



BOARD OF DIRECTORS MEETING MINUTES Thursday, June 26, 2025 1819 Trousdale Dr. Burlingame, Ca 94010 (Classroom)		
<u>Directors Present</u> Chairman Cappel Vice-Chairman Pagliaro Secretary Sanchez Director Zell Director Navarro	<u>Directors Absent</u> 	<u>Also, Present</u> Community Members, Tim Mooney, Senior Vice President, The Liberty Company, Darian Harris, Chief Executive Officer, Mill Peninsula Medical Center, Dao Do, Director, Peninsula Volunteers, Inc.

1. Call to Order: Chairman Cappel called the meeting to order at 6:34 pm. Roll call attendance was taken. A quorum was present.

2. Public Comment on Non-Agenda Items: No public comments offered

3. Report Out From Closed Session: 6/5/2025 and 6/25/2025

Chairman Cappel stated that the Board discussed the Affordable Housing Program and certain issues related to Sonrisas during the closed session meetings held on June 5 and June 25, 2025.

4. Consent Calendar

- a. Board Meeting Minutes – May 22, 2025
- b. Finance Committee Meeting Minutes – January 14, 2025
- c. Checking Account Transactions –May 2025
- d. Treasurer's Report – May 2025
- e. Budget Amendment
- f. Volar Contract Renewal
- g. Parent Venture Contract Renewal

h. Audit Engagement Letter

Motion to Approve Consent Calendar as Presented

Motion: By Director Sanchez; Vice-Chairman Pagliaro

Vote: Ayes - Cappel, Pagliaro, Zell, Navarro, Sanchez

Noes: 0

5. Business

A) Affordable Senior Housing Project Request for Proposal: Lawrence W. Cappel, Board Chairman, and Ana M. Pulido, Chief Executive Officer

Matt Gray provided an overview of the RFQ/RFP process for the District's 100% affordable senior housing project on the two-acre site along Marco Polo Way.

- The RFQ/RFP invites qualified developers to submit proposals aligned with the District's goals:
 - Serve seniors earning \leq 80% of Area Median Income (AMI) in San Mateo County
 - Include on-site healthcare and social services
 - Require the developer to manage long-term operations and maintenance
- Current phase involves gathering community input
- Key milestone dates:
 - Draft RFQ/RFP posted the previous week
 - Public meeting held on June 26
 - District will respond to questions by late August
 - Developer submissions due late September
 - Interviews and selection process to follow
 - Goal: Select a developer by year-end and begin exclusive negotiations leading to a ground lease

Discussion

Director Zell suggested selling the land with a condition for affordable housing, which could be quicker and more effective than using the RFP process.

Vice-Chairman Pagliaro clarified that the Board has already committed to pursuing affordable housing and emphasized the current focus is refining the RFP document.

Director Zell supports the RFP language if that path is chosen, while maintaining his preference for a land sale.

Community member **Terry Negal** commended the Board for advancing the affordable housing initiative. She recommended including veterans in the proposal and advised pursuing an RFP approach first, noting it provides greater control over the project than an outright land sale.

Community member **Karyl Eldridge** expressed appreciation for the Board's decision to move forward with up to 225 affordable housing units, emphasizing the urgency of the need. She questioned how developers could draft proposals without knowing the lease cost and urged the District to prioritize public benefit and affordability, particularly for seniors, over generating revenue from the site.

Community member **Krista Hanson** also commended the Board and inquired whether the proposal included support for disabled individuals in addition to disabled seniors.

Vice-Chair Pagliaro asked Counsel Hudak whether the RFP contained specific accessibility provisions, such as accommodations for wheelchair users, or if those would be addressed during negotiations.

Counsel Hudak clarified that developers are expected to incorporate ADA requirements in their designs. He noted that preferences for groups such as individuals with disabilities or veterans could either be specified in the RFP or proposed by developers and negotiated later.

Motion to Approve the Affordable Senior Housing Project Request for Proposal

Motion: By Director Sanchez; Vice-Chairman Pagliaro

Vote: Ayes - Cappel, Pagliaro, Zell, Navarro, Sanchez

Noes: 0

B) PHCD Insurance Policies: Renewals, Coverages, and Costs for July 1, 2025, Through June 30, 2026: Tim Mooney, Senior Vice President, The Liberty Company

Mr. Mooney presented the District's insurance renewals.

Policy Overview:

- The District holds 16 insurance policies across five business units.
- Of the 14 policies renewing July 1, the total premium increased by \$7,001 (approx. 2%) year-over-year.

