



**MARIN HEALTHCARE DISTRICT
BOARD OF DIRECTORS**

REGULAR MEETING

**Tuesday, August 8, 2023 @ 5:30 pm
Via Zoom Teleconference**

MINUTES

1. Call to Order and Roll Call

Chair Su called the Regular Meeting to order at 5:32 pm.

Board members present: Chair Brian Su, MD; Vice Chair Edward Alfrey, MD; Secretary Ann Sparkman, RN/BSN, JD; Jennifer Rienks, PhD; Samantha Ramirez, BSW

Staff present: David Klein, MD, CEO; Eric Brettner, CFO, Colin Leary, General Counsel; Louis Weiner, EA

2. General Public Comment

April Gorham, RN, and Anya Kosakowska, RN each commented on employee morale, labor relations, patient safety, nurse staffing and workflow, and management practices.

3. Approve Agenda

Dr. Alfrey moved to approve the agenda. Ms. Ramirez seconded. **Vote: all ayes.**

4. Move to reconfirm findings under Assembly Bill 361 and extend Resolution MHD 2023-02 to continue virtual meetings of the Marin Healthcare District Board of Directors

Ms. Sparkman moved to approve. Ms. Rienks seconded. **Vote: all ayes.**

5. Approve Minutes of the Regular Meeting of July 11, 2023

Ms. Sparkman moved to approve the minutes as presented. Ms. Rienks seconded. **Vote: all ayes.**

6. Report: MHMC Behavioral Health Program

Ms. Rebecca Maxwell, LCSW, Director of Behavioral Health, presented the report (Tab #3) on the MarinHealth Behavioral Health service line of hospital-based programs and ambulatory programs.

The hospital-based programs comprise:

- Acute Inpatient Unit (only inpatient psych unit in Marin; 17 beds always full; average length of stay 10-11 days; 95th percentile excellent overall quality of care; majority payors are Medi-Cal and Medicare)
- Partial hospitalization and intensive outpatient program (individually tailored plans, length of stay 2-12 weeks)
- Inpatient and outpatient electroconvulsive treatment (ECT)



- Social services and psychiatric emergency services (25 LCSW on staff; 5150 facility; 24/7 access to emergency services)
- Psychiatric consultation-liaison service (medical and psychiatric care concurrently)
- Substance use navigator (grant funded consultant)

The ambulatory programs are provided at the MarinHealth psychiatry clinic in Novato:

- Since opening Sept. 1, 2021, about 5,800 patient encounters, over 650 total unique patients, 5 established therapy programs
- Two psychiatrists, including a child and adolescent provider, and three clinical social workers
- Adding another child and adolescent provider in September, and opening of adolescent intensive outpatient program in Q1 2024
- Upcoming is partnering support with specialty services and primary care
- Therapeutic spaces include save and therapeutic environment and soothing garden and patio

Dr. Su commented on the majority of behavioral health patients being on Medi-Cal, and the low reimbursement rates. Ms. Rienks noted the importance of addressing social determinants of health, that Medi-Cal patients are disproportionately represented. She commented on the need to expand mental health services for physicians; Ms. Maxwell noted that this is being included in the collaborative care model.

Dr. Klein acknowledged that expanding space and staffing for adolescent therapy programs is proceeding, including a generous philanthropic gift.

Ms. Sparkman asked about the application of ECT procedures, and Ms. Maxwell noted that it's responsive not just for depression but for other conditions not effectively treated with medications.

Mr. Brettner explained the District's financial commitment to support the behavioral health programs. For the inpatient program, the District has been providing \$200,000 per year since 2016. For the outpatient clinic, the District is providing \$315,000 over 3 years (\$125K for 2022, \$90K for 2023, and \$100K for 2024).

Sustainability of the programs was discussed, and will require further discussion and consideration of the Board. Dr. Klein noted that sustaining support will be needed from the District as well as from other sources such as philanthropy, the County, etc. Ms. Rienks added that, even though inpatient behavioral health is not able to be self-sustaining, the District should also support other community programs as well, as was done in the past. She further added that support for behavioral health care is a major issue warranting high level advocacy.

