

**DESERT HEALTHCARE DISTRICT
HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE
MEETING MINUTES
October 23, 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

Staff

Herb K. Schultz, CEO
Chris Christensen, COO/CFO
Donna Craig, Senior Program Officer
Alejandro Espinoza, Program Officer and Outreach Director
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
Hank Goodrow, District Resident and Desert Regional Medical Center Employee
Ezra Kaufman, District Resident
Brett Klein, Clinic Marketing Specialist, Eisenhower Medical Center
Jason Lind, Executive Vice President for the Americas, CB Richard Ellis (CBRE)
Stephanie Salters, District Resident

CALL TO ORDER

The meeting was called to order at 10:01 a.m. by Director Zendle

Director Zendle invited all Guests, Staff, and Committee Members introduce themselves.

APPROVAL OF AGENDA

There were no changes to the agenda.

APPROVAL OF MINUTES

Minutes of the July 24, 2017 Meeting

PUBLIC COMMENTS

Stephanie Salters, District Resident, explained that law and regulations related to the Center for Medi-Cal and Medicaid Services (CMS) states that any plan of correction action or deficiencies documents and forms are available to the public within 90 days of the survey results as a source of information for quality of care and compliance regulations. Ms. Salters requested that the District contact Eric Creer, Public Records Coordinator, California Department of Public Health, and obtain 251 surveys for the public's review of Desert Regional Medical Center.

Ezra Kaufman, District Resident, agreed with Ms. Salters that the entirety of the 251 surveys should be made available to the public specifically for plans of correction action concerning any deficiencies. Mr. Kaufman explained his concern that the District has not updated its plan for the temporary operation of the hospital if it is unexpectedly necessary. Mr. Kaufman explained that the lessee is operating under a no prosecution agreement with the U.S. Department of Justice, and past minutes indicate the necessity of a temporary plan of hospital operations.

Director Zendle and Herb K. Schultz, CEO explained the difference of the Hospital Governance and Oversight Committee in contrast to Desert Regional Medical Center's Governing Board of Directors in response to questions from District Resident and Desert Regional Medical Center Employee, Hank Goodrow. In referencing Kenneth Sutherland, Vice President Construction and Design, Tenet Health, seismic presentation at the September 26 Board meeting, Mr. Goodrow stated that his goal is for high-quality, sustainable hospital care and inquired if the lease between Tenet and Desert Healthcare District includes seismic updates. Director Zendle explained that the lease limits Tenet's responsibility to \$12M. Herb K. Schultz, CEO described the Board's request to Tenet from an Ad Hoc Committee on New Providers, Facilities, Programs and Services outlined in the Strategic Plan. Mr. Schultz explained that the Board has moved forward with Kaufman Hall consultants to explore structural issues. This includes Staff being directed to work with the consultants to determine cost estimates. Michele Finney, CEO, Desert Regional Medical Center reassured Mr. Goodrow that the facility is currently compliant with seismic reports and filings required by the state of California and documentation has been provided to the District.

Stephanie Salters, District Resident, stated that she would like to ensure that the tower upgrades take place sooner than 2030. Herb K. Schulz, CEO explained that within the next few months the District will obtain costs estimates and will continue working with the Board's consultants Kaufman Hall on compliance.

Ezra Kaufman, District Resident, inquired on public notification of the Ad Hoc Committee on new providers, facilities, programs, and services. Herb K. Schultz, CEO explained that the most significant meetings concerning consultants Kaufman Hall were discussed at recent Board meetings, and the topic of new providers, facilities, programs, and services were discussed in open forums of the Strategic Plan.

OLD BUSINESS

None

NEW BUSINESS

1. Consideration to Approve the Proposed Draft CB Richard Ellis (CBRE) Contract – Facility Condition Assessment

Herb K. Schultz, CEO explained the formation of the standing Committee of the Hospital Governance and Oversight Committee was based on the Board's desire to expand oversight of the lessee. This includes the physical condition of the building. Mr. Schultz introduced Jason Lind, Executive Vice President for the Americas, CB Richard Ellis (CBRE).

Jason Lind, Vice President for the Americas, CBRE provided an overview of the hospital inspection that includes a team of experts, a baseline for today, and future projections for tomorrow mainly encompassing deficiency items such as structural, plumbing, roofing, interior finishing, and electrical.

Director Zendle inquired if OSHPD building permits or historical inspections would be provided to CBRE before the inspection. Mr. Lind stated yes, the team would have all permits and prior inspections before commencement. Any safety issues would be included in a public report and are not proprietary - stating that safety is the number one issue.

Hank Goodrow, District Resident, inquired about the real estate of the hospital such as more bed space for the inpatient population or expanding certain areas for new bed space. Director Zendle explained that the Ad Hoc Committee on New Providers, Facilities, Programs, and Services and consultants Kaufman Hall are considering the issue of new bed space. Mr. Goodrow further explained his concern in the decrease in hospital patients from the neonatal unit. Herb K. Schultz, CEO explained the market assessment and needs assessment that has been conducted and consultants Kaufman Hall's role with the hospital.

Stephanie Salters, District Resident inquired regarding the seismic portion of the contract. Mr. Lind explained that the seismic inspection is a small structural portion of the inspection.

Ezra Kaufman, District Resident inquired whether any significant structural, nonstructural, or seismic findings would be withheld from the public. Director Zendle explained that all structural seismic concerns require cost estimates for repair that will be part of the District's decision. Mr. Schultz explained that there may be proprietary issues after the decision has been made on any structural issues.

Mr. Kaufman inquired if the entire report in its totality will be made public including all deficiencies. Mr. Schultz explained the details of Kaufman Hall's contract versus the work of CBRE. Mr. Kaufman requested hypothetical scenarios at the next meeting explaining why the report would not be made public. Mr. Schultz stated that Staff would work with counsel to provide hypothetical scenarios. Michele Finney, CEO, Desert Regional Medical Center explained that there will be lots of work between now and the next 9 years of the lease that align and address those priorities. [Subsequent to this meeting, at the time of the October 24, Board meeting, Staff indicated that while the report would be published in its entirety, nothing is proprietary.

District Resident Hank Goodrow stated that he agrees to move forward on the contract with no delays.

Brett Klein, Marketing Specialist, Eisenhower, inquired on the timeframe of the survey and results. Mr. Lind stated that it takes one week to set up the site visit, the team is onsite for one week, it takes three weeks for the team to write up the report and findings for a total of approximately 4 weeks. Herb K. Schultz, CEO, stated that it is his hope that it would be complete by December.

President Rogers inquired if CBRE will obtain the original blueprints of the hospital. Mr. Lind explained that they will try their best to obtain the drawings from the city.

Stephanie Salters, District Resident inquired if a mold inspection will be conducted as part of the investigation. Mr. Lind explained that the team will perform its inspection and make the appropriate recommendations if mold is present.

President Rogers stated that in the past with the flooding of the basement there were issues with the metal and plumbing. Mr. Lind explained that an inspection of the basement is included in the scope.

Ezra Kaufman, District Resident, inquired if all documentation related to the hospital's accreditation such as the Joint Commission reports are available to CBRE. Mr. Lind stated that there is a request for intel before going onsite to ensure the team is inspecting the appropriate areas, and if there are facility or construction issues the appropriate requests will be made if necessary.

It was moved by Director Zendle and seconded by President Rogers to forward the contract to the Board for approval.

Motion passed unanimously.

ADJOURNED

- The Committee adjourned at 11:01 a.m.

ATTEST: _____

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