



# Peninsula Health Care District

**REVISED**

**BOARD OF DIRECTORS  
REGULAR MEETING  
Thursday, May 27, 2010**

The Board of Directors of the Peninsula Health Care District was called to order on Thursday, May 27, 2010 at 17:45 hours at the Foster City Hall Council Chambers, 620 Foster City Boulevard, Foster City.

**ROLL CALL:** On roll call there were present Dan Ulyot, MD, Chair, Rick Navarro, MD, Vice Chair, Helen Galligan, RN, Secretary, and Larry Cappel, PhD, Treasurer. [Don Newman, MD, Past Chair was on an excused, out of town, absence].

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

**CONSENT CALENDAR:** The Consent Calendar consisting of the Regular Session minutes for April 22, 2010, the Treasurer's Report, and the unaudited Financial Statement for April 30, 2010 was presented.

***DIRECTOR NAVARRO MOVED AND DIRECTOR GALLIGAN SECONDED THE MOTION TO APPROVE THE CONSENT CALENDAR. THE MOTION CARRIED UNANIMOUSLY.***

**COMMUNITY EDUCATION:**

**Chair Ulyot introduced Robert Merwin, CEO, Mills-Peninsula Health Services,** and invited him to address the Board. [Mr. Merwin's presentation is appended to and made a part of these minutes.]

Mr. Merwin focused his remarks on the new MPHS Strategic Plan: "Mills-Peninsula Destination 2020: Leading the Transformation of Health Care". He noted that the plan development involved physicians, managers, staff and community members, and has been approved by the Foundation and Hospital Boards. It will cost between \$150M and \$200M and will need philanthropy to carry out. He summarized key MPHS milestones over the last 25 years, guiding principles involved in developing the plan, anticipated impacts of the current state of the US healthcare system and the new health reform, and how MPHS has risen to address these challenges. Highlights from the 25 year history included: the new hospital opening this year; the MPHS relationship with the Palo Alto Medical Foundation- the 8<sup>th</sup> largest medical group in the nation, and the consistently high quality provided by MPHS as measured by Healthgrades, a national organization that has rated MPHS in the top 5% of all hospitals for 3 years in a row.

The MPHS vision for 2020 "*is to lead the transformation of health care to achieve the highest levels of quality, access and affordability...providing patient-centered, world-class health care in the heart of San Mateo County.*" "World class" is defined as "comparable to the Mayo Clinic". He described the four critical strategic pathways to achieve this vision: world-class clinical programs, innovation and clinical advancement, infrastructure – people, services, technology, and world-class patient-centered health care provided by an integrated delivery system. To further describe the plan, Mr. Merwin provided attributes of 2010 world-class clinical programs, a capital needs and implementation timetable, and measures that will be used to determine if implementation was successful.

Questions & Mr. Merwin's Answers:

**Director Galligan** asked about Nursing Magnet status? **Mr. Merwin** responded that it is a culture of nursing decision-making which is collaborative. It is a huge process and will require 2-3 more years of transition and implementation before they are ready for the survey process. Only about 10% of hospitals have achieved this designation nationally; it is a foundational requirement in achieving the Baldrige Award, which is the overall MPHS quality goal.

**Chair Ulyot** noted that the Mayo Clinic is affiliated with research and teaching programs and asked Mr. Merwin to comment on that in relation to MPHS setting Mayo as its benchmark. **Mr. Merwin** responded that the MPHS physicians discussed this and it was the clear conclusion that to have all patients seen by a Board-certified physician was a positive goal and to have the other aspects of the integrated care model were more important. **Chair Ulyot** concurred from his experience, having been both a professor at UCSF and then the lead in bringing the heart program to MPHS, noting the value he placed on directly caring for his patients.

**Luciana Kincer, Burlingame** asked about Sutter Select and the rollout plans for this insurance product. **Mr. Merwin** responded that Sutter Select was a PPO, self-insured product offered by Sutter to its employees. He noted that he has Sutter Select. The overall goal is to gain more experience on how to best manage care and costs and then possibly rolling this insurance product out to the general public; however, a rollout is years away. Also in response to Ms. Kincer's question about MPHS possibly taking Sutter Select only in the future, **Mr. Merwin** commented that they will never go to a single payer; it would not be viable strategy.

**Sharon Tobin, RN** asked how much the process of going for RN Magnet Status will cost. **Mr. Merwin** reported that MPHS has already received funding from the Moore Foundation to support some of the costs and another grant application has been issued for funding to support a PhD, RN Coordinator position to head up the process. He does not know what the total cost of the process will be.

There being no further questions, **Chair Ulyot** thanked Mr. Merwin for coming and his presentation.

