

# MARIN HEALTHCARE DISTRICT

100-B Drake's Landing Road, Suite 250, Greenbrae, CA 94904  
[www.marinhealthcare.org](http://www.marinhealthcare.org)

Telephone: 415-464-2090  
[info@marinhealthcare.org](mailto:info@marinhealthcare.org)

Fax: 415-464-2094

**Tuesday, September 13, 2016**

**5:30 pm: Closed Session**  
**6:30 pm: Special Open Meeting / Board Study Session**  
**7:00 pm: Regular Open Meeting**

## **Board of Directors:**

**Chair:** Harris Simmonds, MD  
**Vice Chair:** Ann Sparkman, JD  
**Secretary:** Jennifer Rienks, PhD  
**Directors:** Larry Bedard, MD  
Jennifer Hershon, RN, MSN  
(*Director Hershon will teleconference from  
9 Harbor View Lane, East Hampton, NY*)

## **Location:**

Marin General Hospital  
Conference Center  
250 Bon Air Road  
Greenbrae, CA 94904

## **Staff:**

Lee Domanico, CEO  
Colin Coffey, District Counsel  
Louis Weiner, Executive Assistant

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## AGENDA

Tab #

### **5:30 PM: CLOSED SESSION**

- |  |          |
|--|----------|
| 1. Call to Order and Roll Call   | Simmonds |
| 2. General Public Comment<br><i>Any member of the audience may make statements regarding any items on the agenda. Statements are limited to a maximum of three (3) minutes. Please state and spell your name if you wish it to be recorded in the minutes.</i> | Simmonds |
| 3. Closed Session  |          |
| a. Approval of minutes of previous Closed Session (action)   | Simmonds |
| b. Conference with Legal Counsel – Existing litigation matter pursuant to Government Code Section 54956.9(d)(1)  | Coffey   |
| c. Conference with Legal Counsel – Potential litigation matter pursuant to Government Code Section 54956.9(d)(4)   | Coffey   |
| d. Discussion involving trade secrets pursuant to Health and Safety Code Section 32106 (public discussion to follow in Open Session)   | Domanico |
| 4. Adjournment of Closed Session   | Simmonds |

A copy of the agenda for the Regular Meeting will be posted and distributed at least 72 hours prior to the meeting. In compliance with the Americans with Disabilities Act, if you require accommodations to participate in a District meeting please contact the District office at 415-464-2090 (voice) or 415-464-2094 (fax) at least 48 hours prior to the meeting. Meetings open to the public are audio-recorded; the recordings are posted on the District web site and retained for 1 year.

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## AGENDA

Tab #

### **6:30 PM: SPECIAL OPEN MEETING / BOARD STUDY SESSION**

- |  |          |    |
|--|----------|----|
| 1. Call to Order and Roll Call   | Simmonds |    |
| 2. General Public Comment<br><i>Any member of the audience may make statements regarding any items on the agenda. Statements are limited to a maximum of three (3) minutes. Please state and spell your name if you wish it to be recorded in the minutes.</i> | Simmonds |    |
| 3. Update on Hospital Replacement Project "MGH 2.0"  | Peluso   | #1 |
| 4. Adjournment of Special Open Meeting / Board Study Session   | Simmonds |    |

### **7:00 PM: REGULAR MEETING**

- |  |          |    |
|--|----------|----|
| 1. Call to Order and Roll Call   | Simmonds |    |
| 2. General Public Comment<br><i>Any member of the audience may make statements regarding any items NOT on the agenda. Statements are limited to a maximum of three (3) minutes. Please state and spell your name if you wish it to be recorded in the minutes.</i> | Simmonds |    |
| 3. Approval of Agenda (action)   | Simmonds |    |
| 4. Approval of Minutes of Regular Meeting of August 9, 2016 (action)   | Simmonds | #2 |
| 5. Resolution #2016-06: Resolution Regarding Inpatient Use of Medicinal Cannabis at Marin General Hospital (action)  | Bedard   | #3 |
| 6. Review and approve license agreement for office space/services at Cardiovascular Associates of Marin, 20 Bon Air Road, by UCSF (for Dr. Scott Merrick) (action)   | Domanico | #4 |
| 7. Review and approve terms of MHD Professional Services Agreement and Recruitment Arrangement for Internal Medicine Physician for 1206(b) clinic (Mary Rose Fabi, MD) (action)  | Domanico | #5 |

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**7:00 pm: Regular Open Meeting**

8. Committee Meeting Reports
  - a. MHD Lease and Building Committee (met August 31) Sparkman
  - b. MHD Finance and Audit Committee (did not meet in August) Hershon
  - c. MHD Citizens' Bond Oversight Committee (met August 24) McManus
  
9. Reports
  - a. District CEO's Report Domanico
  - b. Hospital CEO's Report Domanico
  - c. Chair's Report Simmonds
  - d. Board Members' Reports All
  
10. Agenda Items Suggested for Future Meetings All
  
11. Adjournment of Regular Meeting Simmonds

*Next Regular Meeting: Tuesday, October 18, 2016, 7:00 p.m.*

**Tab 1**



MARIN GENERAL HOSPITAL



# MGH 2.0

Building Information Modeling (BIM)

*September 13, 2016*



MARIN GENERAL HOSPITAL

- MGH 2.0 Design Build Project Delivery Method
- What is BIM?
- BIM Coordination Examples
- Benefits of BIM
- Questions?

# MGH 2.0 Design Build Project Delivery Method



# MGH 2.0 Design Build Project Delivery Method

**The MGH 2.0 Difference** – bring all stakeholders into the design phase early enough to eliminate wasteful re-work during construction and create a higher quality facility for Marin Healthcare District

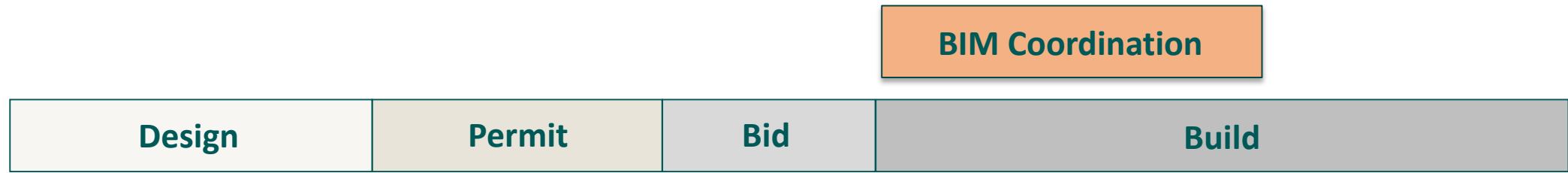
How:

- Involve all disciplines of the project team including: Architects, Engineers, Owner, Key Contractors, and Users
- Start Early, Coordinate systems and building requirements before construction starts
- Use a tool that enables efficient collaboration and accountability - Building Information Modeling (BIM).

