



**MINUTES OF THE JANUARY 6, 2016 SPECIAL MEETING OF THE  
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

**CALL TO ORDER**

President Hempel called the meeting to order at 7:00 PM in the lobby conference room at 1425 N. McDowell Blvd.

**PRESENT**

Fran Adams, RN, BSN, Secretary  
Elece Hempel, President  
Robert Ostroff, MD, Vice President  
Josephine S. Thornton, M.A., Treasurer  
Joseph Stern, Board Member at Large

**ALSO PRESENT**

Ramona Faith, CEO, PHCD	Nancy Corda, RN
Erin Howseman, Admin. Assnt., PHCD	Kathrine Lattimore Sten
Edah Bates	Chris Albertson
Pam Granger	Patti Barnett
Dea Steigner	Lynn Scheuman
Marty Steigner	Ruth Ann Balicici
Jim Carr	Libby Fitzgerald
Jeff Schach – Petaluma Fire Dept.	John Fitzgerald
Brett Shinn	Neil Dagmore
David Kahn – Petaluma Fire Dept.	Bill Rhodes - SEIU
Kristen Richman	Ray Criscitiello
Tami Bender	

**MISSION AND VISION**

Director Ostroff 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.***

***Petaluma Health Care District envisions: A healthier community; a thriving hospital; local access to comprehensive health and wellness services for all.***

## **CONSENT CALENDAR**

**A motion was made by Director Ostroff, seconded by Director Adams to approve the January 6, 2016 agenda and the December 15, 2015 board minutes. This motion was passed by a vote of 5 ayes (Directors: Hempel, Ostroff, Thornton, Adams, Stern) and 0 noes.**

## **PUBLIC COMMENTS**

There were no public comments.

## **BOARD COMMENTS**

Director Hempel reminded the board that board members may not comment on public comments.

## **PROPOSED DECISION CRITERIA TO DETERMINE FUTURE HOSPITAL OPERATOR**

The decision criteria to determine the future hospital operator was presented by the CEO who noted that the board will continue to review the criteria at the next two board meetings, scheduled for January 14 and January 19, 2016. The CEO noted that the proposed/draft decision criteria was shared with the PVH physicians on November 24, 2015, and meetings have been scheduled in January for Petaluma Valley Hospital staff and volunteers to provide input into the decision making criteria. These meetings are to support the goal of the District to seek public input on the criteria. In the coming months the board will consider input received from the public, define and prioritize the criteria, and formulate a recommendation on the future operator of the hospital.

The proposed/draft decision criteria presented by the CEO is included at the end of these minutes. The public was invited to comment.

## **PUBLIC COMMENTS**

Bill Rhodes, research analyst with Service Employees International Union, SEIU, urged the board to remove Prime Healthcare Services, Inc. from consideration as a bidder to be the future operator of PVH. He stated that Prime has cancelled insurance contracts, cut key patient services, and violated federal labor laws.

Ray Criscitiello, from SEIU, stated that she is concerned about Prime's bid because Prime has a track record of breaking commitments at other hospitals it operates.

Patricia Barnett, PVH employee, commented on current problems with long wait times for patients and inadequate equipment in the radiology department. She was also concerned about the centralization of radiology exams in Santa Rosa, rather than doing exams in Petaluma.

Pam Granger, commented that she has had good experiences at PVH, but that twenty years ago when the current lease with St. Joseph Health, a Catholic operator, was being negotiated, she had concerns about women having full access to reproductive health care. She asked that this issue be considered as the contract with a future operator is negotiated.

President Hempel thanked the community members for coming and sharing comments. She noted that there will be future public meetings to seek more community input on the decision criteria. The next meeting will be held on January 14<sup>th</sup>, 2016 in the large conference room at the district office at 5:30 p.m. Director

Hempel asked the public to encourage others to attend one of the meetings and provide input into this process.

## **BOARD DISCUSSION**

The board resumed the discussion of the criteria which it had begun at the board meeting on December 15, 2015.

