



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

Directors Present	District Staff Present	Absent Staff
President Zendle, MD Vice-President/Secretary Carole Rogers, RN Treasurer Mark Matthews Director Kay Hazen Director Jennifer Wortham, DrPH	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  <u>Legal Counsel</u> Jeff Scott	

AGENDA ITEMS	DISCUSSION	ACTION
<b>A. Call to Order</b>	President Zendle called the meeting to order at 6:00 p.m.	
<b>Roll Call</b>	The Clerk of the Board called the roll with all Directors present.	
<b>B. Pledge of Allegiance</b>	Alejandro Espinoza, Program Officer and Outreach Director led the Pledge of Allegiance.	
<b>C. Approval of Agenda</b>	President Zendle asked for a motion to approve the Agenda.	<b>#18-36 MOTION WAS MADE by Vice-President Rogers and seconded by Director Wortham to approve the agenda. Motion passed unanimously.</b>
<b>D. Public Comment</b>	President Zendle called for public comment. No public comment.	
<b>E. Consent Agenda</b>	President Zendle asked for a motion to approve the Consent Agenda.	<b>#18-37 MOTION WAS MADE by Vice-President Rogers and seconded by Director Matthews to approve the Consent Agenda except for the February 27, 2018 Meeting Minutes – Item 1b. Motion passed unanimously.</b>



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		<b>#18-38 MOTION WAS MADE by Vice-President Rogers and seconded by Director Matthews to correct Item 1b. of the February 27, 2018 Meeting Minutes – Directors Comments and Reports from 51/50 to 5150 – California Welfare and Institutions Code 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. Motion passed unanimously.</b>
<b>F. Desert Healthcare District CEO Report</b>	Herb K. Schultz, CEO, explained the robust agenda and described and revisited Strategic Plan Priorities one through three, and the Community Health Focus Areas.	
<b>Public Comment</b>	No public comment.	
<b>G. Desert Regional Medical Center CEO Report</b>	On behalf of Michele Finney, CEO, Desert Regional Medical Center, Linda Evans, Chief Strategy Officer, provided an update on operations, accreditation, certifications, and personnel.	
<b>Public Comment</b>	No public comment.	
<b>H. Desert Regional Medical Center Governing Board of Directors' Report</b>	President Zendle explained the most recent updates of the March 2018 Governing Board of Directors Meeting of Desert Regional Medical Center that included a presentation on the Comprehensive Cancer Center, CMS quality star ratings, and physician surveys.	
<b>I. Presentations</b>	<b>I.1.</b> Lisa Houston, COO, provided an overview of Grant #962 - Eisenhower Medical Center \$55,805 for Coachella Valley	<b>#18-39 MOTION WAS MADE by Director Hazen and seconded by Director Wortham to approve the first year of funding for Grant #962 -</b>



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	<p>Collaborative Program Antibiotic Resistance Prevention Partnership with Eisenhower Health, DRMC, JFK Hospital, CDPH, and RCPH. Patricia Cummings, Epidemiologist, Eisenhower Health further described the collaborative elaborating on the deaths and infection rates.</p> <p>Director Hazen prefers multi-year funding supporting the first year and three or four years of funding with milestones and measures and returning to the Board for a longer term of grant funding.</p> <p><b>1.2.</b> Lisa Houston, COO, explained the cvHIP marketing campaign and introduced Tim O’Bayley, CEO, Creative Director, O’Bayley Communication. Mr. O’Bayley gave a presentation of the cvHIP marketing update and the public relations component that included the new logo, name change, and tagline.</p>	<p><b>\$55,805, directing Staff to collaborate with the applicant for an additional three years of funding, and return to the Board in 6 months. Motion passed unanimously.</b></p>
<p><b>Public Comment</b></p>	<p>No public comment.</p>	
<p><b>J. District Expansion Initiative</b></p>	<p><b>J. 1.</b> Herb K. Schultz, explained the expansion initiative and described the results of the March 27, 2018 Board of Supervisors Meeting voting 5-0 to approve the expansion resolution contingent that the District work with Tenet to revise the lease component of the non-compete clause between Desert Healthcare District and Desert Hospital, and return to the Board of Supervisors at the April 10 meeting with an update.</p>	<p>The Board directed Staff and Legal Counsel to work with the Ad Hoc Committee on New Providers, Facilities, Programs, and Services as needed to approach the lessee and determine if deletion of the non-compete provision is plausible and directed Staff to establish a Special Meeting of the Board a week from March 27, 2018, on April 3, 2018, at 2 p.m. to consider an update.</p>



