



Peninsula Health Care District

**BOARD OF DIRECTORS
REGULAR MEETING
Thursday, September 25, 2008**

The Board of Directors of the Peninsula Health Care District was called to order for Regular Session on Thursday, September 25, 2008 at 17:45 hours, at the Millbrae City Council Chamber, 621 Magnolia Avenue, Millbrae, CA.

ROLL CALL: On roll call there were present, Dan Ullyot, MD, Acting Chair, Helen Galligan, RN, Secretary, Sue Smith, CPA, Treasurer and Rick Navarro, MD, Director. Don Newman, MD, Chair was excused.

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

CONSENT CALENDAR: The Consent Calendar consisting of the minutes for the August 28, 2008 Regular Meeting and the unaudited Financial Statements for September 2008 were presented. **Chair Ullyot** pulled the minutes at the request of a public member.

Director Smith moved and Director Galligan seconded the motion to approve the Consent Calendar with the Minutes from August 28th pulled out. The motion carried unanimously.

Chair Ullyot asked Ms. Fama to report on the proposed changes to the minutes. **Ms. Fama** stated a correction and addition to the minutes was called into the District office by Ms. Terry Huebner. **Ms. Huebner** stated that on page two, the first “Ms. Jacob’s asked”, needed to be changed to “Ms. Huebner asked”. Also, at the end of that paragraph, she had asked another question of Mr. Merwin, “Will there be Acute Rehab down at the new San Carlos Hospital?” Mr. Merwin responded “No”, to her recollection. Ms. Fama commented that these changes are consistent with her recollection as well. There was agreement by the Directors.

Chair Ullyot asked for a motion to approve the minutes with the corrections / additions as proposed.

It was moved by Director Galligan and seconded by Director Navarro to approve the minutes for August 28, 2008 as revised. The motion carried unanimously.

ORAL COMMUNICATIONS:

No comments were offered from the public.

SPECIAL PRESENTATION - THE COMMUNITY HEALTH NETWORK FOR THE UNINSURED:

Chair Ulyot asked Ms. Fama to introduce the speakers: **Supervisor Adrienne Tissier**, San Mateo County Board of Supervisors, **John Maltbie**, San Mateo County Manager, **Srija Srinivasan**, Special Assistant to the County Manager. *[A PowerPoint presentation was referenced by the speakers and is appended to and made part of these minutes.]*

Supervisor Tissier thanked the District for the opportunity to speak at the meeting and complimented the Directors for their years of support for the Children's Health Initiative. She pointed out that the priority health care issue for the County is to provide and fund access to healthcare for uninsured children and adults. She commented on the County's Health System Redesign that was recently approved by the Board of Supervisors; this restructuring of the relationship between San Mateo Medical Center and the Health Department is intended to more effectively and efficiently carry out a new, creative, and sustainable approach to healthcare delivery and will incorporate key recommendations that came out of the Blue Ribbon Task Force and HMA studies.

County Manager Maltbie also thanked the Directors for the opportunity to speak. He further discussed the two major building blocks of the County's approach to the issue – the Blue Ribbon Task Force and the HMA Phase 2 Report. He and his team were charged with assessing how the County was going to have the capability to continue to cover the uninsured. The County has absorbed the majority of the impact of the needs and the costs of healthcare to the uninsured, but that demand is exceeding the County's ability to sustain the current systems. He noted that this is further challenged by the limits and reductions in Federal and State contributions. Of the total operating budget for the County, SMMC receives the largest percentage of the General Fund Budget, about half, with the second largest amount going to the criminal justice system. It is projected that by 2013, caring for the uninsured will create an ongoing \$90M budget deficit for the County. It is a goal of the Health System Redesign Initiative to contain these costs through a collaborative solution involving all of the key healthcare providers in this community. The first year Redesign implementation goals are to improve access to healthcare, improve outcomes, improve the County's financial position, secure more private, state and federal funding, and build sufficient community capacity to achieve access for all to quality healthcare.

