert Ostroff, MD, Fran Adams, and Elece Hempel. The swearing in of these positions can be held after the first Friday in December following the November election.

Board Orientation Packet:

Ms. Cochrane distributed a Board Orientation Packet to be used for new Board members. Directors were asked to review the packet of documents and provide any changes or recommendations to Ms. Cochrane.

PRESIDENT'S REPORT:

President Adams reviewed the upcoming events sponsored by the District as follows:

- Petaluma Education Foundation – The Bash

- Center for Well-Being – Celebration of Dreams
- Hospice of Petaluma – Light Up A Life in December, 2012

Information on the upcoming ACHD conference set for May 2013 was included in the packet.

Discussion ensued regarding establishing a meeting date for November/December. Suzanne Cochrane will review upcoming events and communicate to the Board recommendations for a November/December Board meeting.

ADJOURN TO CLOSED SESSION:

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

Government Code §54957.6 closed session regarding employee matters

ADJOURN TO OPEN SESSION:

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

PLUS/DELTA:

No comments were recorded.

ADJOURN:

President Adams adjourned the meeting at 8:50 pm

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Clerk