

Palm Drive Health Care District Board of Directors – Ad Hoc Committee

NOTES

Purpose: Community Listening Session
Date/Time: Thursday, July 10, 2014
Location: Guerneville Veterans Memorial Building
16255 First Street
Guerneville, CA 95446

The meeting was called to order by Marsha Sue Lustig, President, at 7:00 p.m.

ROLL CALL:

Marsha Sue Lustig, President.Present
Nancy Dobbs, Member.Present

Administrative Staff/Others Present:

Daymon Doss, Executive Director
Gail Mullins, Executive Assistant

OPEN SESSION 7:00 pm

REVIEW OF AGENDA

Chris Sliz, Facilitator, provided introductions, stating the purpose of these meetings is to try to generate ideas for health care services needed in the District and stated participants were encouraged to think broader than a hospital. There will be a brainstorming session with time for additional thoughts to share with the District.

Marsha Sue Lustig

The listening sessions are to learn more about what kind of care the communities are interested in receiving. All questions are good questions and today's conversation is about the future. The closure of the hospital is a tragedy for everyone and there are lots of reasons for the closure; the main one being that we ran out of funds to pay creditors and employees.

These sessions give us a chance to look forward. There are three distinct paths simultaneously being pursued:

- Bankruptcy requires a work plan so we can get approval from the court to move towards bankruptcy exit.
- "Open Our Hospital" efforts from Palm Drive Healthcare Foundation - \$7 million are needed for the start-up, with \$4 million every year thereafter, philanthropically.
- While the prior two efforts are underway, the District is looking at all options so we can eventually bring medical services back.

In the short term:

- District is planning on approving a Request for Proposal (RFP) to re-start outpatient Physical Therapy in the previous location.
- Actively pursuing ways to open radiological services. These services are not available elsewhere in West County. Due to our suspended license for the next three years, we are not allowed to provide these services on hospital grounds.
- Medical equipment was loaned to the Surgery Center, allowing existing surgeons to stay in the area and perform outpatient surgery.
- RFP for Urgent Care services, including a call for any and all combination of services, including ER services, is forthcoming.

- Following the four Community Listening Sessions, the District Board will gather a group of healthcare professionals as well as community members to consider all suggestions, in combination with the RFP's.

Nancy Dobbs

As Marsha Sue said, we want to encourage all of us to look at the broader picture of medical care and health. What is it that makes a community healthy or unhealthy?

There are a number of critical factors affecting our health which we often don't think about such as availability and affordability of fresh fruits and vegetables; high school graduation rates; and availability of pre-school for all youngsters. These factors and others have a very strong correlation with our health, so I encourage us all to be very broad in our thinking.

To support a deeper look into health and medical services, we are incredibly lucky that Sonoma County Department of Health Services (DHS) commissioned and have just released "A Portrait of Sonoma County." The Portrait asks and answers those deeper questions about what makes a healthy community. With the help of the Department of Health Services (DHS), individual counties have been pulled out, (available as a handout at this meeting).

Two elements about this data which I would like to clarify:

- The group which prepared the study – Measure of America – has developed a core composite measure of indicators which they call the Human Development Indicator. Developed at the United Nations in an attempt to measure the well-being of a country outside of the typical financial measures – GDP, and such, there is a clear description of methodology in the report, with a quick overview.
- Geographic Unit – is the Census Tract, so you'll see in the handout down the left of the document the list of census tracts which most closely describe Palm Drive Healthcare District. Know that it is not perfect as the District is defined by the West County Elementary School District boundaries.

The DHS staff pulled out a couple of observations relative to health issues and indicators for us to be aware of. (PowerPoint review)

As we proceed with our discussions today and the remaining Community Listening Sessions, these data can help us focus our attention on areas within the district where there are factors or conditions which are notably affecting our health and our need for specific medical services. We encourage you to consider them closely.

Chris Sliz, Facilitator – Brainstorming Session

What Health Care Services Need to Be Provided within the Next 12 Months? (Note: during brainstorming some of the ideas surfaced didn't fall under the category of "services" as much as the category of "items to accomplish in the next 12 months)

Group One

1. Urgent Care (strong agreement among group for this service)
2. Additional ambulance services
3. Use Palm Drive for homeless shelter (stop shipping homeless people to Guerneville)
4. Add more providers, services, time (hours of operation) at health care centers
5. Kaiser Satellite
6. Preschools
7. Preventative Education (is it provided by the schools?)
8. VA Services

Group Two

1. Support current clinic systems
2. Senior services (e.g. transportation)
3. Turn Palm Drive resources to community health services
4. Ambulance routes include the whole district

