



**BOARD OF DIRECTORS
REGULAR MEETING
Tuesday, May 10, 2016
Marin General Hospital, Conference Center**

MINUTES

1. Call to Order and Roll Call

Chair Simmonds called the Regular Meeting to order at 7:00 pm.

Board Members Present: Chair Harris Simmonds, MD; Vice Chair Ann Sparkman; Secretary Jennifer Rienks; Director Larry Bedard, MD; Director Jennifer Hershon
Staff Present: Lee Domanico, CEO; Jon Friedenberg, CAO; Jim McManus, CFO; Joel Sklar, MD, CMO; Linda Lang, CHRO; Mark Zielazinski, CITIO; Karin Reese, VP Nursing; Jean Noonan, MGH Controller; Colin Coffey, District Counsel; Louis Weiner, Executive Assistant; Joan McCready, Director of Quality Management; Jamie Maites, Director of Communications

2. General Public Comment

There was no public comment offered.

3. Approval of Agenda

Vice Chair Sparkman moved to approve the agenda as submitted. Director Bedard seconded. Vote: all ayes.

4. Approval of the Minutes of the Regular Meeting of April 12, 2016

Vice Chair Sparkman moved to approve the minutes of the Regular Meeting of April 12, 2016 as submitted. Director Hershon seconded. Vote: Aye: Simmonds, Sparkman, Bedard, Hershon. Abstain: Rienks (was absent from that meeting)

5. Approval of 4Q 2015 MGH Performance Metrics & Core Services Quarterly Report

Mr. Domanico presented the quarterly report of Marin General Hospital's performance metrics and core services, as required by the Bylaws of Marin General Hospital. This 4th quarter report is the Annual Report for 2015 presenting all metrics and services requiring both quarterly and annual reporting. All metrics and services are in compliance with the Bylaws. Several of the reporting Schedules were commented upon:

Schedule 1: HCAHPS

Mr. Friedenberg presented. The patient satisfaction scores had not changed materially through 2015. However, a pilot project was begun in February 2016 to improve the patient experience, a coordinated and monitored plan whereby physicians and nurses round together frequently at bedsides, beginning with the lowest-scoring clinical unit (Medical Unit); by the end of March dramatic improvements were realized in scores for "Communication with Nurses," "Communication with Doctors," and "Patient Perception of Teamwork." This initiative is well received by clinical staff and will be refined and implemented on the other



floors sequentially. This goes hand-in-hand with the ongoing Operation Safety initiative that has greatly improved clinical outcomes and quality scores, and the goal is to raise the patient satisfaction scores up to the level of the quality scores by the time the new hospital opens.

Schedule 3: Physician Engagement

Dr. Sklar presented. Scores are down slightly from the previous year. Aggravating issues include computer systems (this survey was done before the recent major IT upgrade), facilities such as the imaging units, and diverse issues which apply to individual physicians. The scores indicate that the medical staff are in the majority quite satisfied and that the indicated percentile rankings reflect only the responses of “excellent.” Mr. Domanico noted that this complicated process of rating is also effected by the long term hospital replacement construction project.

Schedule 4: Employee Engagement

Mr. Domanico presented. All employees were surveyed with the question, “Overall, as a place to work, Marin General Hospital is: Excellent/Very Good/Good/Fair/Poor.” The 2015 percentile ranking for this is slightly lower than 2014. They were also asked to rate these four engagement statements: “(1) My work is rewarding, (2) I care about the success of my hospital, (3) I feel a sense of ownership in my hospital, and (4) I am committed to investing my thoughts and ideas into this hospital.” The 2015 percentile ranking for this is considerably higher than 2014. The employee groups were separated by nursing union, non-nursing union, and non-union. Non-union engagement is above the 85th percentile for 2015, higher than 2014. Nursing union and non-nursing union engagement are around the 30th percentile, slightly up from the year before.

Schedule 5: Finances

Mr. Domanico presented. The report indicates continued strong financial performance and compliance with all debt ratios and covenants. The high EBIDA % in 1Q was affected by the busy flu season, and the low EBIDA % in 4Q reflects the impact of the nursing strike. He added that, for the first time, cash on hand currently exceeds 100 days, more than \$100 million (it was \$5 million in 2011).

Schedule 6: Clinical Quality Reporting Metrics

Ms. McCready commented on the metric “VTE warfarin therapy discharge instructions” and its low score. Documentation process was flawed, there was a period of confusion among nurses and dieticians, and re-education of nursing staff is now in place.

Schedule 8: Community Benefit Summary

This schedule itemized MGH’s commitment to philanthropy in the community.

Schedule 9: “Green Building” Status

Striving for Silver or Gold LEED status continues. It is to be determined whether to self-evaluate the “green building” attainment process or to incur the major expense of a formal LEED-awarded status.



Schedule 11: Nursing Turnover, Vacancies, Net Changes

Ms. Lang presented. An error was detected in the method of calculation of nurse vacancy rates whereby a vacancy in 2Q that remained open into 3Q was counted twice. This will be remedied in the next reports beginning 1Q 2016 to show the counting of individual, not duplicative, vacancies. To fill nursing vacancies, all available recruiting strategies and channels are being used. Vacancies are tracked by department; OR nurse vacancies are the most difficult to fill (a national trend). Average age of MGH nurses is 48 years, and retirement is currently not a major contributor to vacancy rates. Exit interview consists of a mailed letter questionnaire for which there has not been a great response; the process will be improved.

Vice Chair Sparkman moved to accept the 4Q 2015 MGH Performance Metrics and Core Services Report as submitted. Director Hershon seconded. There were no remarks from the public and no further discussion. Vote: all ayes.