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<p><b>Public Comment</b></p>	<p>Ezra Kaufman, District Resident, inquired when the lessee addendum will be available for public review.</p> <p><b>J.2.</b> Herb K. Schultz, CEO, explained the supplementary potential sources of funding describing certain health partnerships and grants for funding acknowledging Lisa Houston, COO and Alejandro Espinoza, Program Officer and Outreach Director for their efforts with the Salton Sea Authority.</p> <p><b>J.3.</b> Herb K. Schultz, CEO, described the significant completion of work towards the expansion and the upcoming November election for retaining the services of Lake Research Partners.</p> <p>The Board requested that Staff return in April for consideration of approval after the April 10, 2018 Board of Supervisors decision and tabling the vote until the expansion is authorized.</p>	<p><b>#18-40 MOTION WAS MADE by President Zendle and seconded by Director Hazen to table Lake Research Partners (LPR) Service Agreement - \$75,210 until after the Board of Supervisors ruling on April 10, 2018, and until the expansion of the District is authorized.</b></p> <p><b>Motion passed unanimously.</b></p>
<p><b>Public Comment</b></p>	<p>No public comment.</p>	
<p><b>K. Committee Reports</b></p>	<p><b>Finance &amp; Administration Committee</b></p> <p><b>K.1.a.-d.</b> Director Matthews explained the Draft Minutes of the Finance and Administration Committee with Chris Christensen, CFO, describing the LPMP Lease Terms for Pathway Pharmaceuticals, Inc., Palmtree Clinical Research, and the Truss Repairs.</p>	<p><b>#18-41 MOTION WAS MADE by Director Matthews and seconded by President Zendle to approve LPMP Lease Terms – Suite 1W 101 – Pathway Pharmaceuticals, Inc.</b></p> <p><b>Motion passed unanimously.</b></p> <p><b>#18-42 MOTION WAS MADE by Director Matthews and seconded by</b></p>



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	<p>K.1.e. Herb K. Schultz, CEO, commenced a lengthy discussion on the Ticket Distribution Policy explaining that no public funds are used to purchase tickets, and that tickets are provided to the District as complimentary similar to other elected officials.</p> <p>Legal Counsel, Jeff Scott explained that these are common issues such as President Zendle’s inquiry on how the District determines which nonprofits to purchase tickets; Vice-President Rogers ensuring that the public does not consider the tickets as a form of bribery; Director Matthews public disclosure of tickets; Director Hazen not supporting sponsorships; and Director Wortham’s support of sponsorships for smaller nonprofits.</p> <p>K.1.f. Chris Christensen, CFO, described the 2013 recorded liability of \$3.6M with the revised audit statements that include a classification adjustment to reflect the actual</p>	<p>President Zendle to approve LPMP Lease Terms – Suite 1E 201-203 – Palmtree Clinical Research. Motion passed unanimously.</p> <p><b>#18-43 MOTION WAS MADE by Director Matthews and seconded by President Zendle to approve LPMP Truss Repair – Suite 1E 201-203. Motion passed unanimously.</b></p> <p><b>#18-44 MOTION WAS MADE by Director Wortham and seconded by Director Matthews to approve the Ticket Distribution Policy with Section 6 (Non-Use of Funds) deleted from Resolution #18-04. Motion passed 4-1; AYES – Director Matthews, Director Hazen, Director Wortham, Vice-President Rogers ABSTAIN – President Zendle</b></p>
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<p><b>Public Comment</b></p>	<p>cash accurately. Director Matthews provided clarification for guests stating that the monies are related to the pension fund that used to exist before the lease.</p> <p>Ezra Kaufman, District Resident, explained that the auditors have a dementias attitude about the matter as a public document. A district resident should be able to examine the financials to determine how the District analyzes financials. Mr. Kaufman explained the \$47M contingency and a report from the following month stating that there was \$125M and that the two amounts are difficult to reconcile. Further Mr. Kaufman explained that the auditors have the same attitude towards the audit and should spend more time on observations.</p>	
	<p><b>Hospital Governance &amp; Oversight Committee</b>  <b>K.2.a.-c.</b> Vice-President Rogers explained the Minutes of the March Hospital Governance and Oversight Committee Meeting and the ADA Compliance and Air Quality Reports at Desert Regional Medical Center as requested by Director Wortham at the prior Board Meeting. The CMS Hospital Compare Five Star Rating System presentation was also described as presented to the Committee.</p> <p>President Zendle explained that a 1 or 2 star rating is unacceptable; a system</p>	