Group Three

1. #1 Sell hospital to the highest bidder to pay debt
2. Mental health with beds
3. Let other areas outside Guerneville pay for hospital
4. Emergency Room
5. Acute Care
6. If cannot terminate district then tax money should go to ambulance services and improve services with West County Health Centers

Group Four

1. Radiology services
2. Stable and available ambulance service
3. Keep hospital closed until taxpayers are out of equation
4. Convert hospital to family shelter and social services or homeless shelter so they would have stable and safe place
5. Orthopedic clinic
6. Run emergency room that used to exist as urgent care
7. 24-hr pharmacy
8. Alcohol and eating disorder
9. Drug rehabilitation center
10. Re-open emergency room
11. Additional ambulance services
12. Mini urgent care provided by ambulance staff
13. Dissolve the Board

Group Five

1. Realign the district to exclude the River Road corridor (3 school districts)
2. Get kids to stop smoking
3. Mental health services

What Health Care Services Need to Be Provided within the Next 24 Months? (Note: during brainstorming some of the ideas surfaced didn't fall under the category of "services" as much as the category of "items to accomplish in the next 24 months)

Group One

Focused on first question/12 month time frame.

Group Two

1. Emergency Room with cardiac care in Sebastopol and Guerneville
2. Board keep in mind the determinants of health (education, income, etc.)

Groups Three and Four

1. Focused on first question/12 month time frame

Group Five

1. Homeless shelter at Palm Drive Hospital

Questions that Surfaced in Groups

1. Where is the money for new programs/services coming from if they have to pay off \$7million in debt?
2. Are the Board of Directors paid?
3. What is the feasibility of selling the building (Palm Drive Hospital)?
4. How many emergency room visits that could have been handled by Urgent Care?
5. How can I stop paying parcel taxes when it doesn't benefit MOST of the people in West County?
6. We want to detach from the district. Not profitable (see hospital history!)
7. Unclear on facts regarding funds that are available? (i.e., if I want X service, will that take away from hospital reopening? The emphasis should go to reopening the hospital)
8. Who is going to manage these services?
9. Seems that all of these services exist currently (e.g., Russian River Health Center, Wellness Center, Occidental, County HC) They offer the following services: mental health, Dental, family medicine, access coordinator support people to acquire services, HIV, Forestville Teen Clinic.
10. How will the statutory lien be handled moving forward? Will you be raising this tax?
11. How does Health District benefit the Russian River corridor with Sutter Health going in?
12. Can we make this a County Hospital?
13. What steps do we need to take to dissolve the district?
14. Is the district contemplating re-writing their mission beyond acute care? If so, are you talking to west county health centers?
15. What funds would be used to reopen the hospital? Why would we want to? Where will funds come from for any of these services?
16. Do you know why the hospital hasn't been successful?
17. Who is the decision-maker when it comes to our property tax?
18. How many residents belong to Kaiser?
19. Meeting purpose unclear
20. How do we withdraw from the district?
21. How many more times do we reopen after 2 bankruptcies?
22. Acknowledge existence of West County Health Centers.
23. Study how many people actually go to Palm Drive in River Road corridor.
24. Why pay for Palm Drive when I go to Sutter/Kaiser/Memorial?
25. Are we paying for what the district decides to do?
26. Where is the money coming from – mailers, current operations
27. As KP patient, how will the district benefit me? (Or Sutter or others outside system)?
28. What is the PD Healthcare dist.?
29. What could Palm Drive offer that West County Comm HC Services doesn't already have in the area?
30. Statistics on strokes and heart attacks in the area?
31. Do residents still have to pay off the bond?
32. Can the HC District be used to subsidize additional advanced life support to compensate for lack of hospital
33. Does anything prevent the hospital Board from refunding parcel tax paid to property owners in event the hospital doesn't re-open?
34. Can junk bonds upgraded by legislative action be set aside by HD Board?When you gather ideas, what are you going to do with them? Validate what Dist wants or validate what taxpayers want? What is the agenda?
35. Does not the board have to go back to voters to change original mandate?
36. How can you be \$4M in the hole and not know about it?
37. What is the effect of the statutory lien on the parcel tax and as of today, how long will the tax payer have to pay whether or not the hospital or other services remain closed?
38. Does the Health Care District have any plans to go back to the taxpayers for additional taxes?

39. Does the Health Care District have any plans to go back to the taxpayers to allow a vote to detach from the district?
40. Please confirm if LAFCO has confirmed or provided a legal opinion on whether Measure W (parcel tax) can be still collected if only "other services" are provided. A foundation rep indicated at another *Listening Session* that it was an "and" not "or."
41. Explain how the results of the *Listening Sessions* will be used and who is responsible for compiling them?
42. Why after 14 years of no outreach, why is the board reaching out to us now?

