

PAJARO VALLEY HEALTH CARE DISTRICT HOSPITAL

BOARD OF DIRECTORS

REGULAR MEETING AGENDA
Hybrid – Kathleen King Room &
Virtual/Teleconference
(Immediately following the Pajaro Valley
Health Care District Board Meeting)
5:00 p.m.

85 Nielson Street, Watsonville, CA

ZOOM LINK <https://zoom.us/j/93443061917>

TELEPHONE +1 669 900 9128 WEBINAR ID: 934 4306 1917

June 2, 2022

Agenda documents are available for review in person at the office of the Clerk of the Board, Government Center, 5th Floor, 701 Ocean Street, Room 520; and electronically on the Pajaro Valley Healthcare District's website, at: PVHCD.org and at PVHCDHospital.org

To view online, visit the Board's website at: PVHCD.org. or PVHCDHospital.org Select the meeting date to view the agenda and supporting documents.

Written comments must be received before 4:00 p.m. the day of the meeting to be included with agenda materials. Comments received after 4:00 p.m. on meeting day will be included in the minutes record. For additional information, call the Clerk of the Board's office at 831-454-2323 (TTY/TDD call 711).

CONSENT AGENDA

Consent items include routine business that does not call for discussion. One roll call vote is taken for all items. Only a Board Member may pull items from Consent to Regular agenda. Members of the public must request that a Board Member pull an item from the Consent Agenda prior to the start of the meeting. Staff is available to address public concerns Monday through Friday, 8:00 a.m. to 5:00 p.m.

TRANSLATION SERVICES/SERVICIOS DE TRADUCCION

Spanish language translation is available on an as needed basis. Please make advance arrangements at Clerk of the Board, Room 520, 701 Ocean St., Santa Cruz; or by telephone at (831) 454-2323.

Las sesiones de la Mesa Directiva pueden ser traducidas del inglés al español y del español al inglés. Por favor haga arreglos anticipadamente con la Secretaria de la Mesa Directiva de los Supervisores en el cuarto número 520, 701 Ocean St., Santa Cruz; o por teléfono al número (831) 454-2323.

ACCOMMODATIONS FOR PERSONS WITH DISABILITIES

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. If you are a person with a disability and wish to participate in the meeting and require special assistance in order to participate, please contact the Clerk of the Board at (831) 454-2323 [TDD: call 711] at least 72 hours in advance of the meeting to make arrangements.

Persons with disabilities may request a copy of the agenda in an alternative format.

**Pajaro Valley Health Care District Hospital – Board of Directors
Public Participation Guidelines**

PUBLIC COMMENT

Participating in Person:

The meeting space is open with limited capacity. Face coverings are highly recommended in the meeting space, regardless of vaccination status. To address the Board, please line up at the podium when the Board Chair calls for general public comment or calls for public comment on the regular agenda item to which you would like to speak. Please state your name clearly for the record before making your comment and limit your remarks to the allotted time.

Participating by Phone:

To address the Board, dial the telephone number provided and you will be prompted to enter the meeting ID number. After that, you will be able to listen to the meeting and speak during public comment as announced by the Chair. The Clerk will call on people by the last four digits of their phone number.

The following commands can be entered via DTMF tones using your phone's dial pad while in a Zoom meeting:

- *6 - Toggle mute/unmute
- *9 - Raise hand

Participating online via Zoom:

You may download the Zoom client or connect to the meeting in-browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.

You will be asked to enter an email address and name. **Please identify yourself by name** as this appears online and is how we notify you when it is your turn to speak.

When the Board Chair calls for the item on which you wish to speak, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.

When called, please limit your remarks to the time allotted.

RELATED CORRESPONDENCE 📧

Written comments on agenda items may also be submitted to the Board by email or US Mail

Email: info@pvhcdhospital.org or info@pvhcd.org

- Emailed documents may take up to 24 hours to be posted
- Please include the agenda item number

U.S. Mail:

PCHVD Hospital Board of Directors
c/o Clerk of the Board
701 Ocean Street, Room 520
Santa Cruz, CA 95060

Comments received after 4 p.m. the day of the meeting and before the end of the meeting will be included with the minutes record. General comments not related to topics on the agenda will be included with the next Written Correspondence Listing.

