



**MINUTES OF THE AUGUST 6, 2020 SPECIAL MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

1) CALL TO ORDER

President Hempel called the meeting to order at 7:38 AM via Zoom virtual meeting. She informed due to human error and technical glitch resulting in some public members not being able to access the PHCD board meeting on Tuesday, August 4, 2020, the meeting will be repeated today to give the public an opportunity to participate and provide their comments.

PRESENT (VIDEOCONFERENCE CALL)

Elece Hempel, President
Crista Nelson, Vice President
Jeffrey Tobias, MD, Treasurer
Gabriella Ambrosi, Director-at-Large

ALSO PRESENT (VIDEOCONFERENCE CALL)

Ramona Faith, CEO, PHCD
Andrew Koblick, Controller, PHCD
Donald Bouey, Attorney
Cathy Salenko, Attorney
Jonathan Spees, Consultant
Halley Cloud, Program Community Manager, PHCD
Gina Studebaker, Board Clerk, PHCD

CALL FOR CONFLICT

President Hempel called for conflict. There was none.

MISSION AND VISION

Director Ambrosi read the mission and vision of the Petaluma Health Care District.

The mission of the Petaluma Health Care District is to improve the health and well-being of our community through leadership, advocacy, support, partnerships and education.

The Petaluma Health Care District envisions a healthy community, a thriving hospital and equitable access to health and wellness services for all.

2) CONSENT CALENDAR

A MOTION was approved as submitted for the August 6, 2020 agenda. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

3) PUBLIC COMMENTS ON NON-AGENDIZED ITEMS

There were none.

4) BOARD COMMENTS

There were none.

5) ANNOUNCEMENT OF CLOSED SESSION ITEMS

President Hempel announced closed session pursuant to **Government Code §54956.8** Closed Session; real property transaction; meeting with negotiator – 400 North McDowell Boulevard.

6) PUBLIC COMMENTS ON CLOSED SESSION ITEMS

There were none.

7) ADJOURN TO CLOSED SESSION

President Hempel adjourned the meeting into closed session at 7:38 AM for discussion pursuant to **Government Code §54956.8** Closed Session; real property transaction; meeting with negotiator – 400 North McDowell Boulevard.

8) ADJOURN TO OPEN SESSION

President Hempel adjourned the meeting to open session at 8:02 AM and reported that no decisions were reached in closed session.

Director Adams joined the meeting during the closed session.

9) PROPOSAL OF PETALUMA VALLEY HOSPITAL RENT AND TOLLING AGREEMENT

A MOTION was made by Director Tobias, Board Treasurer and seconded by Director Adams, Board Secretary to approve the proposal of Petaluma Valley Hospital Rent and Tolling Agreement. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

10) RESOLUTION 20-04 APPROVAL OF TERM SHEET FOR PURCHASE AND SALE OF PETALUMA VALLEY HOSPITAL, ITS REAL AND PERSONAL PROPERTY AND RELATED BUSINESS AND ASSETS, BY NORCAL HEALTHCONNECT, LLC, A SECULAR AFFILIATE OF PROVIDENCE ST. JOSEPH HEALTH, AND ITS CONTINUED OPERATION AS AN ACUTE CARE HOSPITAL WITH AN EMERGENCY ROOM FOR 20 YEARS

President Hempel read Resolution 20-04

Mr. Spees gave a repeat overview and summarized the presentation that was presented at the July 22, July 30 and August 4, 2020 board meetings regarding the proposal for the purchase and sale of Petaluma Valley Hospital (PVH) by NorCal HealthConnect, LLC, (NCHC) a secular affiliate of Providence St. Joseph Health (PSJH), for a purchase price of \$52.6 Million. Mr. Spees recommended the Boards consideration for approval.

PUBLIC COMMENTS

There were five public comments at the meeting. Two were submitted by email and read out loud and the other three public comments were presented. In addition, the public comments that were submitted by email and were read out loud at the August 4, 2020 PHCD Special Board Meeting are also included. They are as follows:

Jim Goerlich, PVH Nurse (sent via email 8/4/2020)

So far, anyone I have heard who has spoken up in favor of the sale has not been a bedside caregiver. They have not had to work in the rough work environment that Providence has been directly responsible for creating in PVH since their merger with St. Joe. I do not understand how these individuals can have an opinion on whether this be a good or a bad deal for our community hospital. How would they know? Seems to me, the community should be, and I believe does, look to its Nurses and our colleagues who work on the inside, to find out if this deal is a safe deal in trying to deliver their future healthcare. Our focus as Nurses, is on advocating for the best possible daily outcomes and the continuation of the services needed and expected by our community from their hospital. On that note, a 5 year commitment to OB/GYN is a death nail for that unit. Right now, at the start of a 20 year commitment on the part of Providence to run PVH, is when investment in attracting and retaining much needed staff and a clear plan for growth of services, is what the Petaluma Community and that includes it's Nurses, needs to see. To date, this is not happening and if things don't change drastically prior to the vote, Nurses will be out in opposition to the sale. We could never endorse the sale of our beloved Hospital to an entity that will not commit to providing us with the tools we need to safely take care of our community. I personally hope things change, change for the better and change quickly. PVH Nurses deserve and have longed to work for an employer that they can be proud of. The situation is fixable, but time is short. Come on Providence, show this community you really care!