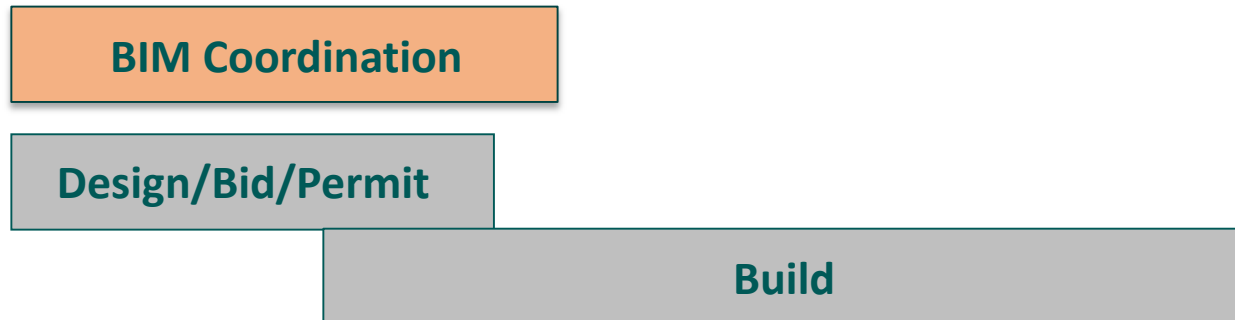


# MGH 2.0 Design Build Project Delivery

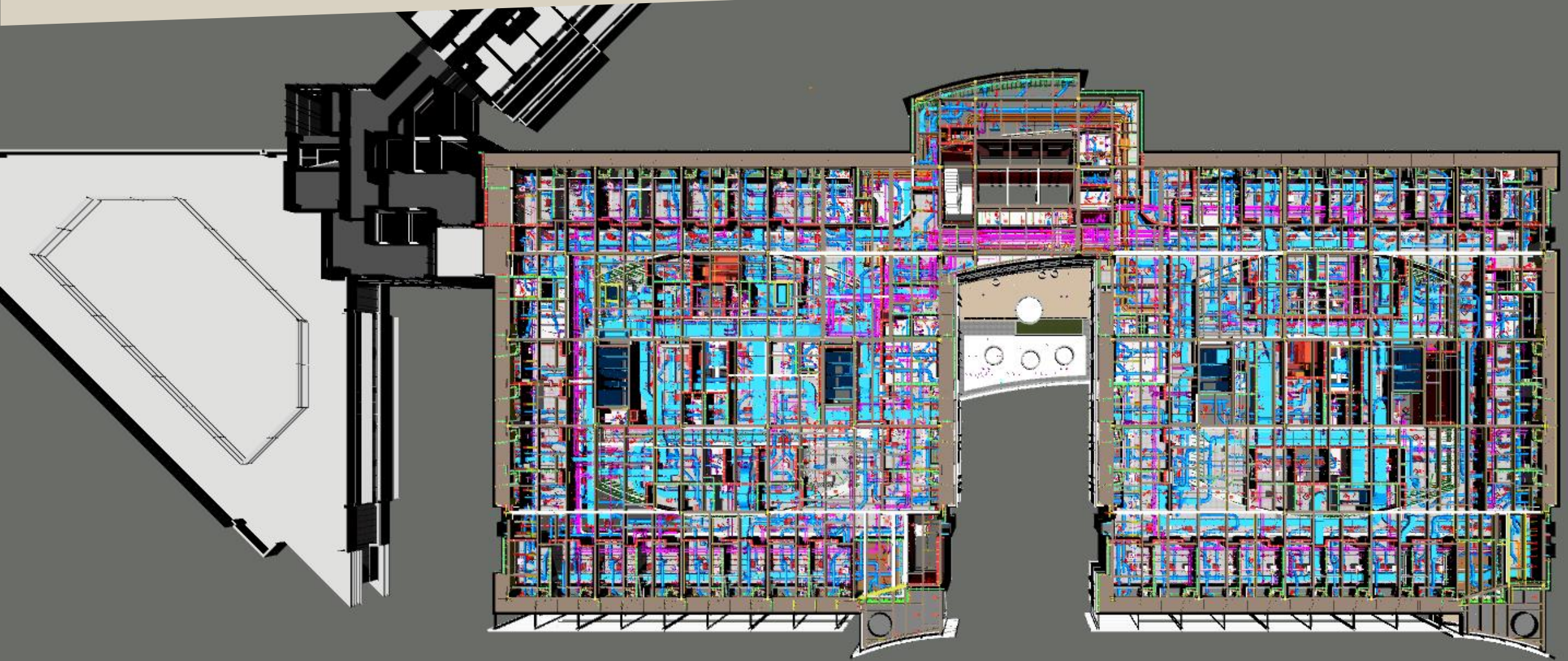
## Design - Bid – Build (Traditional Method)



## MGH 2.0 Design Build Delivery



# What is BIM?

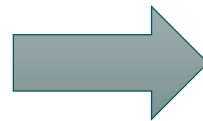
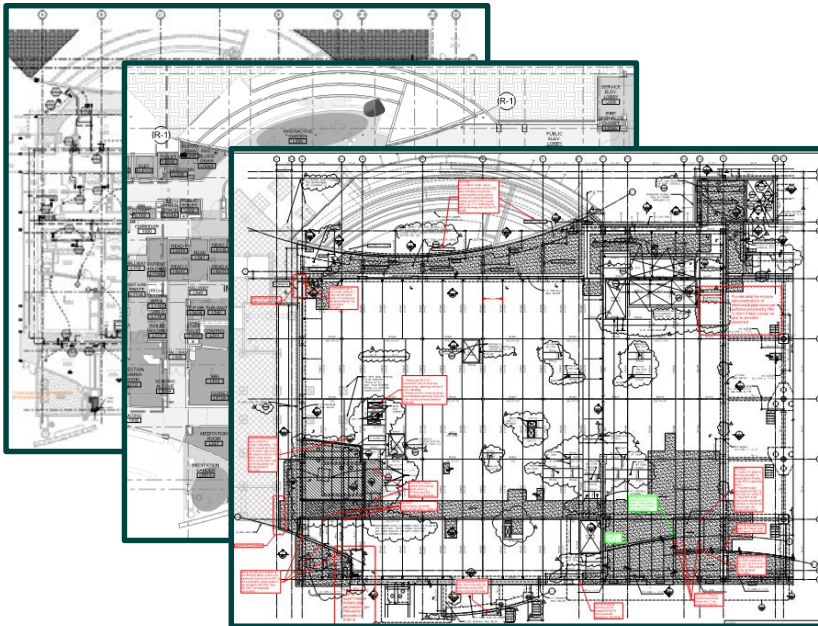


# BIM Definition

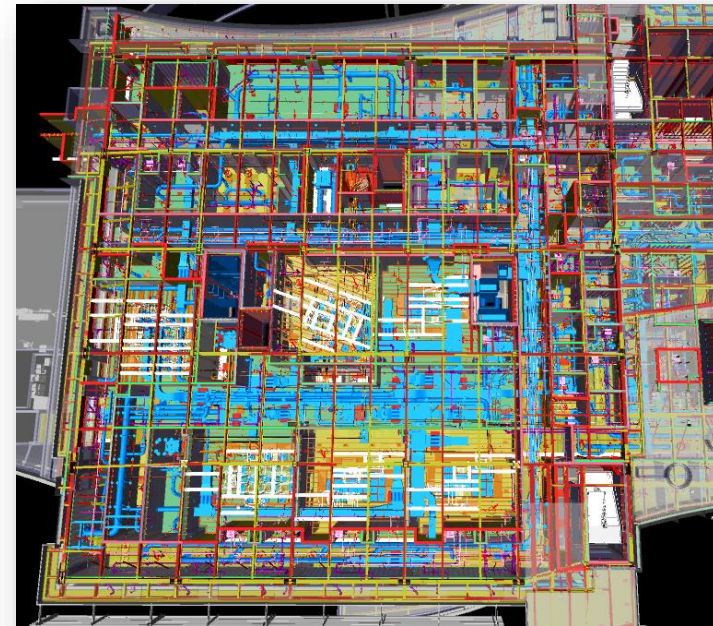
## Building Information Modeling:

A collaboration process that turns 2D drawings into smart 3D models enabling project stakeholders to easily understand the project.

**Silo 2D Design**



**3D Collaborative Environment**



# Traditional Coordination vs. BIM Coordination

Traditional Coordination	BIM Coordination
2D Drawings/Paper	3D Models with Computers
Limited Collaboration based on drawing updates	Continuous Collaboration via the Cloud
“Silo-ed” Coordination – Working Independently on own scope	Collaborative Culture – Transparency to see all disciplines at once as design is occurring
Manual Recognition of Issues - Comparing 2D Paper Drawings (Photo Hunt)	Automated Issues Discovery – Software Detection Capabilities based on rule sets
Coordination meetings required to be held in person	Coordination meetings held online from anywhere

