MINUITES OF THE MAY 21, 2013 REGULAR MEETING OF THE PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS

CALL TO ORDER:

President Thornton called the meeting to order at 12:05pm in the building conference room at 1425 N. McDowell Blvd.

CALL FOR CONFLICT:

Director Adams will remove herself from the meeting during portions of the presentation on Petaluma Valley Hospital and during closed session due to conflict of interest issues.

PRESENT:

Fran Adams, RN, BSN, Secretary
Elece Hempel, Member-At-Large
Robert Ostroff, MD, Treasurer
Josephine S. Thornton, MA, President

ABSENT:

Kathie Powell, MS, Vice-President

ALSO PRESENT:

Suzanne Cochrane, Board Clerk, PHCD
Ramona Faith, CEO, PHCD
Tony Kosinski, MD
Richard Nadale, Director of Finance, PHCD
Jane Read, VP of Operations, PVH
Todd Salnas, CEO, SJH

CONSENT CALENDAR:

Director Ostroff made a motion, seconded by Director Hempel to approve the May 21, 2013 Agenda and the April 16, 2013 minutes as written. This motion was passed by all present.

PUBLIC COMMENTS:

There were no public comments.

BOARD COMMENTS:

President Thornton acknowledged Director Adam's birthday.

President Thornton also noted that she had recently received medical treatment at PVH and wanted to acknowledge the great care she received during her stay.

ADMINISTRATIVE REPORT:

CEO REPORT:

Ramona Faith, CEO reviewed the District's mission and vision.

Ms. Faith provided an overview on the recent media training through ACHD. PHCD provided the location for the media training which was open to other Districts in the area. President Thornton and Babs Kavanaugh were also in attendance at this meeting. The training was very informative and ACHD will be offering media training to District Boards in the future.

There were no additional questions raised by Directors regarding the CEO report.

President's Report:

President Thornton noted that the CEO Annual Performance Appraisal will occur at the July Board meeting. The process will be discussed later in the meeting.

STANDING COMMITTEE REPORTS:

Community Health Initiative for the Petaluma Area:

President Thornton reported the May CHIPA Committee meeting received an update from Beth Dadko, County of Sonoma DHS, on Health Action 2020 and how the priorities of CHIPA are aligned with the Health Action goals. The County is promoting to be the healthiest county by 2020 and is very pleased with the progress of the CHIPA Committee.

South County Behavioral/Mental Health Collaborative Committee:

Director Adams reported the South County Behavioral/Mental Health Collaborative Committee was invited to attend the recent CHIPA meeting to hear the update about Health Action 2020 in place of their regularly scheduled May meeting.

Director Adams attended the Sonoma County Mental Health Board meeting focused around the Annual Report. In addition, Director Adams has applied for the open Petaluma position for the Sonoma County Mental Health Board.

AD HOC COMMITTEE REPORTS:

Board Governance Ad hoc Committee

President Thornton noted the Board Governance Ad Hoc Committee met and reviewed/revised the Conflict of Interest Policy and the CEO Annual Evaluation process.

PVH Ad Hoc Committee:

The PVH Ad Hoc Committee met and reviewed proposed timelines for the PVH Due Diligence process proposed by The Camden Group. Revisions will be incorporated into the proposal and reviewed at the next PVH Ad Hoc Committee meeting. In addition, the proposed Contract between PHCD and St. Joseph Health regarding the purchase of the chiller and generator for PVH was revised and forwarded to Todd Salnas for review.

FISCAL SUSTAINABILITY:

A proposed Committee Charter for the Asset Management and Business Development Committee was reviewed. Recommendations were made to revise the Charter to reflect full board participation.

Director Hempel made a motion to approve the Asset Management and Business Development Committee Charter to include proposed recommendations, seconded by Director Ostroff and approved by all present.

Director Adams made a motion to approve the April 30, 2013 Financials, seconded by Director Ostroff. This motion was approved by all present.

The Asset Management and Business Development Committee reviewed the proposed FY 2013-14 Budget Draft #1. Director of Finance will make the final revisions to the proposed budget for Asset Management committee review in June. Expenditures that are significant to the budget will be outlined by the Director of Finance.

Benedetti Fundraiser was held on May 3rd raising funds for a 4d Ultrasound Machine. The District pledged $5,000 towards the ultrasound equipment.

BOARD GOVERNANCE:

Conflict of Interest Policy:

Board members reviewed the proposed Conflict of Interest Policy.

Director Ostroff made a motion, seconded by Director Hempel to approve the Conflict of Interest Policy as written. This motion was passed by all present.

Procedure for CEO Evaluation Process:

Director Ostroff made a motion to approve the CEO Evaluation Process Policy seconded by Director Adams and approved by all present.

President Thornton stated the CEO Evaluation Policy will be implemented for the upcoming CEO evaluation which will occur at the July 16, 2013 Board meeting. President Thornton will be sending out evaluation documents for Directors to complete prior to the July evaluation process policy.

INFORMATIONAL ITEMS:

Ramona Faith reviewed upcoming events.