Thank you,
Jim Goerlich, 20 year PVH RN

Lucinda Loftus, PVH Nurse (sent via email 8/5/2020)

To the PHCD Board:

In case I cannot get on or attend the morning session- I am sending this message in to be read at the meeting. First, at a previous board meeting, there was some mention about guaranteeing a 6-month employment of current employees. What does this mean, and can this be expanded for clarification?

Second, PSNP just had a Zoom meeting with many PVH nurses- and It was enlightening and yet disturbing to me as to how many PVH RN's continue to be upset and concerned for their work environment, unsafe staffing and unsafe patient care issues. Feeling like you have not been able to provide good care or meet the needs of your patients by the end of the shift is one of the most demoralizing feeling for a nurse. During the meeting, many nurses said, "I don't even want to go to work anymore". The moral distress nurses are experiencing from day to day short staffing, high acuity patients (mostly COVID positive with this current surge) have taken their toll.

When asked about the possibility of PSJH buying the hospital, the message consensus was "show us the commitment now". In other words, show us that you value us now. If nurses continue to see lack of support and commitment including, but not limited to safe staffing and having safe work flow, and equipment needed to do their job along with competitive wages and a safe contract, PVH will continue to lose dedicated experienced nurses- including myself.

Our obligation to our Petaluma community regarding the situation inside PVH will be to say "no" to the sale of PVH vote. I know this seems drastic for the PHCD board; however, we have been up front many times before regarding our concern of PSJH continuing at PVH. I heard in the minutes of Tuesday meeting something like this will "Secure the future of PVH". If you do not have dedicated employees and nurses at the bedside, where is the Security?

Sincerely,
Concerned PVH RN of 29 years
Lucinda Lofftus

Stephanie Bodi, Former PSJH at PVH

My name is Stephanie Bodi and I had the privilege of being able to work at Petaluma Valley Hospital for nearly 20 years; and during that time, St. Joseph was the operator at the hospital. I come here today to ask that you seriously consider this offer. This is a very good offer. I am particularly happy to know that the connection with St. Joseph Santa Rosa Memorial in particular, will still be there as there are many people in the Petaluma community who are still living and breathing because of the excellent care that was received in the hospital; and the ability to transfer a patient up to higher level of care. I think the other piece that I would want you to be mindful of is the support that they have always given related to patient financial assistance related to allowing many of the staff at the hospital to really think out-of-the-box, do innovative ideas and really allow people to deliver the very best care that they possibly can. I'm also mindful of the fact that for nearly 20 years St. Joseph Health and the leadership of Petaluma Valley Hospital supported an effort to really look at the next generation of healthcare providers in the Petaluma community and because of that support and the ability for the hospital staff to mentor young people. There are several people that are working at PVH who started when they were volunteers. There's at least one physician, who is working per diem and came through a college program, an ER physician.

I think that's it for now, but I do thank you for all of the hard work that you've done. I wish you good health.

Tyler Kissinger, NUHW organizer at PVH

Hi, this is Tyler Kissinger, National Union of Healthcare Workers. I am the organizer at Petaluma Valley Hospital and have the great honor of working with our 116 members frontline caregivers that work at Petaluma Valley Hospital. I'm not here to speak for or against this decision. I am here to just ask some questions and raise some concerns that have been brought up through this process, so it's been noted that there has been a long period of uncertainty. And while that's certainly true, this discussion appears to be moving at lightning speed. I've heard the board say that this is a proposal in the interest of the Petaluma community; but it's concerning that the Petaluma community hasn't had a chance to become familiar with this proposal, which it seems like it is being moved along. It's clear that Providence is urging the completion of the sale before the end of this year to avoid the possibility of facing review by the office of the Attorney General should SB977 pass and go into effect in January 2021. This is a bill that is designed to prevent multi-million healthcare companies like Providence from completing acquisitions, affiliations that are anti-competitive, much like the failed transaction between Providence and Adventist Health. One thing that came out that appeared at the last board meeting that I know, and a number of others who were unable to get into, was that there's going to be the ability for staff to continue to work and negotiate on a definitive agreement through until the time that the ballot language is submitted.

My question to you is does that mean the terms of the sale approved by the board could change prior to the November election? What manner in which could it change? How would that be communicated? We hope that the community forums planned in August could result in meaningful changes with the input of the community that is in the best interest of the community fully transparent and duly noted to the public.

Finally, we have a few specific concerns with the terms of the agreement as it stands that have a critical impact on access to care in the community. The agreement would allow Providence to immediately reduced the number of acute care beds by 50% and to close the family birthing center after just five years that would be in line with the long trend of many local hospitals losing family birthing center services. I don't think that is in the

interest of the Petaluma community.