For the latest COVID-19 updates,
please visit the County Health
Services Agency website at:

<http://santacruzhealth.org>

*Published in PDF, and available online at:
PVHCD.org

INTRODUCTORY ITEMS

1. CALL TO ORDER

2. CONSIDERATION OF LATE ADDITIONS TO THE AGENDA

3. PUBLIC COMMENT

Any person may address the Board during its Public Comment period. Speakers must not exceed two (2) minutes in length, or the time limit established by the Chair, and individuals may speak only once during Public Comment. All Public Comments must be directed to an item listed on today's Consent Agenda, Closed Session Agenda, yet to be heard on Regular Agenda, or a topic not on the agenda that is within the jurisdiction of the Board. Board members will not take actions or respond immediately to any public communication presented regarding topics not on the agenda but may choose to follow up later, either individually, or on a subsequent Board of Director's Agenda. Public Comments will normally be received by the Board for a period not to exceed thirty (30) minutes. If, at the end of this period, additional persons wish to address the Board, the Public Comment period may be continued to the last item on the agenda.

4. ACTION ON THE CONSENT AGENDA (ITEM 9)

REGULAR AGENDA

5. TRANSITION UPDATE (EDUCATIONAL ONLY)

Recommended Action(s):

Receive a presentation on the progress of activities supported by Pajaro Valley Healthcare District Project's (Project) transition service consulting firm, FTI Consulting, related to migrating the hospital's business to new ownership.

6. WCH CARDIAC CATHETERIZATION LAB (ACTION ITEM)

Recommended Action(s):

Receive a presentation on the clinical operating plan and financial plan for the installation of a new cardiac catheterization lab at Watsonville Community Hospital (WCH) and provide staff with the authority to prepare a contract with Phillips Medical Capital for installation of the lab and an equipment lease (to be presented to the Board for approval at a later date).

7. BOARD MEMBER AND STAFF ANNOUNCEMENTS AND REQUESTS TO PLACE ITEMS ON A FUTURE AGENDA

CLOSED SESSION

8. SCHEDULE A CLOSED PERSONNEL AND LITIGATION SESSION TO BE HELD AT THE CONCLUSION OF THE BOARD'S CONSENT OR REGULAR AGENDA, OR AT ANY OTHER TIME DURING THE COURSE OF THE MEETING ANNOUNCED BY THE CHAIRPERSON OF THE BOARD.

- A. PUBLIC EMPLOYMENT (Government Code Section 54957(b)(1))
Title: Chief Executive Officer

Report of District Counsel will be given at the conclusion of the Closed Session on any reportable actions(s) taken in the Closed Session.

CONSENT AGENDA

9. **Approval of Minutes**

- a) Board of Directors – Regular Meeting – May 19, 2022 - 5:00 p.m.

- **End of Consent Agenda** -

Agenda Item 5

From: Interim District Administrative Staff

Subject: Update on Transition Planning

Meeting Date: June 2, 2022

Recommended Actions

Receive a presentation on the progress of activities supported by the Pajaro Valley Healthcare District Project's (Project) transition service consulting firm, FTI Consulting, related to migrating the hospital's business to new ownership.

Executive Summary

Whenever there is a change of ownership of a business, especially one as complex as a hospital, due care must be taken to plan for the necessary changes that need to be made to the core functions of the business. These include such functions as human resources (the transition of employees), finance and accounting, operations, revenue cycle, physician contracting, managed care contracting, supply purchasing, licensing, IT, and communications. FTI and other members of the project's dedicated subject matter consultants have organized working teams related to each of these areas and the Board will hear a report on the progress of these efforts

Background/Analysis

The working groups in each functional area have completed their assessment of the current state of operations and have defined the major parameters related to how things need to change for operations on Day One. The next step will be to develop detailed plans for making sure these changes are effectuated.

Along the way, the work teams are identifying key risks that could impact future operations or closing if not managed properly. It is important that the board be aware of these risks and to provide appropriate oversight such that the change in ownership occurs smoothly.

Financial Impact

There is no specific financial impact associated with this item.

Agenda Item 6

From: Interim District Administrative Staff

Subject: WCH Cardiac Catheterization Lab

Meeting Date: June 2, 2022

Recommended Actions

Receive a presentation on the clinical operating plan and financial plan for the installation of a new cardiac catheterization lab at Watsonville Community Hospital (WCH) and provide staff with the authority to prepare a contract with Phillips Medical Capital for installation of the lab and an equipment lease (to be presented to the Board for approval at a later date).

