

**MINUTES OF THE SEPTEMBER 28, 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. 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
Suzanne Cochrane, Board Liaison
Ramona Faith, CEO
Jane Read, VP of Operations, PVH
Julie Steinberg, RN PVH
Tracy Workman, RN, PVH
Cheryl Correra, RN, Day Surgery

CONSENT CALENDAR:

A motion was made to approve the September 28, 2011 Agenda and the August 24, 2011 minutes as written by Director Thornton, seconded by Director Steady and unanimously moved by all present.

PUBLIC COMMENTS / QUESTIONS:

Nursing staff representing the Surgery Department and PACU included Julie Steinberg, Tracy Workman, Cheryl Correra and Kitty Brown who shared concerns over the recent reduction in staffing in the Surgery Department.

Presentation was made by each nurse noting concern over the decrease in staffing in the Surgery Department for a total of 2.8 FTE's and over reducing full time benefited employees and utilizing per diem staff,

supplemental and traveler nurses when necessary. While supplemental and traveler nurses have good skills, the knowledge of long time employees is valuable to the Surgery Department who are familiar with the location of equipment, operational knowledge and familiarity to the hospital policies and procedures.

In addition, staff expressed concern over the diminishing number of surgeries scheduled in OR and wanted to bring this to the attention of the PHCD Board. Although it is noted that the District Board can not be involved in employee issues, the decrease in surgeries does affect the future of PVH and those attending this meeting stress the importance for the full Board to be aware of this issue. It is hopeful that the District Board and SJHS can work together to increase the volume of surgeries at PVH.

In summary, the nurses present asked the District Board to work with SJHS to continue to increase volume by increasing services to PVH. It was also recommended that the two nursing positions that have been filled by part time nursing/management position be brought back to a nursing position.

Dialogue ensued with Directors and staff present. Board of Directors thanked the nurses for attending this meeting.

BOARD COMMENTS / QUESTIONS:

President Adams acknowledged Director Steady's birthday.

President Adams also acknowledged the Board's accomplishments at the recent strategic planning sessions held on September 23rd and 24th. Other Board of Directors also provided positive feedback from these sessions. The next Strategic Planning session is scheduled for Monday, October 17, 2011 from 5:30 p.m. (dinner) and 6:00 p.m. to 9:00 p.m. as scheduled time for Strategic Planning.

RESOLUTION 11-04 - CHANGE IN SIGNERS:

A motion was made by Director Ostroff, seconded by Director Powell to approve Resolution 11-04; Change of Signers. This motion was approved with a vote of 4 ayes, 0 noes, and 0 abstain.

BOARD COMMITTEE REPORTS:

Asset Management Committee:

Director Thornton presented the PHCD Statement of Investment Policy noting the only change presented is in the reduction in percentage to 55% of the District's assets invested in corporate obligations. The overall goal of the Asset Management Committee is to reduce the percentage to 35% for a total of assets invested in corporate obligations per recommendations of State guidelines. The Asset Management Committee is recommending approval of the Statement of Investment Policy but with a stipulation that the Investment Policy be reviewed by an outside agency to verify the requirements of the State guidelines are being met and for the District's controller to assure the District is in compliance with the process outlined in the policy.

A motion was made by Director Powell, seconded by Director Thornton to approve the Statement of Investment Policy as written and for an outside agency to review the policy in accordance to State guidelines. In addition, Rick Nadale will review the Investment Policy to assure the District is in compliance with the policy and submit to the Asset Management Committee for review and then to the Board of Directors within 90 days of this approval. This motion was passed by all present.

Petaluma Valley Hospital:

Jane Read, VP of Operations, Petaluma Valley Hospital, announced PVH recently received from the Joint Commission a "Top Performer" award placing PVH among the top 14% of all hospitals on Key Quality Measures. An ice cream social will be scheduled to acknowledge the employees at Petaluma Valley Hospital.

Ramona Faith would like the District to participate in acknowledging PVH staff both through participating in the ice cream social and through financial support of the event. Ms. Read thanked the District Board for their support and will communicate information on this event to the CEO and Board for their participation and financial support.

Ms. Read reported PVH experienced a \$19,000 loss for the month of August. For the month of September, census has been running higher than budget.

Data pertaining to an overview of the past 10 years both financial and patient care data was distributed and reviewed. Information presented

further stated Santa Rosa Memorial continues to provide financial support to offset expenses that PVH has not been able to cover.

Length of stay for Acute Inpatient has been reduced from 3.8 in 2000 to 3.3 in 2011. In addition, information pertaining to Total Discharges, Observation Visits, and Outpatient Visits were also review.

Discussion ensued relative to the PVH Cash to Debt ratio and the outcome of this debt at the end of the Lease. Director Ostroff requested Rick Nadale to review the debt ratio and the affect on PVH at the end of the lease.

SJHS is near agreeable terms with Aetna for a new contract for Sonoma and Napa Counties effective October 1, 2011. Final details are being worked out during the final week of September.

