

**MINUTES OF THE MARCH 25, 2010 REGULAR MEETING OF THE
PETALUMA HEALTH CARE DISTRICT BOARD OF DIRECTORS**

CALL TO ORDER:

President Ostroff called the meeting to order at 6:15 p.m. in Groverman Hall at Petaluma Valley Hospital.

PRESENT:

Fran Adams, RN, BSN, Member-At-Large
Robert Ostroff, MD, President
Kathryn Powell, MS, Vice President
Stephen Steady, MD, Secretary
Josephine S. Thornton, MS, Treasurer

ALSO PRESENT:

Barry Blansett
Daymon Doss, Executive Director
Michelle Giles, Day Surgery, PVH
Pam Koch, RN, PVH
Lucinda Lofftus, RN, PVH
Richard Nadale, Controller
Emily Samuelson, RN, PVH Emergency Department
Samantha Sharp, RN, PVH
Jennifer Rathkey, RN, PVH
Charles Lawrence, RN, PVH

CONSENT CALENDAR:

A motion was made by Director Adams, seconded by Director Steady to revise the proposed Agenda to move Board Comments above Public Comments and approve the March 25, 2010 Agenda. This motion was unanimously approved by all present.

A motion was made by Director Thornton, seconded by Director Adams to approve the February 25, 2010 minutes. This motion was unanimously approved by all present.

BOARD COMMENTS / QUESTIONS:

Director Adams explained the process for Petaluma Valley Hospital conducting physician surveys as well as customer service surveys and physicians that receive a 90th percentile in customer service receive recognition. Director Adams acknowledged Dr. Stephen Steady who has received this rating in customer service.

PUBLIC COMMENTS / QUESTIONS:

President Ostroff explained that public comments are limited to three minutes per speaker with available time at the end of the meeting to convene and discuss additional public comments.

Pam Koch, RN, OB Department, Petaluma Valley Hospital expressed concern over the elimination of the OB Unit Secretary. Since this elimination, there have been times when an extra nurse has been called in to work with past practice able to operate utilizing the Unit Secretary and not sure if bringing on an extra nurse is really cost effective. OB RNs are doing the Unit Secretary's tasks, i.e. scheduling perinatal classes and other tasks that were handled by the Unit Secretary.

Ms. Koch also noted there has been some talk about reducing core staff creating concern when medical issues arise. For example, with the elimination of the night phlebotomist, blood draws are conducted by the RN on duty.

Emily Samuelson, RN, Emergency Department, PVH currently works every weekend on the night shift. Ms. Samuelson noted nurses are concerned about the reductions implemented in February 2009 more specifically the interpreter services that have now been transferred through a telephone service. The "lift team" has been eliminated and transporting our own patients causes a delay in the care of their assigned patient load. When reductions were made, SJHS requested staff to tighten their belts but not to worry as you have been hit by the first round of cuts and will not be receiving additional reductions. Next, ancillary departments were informed of a wage freeze, more reductions were made to the ER Tech hours, and the Lab Tech night position has now been eliminated, delaying responses for results of critical tests and appropriate care due to lack of staff and support staff.

Ms. Samuelson also explained that staff is receiving notices when clocking in one minute late and has become an issue in staff morale with staff not interested in picking up extra shifts and limited sign ups for voluntary call. The nursing staff is feeling like they are not being heard when bringing these concerns to PVH Administration. Meetings scheduled appear to be non-productive and the nurses feel that the Petaluma Health Care District should be made aware of these concerns.

Michelle Giles, Day Surgery, has worked at PVH for over 20 years and stressed what a wonderful place PVH has been to work. Unfortunately, with the reductions in staff, PVH is experiencing a shift in morale. Day Surgery is a difficult department to correctly staff due to the patient load and if a patient is unable to leave due to a medical condition, staff is required to remain with the patient resulting in overtime. Concern was also expressed on vacation relief and the practice changes that have been implemented.

