

**DESERT HEALTHCARE DISTRICT  
BOARD OF DIRECTORS  
MEETING MINUTES  
February 27, 2018**

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A Meeting of the Board of Directors of the Desert Healthcare District was held in the Jerry Stergios Building – 2<sup>nd</sup> Floor, Palm Springs, CA.

**Attendance**

Members

President Les Zendle, MD  
Vice-President/Secretary Carole Rogers, RN  
Treasurer Mark Matthews  
Director Kay Hazen

Absent

Director Jennifer Wortham, DrPH

Staff

Herb K. Schultz, CEO  
Lisa Houston, COO  
Chris Christensen, CFO  
Donna Craig, Senior Program Officer  
Alejandro Espinoza, Program Officer and Outreach Director  
Michele McKinney, Communications and Marketing Director  
Mary Pannoni, Accounting/Admin. Support  
Vanessa Smith, Health Educator  
Andrea S. Hayles, Clerk to the Board

Legal Counsel

Jeffrey G. Scott

Guests

Robert A. Bernheimer, Board President, Desert Cancer Foundation  
Mitch Blumberg, Chair, Desert Regional Medical Center Governing Board  
Sarah Bryant, Executive Director, Desert Cancer Foundation  
Brett Klein, Clinics Marketing Specialist, Eisenhower Medical Center  
Rich Ramhoff, Director of Marketing & Public Relations, Desert Regional Medical Center  
Jennie Rayner, Executive Director, ACT for MS

**CALL TO ORDER**

The meeting was called to order at 2:03 p.m. by President Zendle.

**APPROVAL OF AGENDA**

President Zendle asked for a motion to approve the agenda removing I.1.b. LPMP Lease Renewal - Suite 1W 101 - Pathways Pharmaceuticals and moving Item J. before Item I.

**#18-27 MOTION WAS MADE by President Zendle and seconded by Director Matthews to approve the agenda. Motion passed unanimously.**

**Roll Call Vote:**

**AYES                    4   Director Matthews; Director Hazen  
Vice-President Rogers; President Zendle**

**NOES:                  0**

**ABSTAIN:**

**ABSENT:                1   Director Wortham**

**Motion Passed 4-1**

**PUBLIC COMMENTS**

None

**CONSENT AGENDA**

Submitted for approval:

1. BOARD MINUTES
  - a. Meeting of January 23, 2018
  - b. Special Meeting of the Board February 19, 2018

**#18-28 MOTION WAS MADE by Vice-President Rogers and seconded by Director Matthews to approve the Consent Agenda pulling Item 1.b. – Board Minutes Special Meeting of the Board February 19, 2018. The Clerk of the Board handed out the updated Minutes of the Special Meeting of the Board February 19, 2018 that included revisions to comments from President Zendle and Director Wortham, and the addition of public comments received via email from Rick Mesa, Executive Director, Ranch Recovery; Thomi Clinton, Executive Director, Transgender Community Coalition; Ezra Kaufman, District Resident; and Stephanie Salters, RN, District Resident. Director Matthews provided edits to the Minutes of February 19, 2018 Special Meeting of the Board that included the motion not passing unanimously.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES                    4   Director Matthews; Director Hazen;  
Vice-President Rogers; President Zendle**

**NOES:                  0**

**ABSTAIN:**

**ABSENT:                1   Director Wortham**

## **Motion Passed 4-1**

### **DESERT HEALTHCARE DISTRICT CEO REPORT – Herb K. Schultz, CEO**

Herb K. Schultz, CEO, explained the American Disabilities Act (ADA) Compliance and Air Quality Report for Desert Regional Medical Center requested by the Board at the January 23, 2018 meeting. The ADA Compliance review was completed in November 2014, and Air Quality Reports are completed for each occurrence. A 2015 report has been requested and will be provided for the fourth-floor flooding at the March 27, 2018 Board Meeting. Mr. Schultz distributed and described potential changes to the logo as part of the comprehensive Communications and Marketing Plan as it relates to the three-year Strategic Plan, clarifying that the weathervane on the logo is often mistaken and viewed as a cross from members of the community.

Vice-President Rogers stated that she would like the District to eventually change the name and logo to One Coachella Valley.