The next item of discussion in this meeting will be the review and approval of the District's 2024 budget that will include these line items.

7. Review and Approve Marin Healthcare District FY 2024 Operating Budget as Recommended by the Finance & Audit Committee

Mr. Brettner presented (Tab #4) the District FY 2024 Operating Budget as reviewed and recommended by the Finance & Audit Committee on July 25, 2023.



Budget assumptions for income include 4.2% increase in rental income that may be slightly different in the final amount since the percentage increase is determined by the Federal 2023 CPI that won't be determined until year end. Lease interest revenue is subjected to a new GASB accounting rule, which impact is negligible. Investment earnings are based on the current yield of March 2023.

Budget assumptions for expenses include an estimated \$200K for the Board member election, an unknown that will be determined by the number of candidates and initiatives on the final ballot. As discussed earlier in this meeting, support for the Hospital's Behavioral Health program is \$200K, and for the Network's Clinical Behavioral Health program is \$100K. Advertising and Community Education were increased to cover the planned increased activity in the community health seminar/webinar events, reports, and website upgrade.

Net Operating Income before Depreciation and Bond-Related is budgeted to be \$36,005. Expected cash on hand at the end of 2024 is budgeted to be about \$4.5M

Dr. Klein and Mr. Brettner commented on the continued delays in the process of FEMA reimbursement to the District and the Hospital.

Dr. Su asked for a motion to approve the Marin Healthcare District 2024 Operating Budget. Dr. Alfrey moved to approve, and Ms. Sparkman seconded. **Vote by roll call: all ayes.**

8. Review and Approve District Corporate Investment Portfolio Policy as Recommended by the Finance & Audit Committee

Dr. Klein explained that the District's investments have been managed by the Hospital Board's Investment Committee, with holdings completely in fixed income. Recently, the MHD Finance & Audit Committee has requested that the District directly exercise fiduciary oversight and manage its own funds, and to allow for diversification that would include equity holdings. Working with the investment advisors Canterbury Consultants and the MHMC Investment Committee, the MHD Finance & Audit Committee has reviewed the revised Investment Policy and is recommending it to this Board for approval.

Mr. Brettner made several key points: Canterbury has been advisor for the past several years and MHMC will retain them, and the District will continue to use them, and may choose a different firm if desired. The Hospital will continue to pay the investment advisor's full fees that include the fees for services to the District. Allocation ranges of assets are indicated in Appendix B of the Policy: Equity (0%-30%), Fixed Income (0%-100%), Cash (0%-25%). Canterbury will attend the regular quarterly meetings of the Finance & Audit Committee.

Dr. Su asked for a motion to approve the revised Investment Portfolio Policy as presented. Dr. Alfrey so moved. Mr. Rienks seconded. **Vote by roll call: All ayes.**

9. Approve Q1 2023 Report of MHMC Performance Metrics and Core Services

Dr. Klein presented the report, noting that all Tier 1 and Tier 2 metrics are fully in compliance.

Schedule 1: HCAHPS – Ms. Seaver-Forsey noted accomplishments and areas for improvement. The data table showed metrics by month rather than by quarter (as in the past) better to highlight improvements, and she commented on those improvements and areas for



improvement. Dr. Klein commented on the measures and initiatives contributing to the improvements. Ms. Rienks addressed the format of the table, urging that data for sequential quarters continue to be presented for purpose of comparison, showing progress or lack of progress, rather than 3 individual months (one quarter) as presented here. Dr. Klein and Ms. Seaver-Forsey agreed to present as requested going forward.

Schedule 2: Finances – EBIDA continues strong, and all loan debt service coverages are met. Key service volumes are on track for significant increases.