Special Assistant to the County Manager, Ms. Srinivasan spoke about implementing the Redesign plan priorities which have seven areas of focus:

1. Leveraging assets
2. Financial capacity
3. Internal processes
4. External processes
5. Eligibility
6. Long term care
7. Administration

Ms. Srinivasan then compared the vision, values and mission of the Peninsula Health Care District's (PHCD) grant making process to those of the newly identified Community Health

Network for the Underserved (CHNU) noting the significant similarities. She stated that there are over 40,000 uninsured adults in this County even though it is one of the wealthiest in the State. She recognized that the PHCD is already supporting the County through grants given to such safety net organizations as the Samaritan House. CHNU is hopeful to partner with the District on more programs such as obstetrics for Medi-Cal patients in partnership with MPHS and the Mills-Peninsula Medical Group, 24/7 coverage for the underserved, and possibly bringing Behavioral Health to another level. Ms. Srinivasan then asked **Mr. Hortop, Vice President for Mills-Peninsula Health Services** to comment on the OB program in development.

Mr. Robert Hortop thanked the District Board and the people within the District for funding the Children's Health Initiative (CHI), adding that through the collaborative agreements with the PHCD and the Sequoia Healthcare District the CHI program flourishes. The County also works very closely with MPHS to develop better ways to care for the uninsured. The county-wide obstetrics concern is a collaborative effort to ensure that obstetrical care is available to every woman in our county. It is the best preventative prescription for the parents, the child, nurses and doctors. **Chair Ulyot** questioned if this position was based on quality prenatal care? **Mr. Hortop** answered that prenatal care is a very important part of the program.

Ms. Srinivasan then reported on "next steps": the second meeting of the CHNU will take place on October 16, 2008; the six-month update to the Board of Supervisors is scheduled for October 28, 2008, and the 12-month update is scheduled for March 09'.

Chair Ulyot commented that based on the readings from the Blue Ribbon Task Force and what Director Smith has told the District from her work on the Task Force, CHNU has the resources of the County, two Districts, two hospital systems- Sutter and CHW, and Kaiser. He then questioned who the network participants were in the CHNU. **Ms. Srinivasan** answered that the Network included the Palo Alto Medical Center, MPHS, Ravenswood Clinic, Kaiser and private physicians, and added that the intention is to cover individuals who are 200% below the national poverty level first. The County is looking at a community financing committee, similar to what San Francisco General has done. She then stated the financial model assumes sharing of responsibilities, possibly \$50 - \$100 per month per patient. Kaiser's Redwood City facility already sees 360 County patients per year.

Chair Ulyot commented that if he were to look at the indigent in San Mateo County who are 400% below the national poverty level the number would go to 36 - 40K individuals. Individuals who are 200% below poverty level are about 28K. He then questioned Ms. Srinivasan on what the estimated annual cost would be for those 28K. **Ms. Srinivasan** responded that the pilot program is currently funded by the ACE Program and has 4,600 enrollees. That the number of enrollees is double what was expected. The cost estimate for people 400% under poverty level, with no public support, is \$300 per person, per month, with assumed medical reimbursement from Medicare. She emphasized that they are constantly trying to stretch the resources in the delivery system regarding charity care.

Chair Ulyot reported that Mr. Merwin, CEO from MPHS, stated in his quarterly report to the District that the charity care given by MPHS was \$14M annually. Chair Ulyot asked if the

intention is to have the doctors' work pro bono. **Mr. Hortop** stated that the \$14M in charity care encompassed patients who do not have health insurance benefits. The doctors who treat these patients do work pro bono, however, MPHS has a compensation program in place for those physicians who help to cover the Emergency Department needs. He said the goal is to move toward a model that reduces the overall costs of healthcare for each individual by implementing more preventative care, and that can be done through access for everyone to basic, primary care. He added that in the case of the proposed OB coverage collaborative for Medi-Cal moms, the OB/GYN physicians, Radiologists, and Anesthesiologists would be asked to come into a network that supports this model. Early indicators suggest that these three specialty groups would be willing to participate in the proposed Medi-Cal OB program.

Chair Ullyot then noted that such a model could lead to disharmony within the medical staff if these specialists were included in some form of subsidy to serve Medi-Cal and the primary care physicians and internists were not. He then asked if there was enough physician capacity to take on all of the uninsured. **Mr. Hortop** answered that within the big picture in San Mateo County it would be nearly impossible to recruit sufficient doctors to handle this new volume, as well as, a succession plan for those physicians close to retirement. That is why MPHS has focused its recruitment efforts on the development of a multi-specialty group which would allow physicians to work in a tax-free foundation model. It is the most successful model for recruiting and retaining physicians.