### **PUBLIC COMMENT**

None

### **DESERT REGIONAL MEDICAL CENTER CEO REPORT – Michele Finney, CEO, Desert Regional Medical Center**

Michele Finney, CEO, Desert Regional Medical Center described the recent Certifications and Accreditations and various projects completed and in process (CBRE year one recommendation; pharmacy remodel; Sinatra Tower isolation room upgrade; sterilizer replacement phase I and II; elevators; interventional radiology room; and Emergency Department expansion project). Ms. Finney also highlighted hospital operations that included the flu season peak in January, the Neurology Residency Program, and UCR Family Medicine's first class of eight residents.

### **PUBLIC COMMENT**

None

### **DESERT REGIONAL MEDICAL CENTER GOVERNING BOARD OF DIRECTORS REPORT**

President Zendle explained that Jim Kelly, Human Resources Director, gave a presentation on the Employee Engagement Surveys from 2015-2016. Most of the employees' adverse responses were based on communication between employees and managers with higher responses based on fair salaries and wages, talent among the staffed positions, low employee turnover in the first year, and grievance procedures in a union environment. Ethics action line cases related to compliance, benefits, patient care, and billing were also reviewed. The Director of Quality Improvement, Christine Langenwalter, MSN, RNC, CENP, gave a presentation on patient safety culture. President Zendle also described the California Department of Public Health visits with seven from January to February that are closed with no deficiencies; four that are open with one from over a year ago; and the other three still active. President Zendle further explained that the Governing Board is taking an active role in quality of care and any deficiencies including prevention.

### **PUBLIC COMMENT**

None

**J. COMMUNITY HEALTH & WELLNESS**

**1. Resources and Philanthropy**

- a. Consideration to Approve Desert Cancer Foundation \$200,000 for Patient Assistance and Suzanne Jackson Breast Cancer Fund Programs**

Donna Craig, Senior Program Officer, presented the Desert Cancer Foundation’s grant request of \$200,000 to support the Patient Assistance and Suzanne Jackson Breast Cancer Funds Program. Ms. Craig stated that Desert Cancer Foundation is the only organization in the Coachella Valley that supports financial systems for cancer patients – uninsured and underinsured. Ms. Craig explained that Sarah Bryant, Executive Director, Desert Cancer Foundation and Robert A. Bernheimer, Board President, Desert Cancer Foundation, are available to answer any questions of the Board.

Vice-President Rogers inquired in what way individuals access the free breast cancer screening program. Sarah Bryant, Executive Director, explained that patients contact the office directly if they are aware of the program and ask for information. Referrals from a local provider to the program often comes directly from Desert Regional Medical Center’s Comprehensive Cancer Center, and schedulers refer the patients directly; eligibility is then determined. Mrs. Rogers also inquired how homeless women could access breast cancer screening services with Ms. Bryant explaining that the Every Woman Counts program through federally qualified health centers is for low-income and uninsured women that qualify for the services.

Director Hazen stated that the navigator funding and the usage of cvHIP would assist women access and traverse the systems, directing Staff to ensure that cvHIP has the most updated resources.

**PUBLIC COMMENT**

None

**#18-29 MOTION WAS MADE by President Zendle and seconded by Vice-President Rogers to approve Desert Cancer Foundation \$200,000 for Patient Assistance and Suzanne Jackson Breast Cancer Fund Programs.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES: 4 Director Matthews; Director Hazen; Vice-President Rogers; President Zendle**

**NOES: 0**

**ABSTAIN:**

**ABSENT: 1 Director Wortham**

## **Motion Passed 4-1**

- b. **Draft Principles for Engagement Policies of Community and Expert Input to Guide Resources and Philanthropy and Public Policy Research Programs**

Herb K. Schultz, CEO, explained that at the Board's January 23, 2018 meeting Staff presented the Draft Principles for the Engagement of Community and Expert Input, and described that Lisa Houston, COO, will provide an overview of the Policy of the Draft Principles for Engagement of Community and Expert Input.

Lisa Houston, COO, described the in-depth process for the policy action detailing the District's push for the expansion and identifying the similarities and uniqueness in the community such as tools used to communicate and set the tone on how the materials are created. The materials would guide the efforts and ensure the District is identifying the community's desires with the input of community experts.

Director Matthews inquired if the engagement would be completed with existing funds and existing staff. Mr. Schultz explained that the draft is a sizable portion of the Strategic Plan and operationalizes the public engagement activities commenced by Director Hazen and Vice-President Rogers for public and subject matter input that Staff will bring forward to the Board.

President Zendle explained that since this is a change from the Program Committee, frequently and actively monitoring the principles and policy for engagement will assist in meeting the goals.