Concerns Surfaced in Groups

1. Haven't had service in the past
2. Voted for Measure W. It doesn't exist –how can we be in a district that is totally different now?
3. A lot of irrevocable decisions were made the first time (e.g. properties combined, etc.)
4. Concern regarding past service levels
5. Significant part of community wants to opt out

What Institutions/Non-Profits could the District Partner with to Provide Services?

Group One

1. Palm Drive Hospital partner with other local hospitals
2. West County Health Centers
3. Don't reinvent the wheel partner with current services
4. VA (homeless population: how many are vets)

Group Two

1. Focused on other areas/services, questions and concerns

Group Three

1. Memorial/Sutter Hospitals
2. West County Health Services

Group Four

1. Fire Department
2. Health Clinic
3. Santa Rosa Center
4. Schools
5. Santa Rosa Memorial Hospital
6. DAAC Drug Abuse Alternative Center
7. Homeless Shelters individual or families
8. District removing itself as partner
9. Health District be a true partner with community and be truthful

Group Five

1. Other clinics (if not on the backs of taxpayer)
2. Don't partner—Sell

Note: On some cards, participants asked multiple questions

Card #1

1. Can you answer how the delayed maintenance costs will be completed? My understanding is there are over \$20 million in delayed repairs required to the building

Card #2

1. What plans do PDHCD have to go to the taxpayers for additional funding?
2. Explain how the statutory lien is going to affect the parcel tax?
3. Measure W – If PDHCD is not providing all services voted upon by the taxpayers – how can you continue to operate?
4. How will “listening” sessions be used?
5. Will the Board consider realignment of district to annex River Road community out - ?

Card #3

1. How do we withdraw from the District?
2. Have you studied how many people actually go to Palm Drive from River Road Corridor?

Card #4

1. What are the statistics on: stroke, heart attack, trauma, emergency room visits in this part of the County?

Card #5

1. Assuming there was money, how would services be distributed by need or percent of money coming [sic] each district?

Card #6

1. Guerneville homeless need to go to Sebastopol where there are better services – I don't want to pay for one here at Guerneville.
2. I want to see the PDHCD dissolved and our taxes rescinded.
3. Why should I pay for more money to support the 7 million to start up Palm Drive Hospital again?
4. Our health centers already provide outreach and information to low income families.

Card #7

1. Could you clarify P/D relationship with WCCS district?

Card #8

1. Are we going to have to pay a parcel tax to help teens to stop smoking?

Card #9

1. This is a completely different focus than I thought this meeting was about. I thought this meeting was about the closing of Palm Drive etc.

Card #10

1. Given the voter mandate, what are your positions (as Board members), on an “all or nothing” basis for operating a full scale hospital?
2. Specifically will you support returning to the voters in the form of a vote for any proposal for anything less than a fully operational hospital and nothing less?

Card #11

1. Seems as if Health District should complement services of West Co. Health Centers and Health Dept of So. Co. rather than start new services?

Card #12

1. How does the Palm Dr. District benefit the Russian River area?
2. How do we opt out?

3. Why should we continue to support Palm Drive?
4. If Palm Drive continues, will our parcel taxes be going up?
5. Measure W – We voted for “access to local emergency, acute care, medical and physician services” what do all the other things you are looking into have to do with a hospital??
6. Why do you have Cazadero in your stats? They aren’t in District!

Card #13

1. I’m interested in how the statutory lien on the parcel tax today and whether as a tax payer how long it will be in effect?

Card #14

1. Needed \$7M set up
Plus how much in donations needed yearly?
Plus how much in reimbursements expected from insurance carriers and Medicare?

Card #15

1. How can the hospital district say the communities on the River Road corridor are benefiting from Palm Drive services when Sutter and Kaiser are closer?

Card #16

1. I am resentful that I have to pay taxes for a hospital that is nonexistent. We do not need another hospital in this area.
2. What this county is lacking is orthopedic services. It would be good to have an ortho clinic.
3. Santa Rosa Memorial Hospital runs three urgent cares. They treat or stabilize and transport. Give SRMH the opportunity to do another urgent care at Palm Drive site to provide emergency type services. (Signed, Diana Stuart, RN, 707-887-1616)

Card #17

1. How many more times do we reopen after 2 bankruptcies?
2. Why pay for Palm Drive when I go to Sutter/Kaiser/Memorial?

Card #18

1. Were the doctors involved in the decision to bankrupt the hospital?

Card #19

1. So with the fact that the Rodgers Creek fault is overdue for a 8. earthquake and all 3 hospitals in Santa Rosa are on top of this fault where will people go when the quake hits if not the two tiny one story hospitals.

Card #20

1. I strongly am against using the funds from our property taxes to support a bond that we the taxpayers will be responsible to pay even when the Palm Drive hospital has filed bankruptcy 3 times or more.
2. We the taxpayers should not have to support a small group of people who have special interest and to keep their job. It is not what the voters voted for.