Lucinda Lofftus, RN, PVH summarized that three departments have reported on concerns relative to the implementation of reductions. Ms. Lofftus also noted concerns around the GRASP program and requesting input from nurses that were not on the original committee that designed the acuity tool. There is also a concern over losing long standing nurses to other entities and noted that the nursing staff are working very hard to maintain high satisfaction survey scores. The nursing staff is very dedicated to improving the issues mentioned and to do what they have to do in the community to get PVH back into a good and safe working environment and continue to provide quality patient care.

Director Steady asked for clarification on the avenues in which the nursing staff can utilize to discuss their concerns?

Ms. Lofftus responded there are several committees developed with one titled Labor Management Committee comprised of RNs, Administration and the CNA Labor Representative to problem solve issues. At the last meeting, discussions occurred relative to the GRASP program and vacation issues.

Ms. Lofftus also noted that nursing staff will be attending the upcoming Hospital Stewardship Committee meeting scheduled for March 31, 2010 from 4:00 p.m. to 5:30 p.m.

President Ostroff asked if financial information pertaining to the elimination of the phlebotomy night tech and nursing staff covering this reduction was presented to Administration.

Ms. Samuelson noted at a recent Emergency Department meeting, which included Lab and Administration; data presented was relative to the number of draws based only on the number of patients that needed lab work and not other necessary tests that were also completed by the night lab tech. At this meeting, Administration agreed to review the data. Ms. Samuelson has been documenting the number of visits to the lab averaging around eight trips a shift.

Kitty Brown, summarized previous conversations with Daymon Doss and President Ostroff after the announcements of layoffs noting assurances that the District would be working with PVH Administration in a collaborative manner to assure adequate staffing occurred. Ms. Brown does not feel this occurred and the District did not follow through with their assurance.

Due to time restraints as noted on the Agenda, President Ostroff asked that this topic be revisited after the closed session or address concerns at the Hospital Stewardship Committee meeting and if necessary, at the April 22, 2010 Board meeting.

Nurses present elected to bring concerns to the Hospital Stewardship Committee meeting scheduled for March 31, 2010 from 4:00 p.m. to 5:30 p.m. in Burns Hall at PVH.

LYNCH CREEK PROPERTY:

Daymon Doss updated the Board on the history of the Lynch Creek Property, 2.15 acres of land located across from Petaluma Valley Hospital. Previous Board declared this property as a surplus asset and then elected to cancel the status for possible development. At the October 2009 Board meeting, the Lynch Creek Property was again declared a surplus asset of the District and proposals have been provided to the Asset Management Committee from Bob Lipman, Real Estate Consultant for the listing of the property for sale.

Mr. Lipman met with the Asset Management Committee presenting a proposal to list the property with a minimum bid of \$35.00 per square foot for the 2.15 acres of land titled Lynch Creek Property for a 90 day period. If approved by the Board of Directors, Mr. Lipman will advertise through various sources, place signage on the property, and begin the 90 day period of obtaining purchase offers.

Mr. Lipman will continue to communicate to the Asset Management Committee on purchase offers received.

President Ostroff also noted the Asset Management Committee has also reviewed a request from an outside source to purchase the property.

Dr. Newburger, asked the Board for clarification on the decision to list Lynch Creek property for sale.

Mr. Doss noted about 6 years ago, a series of studies regarding land use on Lynch Creek was completed to determine the best use of the vacant land in relationship to the Hospital. When research was completed, the building size was limited to a 17,000 square foot building.

Mr. Doss also explained that if offers were received in an amount that the Board did not feel would sufficiently improve the District's financials, the property will not be sold.

Director Thornton made a motion to accept the recommendation from Bob Lipman to list the Lynch Creek Property at a minimum bid of \$35.00 per square foot for a 90 day listing, seconded by Director Powell and unanimously passed by all present.

STRATEGIC PLANNING COMMITTEE REPORTS:

Asset Management Committee:

Director Thornton reported the Asset Management Committee will be reviewing the first quarter financials from an anchor tenant of the 1460 Cader Lane building and will be bringing a recommendation to the Board to either purchase the building or cancel the purchase agreement at the April 22, 2010 Board meeting.

President Ostroff also noted that a discussion occurred with Asset Management Committee members regarding PHCD's involvement in providing cost comparisons to physicians and patients relative to pharmaceutical products through the use of the District's website or newsletter. Clarification from District's Counsel is being obtained.