PVH recently completed its Joint Commission lab survey with items identified as needing improvement and will be working over the next 30 to 90 days to develop improvement strategies in preparation for a possible follow-up survey by the Joint Commission.

Discussion with a local endoscopy center is being scheduled to discuss if there is any interest in purchasing or joint venturing with SJHS. Negotiations with physician owners of the SR endoscopy center have been placed on hold at this time as these physicians are meeting with Sutter.

PHCD Board questioned if PVH could become the SJHS GI Center in Sonoma County if Santa Rosa elects to partner with Sutter.

Santa Rosa Memorial Hospital submitted a RFI to Palm Drive Hospital. Several other entities also submitted a RFI as Palm Drive Hospital is seeking an affiliation whereby the partner will support their success in any number of forms up to and including providing capital.

Ms. Read reported the Medi Tech project is still on schedule for physician documentation, order entry and clinical documentations to go live on February 14th. A "Choose Well" initiative was presented to the SRM Alliance Board. A meeting with staff and management regarding Performance Appraisals is also scheduled for the end of September. Communication to staff regarding Hi-Cap scores is ongoing. Forums are being scheduled for staff to meet with Kevin Klockenga regarding the employee satisfaction survey results. Recruitment for the SJHS-SC Chief Nursing Officer is underway.

Hospital Stewardship Committee:

Minutes from the August 11, 2011 Hospital Stewardship Committee meeting were included in the Board packet.

South County Mental Health Collaborative:

Upstream Investment Initiative was presented to the South County Mental Health Collaborative at the September 15, 2011 meeting. Marla Stuart provided the overview along with data to support the Initiative. In addition, Ms. Stuart can also provide demographic information to the District Board upon request.

Community Health Initiatives for Petaluma Area:

Ramona and Director Thornton continue to meet with community leaders obtaining input to be used in our Strategic Planning process.

PVH Future Planning Committee:

This committee has been placed on hold until the completion of the Strategic Planning process.

WORK ITEMS: REPORTS

Finance Report:

As of August 31, 2011 the Statement of Net Assets reflected assets of \$16,584,595 and liabilities and deferred revenue of \$3,513,165 leaving the net fund balance at \$13,071,430.

The year to date Statement of Revenue and Expense shows a profit of \$231,445 which is \$312,446 better than the budgeted loss of \$81,001.

PHCD spent \$37,040 in the month of August 2011 for Petaluma Women's Health (PWH) operational expenses. Reimbursements from PWH totaled \$40,000 in August. An additional \$22,500 check from PWH was written to PHCD at the end of August but not reported on the District's books until September 2011. The note receivable from PWH equal \$631,321 on the District's books.

The District's rate of return on investments decreased .04% to 5.05% for August 2011.

Director Powell requested revising the balance sheet to reflect current month compared to previous year. Ms. Faith will work with Rick Nadale to revise the reporting system to include comparison figures.

President's Report:

The District is a sponsor for the upcoming Next Gen-Run for your Life event scheduled for October 21, 2011. In addition PHCD made a donation to the Petaluma Arts Council for the Ballet Folklorico scheduled for Saturday, October 29, 2011.

The schedule for upcoming Board meetings was discussed noting that the next Strategic Planning Session will be held on Monday, October 17, 2011 at the 1425 N. McDowell Blvd, building conference room.

CEO Report:

Ramona Faith presented and reviewed her monthly CEO report and distributed an updated "Ongoing Task List" to the Board of Directors.

Ramona Faith distributed to each Board of Director a proposed "Contract for Professional Services" from Dunakilly for their review and discussion upon the completion of the PHCD Strategic Plan.

Ramona and Maria Larsen will be attending a Home Health conference to gather information on Telehealth services. There are three entities that are interested in working with the District in providing Telehealth services to the Community. At this time, information is being gathered from each entity for review.

Ramona and Rick will be meeting with physicians of the Petaluma Women's Health to review District approved policies and to continue communication on a regular basis. As previously discussed with the PWH biller, an external billing audit will be scheduled in the near future.

Two joint meetings have occurred between the Petaluma Community Foundation and PHCD Administration and Board representatives. At this time, no further meetings will be scheduled to allow time for the Foundation to focus on their fund raising efforts. In the spring, the Foundation will be bringing forth a business plan that incorporates the

last three years and the next two years (0–5). Director Adams will continue to attend monthly Foundation Board meetings with Ramona.

DISCUSSION OF PUBLIC COMMENTS:

Jane Read reported twring of staff in the Surgery Department was being done on a regular basis which required the decision to reduce staff by 2.8 FTE. These positions are not being replaced by supervisory positions. Concern continues on the amount of surgeries being scheduled and understand that the Regional Access Program (RAP) is working on the development of a local insurance product that could increase volume at PVH.

NEXT STEPS:

There was no discussion.

ADJOURN:

President Adams adjourned the meeting at 8:07 p.m.

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Liaison