Card #21

1. The Russian River corridor does not use the PDHCD! How can we make the parcel tax equitable for all?

Card #22

1. What was the original purpose for Palm Drive Hospital?
2. Who used it?

Card #23

1. Is the District considering changing its mission beyond acute hospital care?

Card #24

1. What is the relationship of Health District with West County Health Centers in Guerneville, Sebastopol, Occidental and Forestville?

Card #25

1. Where will the money come from to open and maintain Palm Drive Hospital?

Card #26

1. Palm Drive Hospital established in 1941 for profit.
2. 1998 then owner Columbia/HCA closed the hospital
3. West County Health Care Foundation formed to preserve operations at that time. They tried to raise funding money but could not raise enough to provide for both the operations and the building.
4. A limited liability Corp. (LLC) formed then to purchase the property.
5. April 11, 2000 a ballot was formed for formation of the District and approval of necessary bonds to fund the district. Measure F. It passed and the bond issue passed by 90.7% approval.
6. The District is only authorized to provide emergency, acute care and other medical services.
7. Alternative Recommendations: Although a Municipal Service Review of the District may appear to be appropriate the current situation is in such transition that the staff could not recommend that the commission expend the time and resources for the review.
June 4th staff meeting
Background report on Palm Drive Health Care District
No proposal
No environmental determination
Staff Contact: Richard Sattarini
Established 1941 as a private profit
1998 closed- owned by Columbia/HCA then – West County Health Care Foundation then formed to preserve operations, etc.

Additional Thoughts to Share with District and Answers to Additional Questions

- Regarding the statutory lien and Measure W: The Ad Hoc Committee could schedule another meeting, to include a relevant agency, regarding these items at some other time to answer questions.
- There has been no discussion regarding the intention of raising parcel taxes.
- We expect approximately \$2 million in reimbursements that will trickle in over the course of the next few months for previous services rendered.
- The gross estimate for donations needed per year is between \$2 million - \$4 million to remain an acute care hospital.
- West County Health Centers is a possible partner we are considering.
- The Ad Hoc Committee will gather data regarding how many stroke and other ER visits PDH had over the past year.
- Assuming there was money, how would services be distributed? They would be distributed by need or monies coming into the District. They would go where services are needed.
- We have no intention of selling the hospital. The leasing and/or sale of the hospital require a public vote.
- In regards to the Rogers Creek earthquake fault, PDH is not built on a fault. It was built in 1974 on bedrock.
- Measure W – Information can be located on the website as well as on LAFCO's website. Measure W focuses on maintaining ER and ER services, per one interpretation. District is looking to continue healthcare services.

- Statutory Lien signed by Governor Brown three weeks ago. The County collects the parcel taxes, parceled two times per year. Because bonds were sold, holders were allowed to hold back some of those payments in escrow (four rounds of payments). The Statutory lien reduced the four escrow holdings to two, releasing funds back to the District, also allowing better rate on bonds because of the interest rate.
- Where is the money for new services if we the District are paying off debt? There will be approximately \$2 million in accounts receivables that will be trickling in for prior services rendered. We are working on a bankruptcy plan and parcel taxes will continue to be paid.
- What is Palm Drive Healthcare District? A political body of five elected people, elected every four years. Collectively they decide how to manage the District.
- Can the District funds be used to compensate ambulance services? Yes, we could do that.
- At a future meeting we could invite a LAFCO (Sonoma Local Agency Formation Commission) representative and/or Michael Sweet, Bankruptcy Attorney, to answer questions.
- Several people stated at the meeting that the District is best served by an Emergency Room, which would have voter support.
- ER services are needed in this town (Guerneville), stated one gentleman who lives in the mountains.
- What is the percentage received from insurance carriers and Medicare? As a small, freestanding hospital, we have small leverage to negotiate fees. We were receiving approximately \$.30 on the dollar from insurance companies. With Covered Ca, the numbers have dropped to probably 5 or 6%.
- Two Requests for Proposals (RFP) are being prepared and will go out to the public on Monday. One is for Urgent Care and/or other medical services and the other is for Acute Care Hospital with an Emergency Department. The deadline to submit both proposals is August 25, by noon.

Next Steps

- One more Community Listening Sessions – Sebastopol.
- Summary of all meetings from facilitator, Chris Sliz, will be reviewed and analyzed by a broader committee consisting of community members and health care experts.
- Sonoma County analyst to advise of licensing issues, financial concerns, reimbursements from Medicare, etc.
- Anticipate August timeframe to all come together to make a final recommendation to the full Board of Directors. (Open session)

Adjourned: 9:00 p.m.

Respectfully submitted:

Gail Mullins

Clerk of the Board