President Thornton, Director Adams and Ramona Faith will be attending the ACHD Annual meeting scheduled for May 22-24, 2013.

An Employee Wellness Health Fair hosted by the District in partnership with PVH Workforce Health Program will be offered to businesses at 1425 N. McDowell on May 31, 2013. Any interested Board members are to sign up through Suzanne Cochrane.

Communications and acknowledgments to the District were also included in the Board packet.

The next Board meeting will be held on Tuesday, June 18, 2013. Due to scheduling conflicts, discussion ensued regarding moving presentations for the June 18th Board meeting to Wednesday, June 19, 2013. Suzanne Cochrane, Board Clerk will work with Directors to confirm availability for change of meeting date.

ADJOURN TO CLOSED SESSION:

President Thornton adjourned the meeting to closed session pursuant to Government Code Section 54956.8 Closed Session; real property transaction; meeting with negotiator 400 North McDowell Blvd; Ramona Faith

Director Adams removed herself from the meeting during this Agenda topic.

ADJOURN TO OPEN SESSION:

President Thornton adjourned the meeting into open session and reported no decision was made during closed session.

PETALUMA VALLEY HOSPITAL

Jane Read, VP of Operations for Petaluma Valley Hospital provided an update on the April Board meeting.

CNA had submitted a ten-day strike notice for Petaluma Valley Hospital, Eureka and St. Mary's Hospitals. After subsequent discussions with the Hospital CNA has now withdrawn these notices. CNA negotiations will continue with the use of a mediator to resolve outstanding issues.

Efforts continue in the recruitment of a general surgeon and telemedicine testing for coverage of several subspecialties including Neurology.

Budget issues continue with EMT and Management developing financial plans to address budget shortfalls and expected revenue projections that include ACA and Medicare.

Todd Salnas, CEO, SJH, and Ms. Read presented an overview on proposed cost reductions for FY-2013/14 in an effort to reach the goal to improve financials by $5 million per year at PVH. With the implementation of the Affordable Care Act and calculating the revenue using proposed Medicare payment cuts, reductions in expenses of $5 million are needed to reach a break even budget.

Mr. Salnas also noted that changes in commercial insurance could also change revenue projections resulting in the possibility of less reimbursements received. The development of an integrated delivery network to include outpatient wellness programs that supports our patients to maintain their health and out of the hospital needs to be expanded.

Mr. Salnas reviewed various possibilities where reductions and revenue opportunities that could occur throughout the hospital. All departments are looking at their costs and developing recommendations for reductions. Physicians are also being brought into the discussions. Area of focus consists of:

Revenue Opportunities:

- Reimbursement Increases
- Laboratory Services
- GI Center
- IV Documentation Compliance
- Specialist Recruitment

Program Consideration: Cost Savings

- Outpatient Speech & Occupational Therapy
- Lynch Creek Radiology
- ED call coverage
- Hours of operation changes for pulmonary function testing & pulmonary wellness
- Under review – Family Birthing Center analysis not complete)

Program Consideration: Operation Savings

- Surgical Services
- Security hours of coverage
- Night EVS coverage
- Hospitalist and Intensivist coverage
- Review of call pay
- Management clinical coverage (supervisors)
- Productivity Improvements (reduction in hours, salary, and benefits

The new Western Health Advantage Insurance Plan continues to grow with new patients switching over to this insurance plan. Open enrollment is scheduled for June 2013.

Concerns continue over the number of births utilizing the Family Birthing Center. Upgrades are currently being made to this unit and have been working with OB Physicians and the Petaluma Health Center on ways to increase the volume at PVH. Due to impending reimbursement changes, the OB Department is an area of financial concern and St. Joseph Health will be revisiting this service to address fiscal concern. Mr. Salnas will address the PHCD Board at a later date once a final recommendation has been determined based on the impact of reimbursement rates.

Directors questioned if SJH has explored ways for Kaiser Permanente OB patients to utilize the PVH Family Birthing Center. Mr. Salnas will research this request.

Mr. Salnas explained pursuant to the Lease between PHCD and SRM Allliance, any changes in services would be communicated to the Board before implementation occurred. SJH stressed the importance of the District's input and support for PVH.

Mr. Salnas and Jane Read reviewed the timeline for implementing reductions with communications amongst individual stakeholders to occur the first week in June.

As outlined in the Lease between SRM Alliance and PHCD, a representative of the District Board is to be assigned to attend the PVH Quality Assurance Committee meetings. As this assignment has not been filled, Ms. Faith questioned when participation on this committee could occur.

Mr. Salnas will present this information to the SRM Alliance Board and confirm schedule of meetings to Ms. Faith.

The Board of Directors thanked Mr. Salnas and Ms. Read for their presentation and discussions around reductions for PVH.

ADDITIONAL PUBLIC COMMENTS ON AGENDA ITEMS:

No discussion occurred.

PLUS/DELTA:

Good information presented at meeting

ADJOURN:

President Thornton adjourned the meeting at 2:15pm.

Respectfully submitted,

Fran Adams, Board Secretary

RECORDED BY:

Suzanne Cochrane, Board Clerk