Chair Ullyot asked Ms. Srinivasan if she could be more specific about what the County would like to see the District do. **Ms. Srinivasan** answered that two suggestions would be to support the proposed OB partnership involving MPHS and MPMG and to support expanded community behavioral health capacity. **Mr. Hortop** stated they would get back to the District with very specific numbers and information for the District Board to review.

Chair Ullyot thanked Supervisor Tissier, Mr. Maltbie, Ms. Srinivasan, and Mr. Hortop for being at the meeting and for their presentations.

COMMITTEE REPORTS:

MPHS BUILDING COMMITTEE- Director Ullyot reported:

- The East wing skin will be on the new hospital by December 2008
- Decision has been made to move Behavioral Health to Mills Campus
 - \$20M has been allocated to prepare the Mills facility
 - Mills allows for consolidation of all Behavioral Health services on one campus
 - Mills allows for expanded inpatient capacity
- The hospital project is 104 days behind schedule
- \$215M has been spent so far; \$618MM is the total budget for the project

COMMUNICATION OVERSIGHT COMMITTEE, Vice-Chair Ullyot asked Ms. Fama to report:

Ms. Fama introduced this agenda item noting it was the Directors' intent when the CEO position was created, that the CEO would bring much of the communications and community relations activities in-house, thus reducing the reliance on outside consultants. She reported this has been done and cited the examples of the newsletter production, the website management, and her schedule of meetings with the various city managers and politicians within the District. She stated that while many tasks can be managed by District staff, there remains the need for access to communications and public affairs professionals who are experts in these fields. She then introduced **Janis MacKenzie, of MacKenzie Communications**, which is the firm that designed the new logo, newsletter format, and production of advertising pieces. Ms. MacKenzie has more than twenty years of experience in the Bay Area. [Background information on Ms. MacKenzie and brochures on MacKenzie Communications were available.] Ms. Fama asked Ms. Mackenzie to say a few words about herself and her firm which she did.

Ms. Fama then introduced **Ed McGovern of Public Affairs Associates (PAA)**. Mr. McGovern has more than 20 years of public affairs and advocacy experience in the Bay Area, primarily within San Mateo County. He also spoke on behalf of his company and future collaborations with the District.

Ms. Fama then called the Directors attention to the two proposals that had been distributed that described the consulting services that would be provided by each of these firms. She noted it is common practice in many organizations to have a public affairs department separate and distinct from a communications/advertising department. While their individual functions can overlap, the expertise and focus of each is different. Ms. Fama stated she felt the needs of the District would be best served by having available to the Board and CEO the expertise, experience, and quality provided by such professional firms as MacKenzie Communications, Inc. and PAA. She stated that now is the time to have them on our team so we can stay proactive, rather than reactive, such as our position over the last 18 months in responding to Grand Jury Reports, etc. Ms. Fama asked the Board to approve her engaging both firms under a monthly retainer agreement. She noted that funds were budgeted in the FY 2009 budget for such services and that the proposed agreements fell within that budget line item.

Director Smith noted that the MacKenzie Communications, Inc. was a one-year agreement and the PAA contract seemed to be an open ended contract. **Ms. Fama** answered that both contracts could be terminated upon 30 days notice.

It was moved by Director Galligan and seconded by Director Navarro to accept both the MacKenzie Communications and the PAA monthly retainer agreements as distributed. The motion carried unanimously.

Chair Ulyot added that this type of representation was something the District definitely needed and communications and public affairs complimented each other.

SCHOLARSHIP COMMITTEE: Helen Galligan, Chair
Nothing new to report

PHYSICIAN RECRUITMENT COMMITTEE: Rick Navarro, Chair

Nothing new to report

Ad Hoc SERVICE AGREEMENT COMMITTEE: Helen Galligan, Chair

Director Galligan introduced two new District residents who have agreed to serve on this important committee - Terry Jackson and Larry Cappel. She noted that they bring excellent experience in a broad-range of health and community activities. Profiles on both were distributed. In brief,

Ms. Jackson recently retired after 32 years of public service for the city of San Bruno, serving as the Library Director for 22 years, the Interim Community Development Director, the Editor/Publisher of the city's quarterly newsletter, and as the city's liaison to the San Bruno Chamber of Commerce. She is currently working in a consulting capacity as the Interim Library Director, Code Enforcement Appeals Officer, and on special projects for the Peninsula, Silicon Valley, and Monterey Bay Area Cooperative Library Systems. Ms. Jackson has a BS from the University of Santa Clara and MA in Library Science from San Jose State University. She is a resident of Millbrae.

