



**MARIN HEALTHCARE DISTRICT  
BOARD OF DIRECTORS  
SPECIAL OPEN MEETING / BOARD STUDY SESSION**

**Tuesday, March 27, 2018  
Marin General Hospital  
Conference Center**

**MINUTES**

**1. Call to Order and Roll Call**

Chair Sparkman called the Special Open Meeting/Board Study Session to order at 6:34 pm.

*Board Members Present:* Chair Ann Sparkman; Vice Chair Jennifer Hershon;

Secretary Jennifer Rienks; Director Larry Bedard, MD; Director Hank Simmonds, MD

*Staff Present:* Lee Domanico, CEO; James McManus, CFO; Joel Sklar, MD, CMO; Louis Weiner, Executive Assistant

*Counsel Present:* Donald Bouey

**2. General Public Comment**

There was no public comment.

**3. Discussion of Proposed Strategic Alliance between Marin General Hospital and UCSF Health**

Mr. Domanico stated that this is the first public presentation of the proposed strategic alliance between MGH and UCSF Health.

Chair Sparkman recused herself from this discussion as she is an employee of UCSF in the Office of Legal Affairs as Deputy Campus Counsel for Health Affairs.

Ms. Mary Friedman, MGH Vice President of Strategy and Business Development, presented a slide show (printed in the distributed packet and posted online) and explained details of the proposed alliance:

- MGH's Strategic Plan comprises Consumer Experience, Development, and Collaboration. This proposed alliance helps fulfill Collaboration: "Affiliate with premier clinical experts, providers, and innovators to build a collaborative system of care delivery."
- The MGH Board began affiliation discussion in October 2015 through exploration of concept, models, criteria, and partners. Management held exploratory discussions with possible partners January-September 2016, and in October 2016 received Board approval to begin formal discussions with possible partners.
- MGH's major needs identified include: cultural alignment; credit enhancement; capital investment; physician alignment and recruitment; health plan relationships moving from volume to value; superior clinical outcomes; enhancing market presence; and growing patient volume.
- MGH offers to a potential partner: attractive demographic base; strong market share; attractive payer mix; new hospital building ("MGH 2.0"); alignment with community



- physicians; improving performance in quality and patient safety, patient satisfaction, and operations; district tax base; and strong donor community.
- Throughout 2017 in a year-long process, key stakeholders of the MGH Board and its committees, MGH management, and Marin Healthcare District met in groups to explore, discuss and decide upon the strategic process from inception through implementation. UCSF Health was identified as the best partner. Over the past decade, MGH and UCSF have built a clinical relationship with programs in NICU, neurosurgery, pediatric diabetes, and cardiac surgery.
  - The guiding principles of this strategic alliance are that: this is not a partnership; this is neither merger, acquisition, nor sale; this will not impact MHD's lease with MGH nor its authority over the hospital; this will result in investment of funds into the Marin community; this will improve healthcare services; this will include pre-negotiated termination provisions.
  - Key terms include: UCSF will be primary academic and teaching partner; UCSF will have 2 seats on the MGH Board; EPIC electronic medical record (EMR) installed at MGH; UCSF will commit funds for jointly-approved inpatient and outpatient projects; MGH physicians will be integrated into UCSF while retaining current MGH structure; MGH outpatient physician offices will have EPIC; UCSF will lead collaborative efforts for quality improvement and care coordination.

Ms. Friedman further commented that MGH infrastructure will be preserved regarding relations with physicians, payors, and clinic leases. The alliance will have no effect on labor contracts.

Mr. Richard Halstead of the Marin Independent Journal was present and asked questions pertaining to the points Ms. Friedman presented, and they were answered by her, Mr. Domanico, and members of the MHD Board. They added further comments regarding the alliance's potential enhancement of market share and brand awareness.

#### **4. Adjournment**

Chair Sparkman adjourned the Special Open Meeting/Board Study Session at 7:05 pm.