# Uses for BIM

## Renderings and Animations



## Site Logistics

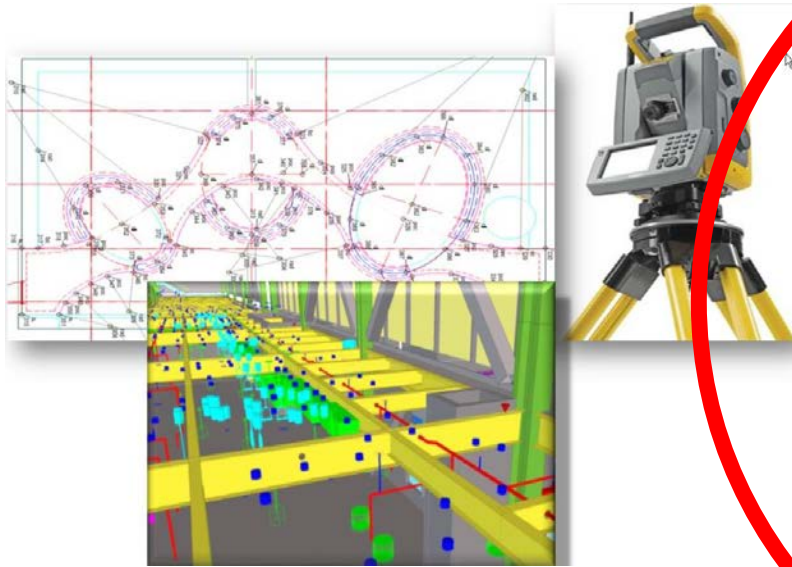


## Virtual Mock-Ups

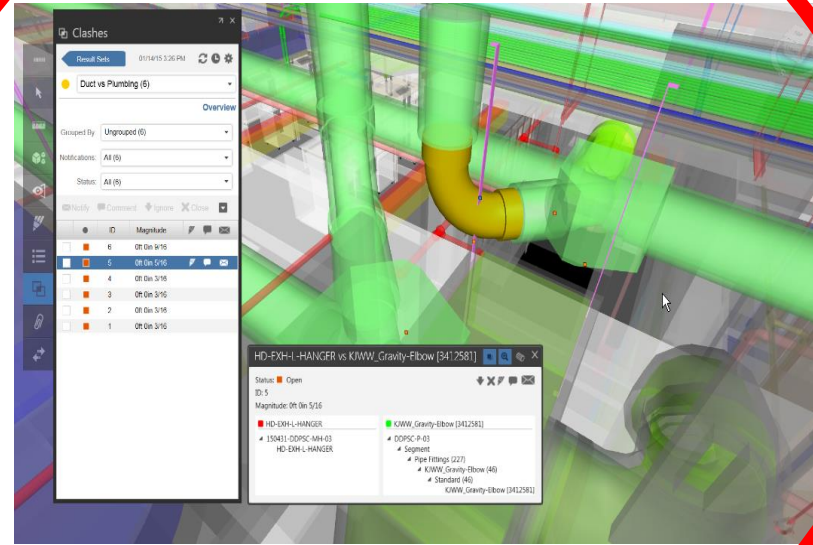


# Uses for BIM

## Layout / Field Verification



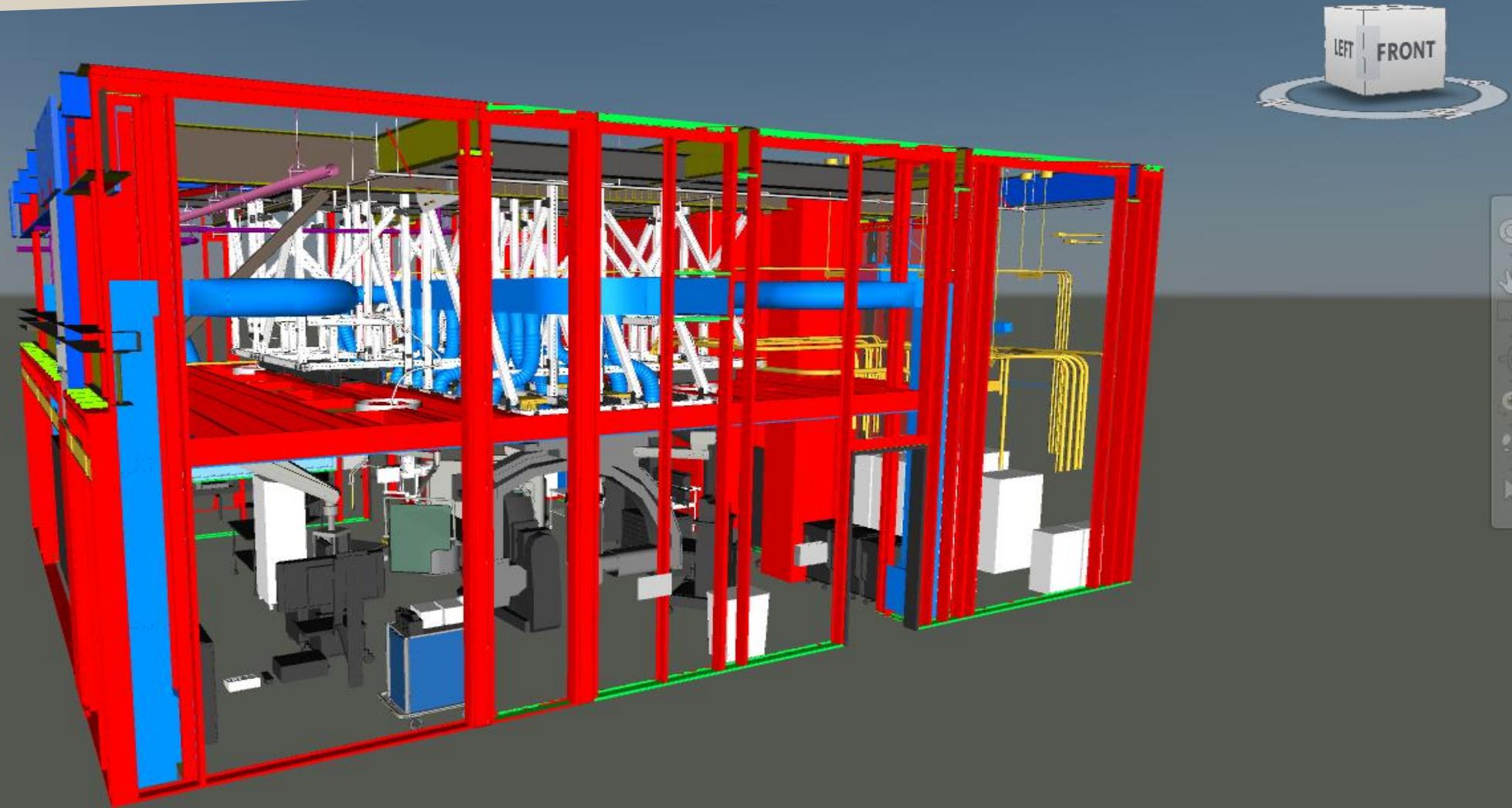
## BIM Coordination



## 3D Laser Scanning



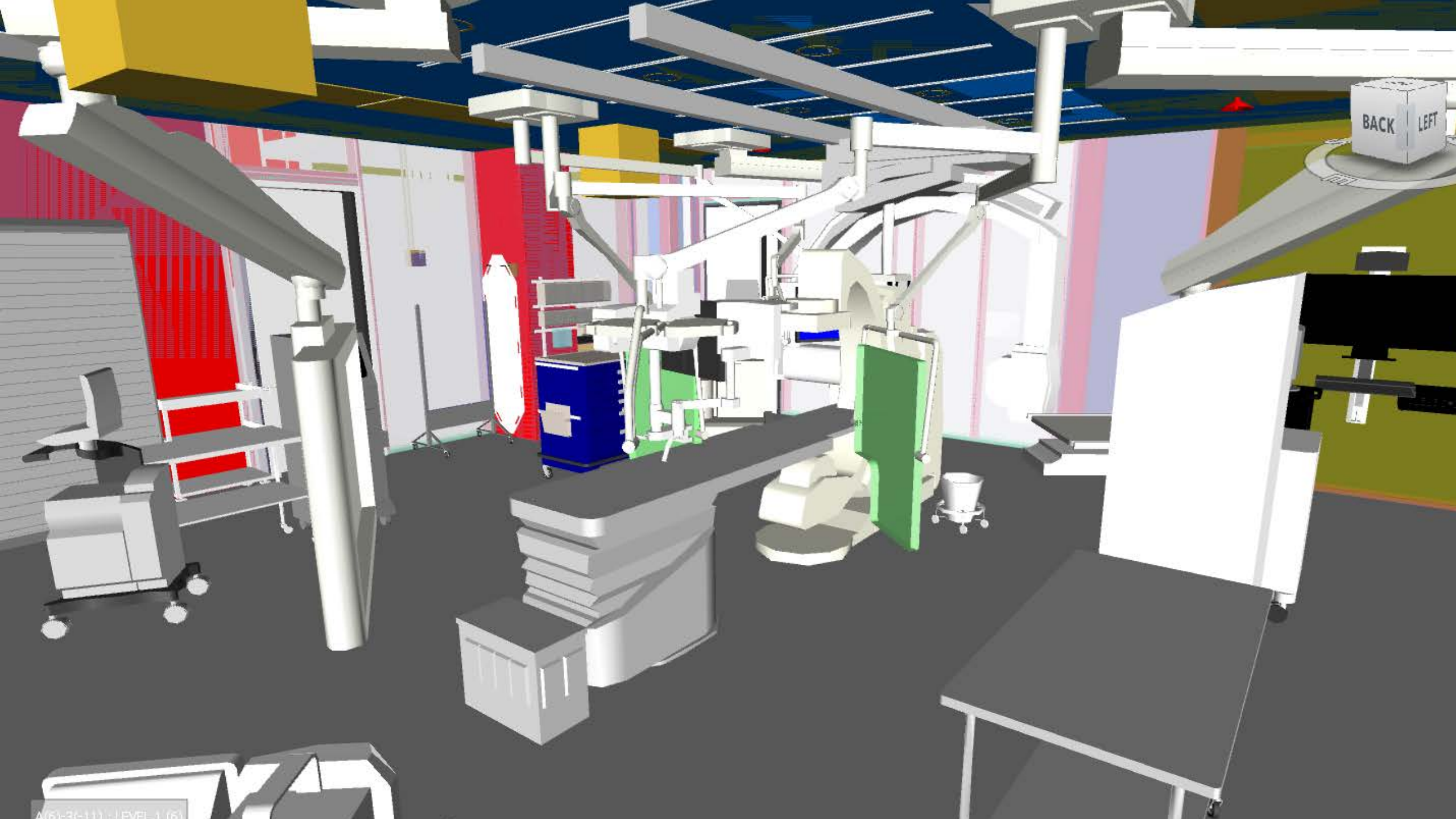
# BIM Coordination



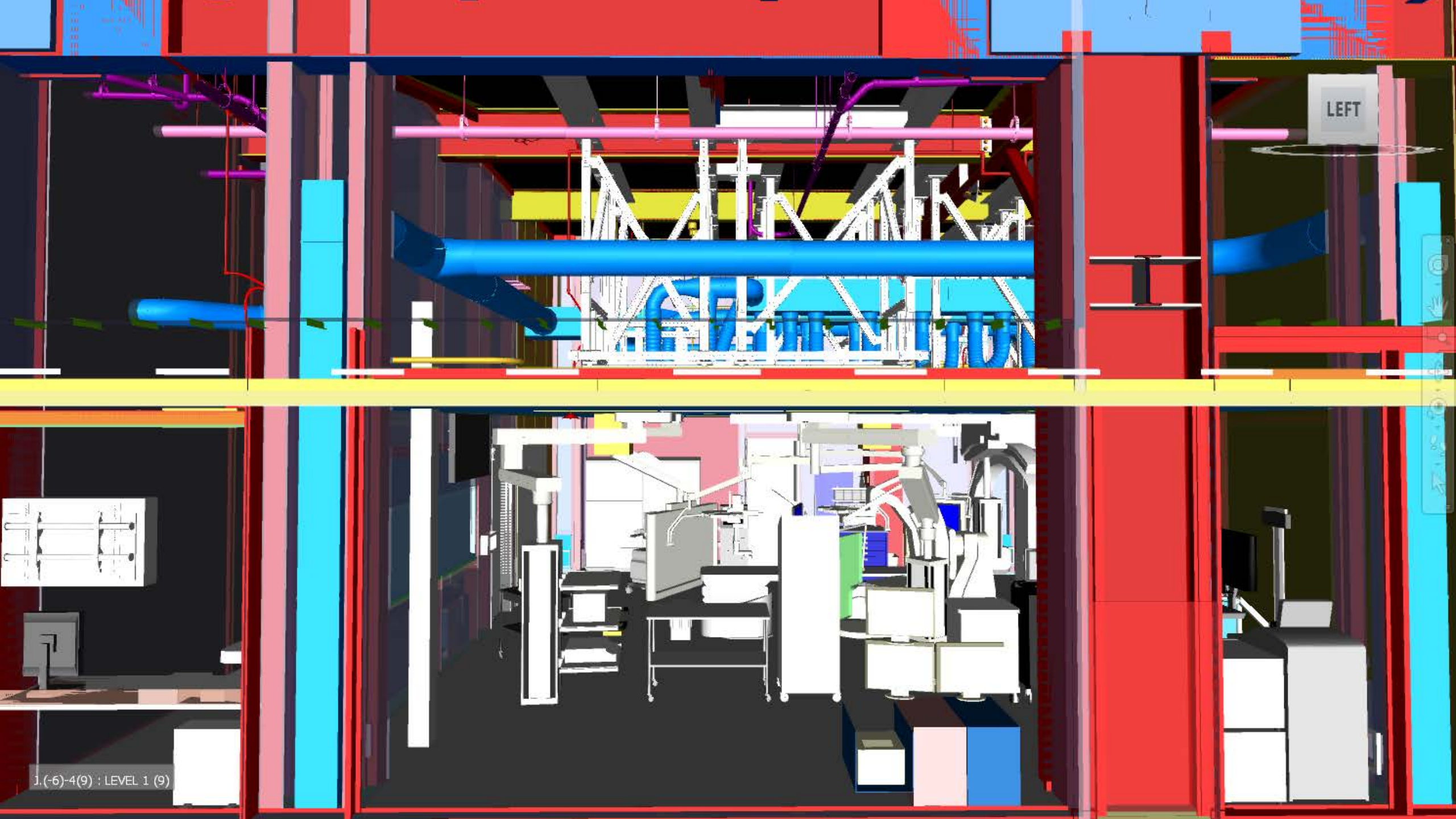
# BIM Coordination – Operating Room



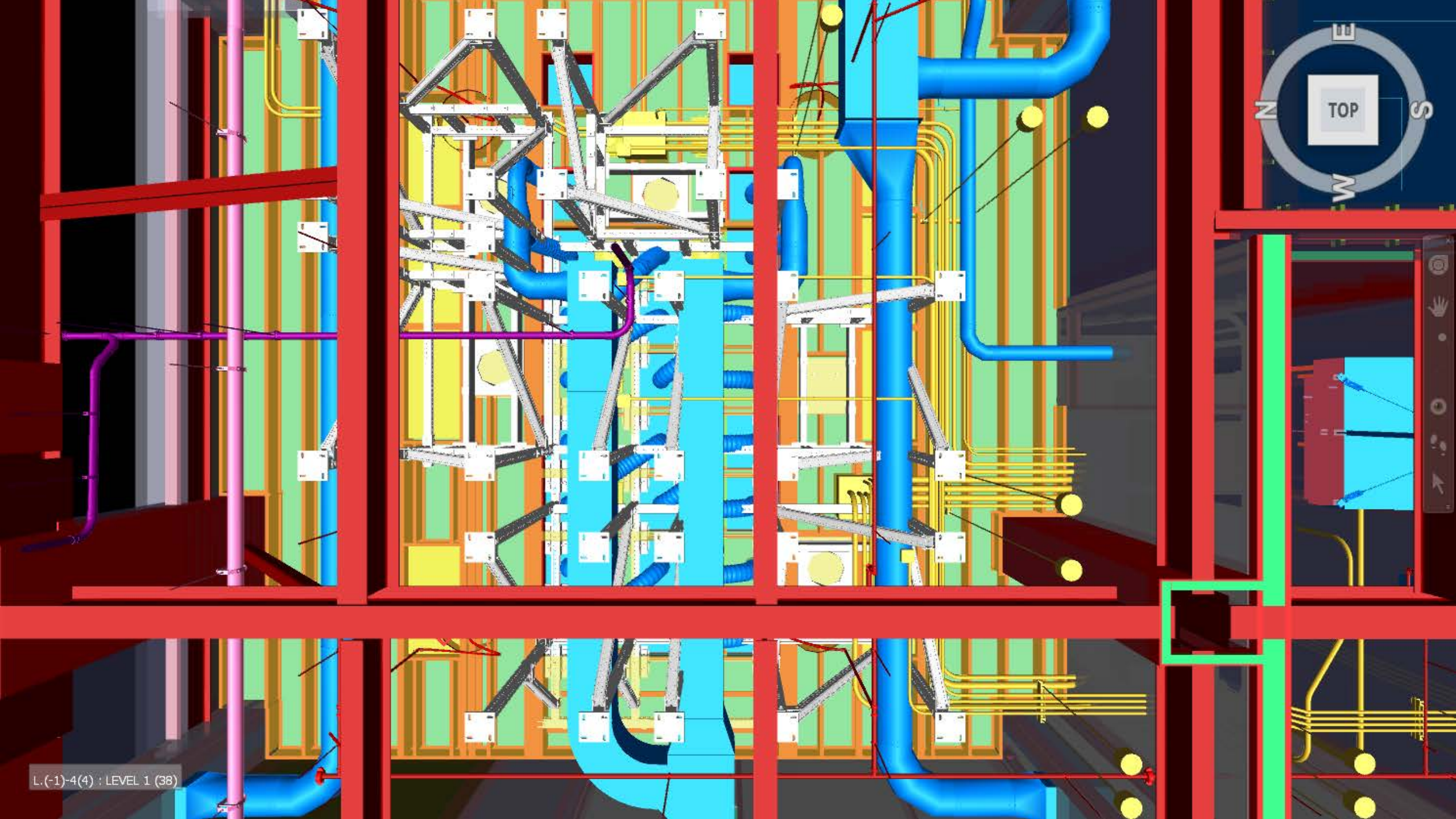




BACK LEFT



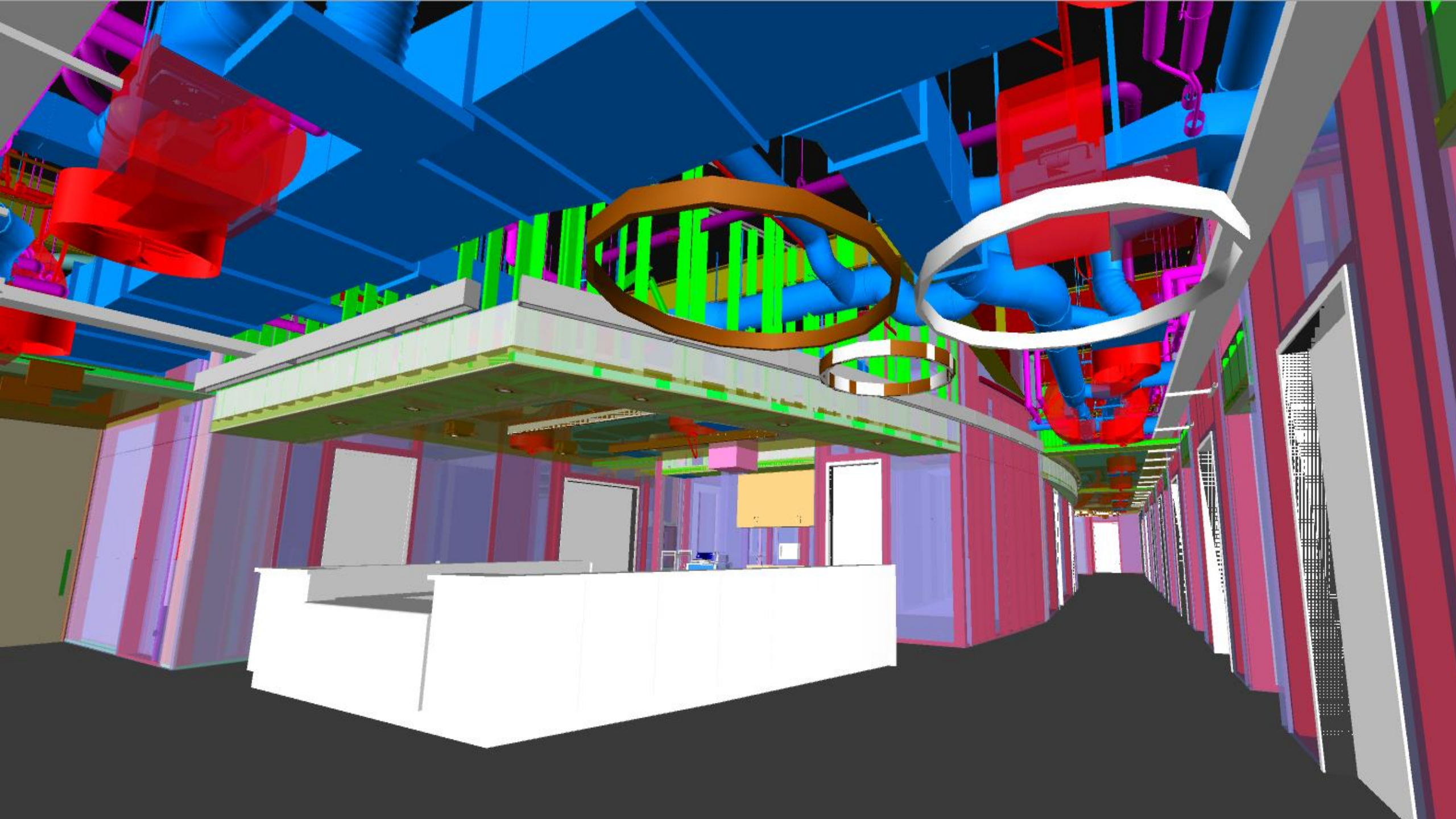
LEFT

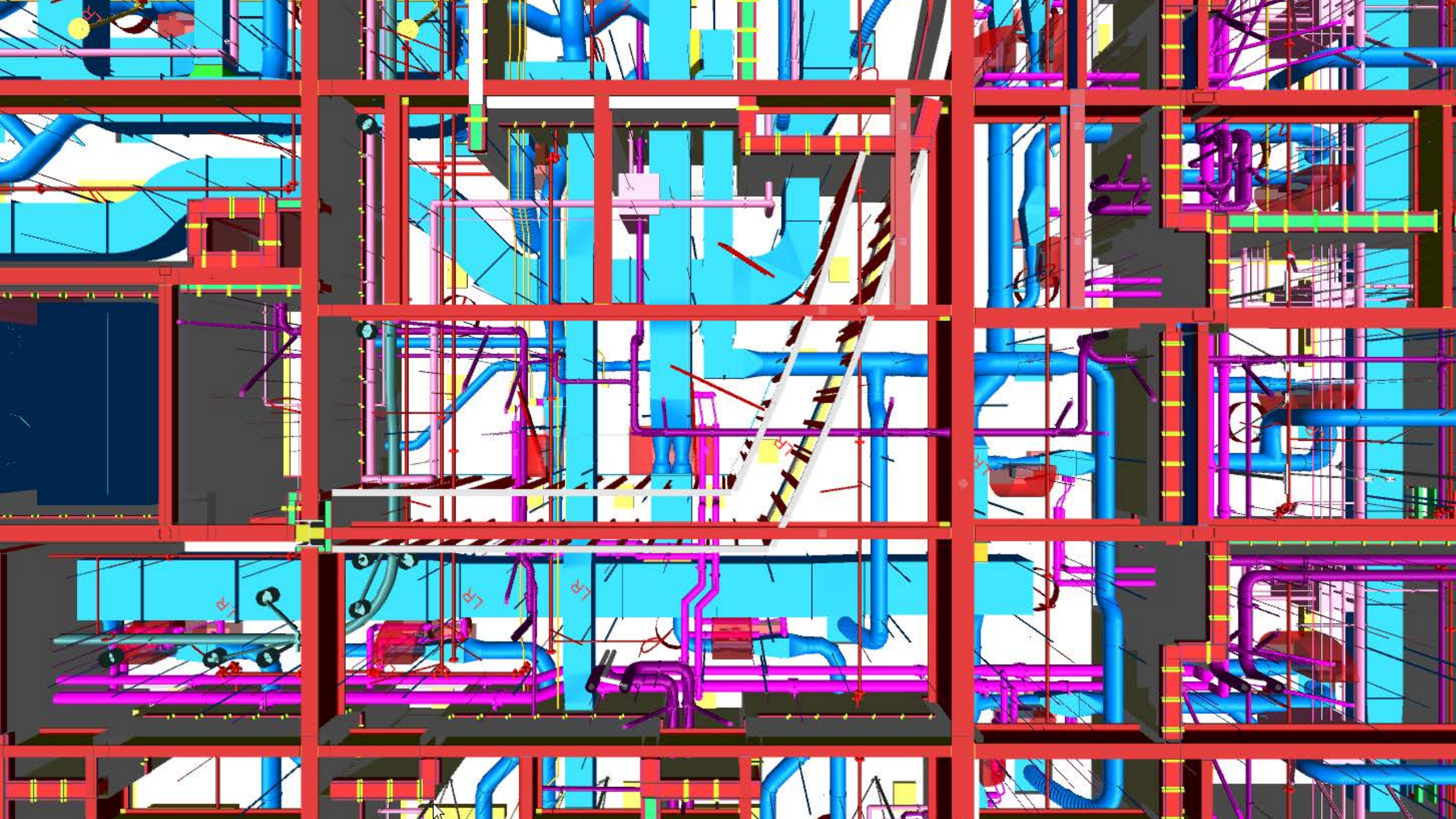


