



Peninsula Health Care District

BOARD OF DIRECTORS REGULAR MEETING Thursday, September 24, 2009

The Board of Directors of the Peninsula Health Care District was called to order on Thursday, September 24, 2009 at 17:45 hours at the Foster City Council Chambers at 620 Foster City Blvd, Foster City, CA.

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. **Absent:** Don Newman, MD, Past Chair.

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 Closed and Regular Session minutes from the August 27, 2009 Meetings, the Treasurer's Report, and the unaudited Financial Statements for August 31, 2009 was presented.

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

COMMUNITY EDUCATION: The National Surgical Quality Improvement Program
Chair Ulyot introduced guest presenters: **Dr. Bruce Allen, Surgeon and Ms. Patricia Yadao, RN, MSN, Quality Management**, both from Mills-Peninsula Health Services.
[Note: Director Newman arrived at 17:50 hours.]

Dr Allen thanked the Board for the opportunity to present and opened by stating his commitment – to do the right surgery on the right patient with no complications. The focus of his presentation was on a relatively new program at Peninsula Medical Center, the American College of Surgeons' National surgical Quality Improvement Program. (NSQIP) However, he noted that there is another important quality program going on at Peninsula Hospital – the Surgical Quality Improvement Program. The difference between the two is SQIP focuses on *process* improvement; NSQIP focuses on *outcomes* improvement.

Dr. Allen gave an overview of the SQIP Program, whose goal is to improve surgical care by setting process standards. Dr Allen stated that as a surgeon quality is very important to him. Even a small complication, like a wound infection, can be a very significant event for the patient; surgeons are trying to do everything they can to minimize both the negative impact on the patient and on the cost of medical care. Dr. Allen then went on to cover Process and Outcome Measures, Wound Infection Measures and SCIP Data Collection.

Dr. Allen gave an overview of the American College of Surgeons sponsored NSQIP Program, whose goal is to identify areas that the hospital is weak in, identify those as quality improvement targets, possibly implement certain changes in the way they conduct their operations and see better results. Ms. Yadao spoke to Case Selection, Interpretation of Results and Data Collection. **[A copy of Dr. Allen's presentation is appended to and made part of these minutes.]**

Chair Ulyot thanked the presenters noting the complexities in gathering and analyzing data to make meaningful results and the time and expense involved in collecting data. He stressed the importance of

risk stratification in analyzing this kind of information and cited an experience with cardiac surgery in the 1980's, when the Chronicle published raw mortality data. Based on this article, UCSF and Stanford seemed to have the worst surgical outcomes because there was no adjustment for the high risk and severity of illness of the cases at those institutions. Risk stratification is crucial to making data meaningful. The SDS data bank now has over 3.5 million coronary bypass cases and measures 77 variables. There is a tendency by some rating organizations to substitute volume of surgeries for quality. The SDS data does not support this. Everyone benefits from the kind of work Dr. Allen and Ms. Yadao are doing. He again thanked the speakers.

ORAL COMMUNICATIONS: None were offered.

COMMITTEE REPORTS:

Long Term Planning, Dr. Ulyot, Chair

Chair Ulyot reported the first meeting is scheduled for September 29; all seats have been filled with excellent members, and he looks forward to a good committee meeting.

Community Health Investment, Ms. Galligan, Chair

Director Galligan reported the first meeting was held on September 14, meeting notes were included in the distributed Board materials. Two recommendations were brought forward from the Committee:

A. 2010 Board Health Priorities: The committee recommends:

- Primary care access for those in need
- Childhood obesity and nutrition
- Health education targeted at reducing youth and adult high risk behaviors
- Senior services that contribute to independence
- Training and education of needed healthcare professionals

Chair Ulyot recommended that the last priority be revised to read "Recruitment and education".

Director Galligan accepted the revision.

DIRECTOR GALLIGAN MOVED AND DIRECTOR NEWMAN SECONDED THE MOTION TO ACCEPT THE 2010 HEALTH PRIORITIES FOR THE BOARD WITH THE PROPOSED CHANGE. THE MOTION PASSED UNANIMOUSLY.

B. MD Recruitment Loan: **Director Galligan** raised the need to formally act upon the Board's willingness to offer Dr. Dalal a recruitment loan, as well as, to approve the terms of such an agreement. A term sheet that summarized the details from the August Board meeting was distributed for review. There was discussion about the terms, the differences between the two options, straight loan and forgivable loan, the current market definition of "commercially reasonable", and the parameters and flexibility intended in the delegated authority to be given to the CEO.

CHAIR ULLYOT MOVED AND DIRECTOR NAVARRO SECONDED THE MOTION TO AUTHORIZE THE CEO TO ENTER INTO A CONTRACTUAL AGREEMENT FOR THE PURPOSE OF SECURING DR. DALAL'S SURGICAL PRACTICE WITHIN THE DISTRICT, AND TO APPROVE THE TERMS OF SUCH AN AGREEMENT AS PRESENTED FOR EITHER A LOW INTEREST HOUSING LOAN OR A LOW INTEREST FORGIVABLE HOUSING LOAN. IT WAS APPROVED UNANIMOUSLY.

