

**BOARD OF DIRECTORS
REGULAR MEETING
Thursday, March 20, 2008**

The Board of Directors of the Peninsula Health Care District was called to order for Regular Session on Thursday, March 20, 2008 at 18:05 hours, at 621 Magnolia Avenue, Millbrae, California.

ROLL CALL: On roll call there were present: Dr. Don Newman, Chair, Dr. Dan Ulliyot, Vice-Chair, Helen Galligan, Secretary, Sue Smith, Treasurer and Dr. Rick Navarro, Director.

Also present were: Cheryl A. Fama, Chief Executive Officer, Colin J. Coffey, General Legal Counsel, Jan Matejcek, District Administrative Assistant and Kelly Molloy, District Executive Assistant.

CONSENT CALLENDAR: The Consent Calendar consisting of the minutes for the January 31, 2008, Regular Meeting and the unaudited Financial Statements for January and February 2008, was presented.

It was moved by Director Navarro and seconded by Vice-Chair Ulliyot to approve the Consent Calendar. The motion carried unanimously.

ORAL COMMUNICATIONS:

Terry Huebner, Burlingame submitted four questions on behalf of **Pat Giorni** who was unable to attend. She provided a typed copy of the questions to Ms. Fama to help get a response back to Ms. Giorni.

1. MPHS is planning to move the Skilled Nursing Facility out of the new hospital into the renovated Magnolia Gardens property that it just purchased. Where is MPHS finding the funds to do this given that beds have been cut out and the helipad eliminated from the project due to lack of funds?
2. Will there be a public hearing and an EIR submitted to determine the parking pressures for this new project?
3. Is MPHS planning to rent out floor space in the new hospital as it does now?
4. MPHS is interested in purchasing the school district property on Trousdale. What programs is it planning to move into that space and are they moving so much out of the hospital that it will no longer be financially viable? Will the District be getting the chance to buy back our hospital a lot sooner than we expected?

Ruth Jacobs, Burlingame asked about the District grant to the Millbrae Recreation Department and questioned how that was medical and if there was a change in the District's policy?

Vice Chair Ulyot responded that the District has coherent policies and guidelines which were followed. He also stated that healthcare in this society is defined very broadly; however, time constraints did not allow him to discuss further. Ms. Jacobs admonished that the District not stray too far.

Secretary Galligan, Chair of the Service Agreement Committee, commented that the Millbrae Recreation Department's original request was to fund a much broader after school program that did not fit within the District's guidelines and was not approved. However, the after school snack program is health-oriented and fits within the policy and was approved as a one-time grant to support providing nutritional snacks.

Georgia Holesapple, Burlingame, questioned why the fitness and cardiac centers are no longer in the new hospital plans and expressed disappointment that there will be a smaller gift shop and that the SNF will be moved out of the hospital. She has been involved with the hospital for many years and believes that what Sutter Health is doing to Peninsula Hospital and this community is not good.

Chair Newman asked if there were any other comments. There were none.

COMMITTEE REPORTS:

MPHS BUILDING COMMITTEE:

Vice Chair Ulyot reported that he and **Director Smith** attended the February 26, 2008 meeting. He summarized the highlights as presented by Larry Koller, the Senior Project Manager and Bob Merwin, CEO.

- The project is behind and over budget due to a number of factors.
- The kitchen facilities needed to be moved into the seismically designed building, which requires new plans and change orders.
- Cost projections have fallen short on a number of the projects; this is a general contractor problem in estimating costs.
- Cost overruns will be addressed by a good philanthropic effort, possible sale of a MPHS real estate holding in the area, improved hospital operations performance, and savings by relocating Behavioral Health out of the new acute tower.
- The east wing steel is finished; the west wing is coming along well.
- The professional office building steel will start going up this fall.
- The outer "skin" of the new hospital should be in place by late 2009.
- The additional floor proposed for the professional office building will cost \$21M. In response to earlier questions, the additional floor will provide space for 25 more physicians and more rental revenue.