L.(-1)-4(4) : LEVEL 1 (38)

# BIM Coordination – Nurse Stations







# Issue Detection - 2D Traditional Coordination



# Issue Detection - BIM





Issue Detected



Issue Resolved



# BIM to Construction

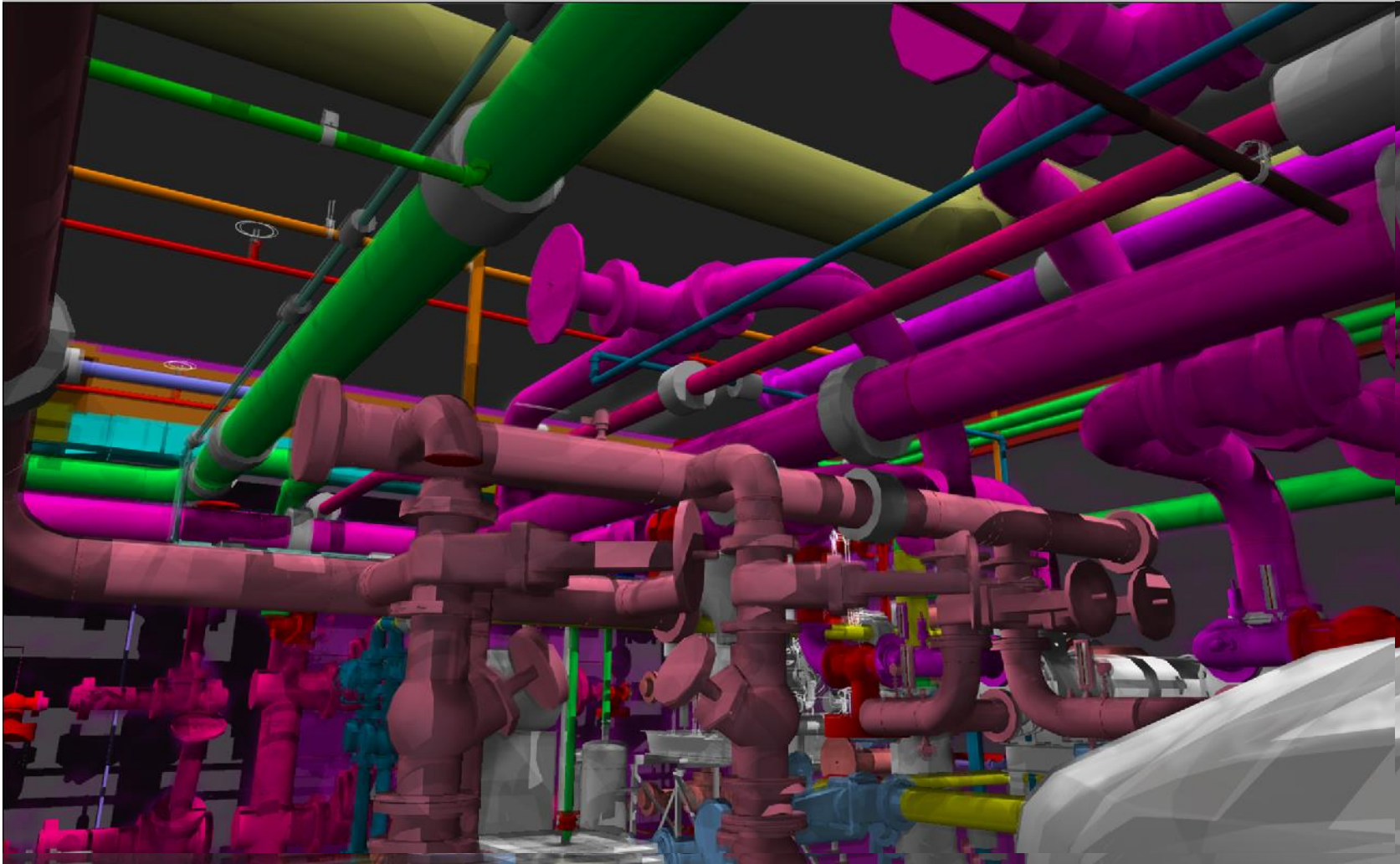
**3D Model**



**Construction**



# BIM to Construction



# Why is BIM Beneficial?



# Traditional Coordination vs. Benefits of BIM

Traditional Coordination Issues	BIM Coordination Benefits
Occurs after 2D permitted drawings are created.	Creates a more collaborative culture between Owners, Designers, and Builders. Begins as early as project conception.
More issues have to be resolved during construction.	Design related issues and constructability conflicts are mitigated before construction.
Higher risk of schedule delays due to rework.	Rework greatly reduced or eliminated. More efficient install of MEP systems, schedule savings.
Higher % of change orders due to unforeseen issues.	Traditionally unforeseen issues can be identified during design phases. Greatly reduces change order quantities.
Difficult to Visualize	Early conflict resolution and user buy-in saves money
Less Precision/Lower Quality	People are more easily connected

