

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
September 27, 2011**

A Regular Meeting of the Board of Directors of the Desert Healthcare District was held in the Jerry Stergios Building, First Floor, Palm Springs, CA

Attendance:

Members

Mark Matthews – President
Kay Hazen – Vice President/Secretary
Michael Solomon, MD – Treasurer
Sidney Rubenstein, DDS – Director
Glen Grayman, MD - Director

Staff

Kathy Greco, Chief Executive Officer
Peter Young, Chief Operating Officer
Samantha Prior, Operations Manager
Donna Craig, Chief Program Officer
Tricia Wheeler, Program Manager
Steve Brown, Executive Administrative Assistant

Legal Counsel

Jeffrey Scott, Esq.

Guests

Rick Daniels, City Manager, City of Desert Hot Springs
Yvonne Parks, Mayor, City of Desert Hot Springs
Patrick Williams, Chief of Police, City of Desert Hot Springs
Jason Simpson, Assistant City Manager, City of Desert Hot Springs
Dr. Richard Olds, Dean, UCR School of Medicine
Jackie Olds, UCR School of Medicine
Dr. Neil Schiller, UCR School of Medicine
Craig Byus, Ph.D., UCR School of Medicine
Michele Coyle, Chief Campus Counsel, UCR
Donna Wilk, UC Riverside
Jocelyn Nakashige, Dean of Finance, UCR School of Medicine
Kathy Barton, Communications, UCR School of Medicine
P. Lyons, M.D. UCR School of Medicine
Phyllis Guze, M.D. UCR School of Medicine
Dr. Frank Ercoli, Director of Trauma and Critical Care Services, DRMC
Lupe Ramos Watson, Representative for Assemblymember Brian Nestande
Eduardo Garcia, District Representative, Office of Senator Juan Vargas
Evita Tapia, District Representative, Office of Senator Bill Emmerston
Fred De Haro, Borrego Community Health Foundation
Nedy Morfin, Vice-President of Operations, Borrego Community Health Foundation

Joseph Pradetto, Legislative Assistant, Supervisor John Benoit
Karolee Sowle, Chief Executive Officer, Desert Regional Medical Center
Tim O'Bayley, O'Bayley Communications
Diana Nancy DeLeon, Manager, RAPF, HEALNet Project
John Brown, Executive Director, Family Services of the Desert
Peggy Bilous, Executive Director, Desert Cancer Foundation

CALL TO ORDER

The meeting was called to order at 2:00 pm by President Matthews.

APPROVAL OF AGENDA

President Matthews asked for a motion to approve the agenda.

#11-66 MOTION WAS MADE by Vice-President Hazen and seconded by Director Grayman to approve the agenda. Motion passed unanimously.

PUBLIC COMMENT

None

CONSENT AGENDA

Submitted for approval:

1. Board Minutes
 - a. Special Meeting – July 27, 2011
 - b. Regular Meeting – August 23, 2011
2. District July/August 2011 financial statements.

#11-67 MOTION WAS MADE by Director Rubenstein and seconded by Director Grayman to approve the Consent Calendar excluding Consent Item #4 as requested by President Matthews for discussion. Motion passed unanimously with Vice-President Hazen abstaining on Warrants #11301, 11304, 11329, 11332 which were business related.

President Matthews requested an amendment to the Program Committee Policy Revisions as presented, which would also include a student member, (voting member) selected by the Program Committee for a one year term.

11-68 MOTION WAS MADE by President Matthews and seconded by Vice-President Hazen to approve the Program Committee Revisions as recommended and, in addition, include a student member, appointed by the Program Committee for a term of one year. Motion passed unanimously.

Vice-President Hazen asked that time be taken to acknowledge two significant grants totaling over half a million dollars which were approved as part of the consent calendar. Peggy Bilous thanked the Board for their continued support to the Desert Cancer Foundation with the approval of a two

year grant totaling \$660,000 for their Healthcare Assistance Program. John Brown thanked the Board for their continued support to Family Services of the Desert for mental health services in the City of Desert Hot Springs and the approval of a two year grant totaling \$225,000.

COMMITTEE REPORTS

1. Finance Committee – Director Solomon:

a.-c. The F&A September 13, 2011 Agenda & Draft Meeting Minutes, COO Report, Parking Lot G Update, Parking Lot G Payment Tracking Schedule by Vendor were reviewed as provided in the Board Packet.

Mr. Young reported that the parking lot was completed and has opened for the hospital employees. Director Grayman requested Staff provide a way to show the public the amount of savings from the solar component of the parking lot. Ms. Greco suggested having this information on the home page of the District's website. Mr. Scott discussed the savings that DRMC will receive with the solar parking lot and perhaps instead of a rent credit, this should be a revenue source to the District. Vice-President Hazen recommended referring this discussion to the F&A Committee.

d. Fiscal Year Ending 6/30/2011 Financial Statements of the Desert Healthcare District
Director Solomon reviewed the FYE 6/30/11 District Audit Report. The auditors complemented the F&A Committee for the cooperation/relationship between the Staff and the Directors as well as the complete transparency of all financial records.

#11-69 MOTION WAS MADE by Director Solomon and seconded by Director Rubenstein to approve the FYE 6/30/11 Desert Healthcare District Audit. Motion passed unanimously.

e. Fiscal Year Ending 6/30/2011 Financial Statement Audits of the Retirement Protection Plan
Director Solomon reviewed the FYE 6/30/11 RPP Audit. There were no concerns or issues from the auditors. The District has sustainable assets.

#11-70 MOTION WAS MADE by Director Solomon and seconded by Director Rubenstein to approve the FYE 6/30/11 Draft Retirement Protection Plan Audit. Motion passed unanimously.

f. Consideration of the Board of Directors of the Desert Healthcare District to Approve a Funding Option to Support the Construction of the City of Desert Hot Springs Health and Wellness Center.