Directors Navarro and Galligan raised their concerns that the funding of this recruitment loan has been proposed to come out of the budgeted grant funds for the year, noting that in prior years there had been a separate line item that was not included in the budget for FY 2010 because there have been no takers for years. It was also noted that this year's reorganization of the Board committees occurred after the budget

approval and put the MD Recruitment activity under the former grants committee without any budget adjustment.

DIRECTOR NAVARRO MOVED AND DIRECTOR NEWMAN SECONDED THAT THE FUNDING FOR A LOW INTEREST RECRUITMENT LOAN FOR DR. DALAL BE TAKEN OUT OF THE BOARD'S CASH RESERVES, SEPARATE FROM AND IN ADDITION TO THE FY 2010 APPROVED BUDGET FOR COMMUNITY GRANTS.

Discussion: **Chair Ullyot** spoke against the motion explaining that the Board should respect its budget process which was done thoughtfully and in recognition of the economically challenging times. He spoke to exercising fiscal responsibility and staying within budget. It will be one of many grant requests and is consistent with the health priorities just approved. **Director Navarro** countered with the importance of recruiting such a physician and the ability of the Board to help out the community during this difficult economic time. It has been an unused line item for years due to lack of opportunity, not because of the importance of such an investment. There was discussion about the potential impact on the available grant fund. **Director Galligan** noted that Letters of Intent are due October 1 so an exact dollar number for this year's grant requests was not known. **Director Cappel** asked how far along the recruitment efforts were with Dr. Dalal. **Ms. Fama** responded that she is very close to signing an agreement with Dr. Bruce Allen's practice and is planning to start September 2010. **Chair Ullyot** commented on the importance of the budget process and the rigor that needs to be brought to anticipating expenses. **Ms. Fama** noted the District Accountant's input that the straight loan is a Balance Sheet transfer and a forgivable loan would be treated, from the accounting standpoint, more like a grant. **Chair Ullyot** asked Directors Galligan and Navarro if they would accept that as a compromise. **Director Navarro** spoke to the increased need in the community and significant limitation this places on the grants that can be given out by the District. The MD recruitment loan is such an exceptional request; it should be treated as such. **Director Cappel** spoke to the importance of keeping the fiscal processes intact and to stay within the budget.

Chair Ullyot called the Question:

Ayes: Directors Galligan and Navarro

No: Directors Ullyot, Newman, and Cappel

THE MOTION FAILED.

There was further discussion about the need to take action on the distinction between the two MD loan options relative to the budget. Mr. Coffey advised that such a motion, while not required, would provide clarity for the record.

DIRECTOR NAVARRO MOVED AND DIRECTOR ULLYOT SECONDED THAT IF DR. DALAL ACCEPTS THE LOW INTEREST HOUSING LOAN IT WILL BE TREATED AS A STRAIGHT LOAN; IF SHE CHOOSES THE "FORGIVABLE" LOAN, THE FUNDS WILL COME OUT OF THE APPROVED BUDGET FOR COMMUNITY GRANTS. THE MOTION PASSED UNANIMOUSLY.

Sutter Health Oversight Committee, Dr. Newman, Chair

Director Newman reported the committee met for the first time September 23. He acknowledged the quality of the new members. The focus of discussion was on MPHS' recent announcement about the closure of the Acute Rehab Center. It was decided to pursue a number of questions including verification that the Master Agreement did, in fact, exclude Acute Rehab from the Core Services, and what the true reason for the move was - seismic requirements or economics of the service. In response to a question, **Mr. Coffey** responded that Acute Rehab is not a core service and the Master Agreement only addresses services at Peninsula Medical Center, not Mills. **Director Galligan** raised the point that the Acute Rehab Center was planned for the new hospital. **Mr. Coffey** responded that at the time of the signing of the agreement it was not.

Building Committee: Director Newman reported that the skin and roof of the new hospital should be completed prior to the rainy season. Construction is scheduled to be completed by July 2010; however, there are a number of factors that could delay this. It was noted that this is the only complete hospital rebuild being done in the Bay Area and with the financial problems of the State; there may be some loosening of the seismic timelines, which would make the Peninsula Medical Center truly unique in its technology and seismic engineering.

Mitigation Panel: Chair Ulliyot reported that there was no meeting.