# Summary

MGH 2.0 is currently utilizing BIM to pre-plan how the hospital will be built prior to construction. BIM allows the following:

- Less Risk for Schedule Delays
- Less Rework
- Increased Cost Certainty
- Increased Productivity and Efficiency
- Improved Communication and Teamwork, Reduced Schedule
- Higher Quality End Product



MARIN GENERAL HOSPITAL



# Questions?

*September 13, 2016*



## Tab 2



**BOARD OF DIRECTORS  
REGULAR MEETING  
Tuesday, August 9, 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

*Board Member Absent:* Director Jennifer Hershon

*Staff Present:* Lee Domanico, CEO; Jon Friedenber, CAO; Mark Zielazinski, CITIO; Linda Lang, CHRO; James McManus, CFO; Karin Reese, VP Nursing; Joan McCready, Director of Quality Management; Colin Coffey, District Counsel; Louis Weiner, Executive Assistant

Chair Simmonds reported that there was no reportable action taken at the Closed Session immediately preceding.

**2. General Public Comment**

Michael Kwok, MD.

**3. Approval of Agenda**

Vice Chair Sparkman moved to approve the agenda as submitted. Secretary Rienks seconded. Vote by roll call: all ayes (Director Hershon absent)

**4. Approval of the Minutes of the Regular Meeting of July 12, 2016**

Vice Chair Sparkman moved to approve the minutes as submitted. Secretary Rienks seconded. Vote by roll call: all ayes (Director Hershon absent).

**5. Changes in CMS Reporting of Clinical Quality Metrics**

Mr. Domanico reported that CMS has changed the reporting requirements to the public of certain clinical quality metrics. Some items are no longer required to be reported while others will now be required. The documents at Tab 2 of this meeting's packet show the measures that were added and those removed by CMS.

The Bylaws of Marin General Hospital, Article 11, "Performance Metrics and Core Services Policy," indicate policy and procedure for setting and changing the reporting of the clinical quality metrics. For MHD review and recommendation, Mr. Domanico has met with Chair Simmonds and discussed the changes. For MGH review and recommendation, Mr. Domanico has met with the MGH Board Executive Committee. Both entities recommend the adoption of the changes presented.



He clarified that though the hospital is required to submit data to CMS, the hospital does have a choice of which data it may elect to report to the public and these guidelines are outlined in the MGH Bylaws. Joan McCready, Director of Quality Management, explained the data on the documents presented: the CMS measures removed, measures newly published with benchmarks, and measures that will be published when benchmarks are identified over the coming year. She answered several questions on details of the report, including why CMS has varying durations of reporting periods.

Vice Chair Sparkman moved to accept the Changes in CMS Reporting of Clinical Quality Measures, as presented. Director Bedard seconded. Vote by roll call: All ayes (Director Hershon absent).

**6. Approve Q1 2016 MGH Performance Metrics & Core Services Quarterly Report**

Mr. Domanico presented the Quarterly Report showing that all elements of the Tier 1 Performance Metrics and the Tier 2 Reporting Metrics are in full compliance. This Q1 2016 Report was approved by the MGH Board of Directors at its meeting August 3, 2016. He commented on several of the schedules in the report:

*Schedule 1: HCAHPS.* Patient satisfaction scores show little variance; however, the new MD/RN team patient rounding project begun in March is proving quite successful. Jon Friedenber, CAO, described the project's process of rollout, development and progress beginning on the 5<sup>th</sup> floor and now in full force housewide since June; physicians and nurses eagerly participate, and patients interact with them positively. The staff are shown the HCAHPS scores when they are received, and those improved scores should be evident in the Q3 2016 Quarterly Report to the Boards. Formation of a Patient Advisory Council is part of the project and will be in place in the 4<sup>th</sup> quarter of 2016.

*Schedule 2: Finances.* EBIDA is very favorable, and all ratios are compliant.

*Schedule 3: Clinical Quality Reporting Metrics.* Secretary Rienks requested that sub-benchmark figures be indicated in red; Mr. Domanico agreed that future reports could do so, and perhaps could consider coding figures in green/yellow/red. There is a program now in place to mitigate Healthcare Associated Infections that includes an electronic hand hygiene monitoring system overseen by a team of nurses, infection control specialists and laboratory staff, and the data will support an ongoing sustained culture of patient safety.

*Schedule 4: Community Benefit.* Contributions and charity care continue at previous pace and levels.

*Schedule 5: Nursing Turnover.* Nursing vacancy rate is now reported more accurately beginning in 2016.

*Schedule 6: Ambulance Diversion.* Only three incidents of diversion in Q1.



Secretary Rienks moved to approve Q1 2016 MGH Performance Metrics and Core Services Report as presented. Vice Chair Sparkman seconded. There was no further discussion. Vote by roll call: All ayes (Director Hershon absent).

**7. MHD Resolution #2016-04**

Ron Peluso of Vertran Associates, Construction Project Manager, presented and explained the construction requirements behind both Resolutions, the first being for a right of way condition of approval required by the County for construction of the garage.

Vice Chair Sparkman moved to approve “MHD Resolution No. 2016-04: Resolution authorizing and directing execution of offer of dedication offering Marin County an easement along Bon Air Road for public roadway and utility purposes, and directing certain actions with respect thereto.” Secretary Rienks seconded. There was no further discussion. Vote by roll call: All ayes (Director Hershon absent).

**8. MHD Resolution #2016-05**

This Resolution is for an access easement revision required by the County due to shared ownership of property on which the garage is built.

Secretary Rienks moved to approve “MHD Resolution No. 2016-05: Resolution authorizing and directing execution of easement agreement granting Marin County an easement for access purposes, and directing certain actions with respect thereto.” Vice Chair Sparkman seconded. There was no further discussion. Vote by roll call: All ayes (Director Hershon absent).

**6. Committee Reports**

*A. MHD Finance and Audit Committee*

There was no meeting in July; nothing to report.

*B. MHD Lease and Building Committee*

There was no meeting in July; nothing to report.

**7. Reports**

*A. District CEO's Report:*

Mr. Domanico reported that ACHD (Association of California Healthcare Districts) has approved MHD for “Certified” status, and a formal presentation is forthcoming. He is also negotiating a lower dues structure with ACHD and will report back at the next meeting.

*B. Hospital CEO's Report:*

Hospital operating income and net income are doing well and exceeding budget. MGH 2.0 is on schedule and on budget. The parking garage opened precisely on time and 3% under budget, and is operating very well. Last week was the groundbreaking ceremony for MGH 2.0, and 250 people attended this major milestone. The Joint Commission conducted its 4-day triennial survey of the hospital, which was extremely successful as



there were no conditions that required a return visit; this is exceptional in light of inspection results of other hospitals around the country and state. Its success will be celebrated this Thursday with gourmet food trucks providing free lunch as an expression of thanks and gratitude for all staff.

*C. Chair's Report:*

Chair Simmonds had nothing to report.

*D. Board Members' Reports:*

Director Bedard reported on attending the American Hospital Association's annual meeting in San Diego. Most interesting was the address by Robert Wachter, MD, of UCSF, who devised the hospitalist movement and leads research in patient safety statistics. Dr. Bedard expressed praise for the groundbreaking ceremony and evening event.

Vice Chair Sparkman and Secretary Rienks both also expressed praise for the groundbreaking event, especially for its bringing together the District Board, the Hospital Board, the Foundation Board, and community donors and prospective donors.

Secretary Rienks reported that at the groundbreaking she met up with Nancy Boyce of MarinLink who discussed providing a stroke response and rehab program at MGH; she will refer her to Mr. Friedenber.

**8. Agenda Suggestions for Future Meetings**

None submitted.

**9. Adjournment**

Chair Simmonds adjourned the meeting at 7:50 pm.

## **Tab 3**



**MARIN HEALTHCARE DISTRICT**

**RESOLUTION NO. 2016-06**

**RESOLUTION REGARDING INPATIENT USE OF  
MEDICINAL CANNABIS AT MARIN GENERAL HOSPITAL**

RESOLVED, by the Board of Directors (the “Board”) of the Marin Healthcare District, Marin County, California (the “District”), as follows:

WHEREAS, in 1996, California became the first state to legalize the use of medicinal cannabis when citizens passed the Compassionate Use Act; and

WHEREAS, in 1996 More than 70% of Marin County voters approved the Compassionate Use Act; and

WHEREAS, the AMA Code of Ethics states:

**Opinion 10.01 - Fundamental Elements of the Patient-Physician Relationship**

The patient has the right to receive information from physicians and to discuss the benefits, risks, and costs of appropriate treatment alternatives.