During our recent union negotiations with Providence and currently in the COVID-19 crisis, our members see firsthand every day the drive of Providence toward cost-cutting through short staffing takeaways to benefits and services and into repairs of the hospital infrastructure. None of the speakers we spoke up at the last meeting were frontline caregivers, who spoke up in favor. I think that says something. That is something that we're going to continue to be concerned about. Appreciate it.

Laura Johnson, SEIU Local 49

Good morning. My name is Laura Johnson. I'm here representing the Service Employees International Union Local 49 to share our concerns about this proposal. Over the past year, our state's largest Medicaid provider, CareOregon, considered affiliating with the division of Providence St. Joseph Health. In the process, we compiled substantial research its relevance to the decision for you. We would've appreciated it if the roles were reversed, which is why even though we're in Oregon, we thought we would share what we learned. Our main findings are when Providence has merged or affiliated with other health systems, community input into decision-making has been virtually eliminated or greatly diminished. For example, the leadership of the Swedish Health Services in Seattle was promised to maintain independence after affiliated with Providence in 2012. However, the Swedish Health Services now has an identical board to Providence, as do other secular divisions housed under the umbrella of Western HealthConnect. In addition, on May 2020 Orange County California-based Hoag Memorial Hospital soon to dissolve its affiliation with Providence. Among the many reasons they cited is that "as time has progressed there have been increasing efforts by Providence to move away from the community-based governance and engagement model and concentrate more of the decision-making in national corporate management." According to their legal filing, Hoag attempted to resolve its dispute with Providence without resorting to litigation, but even with unanimous votes by Hoag's Board and physician leadership were not sufficient for Providence to agree to re-examine the affiliation.

And finally, in Missoula, Montana in 2017, nearly the entire medical staff of Providence St. Patrick Hospital held a unanimous vote of no confidence in Providence's administrative structure. They say the lack of local control into decision-making and noted "critical health services are being located outside of Missoula to the detriment of our local community." Given this pattern of events, we're concerned that the interest of the Petaluma community will not be fully represented if this proposal is approved, as drafted. Particularly concerning, is the language in Section 7 of the Term Sheet stating that the District will have the right to nominate one voting member to the medical center board for 10 years. As previously mentioned, even Hoag which maintains three of seven seats in a joint operating board with Providence, feels it has been unable to preserve the values of its local community. In addition, Section 7 explicitly states that the District nominated seats would only be guaranteed "so long as the medical center board exists". We remind you that during Jonathan Spees' presentation on July 22, 2020 he noted that "St. Joseph Health is moving to regionalize some of its operations and streamline some of its governances. And so, it may (emphasize on "may") over time decide to streamline its board structure. Taking into account these examples that are outlined here, it seems important to question whether the community will indeed have input into the operations of the hospital in the coming years. We really empathize the difficult choice facing the Petaluma Health Care District Board given the many obstacles you have encountered to secure the hospital's future. However, we urge you to consider these important facts as you make your decision, and you draft the terms of the agreement.

Thank you for the opportunity to comment.

A MOTION was made by Director Ambrosi, Director at Large and seconded by Director Nelson, Board Vice President to approve the Resolution 20-04 of Term Sheet for Purchase and Sale of

Petaluma Valley Hospital by NorCal HealthConnect, LLC, a secular affiliate of Providence St. Joseph Health. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

11) RESOLUTION 20-05 THE BOARD OF DIRECTORS OF THE PETALUMA HEALTH CARE DISTRICT, COUNTY OF SONOMA, STATE OF CALIFORNIA, CALLING AN ELECTION TO PLACE A MEASURE ON THE NOVEMBER 3, 2020 BALLOT AND REQUESTING CONSOLIDATION OF THIS ELECTION WITH THE ESTABLISHED ELECTION TO BE HELD ON NOVEMBER 3, 2020, REQUESTING THE SERVICES OF THE SONOMA COUNTY REGISTRAR OF VOTERS, AND PROVIDING THAT A COPY OF THE MEASURE WILL BE TRANSMITTED TO THE COUNTY COUNSEL FOR PREPARATION OF AN IMPARTIAL ANALYSIS

President Hempel read Resolution 20-05

PUBLIC COMMENTS

There were no public comments.

A MOTION was made by Director Ambrosi, Director at Large and seconded by Director Tobias, Board Treasurer to approve Resolution 20-5 for the Board of Directors of the Petaluma Health Care District, calling an election to place a measure on the November 3, 2020 ballot. This motion was PASSED by a vote of 5 ayes (Directors: Adams, Ambrosi, Hempel, Nelson, and Tobias) and 0 noes.

ADJOURN

The next Board meeting will be on August 19, 2020 at 5:00 PM.

President Hempel adjourned the meeting at 8:44 AM.

Submitted by Fran Adams, Board Secretary

Recorded by Gina Studebaker, Board Clerk