CEO REPORT, Ms. Fama:

- ***Healthy Families Funding:*** Since finalizing the budget in July, State legislators have found and allocated funds to continue this important program through June 2010, which means the 3000 affected members living within the District will continue to have access to the basic care provided under this program.
- ***San Mateo County Wellness Policy:*** Presented for information and response, if warranted.
- ***Communications Committee:*** This is an operational committee that meets monthly and includes representatives from MacKenzie Communications and Public Affairs Associates. Contracts have been renewed for another year, effective October 1. The focus this month is completion of the next newsletter which is targeted to be out by November 1.
- ***Educational and Support Activities:*** A summary of upcoming events was included in the Board materials. The upcoming Women's Health Conference was highlighted as the District is a major sponsor and, as such, will have the opportunity to have a representative make brief remarks at the event. The anticipated attendance is projected to be 600-700. It was agreed that **Director Galligan** would be most appropriate.
- ***SAMCEDA:*** The District is now a member of this organization; its goals are to advocate, collaborate and educate to create a vibrant, healthy community. There is a standing Health Committee on which Ms. Fama hopes to become active.
- ***Community Activities Report:*** The regular monthly summary was distributed with the meeting materials. Ms. Fama highlighted the District's role at the Millbrae Art and Wine Festival with a photo presentation.

OLD BUSINESS:

CalPERS Pension Program:

Chair Ulliyot referenced the proposed Board Resolution #2009-10, "Resolution Authorizing a Contract" that was distributed at the start of the meeting. [**Appended and made part of these minutes.**] This is the final action required by the Board to ensure that all members have been fully informed, had time to contemplate the detail provided by Mr. Dubois, CalPERS Senior Actuary, at the August 27, 2009 Board meeting, and agree to go forward with entering a contract with CalPERS for pension benefits for District employees.

DIRECTOR NEWMAN MOVED AND DIRECTOR CAPPEL SECONDED APPROVAL OF BOARD RESOLUTION #2009-10, "RESOLUTION AUTHORIZING A CONTRACT", TO ENTER INTO A CONTRACT BETWEEN THE BOARD OF THE PHCD AND THE BOARD OF ADMINISTRATION, OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE PURPOSE OF PROVIDING PENSION BENEFITS TO DISTRICT EMPLOYEES AT THE LEVELS DESCRIBED AND APPROVED IN PHCD RESOLUTION #2009-09.

NEW BUSINESS:

Adoption of the Bill of Rights for Children and Youth of San Mateo County

Chair Ulyot invited **Michael Garb** to present. **Mr. Garb**, CEO of YFES, was present tonight representing the Peninsula Partnership Leadership Council (PPLC). Its mission is to formulate policies that effectively address the needs and foster the healthy development of children, youth and families in San Mateo County. The Bill of Rights was launched last year about this time. It has been adopted by the Board of Supervisors, 19 of the 20 cities in the county, 16 of the 24 school districts, and a number of other non-profit organizations. The Bill supports that all children deserve the same rights, regardless of where they live, their race, ethnicity, or income level. It is a tool to be used by organizations that make decisions that impact youth. There is no legal obligation that comes with supporting the Bill of Rights. On October 29, there will be a celebration honoring all the adoptees.

DIRECTOR NEWMAN MOVED AND DIRECTOR GALLIGAN SECONDED THAT THE BOARD SUPPORT THE PPLC BILL OF RIGHTS FOR CHILDREN AND YOUTH OF SAN MATEO COUNTY. IT WAS APPROVED UNANIMOUSLY.

Chair Ulyot thanked Mr. Garb for his attendance.

Board Meeting Location Rotation:

Ms. Fama noted that last year the Board asked that meetings be rotated around the District cities and that has occurred throughout 2009. The questions before the Board now are: A.) Do the Directors want to continue to rotate; and B) Do the Directors want to continue rotating between the same 4 venues—Millbrae, Burlingame, San Mateo and Foster City. **Director Cappel** spoke in favor of rotating to the different neighborhoods within the District. **Director Newman** stated that it was too bad that more residents did not attend. **Director Navarro** commented that low attendance also can be a “good thing” meaning meeting content is not controversial. **Mr. Coffey** offered that the Board’s availability around its District is important. **Chair Ulyot** expressed the hope that the quality of the education topics will catch on and will start drawing more attendees. It was the consensus to continue to rotate and to pursue possible meeting venues in Hillsborough and San Bruno.

CORRESPONDENCE:

Chair Ulyot referred to the material in the packet and asked if any needed comment. None was offered. **Ms. Fama** then called the Board’s attention to some additional correspondence available on the back table that came in since the mailing; specifically, a letter from Terry Huebner summarizing the District’s history of discussions about acute rehab with MPHS with supportive documents/research, and a flyer sent out by Supervisor Groom announcing an event to take place on October 16.

Ms. Fama noted that the next meeting will be at the Burlingame Chambers and the guest presenter will be Jean Fraser, the new Chief of the San Mateo County Health System. It is hoped that, with a broader distribution of meeting notices, the meeting room will be filled.

In response to **Director Navarro’s** question, **Chair Ulyot** reminded the Directors that there is no scheduled meeting in November as the 4th Thursday is Thanksgiving. The last meeting of the calendar year will be December 3rd.

ADJOURNMENT:

The meeting was adjourned by **Chair Ulyot** at 19:30 hours.

By:

Jan Matejcek, Administrative Assistant

Approved:

Helen C. Galligan, Secretary

Daniel J. Ulyot, M.D., Chair