Schedule 3: Clinical Quality Reporting Metrics – Dr. Klein prefaced the report by announcing that MHMC has just been awarded the CMS 5-Star Hospital Rating for the first time in our history, and that only 12% of hospitals in the nation have the CMS 5-Star Rating. The Rating is predicated on quality scores, including HCAHPS.

Ms. Seaver-Forsey presented the Quality Management Dashboard, commenting on data for mortality, readmission, length of stay, and for metrics on hospital acquired infections, sepsis and harm events, most of which are trending positively. Dr. Alfrey commented on length of stay increases and suggested there be improvements in case management and discharge processes.

The Core Measures Dashboard represent the complete number of metrics that were submitted to CMS for the 5-Star Rating.

Schedule 4: Community Benefit Summary – For Q1 2023 total cash and in-kind donations are nearly \$8M, and total community benefit and unpaid cost of Medicare are nearly \$44M.

Schedule 5: Nursing Turnover, Vacancies, Net Changes – Turnover, rate has shown considerable improvement, while vacancy rate and net change show some improvement.

Schedule 6: Ambulance Diversion – There were 4 occurrences in February, and none in each of January and March. Dr. Klein commended Dr. Alfrey and the Emergency team.

Dr. Su asked for public comment. Anya Kosakowska, RN, commented on nurse staffing and leadership.

Dr. Su asked for a motion to approve the Q1 2023 Report. Ms. Rienks so moved. Dr. Alfrey seconded. **Vote: All ayes.**

10. Magnet Recognition Program

At the previous Board meeting Dr. Klein explained that efforts at pursuing Nursing Magnet status were paused due to the pandemic and other factors, but that key concepts have been retained and the goal of attainment continues.

Ms. Seaver-Forsey reported (Tab # 7) an overview of the Magnet Designation Program, the benefits of Magnet status, and the business case for Magnet designation. There are about 600 Magnet hospitals internationally, about 10% of all hospitals in the nation, and several in the Bay Area. Designation is voluntary, not regulatory, and must be renewed every 4 years.

Benefits include generally higher quality and patient safety, patient outcomes, and cost advantages. Magnet designation is a core strategy to address nursing turnover, and has a global impact over the entire organization.

Dr. Klein expressed confidence that MHMC has the abilities, strengths and desires, and the infrastructure, to achieve Magnet status. Ms. Rienks added that this has been a stated goal ever since 2010 when the hospital became independent of Sutter.



Ms. Rienks and Ms. Sparkman strongly expressed support for pursuing Magnet status. Dr. Alfrey and Ms. Ramirez expressed concern that hospital culture, including patient satisfaction scores, need improving before the hospital is in a position to apply for Magnet designation. Ms. Seaver-Forsey responded that the process of preparing the application in itself can help improve those indicators during the lengthy process.

Dr. Su asked about cost. Dr. Klein noted that a major cost is added staff during the application process.

Dr. Su asked for public comment. Anya Kosakowska, RN, commented on nursing leadership.

11. Healthcare Advocacy and Emerging Challenges and Trends

Dr. Klein serves on several boards at the state and local level, including California Hospital Association and the Hospital Council of Northern & Central California, and participates in and addresses meetings and symposia. He will report regularly to this Board.

There is a new regulatory department of HCAI, the Office of Healthcare Affordability (OHCA), which focuses on slowing spending growth, promoting high value, and assessing market consolidation. Healthcare Affordability Board will set spending targets for providers and approve key benchmarks. Healthcare Affordability Advisory Committee comprises various clinical and industry experts to advise on factors contributing to cost growth and identify ways to save costs to consumers and providers. Focus is on evaluating market failures of consolidations, mergers and acquisitions, partnerships, divestitures, etc. Ultimately, all such action would require review and approval of this special council, with an effort to prevent increasing the cost of care. Timeline goal for instituting this process is 2026. This has caught the attention and support of statewide advocacy groups.

12. Committee Reports

A. Finance & Audit Committee

Dr. Alfrey reported that the committee met on July 25, reviewed the 2024 District Operating Budget and recommended it for approval by this Board, and that approval was given earlier in tonight's meeting.