9. *Commitment to hospital employees and allied professionals.*

Director Thornton remarked that the board needs to define the word “commitment” more specifically. Director Hempel stated that the board will need to have valid data points in a contract to determine if milestones relating to commitment to employees are being met by the operator. Director Adams raised the issue of employee concerns with the hospital operator being brought before the board, and suggested asking PVH staff at the scheduled staff meetings what their ideas are regarding this criteria. Director Ostroff noted that under the current contract, the board may not comment on specific employee problems, and Director Thornton remarked that sometimes the goal of having a profitable hospital conflicts with employee concerns.

10. *Commitment to serving the uninsured/underinsured. Charity care will be provided in the manner consistent with current practices.*

Director Adams stated that some items in this criteria are dictated by law, but questioned what the difference may be between what is legally binding, and what provisions are in the contract. Director Ostroff proposed doing research on data showing how Petaluma Valley Hospital rates in charity care compared to other hospitals in the area. Director Thornton remarked that many community members use the Petaluma Health Center for health care, which may affect the data.

11. *Focus on community health care and services.*

Director Ostroff stated that his understanding of this criteria is that core services would be retained in Petaluma and not be diverted elsewhere. Director Adams stated that this criteria means offering as many patient services as possible in Petaluma. Director Hempel suggested combining this criteria with #4 *Maintain Core Services: Any discontinuation of core services would require approval of the District Board*. If services were to be moved, the board should be involved in deciding how and why they would be moved. Director Ostroff noted that the purpose of this criteria is to find ways to provide care in Petaluma to the Petaluma community, and the CEO remarked that this criteria also relates to #5 *Significant financial investment in physician services, clinical services and facility*, in that the investment would reflect a focus on Petaluma.

12. *Commitment and track record for clinical quality measurement (accreditation).*

The CEO stated that the hospital operator’s priority should be quality outcomes and quality care and ensuring staff has the resources needed, which is directly related to quality patient care. Director Adams noted the importance of a representative of the District board having a position on the PVH Quality Steering Committee.

13. *On site senior administrator with hospital operations oversight.*

Director Ostroff remarked that there has been an issue with the current operator with on-site administrators being unable to make critical decisions. Director Thornton reflected that large corporations often operate this way. Director Hempel would like to see the on-site administrator also be on the hospital operator’s executive team.

14. *Hospital Operator is financially sound – ethically sound.*

Director Hempel noted that public comment is very valuable, and will help with the board's due diligence process. Director Adams agreed that there is more work for the board to do.

*15. A long term commitment.*

Director Hempel asked for input on the definition of "long." Director Thornton stated that perhaps 10 years is reasonable, but Director Ostroff responded that 20 years would represent a better commitment to the community. Director Hempel noted that if the board recommends a sale of the hospital, and the operator should decide to resell the hospital, the hospital must be returned to the District. Director Thornton remarked that the board should endeavor to choose an operator who would not want to resell the hospital.

*16. Structure/Partnership that allows for District input in hospital governance, quality performance.*

The CEO stated that in the current lease a representative of the PHCD is on the PVH Quality Steering Committee. In addition, a board member sits on the SRM Alliance Board, and such a structural relationship should continue. Currently, a representative of the hospital operator gives updates at monthly PHCD board meetings; however, the CEO would like to see a more engaged partnership between the District and the future operator to better align efforts and strategies.

*17. Serves as a strategic partner, engaged collaborator.*

The CEO stated that we would want a future operator to engage the District in strategic discussions that leads to the development of a strategic plan to improve the health of southern Sonoma County.

*18. Agreement will enable the District to continue to invest resources in the health of the community.*

The lease or sale of the hospital will allow the District to continue to invest resources.

*19. A commitment to not offer services or programs that compete with hospital or district services/programs.*

This criteria is in the current lease, but Director Hempel noted that the word "commitment" is inadequate. Director Ostroff remarked that there needs to be more active partnership between the hospital operator and the District in development of services. Director Hempel stated that this criteria ties in to #13, having an on-site administrator who could advise the District of plans being considered by the executive team of the operator.

*20. Support District services.*

*21. Mission alignment.*

There were no comments.

*22. Insurance product that drives demand/access to hospital services.*

Director Hempel raised the issue, given that many Petalumans are members of Kaiser, the District must have an insurance product that is competitive in order to maintain a viable hospital. Director Thornton said the District should strive to encourage employers to offer employees other insurance alternatives.