- Increase due to higher exposure, including more staff from increased census at Trousdale Senior Living.

Trousdale Policies:

- Three Trousdale-related policies (professional and management liability) are purchased and managed by Eskaton.
- These policies account for over 50% of the District’s total property and casualty insurance budget.
- Coverage for these policies has been confirmed as bound effective July 1.

Cyber Liability Coverage:

- Mr. Mooney recommended the District be added as an additional insured under Eskaton’s cyber policy—an easy, no-cost step through a written contract.
- For other District units (including Alcove), he recommended increasing cyber coverage:
 - Current Renewal: \$1 million limit at a cost of \$8,315.
 - Proposed: Increase to \$3 million for an additional \$5,800 (total \$14,161).
- Emphasized the healthcare industry is the top target for ransomware.
 - Cited real-world incidents, including Eskaton and a hospital with a \$3 million cyber loss.
- Noted general property and liability policies offer minimal cyber protection and stated the additional coverage would be “money well spent.”

Q & A with Tim Mooney

Director Zell clarified that Sonrisas is a separate entity, but due to the District’s direct liability for allcove, the increased cyber coverage is still relevant. He suggested Board members who also serve on the Sonrisas Board raise the cyber liability issue there.

Mr. Mooney agreed that Sonrisas should carry its own cyber coverage, as the risk lies within their network. However, he warned that inadequate coverage could still expose PHCD to legal risk, as plaintiffs may attempt to tie PHCD to a breach. The District’s cyber policy would help defend against such claims.

Vice-Chairman Pagliaro and **Director Zell** both expressed concern over the timing of the renewal discussion, occurring June 27th for a July 1st renewal, and recommended that, moving forward, the process begin earlier (e.g., in February) to allow discussion at a May meeting.

Vice-Chairman Pagliaro noted the lack of detail in the materials provided by Mr. Mooney. He also cited concern over the allcover policy, which has an \$100,000 limit for sexual/physical abuse or molestation, with no excess coverage. As a trial attorney, he found this exposure to be significant. He requested that CEO Pulido schedule a meeting in July (prior to July 20) between himself, Mr. Mooney, and any interested Board members to review the District's full insurance coverage in detail and ensure alignment.

Motion to Approve all insurance policies presented for renewal

Motion: By Director Zell; Director Sanchez

Vote: Ayes - Cappel, Pagliaro, Zell, Navarro, Sanchez

Noes: 0

C) Sutter's Quarterly Report: Darian Harris, Chief Executive Officer, Mill Peninsula Medical Center

Darian Harris, CEO of Mills-Peninsula Medical Center, began by expressing gratitude to the Board and community for their continued support, while reaffirming the hospital's dedication to providing high-quality, local care.

Presentation Highlights

Hospital Performance and Recognition:

- The hospital received several prestigious honors:
 - Healthgrades: Only hospital in California recognized as a "Triple Crown Receiving Hospital" for three consecutive years; one of just five nationwide to earn this distinction.
 - LeapFrog: Received an "A" safety rating for five consecutive cycles.

Patient Volume Growth:

- Admitted over 14,000 inpatients last year (up from ~10,000 in recent years).
- Delivered over 330,000 outpatient visits (15–20% growth in two years), including behavioral health, physical therapy, and imaging.
- Emergency Department volume grew by 13%, treating over 53,000 patients.
- Elective surgeries, particularly in orthopedics, have increased post-COVID.

Program Initiatives:

- Reintroduced warm water therapy at the San Mateo campus, with appreciation for Board support.

- New Grad Nurse Residency Program: Hired 49 nurses in the first year, retaining 46; designed to accelerate clinical development.
- Diagnostic Imaging School: One of only two tuition-free programs in the nation; doubled graduates from 6 to 12 and plans to triple enrollment.

Clinician Recruitment and Technology:

- Over 100 new physicians hired across the Peninsula.
- Welcomed Dr. Bilal Shafi, who performed Sutter Health's first robotic tricuspid valve repair using the Da Vinci system.
- Hospital now houses Da Vinci 2, 3, and 5 systems—among the few Northern California hospitals with this range. The Da Vinci 5 allows advanced computing for intraoperative consultation and improves surgical precision.