6. Biennial MGH Bylaws Review

The Bylaws of Marin General Hospital Corporation require a review of those Bylaws by the MGHC Board of Directors every two years in order to update and improve them, and to be submitted to the Marin Healthcare District Board of Directors for two meetings of review, input and approval.

Counsel Coffey reported that the MGH Bylaws draft presented here was reviewed by the MGH Board at its meeting on May 3, 2016. It shows changes regarding: The new MHD-MGH Lease Agreement; Finance Committee; Audit Committee; Investment Committee; financial transaction thresholds. Section 13 of these Bylaws covers the MHD Board's rights and obligations regarding amendments to the Bylaws.

Chair Simmonds directed that this will be discussed at the next meeting of the MHD Lease & Building Committee, and then brought back to the MHD Board for action. In accordance with Section 13, an ad hoc Bylaw Review Committee can be formed to discuss and review the amendment.

CMS performance metrics reporting requirements have changed since the last amendment of the MGH Bylaws, and MGH Quality (Dr. Sklar and Ms. McCready) will be requested to provide those updates for the new amendment.

There was no public comment and no further Board discussion. Chair Simmonds stated no action was necessary now, and refers it to the MHD Lease & Building Committee at their next meeting.

7. Committee Reports

A. MHD Finance and Audit Committee: (met April 26)

- (1) Review and Approve Report of Independent Auditors and Financial Statements for Marin Healthcare District, Six Months Ended December 31, 2015 and Year Ended June 30, 2015



Director Hershon reported that at the Committee meeting on April 26 the Report of Independent Auditors and Financial Statements were presented by representatives of Moss Adams. The Committee moved to recommend both for approval by the Board of Directors.

Director Bedard moved to approve the Audit and Financial Statements as presented. Vice Chair Sparkman seconded. There was no public comment and no further Board discussion. Vote: All ayes.

(2) Approve Loan Modification Agreement, and Reaffirmation of Collateral Assignment of Contracts

These agreements extend the line of credit with Union Bank of \$100 million to January 2, 2020. These were reviewed and recommended by the MGH Board Finance Committee and approved by the MGH Board. They are forwarded to the MHD Board because the agreement collateralizes the assets of the hospital and thus require approval in accordance with the MHD Bylaws. The MHD Finance and Audit Committee recommended it for approval by the MHD Board.

Secretary Rienks moved to approve the Loan Modification Agreement among Marin General Hospital, Prima Medical Foundation, and MUFG Union Bank, N.A., as presented. Vice Chair Sparkman seconded. There was no further discussion. Vote: all ayes.

Vice Chair Sparkman moved to approve the Reaffirmation of Collateral Assignment of Contracts, Security Agreement and Environmental Compliance Agreement between Marin General Hospital and MUFG Union Bank, N.A., as presented. Director Hershon seconded. There was no further discussion. Vote: all ayes.

B. MHD Lease and Building Committee: (met April 27)

- (1) Vice Chair Sparkman reported that the California End of Life Option Act, ABX2-15, effective June 9, 2016, was discussed at this Special Study Session on April 27, following up a presentation and discussion of the Act at the recent Annual Retreat Meeting of the Board on April 15. Attendees then were Vice Chair Sparkman, Chair Simmonds, Brian Su, MD and Matthew Katics, DO (MGH's Director of Palliative Care). The Act was discussed at length and in detail, in particular how MGH might form policies and procedures (if any; it is not legally mandated), and what MHD might do for community education.

There was extensive discussion by the Board on the Act, with facts shared, questions raised and opinions expressed. Mr. Domanico explained that this is a hospital issue and must go through process to form a collective organizational view, and to establish the hospital's formal Policy and Procedure. Dr. Katics, Dr. Joel Sklar, CMO, and Dr. Gregg Tolliver, Chief of Staff, will meet to discuss it and take it through the proper



and appropriate medical staff channels. Chair Simmonds stated that this should be done before the MHD Board acts to take a position on it, provide community education, and to invite community input which, it was agreed, it would strive to do. Secretary Rienks and Director Bedard suggested that the MHD Board can still take a position on the issue and proceed with community discussion regardless of whether the hospital elects to set policy. Mr. Domanico agreed to keep the MHD Board informed on the progress of the medical staff.

8. Reports

A. Combined District CEO and Hospital CEO Report:

Mr. Domanico reported that Project MGH 2.0 remains on budget and on schedule. Groundbreaking is scheduled for July 28. Financial performance of the hospital again exceeded expectations for March, and operating margin year-to-date is 8%, very good and much better than most comparable facilities in the state. The Paragon Version 13 clinical IT platform successfully went live in March and is well received by the physicians; ongoing evaluation of the upgrade is being done by outside consultants.

The Foundation's Capital Campaign is going very well with major gifts pledged and received proceeding well. The Annual Gala (themed "Under the Sea") is this weekend and is sold out. The Foundation's "Women, Wealth and Wisdom" event on March 30 was also a great success.

In partnership with UCSF, MGH now has Marin-based programs for gynecologic oncology and pediatric diabetes.

B. Chair's Report:

Chair Simmonds, Vice Chair Sparkman, Director Hershon and Mr. Domanico attended the Annual Meeting of the ACHD (Association of California Healthcare Districts) in Monterey May 3-5. All agreed it was very successful and educational.

C. Board Members' Reports:

Director Bedard's recent travels took him to London, UK, where he witnessed junior physicians going on strike against the National Health Service.

Secretary Rienks reported that last week was International Maternal Mental Health Day. Awareness of post-partum mental health issues is increasing. In California, Cal Consult is a new program planned to provide support.

9. Agenda Suggestions for Future Meetings

None offered.

10. Adjournment

Chair Simmonds adjourned the meeting at 8:34 pm