Dr. Cappel serves as the President and CEO of Pacific Health Alliance, a managed healthcare company headquartered in Burlingame. Prior to PHA, he founded CHEC Medical Centers in Seattle, and was the Administrative Director for Business Development of Sequoia Hospital in Redwood City. He has a BA and MA from Humboldt State University and a Ph.D. from the University of Utah. He started his career as a tenured professor of Health and Human Ecology at California State University in San Bernardino. He is a resident of Millbrae.

Chair Ulyot welcomed the new committee members and asked what approvals were required by the Board. **Ms. Fama** stated that she did not believe that a formal action was required to approve the members; however, the Service Agreement Committee Description and Purpose document that was approved in October of 2007 needs to be revised to approve the proposed expansion of this ad hoc committee. She then directed attention to the proposed revision that had been distributed in the meeting packet. **Chair Ulyot** reviewed the proposed new committee description and suggested that it be made less specific in regard to the number of community people who could be on the committee and therefore recommended that the word "two" be removed from the number of community members-at-large in the sentence that described the committee membership.

It was moved by Director Galligan and seconded by Director Smith to accept the change in the committee description with the additional change proposed by Director Ulyot. The motion carried unanimously.

Ms. Fama thanked the new members for coming to the meeting and noted that the first meeting this fiscal year of the ad hoc Service Agreement Committee would be held October 16, at 5:00pm. **Director Galligan** then offered information about the committee's work and explained the process of receiving, reviewing, and determining which requests are brought forward to the full Board for discussion and approval. **Chair Ulyot** commented that ultimately the committee's charge is funding. **Director Galligan** stated yes.

CHIEF EXECUTIVE REPORT: Cheryl Fama, CEO

- A summary of September activities was distributed and included events such as the sponsorship of the Millbrae Fun Run, attendance at the Samaritan House Annual Event, attendance at Building Health Communities website launch, volunteering at the Millbrae Art and Wine Festival; speaking at San Bruno Rotary, attending the Sequoia District Board meeting, and pursuit of Burlingame Rotary membership.
- Activities planned for October were also listed and included the ACHD annual meeting, meetings with Supervisors Hill and Gordon, attendance and support for Gatepath, Shelter Network, and Ombudsman's annual events, attendance at Leadership San Mateo program, and presenting to the Millbrae City Council.
- Get Healthy San Mateo web site, www.gethealthysmc.org, is an excellent community resource that has been designed for parents, youth, educators and providers.
- The restructuring of the County's health services was described in an article that was included in the packet.

Director Navarro stated that he would be interested in joining Ms. Fama's meeting with Supervisor Hill on September 30, 2008. **Chair Ulyot** noted that this kind of activity and visibility on behalf of the District is exactly the kind of thing the Board has needed and congratulated Ms. Fama on her efforts.

OLD BUSINESS

Grand Jury Report Distribution: Ms. Fama

Ms. Fama reported that at the last District Board meeting, Mr. Coffey suggested that a wide distribution of the Grand Jury response was warranted. After discussing the report with Mr. McGovern of PAA, Mr. McGovern agreed with the planned distribution to the Board of Supervisors, Health Department leaders, and the Sequoia Healthcare District Board. However, he suggested that broader distribution be saved for a more proactive and positive message rather than a defensive one. Therefore, Ms Fama held up further distribution unless a report was requested – two such requests came in. One for an electronic copy from Dr. Sang-ick Chang, MD, MPH, CEO of SMMC and one from the Sequoia District's legal counsel.

Chair Ulyot then asked if Ms. Fama is developing a more general message to bring to the public. **Ms. Fama** stated that she has developed a "message" that she uses for her presentations which is more of an overview on what a district is, how they were formed, what is their purpose, what do they actually do, etc. **Chair Ulyot** suggested that it would be a good idea to develop a document that would make some of the same points that were in the response to the Grand Jury, but in a more general way for distribution to and use in public forums. **Ms. Fama** stated that she has three speeches/presentations written and she will review with them with Ms. MacKenzie and Mr. McGovern for their suggestions. She also feels that developing a "one-pager" to hand out is a good idea. **Chair Ulyot** recommended that it would also be useful for the Board members.