### **PUBLIC COMMENT**

None

### **OLD BUSINESS**

- K.1. **2018 Board Meeting Schedule Bylaws Amendment and Resolution**

Chris Christensen, CFO, described the discussion at the January 23, 2018 Board Meeting proposed by Staff to change the monthly Board Meeting times to from 2 p.m. to 6 p.m. to allow more public attendance and hold meetings at other venues in the Coachella Valley. The Board directed Staff to amend the Bylaws to begin holding meetings at 6 p.m. commencing in March 2018. The designated location is the Boardroom on the 2<sup>nd</sup> floor of the Stergios Building unless noted in the monthly Board meeting agenda.

President Zendle stated that rather than making a change to the bylaws to set a different time, simply have the bylaws state at a time determined by the Board. Jeff Scott, Legal Counsel, explained that the statute indicates that the time must be provided for legal purposes; however, there is flexibility to hold the meetings in a different location.

The Board Clerk distributed and described the various locations for potential Board Meetings to encourage participation and ensure mid-valley residents can attend with the recommendation of UCR Palm Desert.

Herb K. Shultz, CEO, explained that several Board Members concern with the Board Room and Conference Rooms A and B downstairs, thanking the Board Clerk for the work and options provided to the Board.

Director Hazen stated that in years past, the Board has tried to move the meetings to various locations on a quarterly basis, or more frequently, explaining that she has no objections to moving the locations. The Board Meetings should be more accessible to the public with multiple locations and opportunities for convenience with various audiences; however, if the Board’s direction is for one centralized location, she will support the decision.

President Zendle suggested tabling the move until the Board has gained some experience with the 6 p.m. meetings and the District is closer to the expansion; he further suggested to continue to hold the meetings at the District until we are closer to the election.

Vice-President Rogers agreed to postpone the move of the meetings and gradually move to various locations with President Zendle stating that in April or May we can potentially explore other sites.

**PUBLIC COMMENT**

None

**#18-30 MOTION WAS MADE by President Zendle and seconded by Vice-President Rogers to adopt the 2018 Board Meeting Schedule Bylaws Amendment and Resolution.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES                    4   Director Matthews; Director Hazen;  
    Vice-President Rogers; President Zendle**

**NOES:                    0**

**ABSTAIN:**

**ABSENT:                1   Director Wortham**

**Motion Passed 4-1**

**COMMITTEE REPORTS**

**I.1. FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE – Chair/Director Matthews**

- a. No February Meeting
- b. LPMP Lease Renewal – Suite 1W 101 – Pathway Pharmaceuticals, Inc. (See approval of agenda removing I.1.b.)
- c. LPMP Lease Renewal – Suite 1E 101-102 – Eyecare Services Partners
- d. LPMP Lease Renewal – Suite 2W 1-2-104 – Derakhsh Fozouni, M.D.

Director Matthews stated that there was no February Meeting of the F&A Committee and deferred to Chris Christensen, CFO, to explain the Eye Services Partners and Derakhsh Fozouni leases. Mr. Christensen described the standard lease options of five years at \$1.56 per foot with a 3% increase each year or Cost Performance Index (CPI) for Eyecare Services Partners that has partnered with Miluaskas Eye Institute. Vice-President Rogers inquired on the most recent occupancy rate study for medical office space. Mr. Christensen explained that an occupancy rate study was performed in 2016. Director Hazen recommended reviewing the policy that states the occupancy rate study would occur regularly to avoid any lapse.

**PUBLIC COMMENT**

None

**#18-31 MOTION WAS MADE by Director Matthews and seconded by Vice-President Rogers to approve Eyecare Services Partners.**

**Motion passed unanimously.**

**Roll Call Vote:**

**AYES            4   Director Matthews; Director Hazen;  
Vice-President Rogers; President Zendle**

**NOES:            0**

**ABSTAIN:**

**ABSENT:        1   Director Wortham**

**Motion Passed 4-1**

Chris Christensen, CFO, explained the lease of Derakhsh Fozouni, M.D., – a long-term tenant. Dr. Fozouni previously occupied two separate suites, and the suites of the new lease will be combined next to each other – Suites 2W 102-104. The lease renewal is a combined five-year renewal at \$1.56 per foot.