ORAL COMMUNICATIONS: NONE WERE OFFERED

COMMITTEE REPORTS:

Long Term Planning, Chair Ulyot, Committee Chair:

Chair Ulyot noted the distinguished members of this committee and the wealth of expertise they bring to the discussion of the District's Long Term Plan. At the last two meetings [4/27 and 5/25] there was discussion about strategic real estate acquisitions.

Sutter Health Oversight, Director Newman, Committee Chair:

In Director Newman's absence, **Chair Ulyot** gave the Building Committee Report. June 2 an all day meeting is scheduled with OSHPD to ensure things are progressing and are on track for a November opening. August 2 is the target date to get "sign off" by OSHPD which is needed before an occupancy permit can be issued. Once the permit is in hand, furnishings can be moved in. He commented on the complexity of this construction project noting that there are more than two million miles of wire throughout the project. The Behavioral Health unit at the Mills campus is 35% complete and anticipated to be ready for occupancy by October. This move must happen as scheduled to allow the new hospital to open in November. The cardiac fitness center, planned to be moved to the District's property at 1875 Trousdale, is scheduled to be open and ready for business in October as well.

**Community Health Investment, Director Galligan, Committee Chair**

***MD Recruitment Program:*** Dr. Dalal has signed her contract and will be starting practice in San Mateo in September. She will start her house hunting in June and is planning to use the District's forgivable loan option to help with her relocation.

***RN Loan Forgiveness Program:*** The deadline has been extended to allow for more applications. To date the District has received only one new request and two renewals for a total of \$9000. Ms. Fama recently participated in a career fair at MPHS and hopes that conversations with employees and recruiters from local nursing schools will get our information out and this will result in more applications.

***Community Grants:*** Due to a slow start up of the Community Health Network for the Underserved OB Project, only \$129,000 of this year's \$366,000 District grant has been used. All program elements are in place now. The Board approved a 3-year grant; given the delayed start, it is anticipated that an extension will be requested and the funding pushed out beyond the original three year timeframe. **Director Galligan** noted that the Sequoia District's annual community grants event is scheduled for June 15 and all Directors are invited. She also reported that we are scheduling site visits to District grant recipient facilities. The dates and times will be shared with all Directors and the Committee to encourage participation.

**CEO REPORT:**

***Strategic planning update:*** Childhood obesity was identified as one of the most significant health problems in the District during the 2007-2010 plan development and this was reaffirmed by the county-wide health assessment completed in 2008. To update the Board on the status of this problem and the actions taken and activities planned throughout the county, ST Mayer, Director of Health Policy and Planning, has been invited to be the community health education presenter at the Board's June meeting. Ms. Fama is starting her search for the facilitator to help with the planning retreats.

***ACHD Annual Meeting report:*** Director Galligan and Ms. Fama attended the sessions. Both completed their AB 1234 Ethics Training. One of the sessions presented information on a chronic disease self management education program that has as its purpose training people with chronic diseases how to live safely in their homes and prevent injury and unnecessary hospitalizations. The program is evidence-based and comes out of Stanford research. The program is consistent with the District's mission and health priorities – specifically to empower individuals to be more active in maintaining their health through education, and to support senior services that foster independence and living at home. **Director Galligan** added that she thought it sounded like a phenomenal program and encouraged Ms. Fama to pursue it further. **Chair Ulyot** commented that disease management has become so much more important with the complexity of treatments and referenced programs that literally have a bank of RN's that call patients regularly to remind them to take their medications and keep appointments to avoid problems.

***Communications Committee:*** Ms. Fama meets monthly with marketing and advocacy advisors. The last meeting focused on the District's communications plan, progress, and any course corrections advised going forward. It was recommended to stay the course, continue the newsletters, develop a more specific plan for use of Facebook networking, and increase the frequency of reviewing and updating the website.

***Appletree Dental Care model:*** Dr. Helgeson, founder and CEO of Appletree Dental, will be coming to the area in July and will be the education speaker at the Board's July 22 meeting. Meeting notices will be sent to all dental health stakeholders in the community to encourage attendance. A reception will be held immediately following the Board meeting and in a community meeting room adjacent to the Millbrae Chambers where the Board will be meeting, to allow the dental community and Directors more time with Dr. Helgeson.

***Community Activities report:*** **Ms. Fama** referenced the summary distributed in the Board packet and then reported a new opportunity that arrived today. Supervisor Groom has asked Ms. Fama to participate on the Board of Supervisors' new Community Health Reform Advocacy Committee. With the Board's concurrence, Ms. Fama will accept the invitation.

