



**DESERT HEALTHCARE DISTRICT
HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE MEETING
July 24, 2017
10:00 A.M.**

Jerry Stergios Building, 2nd floor
Arthur H. "Red" Motley Boardroom
1140 N. Indian Canyon Drive, Palm Springs, California 92262
This meeting is handicapped-accessible

<i>Page(s)</i>	AGENDA	<i>Item Type</i>
	I. CALL TO ORDER	
	II. INTRODUCTIONS	
1	III. APPROVAL OF AGENDA	Action
2-4	IV. APPROVAL OF JUNE 16, 2017 MEETING MINUTES	Action
	V. PUBLIC COMMENTS	
	VI. OLD BUSINESS	
	1. Follow-up on 2005 Decision to Close Acute Psychiatry Beds at Desert Regional Medical Center	Information & Discussion
5-7	i. Minutes from Special Desert Healthcare District Board Meeting 09/21/05	
8	ii. Excerpts from Special Desert Healthcare District Board Meeting 09/21/05	
9	iii. Motion to Trigger Dispute Resolution 09/27/05	
10-14	iv. Settlement Agreement 09/06	
	VII. NEW BUSINESS	
	1. Plans for Hospital Inspection	Information & Discussion
	VIII. ADJOURNMENT	
	NEXT MEETING	
	IX. Monday, September 26, 2017 at 10 a.m.	

**DESERT HEALTHCARE DISTRICT
HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE
MEETING MINUTES
June 16, 2017**

Meeting of the Hospital Governance and Oversight Committee of the Desert Healthcare District was held in the Desert Healthcare District Conference Room, 2nd Floor, Palm Springs, CA

Attendance:

Members

Carole Rogers, RN, President
Les Zendle, MD, Chair/Director

Absent

Donna Craig, Chief Grants Officer
Alejandro Espinoza,
Director of Projects, Programs and Analytics

Staff

Herb K. Schultz, CEO
Chris Christensen, COO/CFO
Mary Pannoni, Accounting/Admin Support
Andrea S. Hayles, Clerk to the Board

Legal Counsel

Jeff Scott

Guests

Mitch Blumberg, MD, Vice Chair, Governing Board, Desert Regional Medical Center
Michele Finney, CEO, Desert Regional Medical Center
Megan Hodge, Regional Assistant, Hospital Association of Southern California
Shelley Kaplan, Councilmember, Cathedral City
Brett Klein, Clinic Marketing Specialist, Eisenhower Medical Center
Keven Porter, Regional VP, Hospital Association of Southern California
Greg Rodriguez, Legislative Assistant, Supervisor Perez

CALL TO ORDER

The meeting was called to order at 10:03 a.m. by President Rogers

Guests, Staff, and Committee Members introduced themselves.

Herb K. Schultz, CEO, Desert Healthcare District provided an overview of the Committee.

DESIGNATION OF COMMITTEE CHAIR

President Rogers designated Director Zendle as the Committee Chair.

APPROVAL OF AGENDA

Director Zendle requested that Item V. – Review of New District Compliance Policy is presented before Item IV. – Review of District Role and Lease.

REVIEW OF NEW DISTRICT COMPLIANCE POLICY

- Herb K. Schultz, CEO, Desert Healthcare District presented an overview of the Lease Compliance Policy summarizing the role of the Hospital Governance & Oversight Committee.
- Chair Zendle reminded all in attendance that the meeting is an open meeting and is in compliance with the Brown Act, but there are proprietary issues that cannot be discussed in public.

REVIEW OF DISTRICT ROLE AND LEASE

- Jeff Scott, Legal Counsel explained the Board's adopted Compliance Policy stating that the District will require the assistance of Desert Regional Medical Center for specific issues.
- Attorney Scott passed around the Facility and Ground Inspection of Grossmont Hospital – Grossmont Healthcare Committee as an example of the Facilities Committee's reported maintenance and inspections.
- Attorney Scott explained the Tenet Pre-Lease Agreement.
- Attorney Scott requested a current amortization schedule from Michele Finney, CEO, Desert Regional Medical Center.
- Chair Zendle recommends that Staff research the psychiatric department closure at Desert Regional Medical Center, including the Board Minutes that will provide more clarification.
- Michele Finney requested an explanation of the retirement plan since Tenet did not assume responsibility of the Plan.
- Chris Christensen, CFO/COO, explained that the Retirement Protection Plan has a separate sheltered account, a yearly actuarial study, and the Plan has paid out \$15M since its inception.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

1. Standard Agenda Items
 2. All Other
- Director Zendle explained the roles and responsibilities of the Committee as outlined in the materials.