The committee also reviewed the District Investment Portfolio Policy and recommended it for approval by this Board, and that approval was given earlier in tonight's meeting.

B. Lease & Building Committee

Ms. Rienks reported that the committee met on July 19. They reviewed the 7 RFPs that were submitted for the District logo rebranding. At their next meeting on July 23 the committee will choose 3, and then will present them to the full Board at the September 8 meeting.

The next Community Health Seminar will be on "Skin Cancer" on September 19 at 5:30 pm in the hospital's Conference Center, an in-person only event that will be recorded and posted. After the presentation will be private screenings for members of the public who wish an initial observation and who may be given a suggestion to seek medical advice.



The committee discussed the following seminar to be “Healthy Eating for the Holidays”. Ms. Ramirez suggested giving an interactive healthcare career day. The Board generally supported both suggestions.

13. Reports

A. District CEO's Report

Dr. Klein reported that there is much outpatient activity in imaging throughout the enterprise, mostly in x-ray and MRI.

Final construction work by McCarthy under warranty should be done in October, for sub drainage and exterior leak issues.

The master facility plan looks to the growth over the next 10 years. This will be the focus of the MHMC Board Retreat in October, and then brought to the District Board at their next annual retreat.

Healthy food vending options are being installed in the Creekside Café for access 24/7.

The hybrid OR construction will be complete in October.

Pharmacy compounding room construction is beginning with the goal of completion in let 2024.

The cardiology rooms in the Cedar Pavilion are undergoing cosmetic refresh.

Crisis de-escalation training is ongoing, with most hospital staff completing it. Next focus is on the outpatient clinics with training options for both in-person and video.

Dr. Klein, Dr. Alfrey and Ms. Ramirez recently attended the AHA Leadership Summit in Seattle and each participated in excellent meetings and sessions and heard outstanding speakers.

B. Hospital CEO's Report

Dr. Klein reported that he and the finance team are working hard to finalize the hospital's 2024 budget. Primary challenges are reimbursement rates with Medicare and other payors, and controlling expenses.

Diligent work in the Network continues on patient access, particularly in primary care.

Construction has begun on the 15,000 square foot multi-specialty clinic in Petaluma.

Plans are on hold for the Ambulatory Services Building, as master facility planning raises further issues and questions.

The helipad issue is gathering increasing support in the community and beyond.

Initial Diversity, Equity and Inclusion (DEI) summary report has been received, with core areas measured were organizational structure, knowledge, shared understanding, and outreach/partnership. We scored neutral or fair in all the areas, with the most opportunity being in organizational structure. Next stage is aligning leadership expectations.

Our cyber security technology is now including forming policies and strategies to address Artificial Intelligence. An Innovation Council will evaluate emerging technologies and AI.

The recent CAP lab survey passed.

Many new nursing grads have been hired this year and they are all doing great.

We are a “B” rating in the Leapfrog scores, with continued focus on attaining “A”.



C. Chair's and Board Members' Reports

Dr. Alfrey reported that at the AHA Summit he attended, he further understood how well MHMC is doing financially. He reported that the community health fair event that he and Ms. Ramirez and Ms. Kinney's team are putting together will be at the Boro Community Center in San Rafael on August 26, with stations on diabetes, hypertension, and healthy eating. He reported that e-bike accidents and serious injuries are greatly increasing.

Ms. Rienks reported on research and reports regarding Black Californians experiencing discrimination in health care.

Both Ms. Sparkman and Ms. Rienks commented on the difficulty of finding primary care in Marin. Dr. Su would like that discussed at the next Board meeting, and will ask Dr. Matt Willis to address the Board.

14. Agenda Suggestions for Future Meetings

Access to primary care in Marin.

Continued report on advocacy.

Patient demographics in Marin.

15. Adjournment of Regular Meeting

Dr. Su adjourned the meeting at 8:02 pm.