- MPHS is going through a thorough analysis of services that need to be included in the new acute care tower so that only the most high intensity medical and surgical services will be put into the main hospital, which is extremely expensive construction.

CEO Fama commented that John Loder, MPHS Foundation President, who is heading up the capital campaign, will be the guest speaker at the June 26, 2008 regular District Board meeting.

COMMUNICATIONS OVERSIGHT COMMITTEE

Vice-Chair Ullyot, Chair

The new spring newsletter was done and copies distributed at the meeting. Steve Weiss, a website expert, is now helping the staff maintain the site in-house. Vice Chair Ullyot directed attention to the material under tab C of the Board Packet. He complimented Ms. Fama on her work reaching out to community opinion makers and cited the successful interview written up by Mike Rosenberg from the Examiner and the press release sent out by San Mateo County about the Falls Program funded by a District grant. **Ms. Huebner** noted that the newsletter stated that the helipad was still in the project. **CEO Fama** acknowledged that the website source used had not been updated; a correction will be included in the next newsletter.

SCHOLARSHIP COMMITTEE

Secretary Galligan, Chair

Of the more than 50 loans granted to RN students, only two very old accounts are in collections. She noted that Jane McAteer, the College of San Mateo's Director of Nursing, was the guest columnist in the newsletter. Three new loan applications have been received for fall of 2008; the application period is still open until the end of April.

PHYSICIAN RECRUITMENT COMMITTEE

Director Navarro, Chair

There has been no further activity with Dr. Allen's group in the joint effort to recruit a surgeon for the community. Dr. Gervin, the primary care physician that the District helped with a recruitment loan, has moved out of the District and now will have to pay back some of the loan. **Treasurer Smith** questioned this as she recalls that Dr. Gervin completed her residency and received a letter of congratulations from the District. Ms. Fama noted that the agreement was for a 4-year forgivable loan and she only worked 2 years in the District.

CHIEF EXECUTIVE REPORT

CEO Cheryl Fama

- **Senior health care issues and disaster planning:** In keeping with the Board's goals to promote health education and to serve as facilitators in addressing needs, Ms. Fama reported on an invitational "round table" that she has planned for March 21. The plan is to examine the situation, identify and clearly define the

problem(s), explore collaborative solutions, and determine if and what the District's role should be. The invitees that will be participating are:

- Lisa Mancini, Director, Aging and Adult Services
- Marsha Fong, Aging and Adult Services
- Tippy Irwin, Executive Director, Ombudsman Services
- Celia Moreno, MD, SMC Health Department, Pandemic Flu Project
- Kevin Rose, SMC EMS, Disaster Preparedness Coordinator
- Judy Lynch, Jewish Family and Children's Services Seniors-at-Home Director

Dr. Ullyot commented favorably on the approach and would like to know how many potential seniors in need are out in our community and what are other cities doing to address this. **Secretary Galligan** suggested working with the city councils. Precinct walkers may be able to help gather information. Also, some aspects of the Neighborhood Watch programs might be used.

- **New Finance Policy:** Gary Hicks, Financial Consultant, has agreed to conduct regular reviews of the financial strength of Sutter Health and report to the Board per the new policy.
- **Community Activities:**
 - 3/18/08-The 2008 SMC Community Health Assessment was rolled out. Dr. Scott Morrow will be repeating his presentation at the District's April 24 Board meeting.
 - 3/21/08 – The SMC Blue Ribbon Task Force will be reviewing its final report on health care coverage for the uninsured.
 - 4/2/08- The District Board will be receiving a Silver Bar Bell Award from the Youth and Family Enrichment Services at its annual breakfast event.
 - 4/5/08- The District will be one of the sponsors of a Women's Health Summit.
 - Ms. Fama has been appointed to serve on the St. Luke's Blue Ribbon Panel in San Francisco
- **District Real Estate:**
 - 1848/50 El Camino Real – Close of escrow scheduled for 3/31/08. The current tenant is MPHS; the new owner will honor the lease agreement in place.
 - 1875 Trousdale – Sunrise, the tenant in the front 1400sf, has had to delay full occupancy due to construction delays with the senior living facility under construction on the corner of Trousdale and Ogdan. Therefore, they will need to rent beyond the original 12 months envisioned. The
 - remaining 3600sf space is still unoccupied. Ms. Fama is seeking viable tenants before investing any additional funds to fix up the space.