PUBLIC INPUT ON COMMITTEE ROLES AND RESPONSIBILITIES AND PRIORITIZATION OF LEASE COMPLIANCE ACTIVITIES

- Ezra Kauffman inquired about the capital improvement projects.
- Councilmember Kaplan inquired about a capital improvement plan for replacement value and the level of patient support advocacy that is not included in the Lease.
- Attorney Scott explained that the Lease does not include a patient advocacy, but the District holds public meetings for addressing patient matters.
- President Rogers explained that the Board does have a written policy for addressing public issues, and recommends a list of ongoing capital improvements.

- Dr. Blumberg explained that Desert Regional has a Governing Board with two District Board participants.
- Director Zendle stated that the District has more responsibility to ensure that the capital improvements are addressed.

NEXT STEPS

- The Committee will meet the third Friday of every month at 10:00 a.m.

ADJOURNED

- The Committee adjourned at 11:13 a.m.

ATTEST: _____
Les Zendle, MD, Chair/Director Hospital Governance and Oversight Committee
Desert Healthcare District Board of Directors

**SPECIAL MEETING
BOARD OF DIRECTORS
DESERT HEALTHCARE DISTRICT
September 21, 2005**

A Special Meeting of the Board of Directors of the Desert Healthcare District was called to order in the Arthur H. "Red" Motley Boardroom at 3:35 p.m.

Members Present: Sidney Rubenstein, DDS – President
Kay Hazen, Vice President/Secretary
Richard Grundy - Treasurer
Glen Grayman, MD - Director
Mark Matthews – Director

Staff Present: Wayne Soucy - Chief Executive Officer
Peter Young – Chief Operating Officer
Rosalind Smith - Chief Program Officer
Chuck Phillips – Program Manager
Donna Craig – Executive Assistant

Guests: Michael Avriette, Case Management, – Desert Regional
Medical Center (DRMC)
Andrew Elliott, MD - DRMC
Jerome Estes, RN – DRMC
Tracy Flynn, LCSW – DRMC
Marie McGain – *Desert Sun*
Gary Pilkington, RN – DRMC
Kathi Sankey-Robinson, Assoc. Administrator, Business Dev.
DRMC
Julie See, Behavioral Health – DRMC
Karolee Sowle – Chief Operating Officer, DRMC
David Wehrle, LCSW – DRMC

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW- UP
Call to Order	The meeting was called to order by President Rubenstein at 3:35 p.m.	
Approval of Agenda	President Rubenstein asked for a motion to approve the agenda.	#05-59 MOTION WAS MADE by Director Grundy and seconded by Director Grayman to approve the agenda as submitted. Motion passed unanimously.
Public Comment	Individual members of the community, including NAMI (National Alliance for the Mentally	

	<p>Ill) representatives and other family members of individuals with mental illness as well as some employees of Desert Regional Medical Center, expressed their concerns regarding the planned September 30, 2005 closure of the behavioral health unit at Desert Regional Medical Center. Concerns centered on many aspects of the closure including: the lack of a backup or alternative plan; the short notice given by the hospital; the long distances a patient would have to travel to seek assistance as there is no other facility in the Coachella Valley that is comparable to the behavioral health unit at the hospital; removal of the hospital's 5150 status which creates a hardship for both the mentally ill patient and the police services who assist in their distress; and the unavailability of Proposition 63 funds for existing services. Other community members suggested a community mental health center with emergency care should be developed.</p>	
<p>Discussion and Consideration: District's role regarding the September 30, 2005 closure of the behavioral health unit at Desert Regional Medical Center</p>	<p>The directors expressed their concerns to the representatives present from the hospital administration. The concerns included the lack of short notice given to the District and the public. Director Matthews suggested the hospital consider delaying the closing of the unit until the end of the year, which would provide time to develop a community solution. Hospital administrators stated a delay in closing the behavioral health unit would result in a delay in the conversion to urgently needed medical-surgical beds.</p> <p>President Rubenstein asked the hospital administrator to provide statistics on the number of people treated on an out-patient and in-patient basis.</p>	