**Luciana Kincer, Burlingame** commented that she likes the District's website and found the information interesting and the format easy to use. She asked if the website could be expanded to include all Board minutes from 1996 to 2000. Minutes from 2000 to 2010 are currently available on line. **Ms. Fama** noted

that hard copies of all minutes from 1980 to the most recently approved are currently available in the office; she agreed to look into the logistics of getting four years worth onto the website.

**OLD BUSINESS: NONE**

**NEW BUSINESS:**

**REPORT ON 5/27/10 CLOSED SESSION:**

**Chair Ulyot** reported that a Closed Session was held just prior to the start of this meeting. The agenda was exclusively about real estate and the District's consultants Lynn Sedway and Carla Scimemi were in attendance. ***THERE WERE NO REPORTABLE ACTIONS FROM THIS MEETING.***

**PROPOSED BUDGET FOR FY 2011:**

**Ms. Fama** referenced the budget materials previously distributed in the meeting packet. She reviewed the key changes from prior year budgets using a power point presentation that is appended to and made part of these minutes. The presentation covered: an overview of Expense drivers, an update to the Revenue and Expense Assumptions presented at the April Board meeting, and a summary of actual performance from for FY'08 and FY'09, estimated year end performance for FY '10, and the proposed budget for FY '11.

**Chair Ulyot** opened the discussion by referencing the current state of economic decline, and the budget shortfalls at state, national, and international levels. He stated that this is a time for public agencies to be more frugal and implement restraint on spending. **Director Navarro** responded that, given the cutbacks and strain on many healthcare providers who serve those in need, this may not be the time to cutback the District's support of these agencies. The Directors engaged in a vigorous and spirited discussion that addressed the following issues:

- Should the District hold the community health investment budget to the \$2M level of previous years, recognizing the MD recruitment cost as part of that investment, or is this a year when the District increases community investment by \$150,000 to address the increased needs due to county and state cutbacks?
- The total grants budget has not been spent in recent past years due to a delayed implementation of the CHNU OB program and budgeted RN loan funds not being fully tapped. What is the likelihood that this may happen again?
- Should the budgeted expenses be identified as "fixed" vs. "variable" to help with the Board's deliberations?
- Do we maintain the current level of outreach through newsletters and participation in health fair activities, or reduce this cost item?
- This year has "unique" items – elections costs (\$295,000), MD recruitment (\$150,000), a property analysis project (\$50K), and beginning funding of our employee pension & benefits plans (\$90,000.00) – should we try to reduce other expense items to make these "budget neutral" or increase Total Expense with the understanding that these will not reoccur annually?
- One could consider consulting fees as part of the District's administrative expenditures. In any case reducing consulting fees is another area for potential budget cuts.

***IT WAS MOVED BY CHAIR ULLYOT AND SECONDED BY DIRECTOR CAPPEL TO APPROVE THE PROPOSED BUDGET WITH ONE REVISION: REDUCE THE COMMUNITY HEALTH INVESTMENT LINE ITEM IN THE PROPOSED BUDGET FROM \$2.15M TO \$2M.***

**AYES: ULLYOT AND CAPPEL**

**NOES: NAVARRO AND GALLIGAN**

**MOTION FAILED**

Discussion continued on the Community Health Investment budget; it was noted in the trended data provided that the full \$2M has not been used in the prior three years. Given this pattern, and after more discussion about the current status of the CHNU Obstetrics program, it was suggested that a budget of \$2M may allow the District to maintain its same level of giving.

***IT WAS MOVED BY DIRECTOR CAPPEL AND SECONDED BY CHAIR ULLYOT TO TABLE THE BUDGET DISCUSSION UNTIL NEXT MEETING TO ALLOW THE CEO TO BRING BACK MORE DETAIL ON THE STATUS OF THE CHNU OB PROGRAM AND PROJECTIONS RELATIVE TO USE OF THE AMOUNT COMMITTED FOR FY 2011.***

**AYES: ULLYOT AND CAPPEL**

**NOES: NAVARRO AND GALLIGAN**

**MOTION FAILED**

There being no further motions, Ms. Fama was directed to bring back the budget next month. She agreed to bring additional information on the CHNU OB program and to relook at “variable” costs. **Chair Ullyot** noted that he will not be able to attend next meeting and Director Navarro will be chairing the meeting.

**CORRESPONDENCE/MEDIA:** No items were pulled for comment.

**ADJOURNMENT:**

**The meeting was adjourned by Chair Ullyot at 19:20 hours.**

**By:**

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**Jan Matejcik, Administrative Assistant**

**Approved:**

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**Helen C. Galligan, Secretary**

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**Daniel J. Ullyot, M.D., Chair**