**PUBLIC COMMENT**

None

**#18-32 MOTION WAS MADE by Director Matthews and seconded by Director Hazen to approve the lease of Derakhsh Fozouni, M.D.  
Motion passed unanimously.**

**Roll Call Vote:**

**AYES 4 Director Matthews; Director Hazen;  
Vice-President Rogers; President Zendle**

**NOES: 0**

**ABSTAIN:**

**ABSENT: 1 Director Wortham**

**Motion Passed 4-1**

**I.3. NEW PROVIDERS, FACILITIES, PROGRAMS & SERVICES – Chair/Director Hazen**

- a. Update on LAFCO Process
- b. Resolution - \$300k of Non-Property Tax, Unrestricted Funds Codifies Action by the Board
- c. LAFCO Plan of Services Application Addendum #1 – Funding

President Zendle explained that Director Hazen and Director Matthews had held positions on one of the most active Ad Hoc Committees of the District performing a fantastic job with their duties – thanking Director Hazen for her dedication and work on the Committee. President Zendle appointed himself to work with Director Matthews to complete the expansion work and move on other important matters such as facility issues.

Herb K. Schultz, CEO, detailed the Board’s February 19 Special Board Meeting for consideration of funding sources for the District. Staff informed the Board and Public about the potential for the County not to move forward to LAFCO the deposition of the property tax negotiation. LAFCO was told, and the District was informed, that the County would not progress on any resolution for three to four months. LAFCO will not advance with the hearing on March 22 until the letter is expedited. According to communication with Supervisor Perez, and with his support, the hearing will most likely take place April 26. Supervisor Perez will author the letter to LAFCO for approval at the March 2018 Board of Supervisors Meeting.

Director Hazen explained that although she did not agree with the motion for funding, she does support the expansion. The District is committing \$6M and by limiting the allocation to sources unrestricted, in practicality, once the District is expanded a future Board cannot be tied to an action. To effectively implement the allocation is by allocating, securing, and booking the \$6M that should be included in the motion.

Further, Director Hazen stated that the Board needs to identify the sources of funding for the \$6M allocation, and book it as a liability that strengthens the application with LAFCO. LAFCO may



consider that the proposed resolution does not secure funding, and the Board could change the resolution next year.

Vice-President Rogers inquired if the allocation could be presented for a shorter length of time than 20 years. Mr. Schultz explained that a shorter period is not an option to present to LAFCO.

Mr. Schultz requested that Legal Counsel advise and clarify for the Board the \$6M allocation to sources unrestricted. Mr. Scott explained that he was tasked to provide a resolution to reflect the action of the Board. Mr. Schultz also inquired if the District can book the \$6M at this time.

Director Wortham stated that when the options were presented, they were offered as options. Was the \$300k Option 1 that was presented not an option for the Board? Director Hazen explained that Staff presented the option of \$100k that the District currently has, and the motion was for \$300k.

Chris Christensen, CFO, explained that the District should book and accrue the full \$6M similar to booking the grants – the resources are paid out over a period of time based on the payment schedule.

Director Hazen reiterated that the Board should book the \$6M as a liability to strengthen the District's position with LAFCO and requested Legal Counsel research a method to ensure that the funding is secured and is unable to be changed or altered.

Jeff Scott, Legal Counsel, stated the Board is a legislative body, and there is no guarantee that another Board of elected officials cannot make a change.

Director Matthews fully supports the expansion, but believes it is underfunded; the Board is taxing the resources the District currently has. It does not take care of the impoverished most underserved, vulnerable populations with the highest disparities.

President Zendle stated that the benefits of moving forward outweigh the risks to prevent any delays of expansion, and there are other options that can be developed in the coming years.

Director Jennifer Wortham arrived at 3:02 p.m.

## **PUBLIC COMMENT**

None

**#18-33 MOTION WAS MADE by Vice-President Rogers and seconded by Director Wortham to approve the Resolution - \$300k of Non-Property Tax, Unrestricted Funds with an amendment to include language for the Board to book \$6M as a liability.**

**Motion passed.**

**Roll Call Vote:**

**AYES**            **4**   **Director Wortham; Director Hazen;  
Vice-President Rogers; President Zendle**

**NOES:**            **1**   **Director Matthews**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 4-1**

**#18-34 MOTION WAS MADE by Vice-President Rogers and seconded by Director Wortham to approve the LAFCO Plan of Services Application Addendum #1 - Funding.**

**Motion passed.**

Herb K. Schultz, CEO, recapped the conversation with LAFCO requesting an Addendum as opposed to recreating the application and including the additional language to the \$6M booking as a liability.