The patient has the right to make decisions regarding the health care that is recommended by his or her physician. Accordingly, patients may accept or refuse any recommended medical treatment.

**Opinion 10.015 - The Patient-Physician Relationship**

The practice of medicine, and its embodiment in the clinical encounter between a patient and a physician, is fundamentally a moral activity that arises from the imperative to care for patients and to alleviate suffering.

**Opinion 10.02 - Patient Responsibilities**

The principle of patient autonomy holds that an individual’s physical, emotional, and psychological integrity should be respected and upheld. This principle also recognizes the human capacity to self-govern and choose a course of action from among different alternative options; and

WHEREAS, in 2015 Governor Jerry Brown signed into law Medical Marijuana Regulation and Safety Act (MMRSA), which when implemented on January 1, 2018 will strictly regulate the production, potency, purity and packaging of medicinal cannabis; and

WHEREAS, physicians, pharmacists and patients will benefit by knowing the content, potency and purity of medicinal cannabis; and

WHEREAS, having medicinal cannabis regulated like current, conventional medications will likely encourage more physicians and pharmacists to recommend cannabis and allow more patients to use medicinal cannabis; and

WHEREAS, in June 2015, the Journal of the American Medical Association (JAMA) published an article entitled “Cannabinoids for Medical Use”, which found medicinal cannabis is significantly helpful with chronic pain, neuropathic pain, muscle spasms in multiple sclerosis and paraplegia, cancer chemotherapy nausea, and AIDS wasting syndrome; and

WHEREAS, states that have legalized medicinal cannabis have had a 25% reduction in opiate overdose deaths; and

WHEREAS, many Marinites use medical cannabis on an outpatient basis for cancer, AIDS, chronic pain, diabetic neuropathy, seizures, PTSD, irritable bowel, migraines, menstrual cramps, palliative care and numerous other conditions; and

WHEREAS, when these patients using medicinal cannabis are admitted to Marin General Hospital their physician is not currently allowed to recommend the administration of medicinal cannabis and the patient is not allowed to use a drug that is safe, effective and legal in California; and

WHEREAS, an article in July 2016 Health Affairs estimated the National overall reductions in Medicare program and enrollee spending when states implemented medical marijuana laws were estimated to be \$165.2 million per year in 2013 and concluded the availability of medical marijuana has a significant effect on prescribing patterns and spending in Medicare Part D; and

WHEREAS, a significant number of the physician staff at MGH would like the freedom to recommend medicinal cannabis to their hospitalized patients but hospital administration is rightfully concerned that the Federal Government could/would retaliate by lifting the hospital’s Medicare Provider Number and the State could withhold Medi-Cal Funding; and

WHEREAS, the Rohrabacher/Farr amendment to the budget act prohibits the government from using federal funds to prosecute patients, physicians, and hospitals that are complying with state law in the use of medicinal cannabis; and

WHEREAS, California law allows for the use of medicinal cannabis in the inpatient hospital setting; therefore be it

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Marin Healthcare District requests that the Marin General Hospital Administration and Medical Staff review and research the issues regarding the use of medicinal cannabis, including clinical and legal implications, and report the findings back to the District Board.



**PASSED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2016, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

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Harris Simmonds, Chair of the Board of Directors  
Marin Healthcare District

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Jennifer Rienks, Secretary of the Board of Directors  
Marin Healthcare District



I, the undersigned Secretary of the Marin Healthcare District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the District at a meeting thereof held on the \_\_\_\_ day of \_\_\_\_, 2016.

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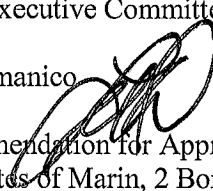
Jennifer Rienks, Secretary of the Board of Directors  
Marin Healthcare District

**Tab 4**



**Creating a healthier Marin together.**

TO: MHD Executive Committee

FROM: Lee Domanico 

RE: Recommendation for Approval of license agreement for office space/services at Cardiovascular Associates of Marin, 2 Bon Air Road, by University of California, San Francisco (for Dr. Scott Merrick)

DATE: September 13, 2016

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The District owns and operates a 1206(b) clinic located at 2 Bon Air Road, Greenbrae (the "Clinic"), at which cardiovascular care services are provided to residents of the community through agreements with Cardiovascular Associates of Marin and San Francisco ("CAMSF").

MHD desires to license office space and shared support services at the Clinic to the University of California, San Francisco ("UCSF"), for the purpose of supporting an additional physician (Dr. Scott Merrick) specializing in cardiothoracic medicine and providing care to Clinic patients. UCSF currently employs Dr. Merrick to provide cardiothoracic medical director services and surgical call coverage at Marin General Hospital ("MGH"). Dr. Merrick requires access to Clinic facilities and services in order to provide necessary follow-up care to patients seen per the coverage agreement between UCSF and MGH and to meet the District community's local needs for outpatient cardiothoracic services.

### **Background**

Because MHD Board members Ann Sparkman, J.D., and Jennifer Rienks, Ph.D., are employees of UCSF, prudent compliance practice suggests that District Board/Executive Committee approval and adoption of Conflicts Findings be obtained.

### **Requested Action and Findings by the Executive Committee**

Motion based on management's recommendation: "To approve the terms of License Agreement for space at 2 Bon Air Road to UCSF, as presented in the Transaction Summary before the Executive Committee, along with the following findings:

- The proposed license agreement is necessary to assist the District in the provision of locally accessible follow up care to MGH cardiothoracic patients of UCSF physician Scott Merrick, a qualified specialist. Additionally, the license agreement provides space for UCSF physician Scott Merrick to offer specialty services in the communities served by the District and MGH, and the health and welfare of the residents of these communities require these provisions to assure the continued availability of a physician specializing in cardiothoracic medicine for patients of MHD and MGH.
- The license agreement rate charged to UCSF for medical office space and shared support services is within the fair market range of reasonable rent per square foot in the San Rafael/Larkspur submarket based on the review of Jones Lang LaSalle, independent real estate appraisal consultants."

**TRANSACTION SUMMARY  
PHYSICIAN TRANSACTIONS AND ARRANGEMENTS**

**LICENSE AGREEMENT  
UNIVERSITY OF CALIFORNIA, SAN FRANCISCO; DR. SCOTT MERRICK**

**MARIN HEALTHCARE DISTRICT 1206(b) CLINIC**

The following are the proposed terms for the license agreement to UCSF, to let office space in MHD's 1206(b) clinic located at 2 Bon Air Road, Greenbrae, California.

**A. Parties**

Identify the contractor and indicate his or her specialty/practice area and administrative expertise.

**Marin Healthcare District ("MHD")  
The University of California, San Francisco**

**B. Purpose/Reasons to Pursue the Arrangement**

Describe how the arrangement meets a community need.

**MHD operates a 1206(b) clinic located at 2 Bon Air Road, Larkspur, California (the "Clinic") which specializes in the provision of cardiology services to patients residing in the service area. MHD desires to contract with UCSF in order to allow UCSF employee and cardiothoracic specialist, Dr. Scott Merrick, to provide cardiothoracic services to the communities served by MHD and Marin General Hospital ("MGH"), including necessary follow-up care to MGH patients. There is a demand or need in the community for an additional physician with experience in this specialty to provide services at the Clinic in order to ensure the continued availability of cardiothoracic care to patients of MHD and MGH.**

Indicate whether the arrangement is new or is a renewal of an existing arrangement.

**This is a renewal arrangement.**

**C. Terms of the Agreement**

1. Agreement:

**MHD will license to UCSF a portion of the premises of Suite 100 at 2 Bon Air Road, Larkspur, CA.**

2. Term of Agreement:

**One (1) year.**

3. Financial Terms:

**Under the License Agreement, MHD will receive \$1,436.86 per month from UCSF for providing part-time use of two (2) exam rooms, non-exclusive use of the waiting room and the hallways to the two exam rooms (the “Licensed Premises”), and non-exclusive use of the services of one (1) registered nurse, the non-exclusive use of the receptionist and other non-clinical support staff, and basic supplies (gloves, wipes, masks, etc.) for use in seeing patients during the period of use of the Licensed Premises (the “License Fee”). Use of Licensed Premises shall take place only between the hours of 2:00 P.M. Pacific Time and 6:00 P.M. Pacific Time on each Friday during the term of the License Agreement. The Rent covers both UCSF’s license of the premises (based on UCSF’s approximate 1.74% share of the exclusive-use space/week used of the premises and use of the common area) and the licensing of MHD’s staff and personnel.**

4. Community Benefit/Need.

**No alternative explored by management presents a better arrangement to ensure the siting of UCSF for continued availability of a physician specializing in cardiothoracic surgery for patients of MGH to provide locally available follow-up care and specialty outpatient services to the Marin community.**

5. Fair Market Value Analysis.

**The license rate of \$1,436.86 is within the fair market range of the fair market value data that was provided, as of June 20, 2014, by Jones Lang LaSalle, independent real estate appraisal consultants for the District and Hospital. Their findings indicate that the proposed license agreement between UCSF and the Marin Healthcare District as summarized in this transaction summary is within fair market value, based on the location and size of the Licensed Premises and the scope of services to be provided and the proposed terms of the license.**

## Physician Transactions and Arrangements

### Conflict of Interest Findings

Conflict findings are to be based on the terms and definitions in the Marin Healthcare District (“MHD”) Conflicts of Interest Policy adopted by the Board of Directors.