- 1825 Trousdale – The District has expressed interest in purchasing this lot to the current owner, the Burlingame School District. The lot is adjacent to the land that will revert back to the District’s use once the old hospital is demolished and therefore would provide more opportunity as this Board explores property development in the future. **Secretary Galligan** asked if the recent announcement about the resignation of the current superintendent of the school district was having any impact on the progress of discussions. **CEO Fama** responded that she had spoken with Dr. DaMarto the previous week; he reported that the plan was for the school district to further explore its options relative to moving, buying, and/or building before taking steps to sell the current building.

SPECIAL GUEST PRESENTATION:

Chair Newman asked Ms. Fama to introduce the speaker. **CEO Fama** introduced Ron Robinson, Director, Finance and Administration, Health Plan of San Mateo and Chair of the Children’s Health Initiative Coalition.

[Mr. Robinson’s slide presentation is appended to and made part of these minutes.]

The question and answer period following his presentation included the following.

- **Chair Newman:** How do you collect the data?
 - **Director Robinson:** We have been working with the Urban Institute and the University of California. Their team has been collecting chart and program data as part of a 5 – year evaluation of CHI. They conduct an annual review and publish their findings.
- **Vice Chair Ulyot:** How many of the participating physicians are in private practice rather than county employees?
 - **Director Robinson:** Not sure of the exact number, but there are hundreds. The problem is that they are badly distributed throughout the county. The greatest need is in the north county, but the greatest number participating are in the south county.
- **Ruth Jacobs:** How many children are covered? What is 400% of poverty level?
 - **Director Robinson:** 6,300 children are covered and 400% of poverty level is approximately \$80,000 per year for a family of four in San Mateo County.
 - **Treasurer Smith:** How did the health plan reduce its costs from \$90/month to \$72/month?
 - **Director Robinson:** Efficiency and low administrative costs. Overhead is only about 6% of total cost.
- **CEO Fama:** What happens when the kids turn 18?
 - **Director Robinson:** They either get insured through an employer or they become part of the uninsured adults that the county’s Blue Ribbon Task Force is trying to address.

OLD BUSINESS

Blood Centers of the Pacific – CEO Fama reported that she followed up on Director Navarro’s suggestion about approaching this organization as to its future needs for space. She learned that the Blood Centers purchased the building that it now occupies on Rollins Road and therefore, would not be looking to move into new space closer to the hospital.

NEW BUSINESS

CEO Performance Plan: Chair Newman referred the Board to the proposed plan under Tab E in the meeting packet. The plan was drafted in compliance with the terms of the CEO Employment Agreement and is submitted for Board approval.

It was moved by Vice Chair Ulliyot and seconded by Secretary Galligan to approve the CEO Performance Plan. The motion carried unanimously.

SMC Chapter of the California Special Districts Association, Board Appointment:

CEO Fama reported on a meeting she attended on March 4, 2008. She found the meeting agenda informative and the relationship of this group to LAFCo, the District’s supervising body, to be an important one to attend on a regular basis. Only the Board chair or a formally appointed alternate from the Board can vote at these meetings and therefore, she asked that the Board appoint an alternate. She provided the meeting schedule for the remainder of 2008 and referenced the letter from Iris Gallagher, Secretary/Treasurer of the organization, which was included in the meeting materials. Secretary Galligan volunteered to serve.

It was moved by Treasurer Smith and seconded by Director Navarro to appoint Director Galligan to serve as the alternate member to the SMC Chapter of the CSDA. The motion carried unanimously.

ADJOURNMENT:

The meeting was adjourned by Chair Newman at 19:25 hours.

By:

Kelly K. Molloy, Executive Assistant

Approved:

Helen C. Galligan, Secretary

Donald E. Newman, M.D., Chair