

## BOARD OF DIRECTORS

### LONG TERM PLANNING COMMITTEE

Wednesday, August 3, 2016

District Office at 1819 Trousdale

5:00-6:30 PM

### MINUTES

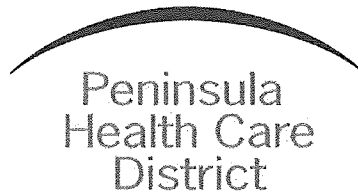
- **Call to Order: Chair Cappel** called the meeting to order at 17:00  
**Present:** Chair Cappel, Dan Quigg, Sarki Sarkisian, Mark Johnson, Wade Aubry, MD (arrived at 17:30), Paul Seto, and staff Cheryl Fama, Paul Wright  
**Absent:** Vice-Chair Emmott, Nirmala Bandrapalli, David Cropper, Ricardo Ortiz, Michael Brownrigg
- **Approval of Minutes from July 6, 2016**  
**Mr. Sarkisian** asked for and received clarification on Ms. Sedway's statement about needing 60% pre-leasing of senior housing units before construction can begin. This only applies to "buy-in" senior housing.  
***It was moved and seconded to approve the July 6<sup>th</sup> minutes as written. Motion passed 5/0/1. New member Seto abstained.***

**Chair Cappel** introduced and welcomed Paul Seto, a new member to the Committee. Mr. Seto was a formerly on the Millbrae City Council and former Millbrae Mayor.

- **PHCD Strategic Direction – 2016-2020**  
**Chair Cappel** stated this meeting's agenda will be devoted to a discussion of the District's strategic direction for the upcoming year and beyond. He encouraged a free exchange of ideas from the members in regards to the direction, additions to the PWC project and everyone's views specifically to the development projects and District's community benefit in general. He referenced the "Strategic Direction 2016-2020" presentation distributed in the meeting materials intended to provide a foundation for this discussion. **Chair Cappel** also provided a brief history on the formation of hospital districts and their evolution over the past 70 years.

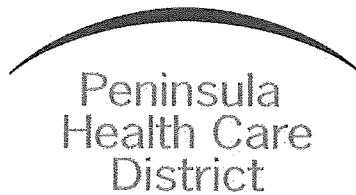
In brief, the following issues and areas were discussed.

- A. District's role in keeping the hospital in Burlingame: Members **Johnson, Sarkisian, and Quigg** all stated that the new hospital would not have been built in Burlingame had it not been for the healthcare district. The board's negotiations and use of the land secured a new hospital at no cost to the tax payer. The master lease agreement requires Sutter to maintain a broad range of hospital services – an important step in maintaining the "community" hospital role for the Sutter facility, and PHCD has a legal obligation to be prepared to buy back the hospital at the end of the lease term.
- B. District's ability to act promptly to address local emergencies: PHCD's response to the San Bruno PG&E disaster and the recent fire that burnt down the Millbrae Recreation



Center were cited as examples of how it invests to address needs. PHCD provided capital for tenant improvements and then 2 years of operational support for the Red Cross Post-Disaster resource and support center in downtown San Bruno. For Millbrae, meeting space short term and financial support for rebuilding long term were both offered.

- C. PHCD's role in identifying and addressing gaps in needed health services: **Chair Cappel** commented on how health care changes result in gaps in care on the Peninsula. Some examples offered – County clinics no longer do colon cancer screenings; Medicare provides no dental care and Denti-Cal provides low level coverage if a dentist can be found to take Denti-Cal patients. Medicare covers institutional care, but pays little for limited help to senior living in the community. When schools hit tough budget times the first to go are nurses, counselors, and physical education programs. Recent PHCD investments have addressed these needs.
- D. Recent movement in Sacramento questioning need for non-hospital operating healthcare districts – should PHCD plan call for more PHCD provided direct services?
- E. PHCD is one of 22 San Mateo County special districts (harbor, water, sewage, mosquito abatement, and some recreation, fire, and police, etc.):
  - a. **Mr. Johnson** said the services and programs that PHCD has started or added onto are unique and different from what a county might be able to do; that lets the County put its money towards other things or to increase their cash flow.
  - b. **Mr. Sarkisian** said he doesn't think a majority of the public knows that their tax money goes toward the district.
  - c. **Mr. Johnson** agreed saying he thinks if you polled the residents, 98% wouldn't know what the district is or does. **Mr. Johnson** noted that eliminating a special district does not return any money to the residents; the money goes to other districts and the assets to the county.
  - d. **Mr. Sarkisian** noted there are too many agencies funded by the government that have duplicate services, yet some are vital. Emphasizing the hospital would not have existed without the District. Should there be one healthcare district?
  - e. **CEO Fama** responded that this has been raised in the past by the Civil Grand Jury that concluded PHCD and Sequoia cover large populations with diverse needs and have different and intricate relationships with their hospital partners [Sutter and Dignity] **Why** not consolidate was also asked by the State Auditor's office team that visited PHCD in July. It is unknown if any such recommendation will appear in their written report.
  - f. **Mr. Sarkisian** said he thinks they will start to merge districts.
  - g. **Mr. Quigg** said he thinks the legislature has to be convinced that PHCD has a contract to maintain the hospital, and PHCD needs to define what kind of services it provides.
  - h. **Chair Cappel** noted that it just takes a few bad actors to impact all, noting that was what happened with RDA's.