1. Identify the contractor and the type or nature of the transaction or agreement.  
**The University of California, San Francisco; License Agreement**
2. Is the contractor a present officer or director of MHD? **No.**
3. Is any member of the Contractor’s immediate family a present or former officer or director of any affiliate of MHD? **No.**
4. Does any present officer or director (including any immediate family member) of MHD have a financial interest in, or tie to, this transaction or arrangement, or to the contractor?  
**Yes.**  
If yes, describe the financial interest or relationship:  
**MHD Board members Ann Sparkman, J.D., and Jennifer Rienks, Ph.D. are employees of UCSF.**
5. If any of items 2-4 were answered “yes”, describe all the material facts, including:
  - Alternatives to this transaction or arrangement investigated.  
**Management investigated a number of alternative arrangements to this agreement with UCSF. This arrangement was the most optimal arrangement for the community and MHD for the reasons set forth above.**
  - How the transaction or arrangement better serves MHD’s interests than alternatives would.  
**This arrangement is designed to ensure continuity of care for patients seen by Dr. Merrick at MGH and to maintain the availability of cardiothoracic care services to District residents.**
  - How the determination was made that the transaction or arrangement is fair and reasonable.  
**The license rate charged to UCSF for medical office space and shared support services is within the fair market range of reasonable rent per square foot in the San Rafael/Larkspur submarket based on the review of Jones Lang LaSalle, independent real estate appraisal consultants.**
  - The basis for concluding that MHD cannot obtain a more advantageous arrangement with reasonable efforts under the circumstances.  
**The consensus among management is that a license agreement with UCSF provides the best option for the success of the cardiology services provided at the Clinic.**


**Tab 5**





Creating a healthier Marin together.

TO: MHD Board of Directors

FROM: Lee Domanico 

RE: Recommendation for Approval of terms of MHD Professional Services Agreement and Recruitment Arrangement for Internal Medicine Physician for 1206(b) Clinic (Mary Rose Fabi, M.D.)

DATE: September 13, 2016

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The District owns and operates a 1206(b) clinic located at 1341 S. Eliseo Drive, Suite 200, Greenbrae, California (the "Clinic") in which primary care services are provided to residents of the community.

Physician services are currently provided in the Clinic through agreements with Drs. Ward and Clark-Sayles of Marin Medical Group ("Group"). MHD desires to add the services of an additional physician specializing in Internal Medicine to the practice at the Clinic. The physician, Dr. Mary Rose Fabi, will be contracted with MHD under a professional services agreement to provide services at the Clinic on a full time basis, and leased to Prima Medical Group ("Prima") to work half of her clinical time (two days) at Sausalito Primary Care, under a separate agreement. Within the next twelve months, Dr. Fabi will join the Group and transition to the Group's professional services agreement.

### **Background**

This is a new unbudgeted physician arrangement, and approval by the District's Board of Directors is required.

### **Requested Action and Findings by the Board**

Motion based on management's recommendation: "To approve the terms of the professional services agreement and recruitment arrangement of Dr. Mary Rose Fabi, as presented in the Transaction Summary before the Board, along with the following findings:

- The proposed two year compensation and recruitment incentive necessary to assist the District to attract a qualified specialist to practice in the communities served by the District and MGH, and assure that the health and welfare of the residents of these communities require these provisions to assure the continued availability of a physician specializing in internal medicine for patients of MHD and MGH, consists of the following:
  1. Base guarantee of \$230,000 annually, plus Compensation formula:
    - a. \$50.00 per wRVU for the first 4,600 units (the \$230,000 guaranteed base);
    - b. \$55.00 per wRVU for units above 4,600; and
    - c. \$50.00 per wRVU for inpatient history and physicals for MGH patients of Unit A, regardless of the number of wRVUs in the primary care office setting.
  2. The following benefits package per twelve months:

- a. \$36,000 for benefits and malpractice insurance;
  - b. \$1,500 for CME; and
  - c. \$2,000 for license fees, DEA fees, and medical staff dues
3. An additional one-time repayment (directly to the lender) of Dr. Fabi's student loans in a lump sum amount of \$60,000, forgiven on a rolling basis "mortgage-style" over a period of five (5) years provided Dr. Fabi remains in the community,
- The guarantee, benefits amounts, and the forgivable loan incentives offered to recruit and retain the physician's services in these communities is within the fair market range of reasonable compensation and incentives based on the review of Cattaneo & Stroud, independent compensation evaluation consultants to the District and MGH. "

**TRANSACTION SUMMARY  
PHYSICIAN TRANSACTIONS AND ARRANGEMENTS**

**PROFESSIONAL SERVICES AGREEMENT  
& RECRUITMENT INCENTIVE  
DR. MARY ROSE FABI**

**MARIN HEALTHCARE DISTRICT 1206(b) CLINIC**

The following are the proposed terms for the professional services agreement and recruitment of Dr. Mary Rose Fabi, who specializes in Internal Medicine, to provide services as a physician in MHD's 1206(b) clinic located at 1341 S. Eliseo Drive, Suite 200, Greenbrae, California (the "Clinic"), and also to be leased to Prima Medical Group ("Prima") to provide services at Sausalito Primary Care, located at 3 Harbor Drive, Suite 111, Sausalito, California. Dr. Fabi will split her clinical hours equally between MHD's Clinic and Prima, which shall lease her services from the district under a separate agreement.

**A. Parties**

Identify the contractor and indicate his or her specialty/practice area and administrative expertise.

**Marin Healthcare District ("MHD")  
Dr. Mary Rose Fabi**

**B. Purpose/Reasons to Pursue the Arrangement**

Describe how the arrangement meets a community need.

**MHD operates a 1206(b) clinic located at 1341 S. Eliseo Drive, Suite 200, Greenbrae, California, which specializes in the provision of primary care services to patients residing in the service area. Prima Medical Group operates a practice located at 3 Harbor Drive, Suite 111, Sausalito, California, to provide primary care to patients residing in their service area. MHD desires to contract with Dr. Mary Rose Fabi in order to provide services to these communities. There is a demand or need in the communities for additional primary care physicians with experience in the specialty of Internal Medicine in order to ensure the continued availability of primary care to patients of the community served by MHD and Prima.**

Indicate whether the arrangement is new or is a renewal of an existing arrangement.

**This is a new arrangement.**

**C. Terms of the Agreement**

1. Agreement:

**MHD will contract with the physician, Dr. Mary Rose Fabi, under a professional services agreement to provide services at the Clinic on a full time basis, and, under a separate agreement, lease half her clinical time (two days per week) to Prima Medical Group ("Prima") to work at Sausalito Primary Care. Within the next twelve months, Dr. Fabi will join Marin Medical Group (the "Group"), at the Clinic location, and transition to the Group's professional services agreement.**

2. Term of Agreement:

**Compensation Guarantee: Two (2) years.**

**Recruitment Incentive: Five (5) years.**

3. Financial Terms:

**As part of the effort to bring another specialist to the Marin service area, MHD is proposing to provide to Dr. Fabi a compensation guarantee of \$230,000 per year for two years plus Compensation formula which includes: (a) \$50.00 per wRVU for the first 4,600 units (the \$230,000 guaranteed base); (b) \$55.00 per wRVU for units above 4,600; and (c) \$50.00 per wRVU for inpatient history and physicals for MGH patients of Unit A, regardless of the number of wRVUs in the primary care office setting, and the following benefits package per twelve months: (a) \$36,000 for benefits and malpractice insurance, (b) \$1500 for CME, and (c) \$2,000 for license fees, DEA fees, and medical staff dues. In addition, MHD proposes a one-time recruitment incentive repayment (directly to the lender) of Dr. Fabi's student loans in a lump sum amount of \$60,000. Provided Dr. Fabi remains in the community, the loan will be forgiven on a rolling basis "mortgage-style" over a period of five (5) years.**

4. Community Benefit/Need.

**The Community Needs Assessment completed in 2013 reflects a current community shortage of primary care physicians. Since the assessment, the community served by the District has decreased a net of four providers: in the last eighteen months Dr. Paul Ogden retired; Dr. Tang left in July; Dr. Bartz is retiring and Dr. Ullah is leaving, both at the end of this month. No alternative explored by management presents a better arrangement to ensure the continued availability of a physician specializing in Internal Medicine for patients in MHD's service area to provide locally available primary care to the Marin community.**

5. Fair Market Value Analysis.

**A Fair Market Value Analysis was completed on September 8, 2016, by Cattaneo & Stroud, an independent consultant. Their summary is that the proposed Professional Services Agreement, Recruitment Agreement and Recruitment Loan terms between Dr. Fabi and the Marin Healthcare District as summarized in this transaction summary are within fair market value, based on the scope of services to be provided and the proposed terms of the agreement.**