Board Letter in Support of Bicycle Ridership on Caltrain:

Chair Ulyot called the Directors' attention to Caltrain's response to the District's letter, which was distributed in the meeting packet. Mr. Simon of Caltrain stated that the District may have been misinformed. He asked Ms. Fama to summarize her conversations with Mr. Mark Simon.

Ms. Fama read a paragraph in the letter sent to the District from Mr. Mark Simon, which said *“At no time has this study considered or proposed reducing bicycle car capacity on the train. That is not our intent and never has been our intent and frankly we are puzzled how such a misimpression could have been communicated to you.”* Ms. Fama reported that she called and spoke directly with Mr. Simon, who she noted was most gracious and helpful. Mr. Simon said he and his organization take some responsibility for the misimpression because originally when they launched the study they called it a “bicycle master plan”. In fact, the grant monies they got to study the issue were restricted to access and parking for bicycles at the stations; the grant had nothing to do with train car capacity for bicycles. He said if you read it and saw that it said master plan and then found that it only focused on parking, he understood where the District would have that misimpression. Ms. Fama then told him she got her numbers off of page 134 of the Caltrain Bicycle and Access Plan on their web site; the report indicated that by 2014 there would be a daily capacity reduction of more than 600 bicycle spots. Mr. Simon clarified that the report Ms. Fama cited was a consultant’s recommendation that was never discussed at any of their meetings. He stressed that they have never advocated, discussed or had as an agenda item reducing train capacity and that the only document that they have ever discussed at their meetings is the short form power point presentation, also on the website, which does not talk about reducing car capacity. He wrapped up the conversation by stating that Caltrain plans to look at and increase the bike/car capacity on the trains and he also stated if the Board would like him to, he would present at a future meeting. Ms. Fama thanked him and declined the offer at this time.

Chair Ulyot stated that this is not an issue that the District wants to get deeply involved in. He said he was delighted that Ms. Fama had that conversation as some of the miscommunication came off of their web-page. He also suggested that the District warmly associate itself with exercise and bicycle riding and that should be sufficient.

Pat Giorni, Burlingame stated that she wanted to make sure the Board knew she did not lead them down the wrong path. The one question she had was what document/PowerPoint did Mr. Simon say was being accepted? **Ms. Fama** held up the PowerPoint document that she referred to earlier entitled: Caltrain Bicycle Master Plan, Public Outreach Update and Key Recommendations, Prepared for the Caltrain Board by Planning and Development, August 7, 2008. **Ms. Giorni** stated the document, Bicycle Access and Plan, page 134 talks about maintaining the bike percent increase. Caltrain right now has a major public relations problem in that the information they have been releasing to the public has been haphazard. The Joint Powers Board is slotted to except the Bike Access and Parking Plan, which is a good plan. However, it was marketed as the master plan and then the back peddling took place because Federal funds were used for this. She thanked the Board for sending the letter.

Easement Agreement with Burlingame:

Ms. Fama reported that she put this on the agenda to make sure the public was aware of this action item that came out of the Closed Session meeting on September 11, at which there were no public members to report out to at the conclusion of the meeting.

Behavioral Health Services at the Mills Campus

Chair Ullyot stated that this issue generated some controversy at the last Board meeting. In his Building Committee report he stated that it is a firm decision by MPHS leadership to put Behavioral Health at Mills. The Building Committee entertained having it at the County Medical Center which did not seem to be a good solution and it would be very expensive; and they entertained a stand-alone Behavioral Health building which was also too expensive. One reason for having Behavioral Health at Mills is that the facilities allows for a comprehensive Behavioral Health Center that will consolidate all current programs and provides the ability to expand capacity. The other reason is acute care beds are at a premium in the new hospital. For those reasons it was thought a better decision to put Behavioral Health at Mills. In the District's oversight capacity this move is a reasonable solution. If Behavioral Health patients have medical or surgical problems requiring acute medical attention, they will be treated at Peninsula Medical Center until that part of their treatment is over. If needed, the patients will then be transferred to Mills. Chair Ullyot referred to **Director Navarro's** comment at the last meeting, stating San Francisco General Hospital is currently pursuing this same type of arrangement in their new hospital planning.

CORRESPONDENCE: **Chair Ullyot** asked if anything under this agenda item required discussion; there were no comments.

ADJOURNMENT:

The meeting was adjourned by Chair Ullyot at 19:00 hours.

By:

Kelly K. Molloy, Executive Assistant

Approved:

Helen C. Galligan, Secretary

Donald E. Newman, M.D., Chair