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<p><b>Public Comment</b></p>	<p>approached is necessary for identifying, correcting, measuring, and understanding the issues, and pushing the hospital towards remedies.</p> <p>Ezra Kaufman, District Resident, inquired if there is a procedure, structure or timeline for analysis.</p> <p>Stephanie Salters, RN, District Resident described that there is one housekeeper for 31 beds on the floor and one nursing assistant for every 17 patients. Monitor techs are necessary in the units due to sentinel deaths that should be performed immediately, and it is an ongoing issue because Mrs. Salters visits the hospital regularly as a prior RN.</p> <p><b>K.3.a.</b> Herb K. Schultz, CEO, explained the Strategic Plans number one priority of New Providers, Facilities, Programs, and Services and seismic repairs and solutions, and CBRE’s seismic study results recommending an expert assessment to perform an ASCE 41 evaluation.</p> <p>Director Hazen inquired on Phase 1 – Initial target duration of 3-5 months which includes the work with a contractor (TBD and contracted with DHD independent of this assignment). Ms. Hazen also inquired about the costs and makeup of \$150k-\$250k for Phase 1.</p>	<p><b>#18-45 MOTION WAS MADE by Director Hazen and seconded by Director Matthews to table the motion for the Seismic ASCE 41 Evaluation – Service Agreement - Simpson, Gumpertz &amp; Heger - \$312,000 NTE. Motion passed unanimously.</b></p>
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<p><b>Public Comment</b></p>	<p><b>K.3.b.</b> Herb K. Schultz, CEO, described the Hospital Appraisal as recommended by consultants Kaufman Hall for fair market value.</p> <p>Ezra Kaufman, District Resident, inquired if the appraisal would include the value of all the land owned by the District.</p> <p>Stephanie Salter, RN, District Resident described her meeting with Michele Finney, CEO, Desert Regional Medical Center concerning various matters at the hospital including the Sinatra Tower replumbing.</p> <p><b>K.3.c.</b> Herb K. Schultz, CEO, explained that the consulting agreement for Kaufman Hall has expired and recommended a rehire to complete the work of the Ad Hoc Committee on New Providers, Facilities, Programs, and Services.</p> <p><b>K.3.d.</b> President Zendle explained the basis for the potential move by the District from at-large to zone-based elections. Herb K. Schultz, CEO, described the importance of diverse representation and moving forward as expeditiously as possible.</p>	<p><b>#18-46 MOTION WAS MADE</b> by Vice-President Rogers and seconded by Director Matthews to approve the Hospital Appraisal – Service Agreement – VMG Health - \$86,000 NTE with an amendment to include other District owned properties. Motion passed unanimously.</p> <p><b>#18-47 MOTION WAS MADE</b> by Director Matthews and seconded by Director Wortham to approve the Consulting Agreement Addendum – Kaufman Hall. Motion passed unanimously.</p> <p><b>#18-48 MOTION WAS MADE</b> by Director Hazen and seconded by Director Wortham to approve Resolution #18-05 – Action Pursuant to the California Voting Rights Act. Motion passed unanimously.</p>
<p><b>L. Community Health &amp; Wellness</b></p>	<p><b>L.1.a.</b> Lisa Houston, COO, explained the policy as described and presented at the February Board meeting for consideration of the Board to adopt the policy.</p>	<p><b>#18-49 MOTION WAS MADE</b> by Vice-President Rogers and seconded by Director Zendle to approve the Principles for Engagement Policies of Community and Expert Input to Guide Resources and Philanthropy and</p>





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		<p><b>Public Policy Research Programs (Reviewed at the February 27, 2018 Board Meeting).</b>  <b>Motion passed unanimously.</b></p>
<p><b>Public Comment</b></p> <p><b>M. Old Business</b></p>	<p>No public comment.</p> <p><b>M.1.</b> Herb K. Schultz, CEO, explained the proactive philanthropy for the development of a Behavioral Health Collective Fund modeled after but broader than the Homelessness Initiative. Lisa Houston, COO, described various initiatives that lack collaborations with other agencies working in a unified fashion.</p> <p>Director Hazen motioned to establish a collective fund of \$2M but cautioned Staff to remain practical yet build with strategic guidance and not lose sight of the priorities with the need for service delivery.</p>	<p><b>#18-50 MOTION WAS MADE by Director Hazen and seconded by Vice-President Rogers to approve the Behavioral Health Collective Fund for \$2M from the District to the Foundation.</b>  <b>Motion passed unanimously.</b></p>
<p><b>Public Comment</b></p> <p><b>N. New Business</b></p>	<p>No public comment.</p> <p><b>N.1.a.-c.</b> Items N.1.a.-c. were deferred to the April 3 Special Meeting of the Board.</p>	<p>Staff was directed to place items N.1.a.-c. on the April 3 agenda – Special Meeting of the Board.</p>
<p><b>Public Comment</b></p> <p><b>O. Legal Comments &amp; Reports</b></p>	<p>No public comment.</p> <p>Jeff Scott, Legal Counsel, distributed a Legislative Report on Healthcare Reform 2018 and what lies ahead. Attorney Scott also explained that the Staff would be transitioning to Action Minutes with recordings of the</p>	



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<b>Public Comment</b>	meetings available to the public on the District website.  No public comment.	
<b>P. Directors' Comments and Reports</b>	There were no Directors Comments or Reports.	
<b>Q. Adjournment</b>	President Zendle adjourned the meeting at 8:56 p.m.	<i>Audio recording available on the website at <a href="http://dhcd.org/Agenda-Board-of-Directors">http://dhcd.org/Agenda-Board-of-Directors</a></i>

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

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