Community Engagement and Health Initiatives:

- Hosted community health events, including a neuroscience program on cognitive impairment with 300+ attendees.
- Opened the Lecanemab Clinic, offering a new treatment that can slow dementia progression by 20–30%.
- Praised the allcove clinic, calling it "incredibly inspiring" and aligned with the Board's mental health priorities.
- Partnered with Venus Williams and Bay FC to advance mental health awareness through public events like the Women's Luncheon.

Future Investments and Outlook:

- Workforce Investment: Net hire of 300+ new staff (excluding physicians), bringing the caregiver team to over 2,000; many began as volunteers.
- Diagnostic Imaging School Expansion: Received nearly \$4 million from system partners to triple the size of the tuition-free program.
- Volunteer Program: Over 400 active volunteers, including high school students, many transitioning into clinical roles.
- Access Expansion: Ongoing investments in specialties such as primary care, OB-GYN, imaging, rheumatology, and endocrinology at both campuses.
- Wound Care Clinic: Reopened to meet identified community needs.
- Hospital Shell Space Build-Out: Secured over \$93 million to build out hospital shell space, expanding cardiovascular and acute rehab services locally.
- Global Recognition: A team from University Hospital Taiwan visited to study the hospital's neurosciences program.

- AI Integration: Exploring AI to reduce documentation time by 20–30%, easing physician workload and increasing time spent with patients.

Q & A with Darian Harris

Director Zell recalled a previous discussion about the “Foundry” model for early mental health intervention (ages 18-24) and asked about potential collaboration opportunities with Sutter and other area hospitals.

Mr. Harris acknowledged the work at allcove and confirmed Sutter’s \$4.5 million investment in a refreshed Adolescent Mental Health Unit, designed to customize treatment for various needs. He noted they offer intensive outpatient services and are open to partnerships like allcove for a full continuum of care.

Director Zell suggested that the District’s underutilized facility during the day could be used for mild cases of mental health treatment or counseling, offering the space at “no cost” for mutual benefit.

Mr. Harris expressed interest in the idea and committed to exploring it further.

Vice-Chairman Pagliaro raised concerns about the urgent care facility at the San Mateo campus, mentioning long wait times despite it being called “Urgent Care.” He asked about actions being taken to address this.

Mr. Harris agreed that it was a fair question and pointed to the challenge of holistic access to care. He noted the shortage of primary care providers and mentioned that additional physicians would be hired to help ease this issue. He emphasized that urgent care should handle less severe cases and that multiple solutions are needed to address the broader access issue.

Vice-Chairman Pagliaro followed up, reiterating that the lack of timely urgent care leads to more ER visits, straining resources. He also inquired about the volunteer program’s activities.

Mr. Harris explained that volunteers assist in various departments, providing patient support, shadowing opportunities, and helping with gift baskets for cancer care. He mentioned that many volunteers eventually transition into caregiver roles.

Chairman Cappel praised the volunteer program for its positive impact.

Director Zell echoed concerns about urgent care, specifically noting how appointments fill up within minutes of opening online and how residents in San Bruno have to travel far for urgent care. He asked Mr. Harris to connect with those in charge of urgent care to explore potential collaboration opportunities.

Mr. Harris acknowledged the concerns and discussed healthcare redesign, mentioning the increase in demand due to an aging population. He also highlighted Sutter's efforts to recruit additional physicians and implement telehealth solutions to help alleviate pressure on urgent care services.

Chairman Cappel pointed out that a significant portion of urgent care patients do not require further intervention. He discussed the larger issue of declining primary care access and suggested exploring the use of less-trained "rural health providers" for basic care.

Mr. Harris agreed on the administrative burden on physicians and noted that AI technologies are being used to reduce documentation time, allowing physicians to focus more on patient interaction.

Director Sanchez asked about the demographics driving the increase in emergency department visits.

Mr. Harris explained that the increase includes patients with heart risks, substance use disorders, orthopedic injuries, lacerations, and respiratory illnesses. He noted a concerning trend of younger patients at risk for self-harm.

Director Sanchez also inquired about wearable technology for transmitting patient data to physicians.

Mr. Harris described "SutterSync", a program launched four months ago that uses wearable technology for hypertension patients to monitor blood pressure at home. He emphasized that the program helps proactively adjust medications and represents the "next frontier" of care.

Director Sanchez emphasized the importance of educating the community, including high school students, on navigating the healthcare system. He also asked about the cost of the Da Vinci 5 robotic systems.

Mr. Harris explained that the previous version of the Da Vinci robot cost around \$2-2.5 million, while the new Da Vinci 5 operates on a "per-click" lease due to high usage.