**PUBLIC COMMENT**

None

**Roll Call Vote:**

**AYES**            **4**   **Director Wortham; Director Hazen;  
Vice-President Rogers; President Zendle**

**NOES:**            **1**   **Director Matthews**

**ABSTAIN:**

**ABSENT:**

**Motion Passed 4-1**

Director Hazen exited the meeting at 3:28 p.m.

**I.2. HOSPITAL GOVERNANCE AND OVERSIGHT COMMITTEE**

- a. Draft Minutes of January 19, 2018 Meeting
- b. No February Meeting – Next Scheduled Meeting is March 13, 2018

President Zendle explained that there is no action required; there was no February meeting, and the Minutes of the January 19, 2018 are included in the Packet for the Board's review.

**PUBLIC COMMENT**

None

## **K.2. Behavioral Health Update- Collective Fund Initiative**

Herb K. Schultz, CEO, explained that Staff was requested to come back to the Board with a plan of services for the Board to review the plan that will establish a Collective Fund for Behavioral Health. The fund will include short-term and mid-term funding similar to the Homelessness Initiative.

Lisa Houston, COO, described the two programs that were identified with a policy on community engagement and the District's role also explaining some of the emergency needs that are necessary and the relation between homelessness and behavioral health. The consultant is necessary to assist with the initiative including the workforce development.

Vice-President Rogers explained that the report is comprehensive, but she would like to see a mental health taskforce that includes the stakeholders – staff led, and consultant led to share with the community and how schools and mobile vans fit in the initiative. Mrs. Houston explained they will work as a group to identify in the future – new providers, new technology and others. Vice-President Rogers requested a master plan for behavioral health and homelessness.

Staff will provide additional details at the March 27, 2018 Board Meeting.

### **PUBLIC COMMENT**

Linda Evans, Chief Strategic Officer, Tenet, explained that Herb Schultz, CEO, attended the Blue Ribbon Mental Health Roundtable hosted by Supervisor Perez, described the upcoming Roundtable, and Mr. Schultz will be presenting at the next Roundtable.

### **NEW BUSINESS**

None

### **LEGAL COUNSEL COMMENTS & REPORTS**

#### **1. Legislative Update**

Jeff Scott, Legal Counsel, explained the most recent legislative update and bill introductions that related to healthcare with 2,100 bills introduced. Most bills were spot bills used as place holders.

Herb K. Schultz explained spot bill AB 2019 that will update the healthcare district law.

### **DIRECTORS' COMMENTS & REPORTS**

Vice-President Rogers explained how valuable the meeting was in Desert Hot Springs with the Police Chief concerning Section 5150 - a section of the California Welfare and Institutions Code the Lanterman–Petris–Short Act which authorizes a qualified officer or clinician to involuntarily confine

a person suspected to have a mental disorder that makes them a danger to themselves, a danger to others, or gravely disabled. President Zendle described his meeting at DRMC and, the beds being used by 5150's of mostly insured individuals. In 2016, there were 75,590 Emergency Department admits and 1,308 were psychiatric and substance abuse issues. In 2017, the numbers were up to 2,858.

**ADJOURNMENT TO THE DESERT HEALTHCARE FOUNDATION BOARD OF DIRECTORS MEETING AT 4:04 p.m.**

**ADJOURNMENT TO EXECUTIVE SESSION OF THE DESERT HEALTHCARE DISTRICT AT 4:16 p.m.**

**CONVENE TO CLOSED SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS**

1. Public Employee Evaluation pursuant to Government Code 54957 Title: Chief Executive Officer
2. Report Involving Trade Secrets Pursuant to Health & Safety Code 32106 – concerning proposed New Providers, Facilities, Programs, Services. Discussion only, no action. Estimated dated of public Disclosure: April 2018

**RECONVENE TO OPEN SESSION OF THE DESERT HEALTHCARE DISTRICT BOARD OF DIRECTORS AT 4:53 p.m.**

**REPORT AFTER CLOSED SESSION**

The Board heard a report on the potential of New Providers, Facilities, Programs, and Services and took no action.

**ADJOURNMENT**

The meeting adjourned at 4:57 p.m.

ATTEST: \_\_\_\_\_



Carole Rogers, Vice-President/Secretary  
Desert Healthcare District Board of Directors

*Minutes respectfully submitted by Andrea S. Hayles, Clerk to the Board*