Don Bouey, Council, responded that legally there could not be an issue but recommended consideration be given on how to share pharmaceutical information through a link to the website that currently provides this information. Mr. Bouey also advised a disclaimer be added in connection to providing this information.

Mr. Doss will compile a comparison using six pharmaceutical products and develop a layout, obtain Attorney Counsel Review, and present to the Board at the next PHCD Board meeting.

A motion was made by Director Adams, seconded by Director Powell to pursue research an appropriate process to provide physicians and patients with a comparison cost of

pharmaceutical products through the District's website or appropriate links upon review by District's Counsel. This motion was unanimously passed by all present.

Petaluma Valley Hospital:

Director Thornton reported that due to the recent passage of the Health Reform Bill, financial items were deferred and discussions ensued on the contents of the Health Reform Bill. One topic was around Hospitals receiving relief from the support of the uninsured and the underinsured as outlined in the Reform Bill.

Director Thornton further noted that last month PVH experienced positive volume indicators but ended the month in a negative operating income due to payer mix. The losses for February were at \$117,000 with the Emergency Department above budget for the past four months.

At the last SRM Alliance Board meeting, Jane Read, Vice President of Operations, presented a series of recommendations for Business Development for Petaluma Valley Hospital that would include the development of a Women's Health Services program and further the development of an Orthopedic Service Line followed along with success of the Joint Replacement Seminars.

Heritage Foundation has added five new physicians to their group in Santa Rosa with the addition of two more physicians pending. SJHS is also pursuing an affiliation agreement with Healdsburg District Hospital to ensure discussions occur prior to changes or implementations in changes of services.

Mr. Doss stated that the Petaluma Valley Hospital Annual Report is scheduled to be presented to the PHCD Board of Directors at the April or May Board meeting.

Hospital Stewardship Committee:

Director Adams reported Hospital Stewardship Committee is scheduled to meet on March 31, 2010 at 4:00 p.m. to 5:30 p.m. in Burns Hall A & B at Petaluma Valley Hospital.

Jane Read provided an update on the GRASP Acuity System with a meeting held in January with leadership in attendance. To move forward, data was reviewed looking at the indicators and objectives. Communications with the GRASP Consultant occurred and moved forward with her recommendation to identify and obtain Committee inter-raters, provided education regarding the tool, implement staff for consistency on the usage of the tool and began testing March 28th for a two week period. The GRASP Consultant will be returning to PVH on April 14th and 15th to work with acuity groups, OB, ICU, and Med/Surg on findings in terms of the tools.

The group was comprised of those that were interested in being inter-raters at a request of the GRASP Consultant and were then educated and trained to move forward with the project.

Ms. Read explained that the acuity system is about the needs of the patient and what are the distinctions between patient A and patient B, combined with clinical judgment, skill and experience of the nurse as well as other aspects of the unit that could affect assignments.

Ms. Read further noted communication with nursing staff continue regarding staffing issues and are in the process of conducting culture safety surveys but have not seen an increase in patient falls which are continuously being monitored.

Todd Salnas reported on meetings with the Operating Room (OR) nurses where issues were presented and will be following up with an action plan to address their concerns. Mr. Salnas will also be spending time on the units that appear to be short staffed to obtain a better understanding as to their presented issues. Ms. Read and Mich Riccioni will also be spending time on Med/Surg and in the Operating Room.

Joint Venture Committee:

The Regional Action Program (RAP) meeting was held on March 12, 2010 with about 25 participants from Sonoma County Districts and Hospitals. This is the third RAP session and has experienced open communication amongst all participants and will be moving towards a Regional Action Program committee from participants at the RAP 4 session scheduled for June 11, 2010.

Director Steady noted low physician participation at the RAP 3 meeting and will be contacting physicians to encourage participate in the RAP 4 session.

Mr. Doss explained that SJHS has agreed to fund up to \$10,000 in legal assistance for the development of the Regional Action Program and North Sonoma County District Board (Healdsburg) has agreed to financially support the program for \$10,000.