Chairman Cappel discussed the positive impact of health monitoring devices on patient compliance and behavioral changes.

Mr. Harris shared Sutter Health’s philosophy of “high tech, high touch,” where technology enables more human connection, with the goal being that patients “never discharge,” always remaining connected to care.

Director Navarro expressed admiration for the hospital’s efforts but raised concerns about the national physician shortage. He noted the issue would likely worsen and questioned whether local solutions could be scaled.

Mr. Harris acknowledged the global challenges and emphasized Sutter’s commitment to advocating for policy changes, such as streamlining physician licensing. He also warned about potential national Medicaid and Medi-Cal cuts, which could significantly impact the hospital and essential community partners.

Chairman Cappel recalled past hospital closures in the Central Valley due to Medi-Cal/Medicare cuts, emphasizing the severity of potential future cuts. He reiterated his support for exploring alternative healthcare delivery models, such as using less-trained community health providers with algorithms for basic care.

d. Special Funding Initiatives Request: Dao Do, Director, Peninsula Volunteers, Inc.

Adult Day Services at Rosener House

- One in 4 seniors 65 and older will develop some form of Alzheimer's or dementia.
- Staying in your own home, surrounded by familiar people, has been shown to positively impact people with the disease.
- We provide a day of activity-filled respite, while being cared for by a knowledgeable, caring staff.

Strategic Initiatives

- Expand PVI Partnership with Sutter Mills-Peninsula Hospital.
- Expand existing services in current and new areas.
- Create a new service line that focuses on the needs of caregivers.
- Partner with the PHCD Health & Fitness Center and the Trousdale Living facility

Program Benefits

- Participants able to stay with family and loved ones longer
- Respite to reduce caregiver stress
- A safe place to be and be who they are
- Affordable
- Optimal health, prevent falls/ hospitalization
- Prevent Isolation and Loneliness
- Transportation coordination

Participants currently served at Adult Day Services in the PHCD region:

San Mateo	14%
Foster City	4%
Millbrae	2%
Burlingame	3%
Hillsborough	1%
San Bruno	2%

Service Impact (Past Year):

- Served an average of 49 participants per day.
- 26 Peninsula Healthcare District residents participated, averaging three days a week, totaling 3,744 program days.
- For each participant, PVI supports two caregivers.

Funding Challenges

The American Rescue Plan Act (ARPA) funding has been limited. Therefore, funding from PHCD is crucial to support the services we provide to isolated and lonely families in our community.

Funding Request

\$172,800/year for two years

Total: 345,600

Discussion

Director Zell expressed confusion regarding the figures presented and recommended tabling the item to allow the CEO to provide further clarification.

Vice-Chairman Pagliaro concurred with tabling the item for a future meeting, as he was not familiar with the program.

CEO Pulido clarified the District has supported PVI for years, and the only change in the proposal was a request for two years of funding instead of one, due to the long-standing relationship.

Chairman Cappel spoke strongly in support of the program, emphasizing that adult daycare is a cost-effective alternative to institutional care, which can exceed \$13,000 monthly. He stated it helps reduce acute hospital stays, improves longevity, and keeps individuals closer to family, ultimately saving the community money.

Director Navarro voiced agreement with Chairman Cappel and expressed support for the program.

Motion to Approve PVI funding Request of \$172,800/year for two years for a total of 345,600.

Motion: By Director Zell; Director Sanchez

Vote: Ayes - Cappel, Pagliaro, Navarro, Sanchez

Abstain - 1 Zell

Noes: 0

e. Propose to Reschedule the September 25th Board Meeting: Ana M. Pulido Chief Executive Officer

Motion to Approve Rescheduling the September 25th Board Meeting to August 28th

Motion: By Director Sanchez; Vice-Chairman Pagliaro

Vote: Ayes - Cappel, Pagliaro, Zell, Navarro, Sanchez

Noes: 0

6. Reports:

a. Board Chair and Director Reports

CEO Pulido reported Peninsula Health Care District Health & Fitness Center Director Richard Bergstrom attended a dinner hosted by SFGATE, where the Health and Fitness received the award for Best Gym in the Bay Area.

7. Correspondence and Media:

a. 6/10 Thank You Letter from CORA

b. 6/10 Thank You Letter from Peninsula Family Service

8. Adjourn: 8:07 PM



Written by: Voula Theodoropoulos

Approved by: Lawrence W. Cappel, Board Chairman