	<p>Director Matthews stated that the board will have its regularly scheduled meeting next Tuesday (9/27) and asked for the hospital administration to come back with an answer regarding a delay in the closure of the behavioral health unit.</p> <p>Counsel Scott said he had substantial concerns about the notification used by Tenet in informing the District about the mental health services termination; he also has concerns the lease has been breached and he will be looking very seriously at that issue.</p>	<p>#05-60 MOTION WAS MADE by Director Grayman and seconded by Director Hazen that the District board formally request the administration of Desert Regional Medical Center to (1) delay implementation of the closure of the in-patient unit; (2) reinstate the 5150 status of the hospital as it was prior to September 16,2005 and continue to accept mental health patients for evaluation; and (3) participate during the interim period of at least four months in planning with community stakeholders for a smooth transition in the care of mental health patients. Motion passed unanimously.</p>
<p>Adjourn Desert Healthcare District Special Board Meeting</p>	<p>The meeting was adjourned by President Rubenstein at 4:49 p.m.</p>	

ATTEST: _____

Kay Hazen
Vice President/Secretary
Desert Healthcare District and Foundation Board of Directors

Desert Healthcare District Board of Directors
Excerpts from September 21, 2005 Special Meeting

Director Matthews: "We have a regularly scheduled meeting next Tuesday and you can give us an idea. We have options we can take and we will probably take them next Tuesday, based on your reactions. We request you take it back to administration, consider the interim opportunity that we've suggested, garnered with a board majority and tell us on Tuesday if the answer is "no" then we know what we have to do."

President Rubenstein: He would like statistics about the people treated on an out-patient and in-patient basis.

Counsel Jeffrey Scott: Would like to go on the record of having substantial concerns about the process and the abrupt procedure used by Tenet in noticing the District and he also has concerns the lease has been breached and it needs to be looked at very seriously.

MOTION WAS MADE by Director Grayman and seconded by Director Hazen that the District board formally requests the administration of Desert Regional Medical Center to delay the full implementation of the closure of the in-patient unit; further to reinstate the 5150 status of the hospital as it was prior to September 16,2005; to accept mental health patients for evaluation; and that during the interim period of at least four months, planning be done between the administration of Desert Regional Medical Center and community stakeholders, many of whom are represented at this table, in order to smoothly transition the care of mental health patients. Motion passed unanimously.

MOTION WAS MADE by Director Matthews and seconded by Director Hazen to trigger the dispute resolution clause in the lease, and direct our legal counsel to review and research potential injunctive relief in a court of competent jurisdiction. We will also notify Tenet that in addition to closing the psychiatric facilities, they've done inadequate capital planning and planning in general for the community. Motion passed unanimously.

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“Agreement”) is made and entered into by and between the Desert Healthcare District (“District”), a California public agency organized and operating pursuant to Health & Safety Code section 32000 et seq., and Tenet Health System Desert, Inc., a California Corporation (“Tenet”).

RECITALS

1. On or about May 30, 1997 the District and Tenet entered into a 30-year lease (“Lease”) of the Desert Regional Medical Center (“Hospital”). Pursuant to the terms of the Lease Tenet agreed to operate the Hospital and follow certain procedures in the event certain “Core Services” were materially reduced or terminated.

2. On or about September 7, 2005 Tenet notified the District that it was closing the Behavioral Medicine Unit at Desert Regional Medical Center (“Hospital”) as of September 30, 2005.

3. After holding a public meeting and hearing public testimony, the District sent a Notice of Dispute Letter dated September 29, 2005 (“Notice of Dispute Letter”) to Tenet in accordance with the dispute resolution provisions of the Lease. The District contended that the closure of the Behavioral Health Unit was a “Core Service” of the Hospital as that term was defined and therefore Tenet could not unilaterally terminate the program without observing the procedural requirements relating to termination of Core Services.

3. On or about November 2, 2005, the District and Tenet agreed to arbitrate the dispute in accordance with Section 16.12. of the Lease. Prior to the Arbitration the parties agreed to settle the dispute in accordance with the terms and conditions of this Agreement.

4. The parties hereby acknowledge that the execution of this Agreement is the result of compromise and negotiations between the parties, and that this Agreement shall not be construed as an admission of liability by any party hereto.

NOW, THEREFORE, in consideration of the mutual promises contained herein, it is agreed by and between the District and Tenet as follows:

5. Settlement Terms

a. Tenet agrees to pay District the total amount of \$350,000 which shall be used by District in its discretion as part of the District's Mental Health Initiatives Programs. Payment from Tenet shall be as follows:

- i) \$100,000 on execution of Agreement
- ii) \$100,000 on October 1, 2007
- iii) \$100,000 on October 1, 2008
- iv) \$50,000 on October 1, 2009

b. The District and Tenet agree to enter into the attached Exhibit "A" side letter memorializing the understanding that senior management of the Hospital will meet in closed session to consult with the District Board and apprise the District Board of any possible material reductions or terminations of services which do not implicate the "Core Services" as defined in the Lease, but which would still be of interest to the District Board.