President Hempel stated that the board will use the comments of the public and board discussion to revise the criteria as needed, and that there will be another public meeting on January 14, 2016 at 5:30 pm.

Director Ostroff remarked that it will be difficult to prioritize the criteria, since all of the criteria represents a core desire for what the agreement and the partnership should look like. Director Stern remarked that it is important to set priorities, since it is unlikely that any of the bids will contain everything listed in the criteria. Director Ostroff stated that the board had previously discussed creating a point system for the

bidders. Director Thornton suggested listing the criteria that are “deal breakers,” which must be in an agreement. President Hempel stated that at the next meeting, the public may comment on their ideas of what criteria must be in a contract. She invited the public to email Erin Howseman, District Board Clerk at [ehowseman@phcd.org](mailto:ehowseman@phcd.org) and those emails will be added to the packet and included in the discussion at the board meeting.

In response to a question about getting notice of upcoming meetings, Director Hempel stated that notice of meetings can be found on the PHCD website, and on the District’s Facebook page. In addition, there was an article in the Press Democrat with the meeting information, and there had also been information on public access television. The District has also done outreach to major employers. Director Hempel asked for suggestions on other ways to get the information out to the public. The CEO remarked that there will be more meetings in the future, and more opportunities in the future for public input as the process moves forward.

### **ADJOURN TO CLOSED SESSION**

**President Hempel adjourned the meeting into closed session pursuant to: Government Code §54956.8 closed session; real property transaction; meeting with negotiator – 400 North McDowell Blvd.; The Camden Group. Government Code §54957.6 closed session regarding employee matters.**

### **ADJOURN TO OPEN SESSION**

President Hempel adjourned the meeting into open session and reported that no action was taken in closed session.

### **ADJOURN**

President Hempel adjourned the meeting at 10:30 PM.  
Submitted by Fran Adams, Board Secretary  
Recorded by Erin Howseman, Board Clerk

## **PROPOSED DECISION MAKING CRITERIA TO DETERMINE**

### **FUTURE HOSPITAL OPERATOR**

Presented by Ramona Faith, CEO  
January 6, 2016 PHCD Special Board Meeting

1. Maintain hospital as a quality community based hospital with the following core services:  
Emergency Services; acute in-patient medical/surgical services; intensive care services, including ICU and CCU; outpatient surgical services; obstetrics, gynecology and neo-natal services; range of diagnostic cardiology services, diagnostic radiology services, clinical lab/pathology services and special diagnostic and therapeutic services at a level that is equal to or greater than services offered at comparable Northern California general acute care facilities; hospice services.
2. Credible plan articulating a vision for population health and future health needs. The plan would need to allow for flexibility regarding services offered to respond to the changing needs in the community.
3. Commitment to investing in the operations of the hospital.
4. Maintain Core Services: Any discontinuation of core services would require approval of the District Board.
5. Significant financial investment in physician services, clinical services and facility.
6. Significant financial investment in Community Benefit Programs within the District (current level of investment maintained or exceeded). District will participate in the discussions of how such funds are expended. Funds are allocated for community engagement and outreach personnel (boots on the ground).
7. Credible plan for physician recruitment and retention with specific financial commitment.
8. Credible plan for the future of surgery at Petaluma Valley Hospital, which would include a commitment to recruit and retain surgeons for PVH.
9. Commitment to hospital employees and allied professionals.
10. Commitment to serving the uninsured/underinsured. Charity care will be provided in the manner consistent with current practices.
11. Focus on Petaluma community care and services.
12. Commitment and track record for clinical quality measurement (accreditation).
13. On site senior level administrator with hospital operations oversight.
14. Hospital operator is financially sound – ethically sound.
15. A long term commitment.

16. Structure/partnership that allows for District input in hospital governance, quality performance.
17. Serves as a strategic partner, engaged collaborator.
18. Agreement will enable the District to continue to invest resources in the health of the community.
19. Commitment to not offer services or programs that compete with hospital or district services/programs.
20. Support District services.
21. Mission alignment.
22. Insurance product that drives demand/access to hospital services.