Martin Serota, MD, Consultant has presented an overview of the Regional Action Program to Palm Drive Board, North Sonoma County Health Care District Board, Joint Power Association Board, and the Sonoma Valley Hospital Board.

At the RAP 4 meeting, agreements with participants will be developed with a business plan and financial perspective available to share with participants that want to move forward with this project.

Lease Oversight Committee:

President Ostroff summarized a recent Lease Oversight Committee meeting that included PVH representation of Todd Salnas addressing a variety of questions. A goal of the committee is to look at the first 12 years of the Lease collecting data and comparing information with current data as the District moves forward in the final years of the Lease. The data collected is shared with PVH Administration and is seen as a mutual benefit to SJHS.

Physician Relations Committee:

Daymon Doss reported on the recent passing of Linda Jones, Biller for the OB/GYN office recognizing the excellent work she had done relative to setting up our billing system and contracting with insurance companies. Ms. Jones' Company, Our Billing Service, has been providing services to several independent physicians in Sonoma County.

The District's position is to provide billing services as part of our contract to Petaluma Woman's Health and has been working with Pathways to take over the billing for PWH.

Mr. Doss continues to meet with Dr. Clark and Dr. Kosinski on the operations of the Petaluma Woman's Health and concerns relative to the cash flow and billing issues. Advertising continues on Dr. Kosinski's surgery specialties in Novato and Marin.

South County Mental Health Collaborative:

Director Adams reported that South County Mental Health Collaborative met on March 18, 2010 with a presentation from the Sonoma County Perinatal Mood Disorder Committee. Information was shared amongst the Collaborative Committee members. Questionnaires and screening mechanisms are being developed for physician utilization.

WORK ITEM: REPORTS

Finance Report

Rick Nadale presented the Petaluma Health Care District financials ending February 28, 2010.

The Statement of Net Assets reflected assets of \$17,716,488 and liabilities and deferred revenue of \$3,671,739 leaving the net fund balance at \$14,044,749. The District continues to carry certificates of deposit with 1st Community and Exchange Banks. The District's rate of return on investments increased .12% to 5.21% for February 2010.

The year to date Statement of Revenue and Expense shows a loss of \$304,827 which is \$77,847 more than budgeted.

Significant expenditures for the month of February 2010 included a loan to Petaluma Health Center for the down payment on 1179 N. McDowell Blvd of \$500,000 and consulting fees for Phase II of the Medical Model study.

PHCD operational loss from Petaluma Women's Health (PWH) in the month of February 2010 was \$4,702. The total advanced to PWH through February 2010 is \$301,326.

President's Report:

Barry Blansett provided an update on the PHCD on-line survey stating 210 surveys have been completed and will continue to keep the Board updated on the progress of this project. The project will be extended until the end of April.

President Ostroff requested Directors to circulate information regarding the PHCD Survey to other organizations such as City of Petaluma employees and School Districts. President Ostroff also asked if assistance through the Health Center could occur around Hispanic participation.

Director Powell will make copies available for Petaluma Health Center patients.

President Ostroff reviewed the Ongoing Task List noting that all items are in process.

Executive Director's Report:

Daymon Doss reported that the District is sponsoring POLST Training for Physicians scheduled for April 30, 2010. This is a county wide program put on by the Sonoma County Coalition for Compassionate Care providing information on the new criteria for end of life choices.

ADJOURN TO CLOSED SESSION:

President Ostroff adjourn the meeting to closed session for conference with real property negotiator regarding property at 400 N. McDowell Blvd., Petaluma Valley Hospital renewal or re-negotiation of a lease, Government Code Section 54956.8 and Government Code Section 54956.9 regarding pending litigation.

ADJOURN TO OPEN SESSION:

President Ostroff adjourned the meeting into open session and in closed session a claim was discussed and denied by the District Board of Directors.

DISCUSSION OF PUBLIC COMMENTS:

There was no discussion on public comments.

NEXT STEPS:

No discussion occurred.

ADJOURN:

President Ostroff adjourned the meeting at 10:05 p.m.

Respectfully submitted,

Stephen Steady, MD, Board Secretary

RECORDED BY: Suzanne Cochran, Board Liaison