Executive Summary

In 2017, the hospital's cardiac catheterization lab (cath lab), which had been operational and accredited for many years, was closed because the equipment had become obsolete. In 2019, Halsey Healthcare negotiated a capital lease with Phillips Medical Capital for the construction and the installation of a new lab. The capital lease agreement is an executory contract that can be acquired or renegotiated in the bankruptcy and the Board will be asked to approve either the acquisition of the contract, a renegotiation of the contract, or a rejection of the contract.

Background/Analysis

Cardiac catheterization labs are used by cardiologists, vascular surgeons, and interventional radiologists to perform both diagnostic and therapeutic procedures related to conditions of the heart and vascular/arterial structures. Construction commenced on the space in 2020 and was temporarily halted when the hospital filed for bankruptcy. While the construction was originally intended to be financed through the lease, WCH's board made a decision to pay approximately \$300,000 to the construction contractor to keep the project moving forward. A substantial amount of the construction has now been completed. The capital lease with Phillips Medical Capital is an executory contract that can be assumed or rejected by the buyer in the bankruptcy. The construction contractor has, however, placed a lien on the hospital for unpaid services and there is a lack of clarity relating to whether the lien would be enforceable against the hospital or its future owner.

The hospital's management team, in consultation with Kaufman Hall, has produced a business plan recommending that the buyer move forward with the cath lab project. Information will be provided to the board regarding physician and non-physician staffing of the service, community demand, anticipated volumes and net financial impact over a five-year period.

This information will be presented, together with input from the medical executive committee of the hospital, hospital senior management, the clinical business planning committee and the PVHDP Board of Directors.

Financial Impact

Detailed financial projections will be provided to the board. The project produces an approximately \$250,000 margin in the first year, growing to \$1.5 million in year five.

PAJARO VALLEY HEALTH CARE DISTRICT HOSPITAL

BOARD OF DIRECTORS

REGULAR MEETING MINUTES

85 NIELSON STREET, KATHLEEN KING ROOM,

WATSONVILLE CA 95076

MAY 19, 2022

5:23 p.m.

Meeting was held in a hybrid format

INTRODUCTORY ITEMS

1. CALL TO ORDER

PRESENT: Directors Gabriel-Cox, Nájera, Pimentel, and Friel

ABSENT: Director Nájera

2. CONSIDERATION OF LATE ADDITIONS TO THE AGENDA – None

3. PUBLIC COMMENT – None

REGULAR AGENDA

4. ACTION ON THE CONSENT AGENDA (ITEMS 9-10)

MOTION: Director Pimentel motion to approve the Consent Agenda. Seconded by Director Gabriel-Cox and carried by the following vote:

AYES: Directors: Gabriel-Cox, Nuñez, Pimentel, and Friel

NOES: NONE

ABSENT: Nájera

5. FUNDRAISING PRESENTATION (EDUCATIONAL ONLY)

The report was given by Celeste DeWald and June Ponce, Pajaro Valley Health Care District Project.

The Board discussed the following:

- Timeline for release of informational videos for the public regarding ways to support fundraising efforts

6. BOARD MEMBER AND STAFF ANNOUNCEMENTS AND REQUESTS TO PLACE ITEMS ON A FUTURE AGENDA

Director Pimentel thanked Dori Rose Inda for her service to the community.

7. CLOSED SESSION

A. REPORT INVOLVING TRADE SECRET

Discussion will concern proposed new service, program or facility.
Estimate date of public disclosure: August 31, 2022.

B. REPORT INVOLVING TRADE SECRET

Discussion will concern proposed new service, program or facility.
Estimate date of public disclosure: August 31, 2022.

8. ADJOURNMENT

The meeting adjourned at 7:22 p.m.

CONSENT AGENDA

9. APPROVAL OF MINUTES

a) Board of Directors –Special Meeting – May 11, 2022 – 5:00 p.m.

10. AB 361 RESOLUTION AUTHORIZING TELECONFERENCE MEETINGS

- 1) Adopt resolution making findings and ordering the use of teleconference meetings of the Board of Directors due to COVID- 19, pursuant to the requirements of Assembly Bill 361; and
- 2) Direct Interim Administrative Staff to return within 30 days with a new resolution addressing the need to continue holding teleconference meetings consistent with the requirements of Assembly Bill 361

Approved: _____

John Friel, Chair

Attest: _____

Irwin Ortiz, City Clerk