- F. Two compelling priorities for the District: **CEO Fama** suggested there are actually two issues. Could PHCD do a better job at being a community benefit - are we being the best stewards of all tax payer resources, making a measurable improvement in the health of our community, adequately identifying and addressing gaps in services. The discussion today seems to support it is, but we should continue to evaluate our true impact and consider focusing on one area to make a major impact upon.

The other issue is the lack of understanding in the state legislature of the evolving nature of healthcare – Healthcare is prevention and community based, hospitals are sick care. **Dr. Aubry** responded that he felt we're in a transition from providing health care services to becoming a resource for improving the health of the community, so our name doesn't adequately capture what we're doing, it should be something like Peninsula Health and Health Care District. **CEO Fama** reported on her planned trip to Sacramento with representatives from the Beach Cities district to speak with members of the Local Government Committee that do not have healthcare districts. **Dr. Aubry** said improving the health of populations is a huge issue in health care reform. The CDC provided an updated guide to community health services. There are both private and public initiatives, and PHCD is in line with it. **Chair Cappel** agreed and said we need to provide a service, to take the initiative to take on an important health care issue, perhaps a health clinic within PHCD. Healthcare districts under 1206B can hire physicians to run a clinic; private hospitals cannot. **Dr. Aubry** said that would be the key-providing services that are not competing. **CEO Fama** said we can't compete on the PWC land by contract, but San Bruno has been an area of focus because they are one of the poorer areas in the district.

- G. Identifying gaps and partners: **Dr. Aubry** said the committee and the Board should set health priorities based on identified gaps, and then partner with other organizations like Pacific Business Group on Health or Integrated Health Care Association. **Chair Cappel** said in order to make a noticeable difference, partnerships will be important.
- **PWC Progress:** **Mr. Sarkisian** said when this committee started, there were impressive statistics on the increase of elderly population in the area, and now we've put too much into the site, getting away from the original idea that this will be a complex for seniors. There should be more senior housing along with recreational needs for seniors, and not develop the entire site but save about one-third for future use. **Chair Cappel** responded saying he feels the site has been designed with a lot of flexibility to respond to future changes in health care, and it is being developed in phases. Also, some say why not expand your scope into coastal area, but the way the law is written you have to get the residents to vote to add them to the district.

#### Wrap Up:

- **Mr. Johnson** said this was a good idea to have this kind of discussion, we should do this every so often.
- **Dr. Aubry** said to take this discussion further it might be helpful to have some best practices in population health or look at the CDC guide for community health services. **CEO Fama** said her



Peninsula  
Health Care  
District

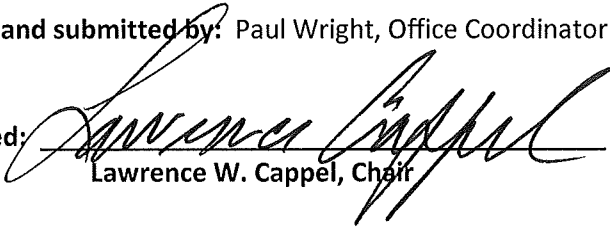
plan is to focus the resources on community and evidence based health. Beach Cities HCD partnered with the 'Blue Zones' and made measureable differences in health issues. **Chair Cappel** said the districts are so diverse, you can't just look at a couple and define them all.

- It was asked - what's the latest occupancy of Sunrise. **CEO Fama** said 75 clients out of their total capacity of 96, which on target at year one of stabilization.

- **Adjournment:** The meeting was adjourned at 18:20 hours.

Written and submitted by: Paul Wright, Office Coordinator

Approved:



Lawrence W. Cappel, Chair

Next Meeting: September 7, 2016