c. The parties further agree that any announcements, press releases or disclosures regarding the resolution of this matter shall be mutually approved in advance except that the parties agree that any inquiries about the resolution of this matter may indicate that "the matter has been amicably resolved by the parties."

d. In consideration of above referenced payment, District agrees for itself and for its, successors, and assigns, to forever release and discharge Tenet, and its respective owners, directors, officers, successors, and assigns, from any and all claims, liabilities, obligations, promises, agreements, controversies, damages, actions, cause of action, suits, rights, demands, costs, losses, debts, claims in equity, and expenses, (including attorney's fees and costs incurred), of any nature whatsoever, arising from or related to the specific matters raised in the Notice of Dispute Resolution Letter.

6. No Responsibility for Payment of Attorney Fees and Costs

Each of the parties hereto agrees that each party shall be solely responsible for its own attorney fees and costs which may be due for services performed or costs incurred on each party's behalf by their own respective counsel.

7. No Representations

The parties to this Agreement hereby represent and acknowledge that in executing this Agreement, each party does not rely upon and has not relied upon any

representation(s) or statement(s) not set forth herein made by any of the parties, the parties' agents, representatives, or attorneys, with regard to the subject matter, basis, grounds, or effect of this Agreement or otherwise.

8. Binding Effect

This Agreement and each of every one of its terms herein, shall be binding upon all of the parties hereto and upon the parties' respective officers, successors, and assigns, and shall inure to the benefit of District and Tenet respectively, and to each of their respective heirs, administrators, representatives, executives, successors, assigns, and related entities.

9. Entire Agreement

This Agreement sets forth the entire agreement between the parties hereto and fully supersedes any and all prior or other contemporaneous agreements or understandings between the parties hereto pertaining to the subject matter of this Agreement. This Agreement may not be modified, waived, rescinded, or amended in any manner except by a writing executed by all parties to the Agreement, which clearly and specifically modifies, waives, rescinds, or amends this Agreement.

10. Governing Law

This Agreement is made and entered into in the State of California and shall be interpreted, enforced and governed by the laws of the State of California.

11. Severability

The provisions of this Agreement are severable, and if any part hereof is found to be unenforceable, that portion shall be deemed severed from this Agreement and the remaining paragraphs shall remain fully valid and enforceable.

12. Representation of Counsel

Each of the parties represents that they have reviewed and discussed this Agreement with their attorneys and each has carefully read and understands the scope and effect of the provisions of this Agreement.

13. Counterparts and Facsimile Signatures

This Agreement may be executed in one or more duplicates, duplicate originals, or counterparts, any one of which shall be deemed to be the original even if the others are

not produced or attached to a single, integrated document. This Agreement may be executed by facsimile copies bearing signatures and when so executed and delivered, shall be deemed fully executed and delivered as though done with original signatures.

14. Confidentiality

Unless mutually agreed upon by the parties, or as required by law, the terms of this Agreement shall remain confidential.

15. Further Acts and Execution of Documents

The parties hereto, without further consideration, shall promptly and forthwith execute and deliver any and all such other documents and take such other action as may be necessary to achieve the objectives set forth in this Agreement.

Dated: September __, 2006

Tenet Health Systems Desert Inc.,:

By: _____
Barry Dykes, CEO

Dated: September __, 2006

Desert Healthcare District

By: _____
Wayne Soucy, CEO

EXHIBIT "A"

[DESERT REGIONAL MEDICAL CENTER LETTER HEAD]

September __, 2006

Sydney Rubenstein, President
Board of Directors
Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, CA 92262

Re: Future Material Reductions or Terminations of Services at Desert Regional Medical Center

Dear Dr. Rubenstein:

Please consider this letter as formal notice to the Desert Healthcare Board of Directors that in the future senior management at the Desert Regional Medical Center will meet with the District Board of Directors, in closed session, to consult with the District Board and apprise the Board members of any possible material reductions or terminations of services at the hospital which do not implicate the "Core Services" as that term is defined in the 1997 Lease but which would still be of interest and importance to the District Board.

Management will attempt to consult with the Board as early as practicable to minimize the effect the material reduction or termination of services might have on the community. Meeting with the Board in closed session, will also help minimize premature public release of sensitive information while still providing the District Board with appropriate notice and input.

Thank you and the Board of Directors for your continued cooperation with the hospital in serving our community.

Sincerely,

Barry Dykes, CEO
Desert Regional Medical Center