Director Grayman asked if more District staff would be needed if the District approved Option 3, which included \$4.9 million to complete the funding for the construction and for which the District would own and operate the Wellness Center. Ms. Greco responded that with the current staff and partners in place, no additional staff will be required. Ms. Greco also clarified that the city would complete the construction and upon completion, the center would be deeded to the DHCD who will provide all operations. Additionally, DHCD will need to fund approximately \$400,000 - \$500,000 per year for the operations. Staff was directed to present an operating plan to the Board, once the plan is prepared.

Vice-President Hazen and Director Rubenstein both commented that this project was a long time coming for the community in Desert Hot Springs. Partnering is what the District should continue promoting for programs and projects.

#11-71 MOTION WAS MADE by Director Grayman and seconded by Director Rubenstein to approve funding \$4,890,006 for the construction of the Desert Hot Springs Health and Wellness Center as per Staff's Recommendation, Option 3, (the District will own and operate the Center) and Staff will bring back all final agreements to the Board for approval.

Motion passed unanimously.

2. Program Committee – Director Rubenstein

a. Director Rubenstein stated the agenda and meeting minutes of September 13, 2011, were enclosed for review.

b. Director Rubenstein presented the following grant requests recommended by the Program Committee for approval:

(1) Grant request #694 - The University of California School of Medicine (UCRSOM) – Consideration to Approve a Grant Award of \$5,000,000 for 5 Years (\$1,000,000) Per Year for a Partnership to Expand Health Care Access and Improve Health Outcomes in the Desert Healthcare District

#11-72 MOTION WAS MADE by Director Rubenstein and seconded by Director Grayman to approve Grant #694 to the University of California Riverside School of Medicine in the Amount of \$5,000,000 for 5 Years (\$1,000,000 Per Year) For A Partnership to Expand Health Care Access & Improve Health Outcomes in the Desert Healthcare District with the caveat that the grant be tied in with the CVEP Pathways to Success Program and any Items of legal considerations raised by the District's legal counsel be cleared by our legal counsel and Tenet's legal counsel.

Before voting, President Matthews asked for Director's questions and comments.

Dr. Richard Olds responded to questions regarding the structure of the residency program. There will be 3 primary care doctors who divide their time 85% with patients and 15% administrative. There will be 2 Program Director Physicians who will divide their time 50% patients, and 50% administrated work. The first two years will be a ramp-up of the program with residents beginning in 2014.

Additional services include telemedicine, which will be used to provide the capacity for both teaching in the residency program, clerkship programs and for consultations with specialists throughout the UC system for the medical care of district residents. Residents will have the opportunity to train at locations located within the District, such as the Desert Regional Medical Center, local clinics (FQHC) such as Borrego Community Health Foundation locations in Desert Hot Springs and Cathedral City, and the Riverside County Public Health Clinic in Palm Springs.

The residency program proposed for funding by the District is not dependent or contingent upon the four year medical school accreditation that the UCR School of Medicine is seeking.

Dr. Olds provided assurances that the “Future Physicians Program” and staffing is not duplicating any of the programs or services provided by the CVEP’s “Pathways to Success” program. The two programs will collaborate as required in the grant contract.

Dr. Olds reported that the UCR Chancellor has future plans for the UCR Palm Desert Campus, which include a Center for Healthy Aging, an ambulatory teaching facility, and a research facility.

In terms of additional fundraising for the School of Medicine, Dr. Olds responded that if the District approves the grant request, they will be 1/3 of the way to their goal. Having the District’s local support is critical to be successful with other funding sources. Other potential funding sources include San Bernardino County, major health care providers and foundations.

President Matthews raised the concern regarding any private benefit or inurement as a result of the proposed grant. Before approving the grant, he requested that the District and DRMC legal counsel mutually resolve the inurement issue and any personal liability issues for the District Board. President Matthews believes this is a key issue when a for-profit entity is involved with the grant.

President Matthews proposed an amendment to motion #11-72 to have the District and DRMC legal counsel mutually resolve the inurement issue and any personal liability issues for the District Board. It was seconded by Vice-President Hazen.

Karolee Sowle, CEO, Desert Regional Medical Center responded to President Matthews inurement concerns. The DRMC legal counsel provided the District legal counsel a letter that there is no private benefit or inurement.

After this discussion Vice-President Hazen withdrew the second to the amendment to the motion proposed by President Matthews. The amendment to the motion died.

Vice-President Hazen suggested that the board address these concerns that were raised in the discussion at a future board meeting rather than conditioning the grant.

Roll Call Vote: On Motion #11-72

AYES: Vice-President Hazen; Director Grayman; Director Rubenstein;
Director Solomon

NOES: President Matthews

ABSTAIN: 0

ABSENT: 0

Motion Passed 4 to 1.

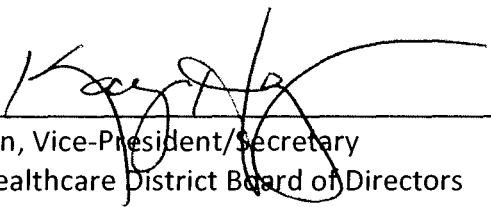
After the vote on Motion #11-72, Director Grayman recommended for staff work with UCR School of Medicine to draft a letter that UCR requested for an on-going funding commitment. Mr. Scott recommended that he work with Ms. Greco on that letter.

CHIEF EXECUTIVE OFFICER REPORT

Ms. Greco reviewed the CEO Report as presented in the board packet.

ADJOURNMENT

The meeting was adjourned at 3:50 pm.

ATTEST: 

Kay Hazen, Vice-President/Secretary
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Steve Brown, Clerk to the Board