

**MINUTES OF A SPECIAL MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
August 28, 2002**

Present:

Mr. Faro, President*
Ms. Kane
Mr. MacNaughton
Dr. Shefren

Also present:

Mr. Gibson, CEO
Ms. Johnson (recorder)
Ms. Greenberg (counsel)

Excused:

None

**Participated by teleconference

CALL TO ORDER:

Vice Chair MacNaughton called the meeting to order at 4:45 PM in the Administration Board Room at Sequoia Hospital.

PUBLIC COMMENT:

There was no public comment.

CHILDREN'S HEALTH INITIATIVE:

(At this time Margaret Taylor, the County's Director of Health, and Toby Douglas joined meeting.) The Board had been provided with information outlining the County's request that the District commit \$1.35 million annually for five years to help support San Mateo County's Children's Health Initiative. Ms. Taylor stated that the initiative would:

- Insure that all children from age 6 to 18, who reside within the District, would have access to comprehensive health insurance coverage.
- Provide health insurance to approximately 3,900 uninsured children in the District.
- Link 2,450 uninsured children to Medi-Cal and Healthy Families.
- Cover 1,450 children through a new "Healthy Kids" program for children living in households with incomes under 400 percent of the federal poverty level (single parent with 3 children is \$67,155).
- Cost \$5.4 million countywide.
- Expand existing outreach in order to enroll more families in Medi-Cal, Healthy Families and Healthy Kids program.
- Develop an evaluation component to measure the initiative's effectiveness.

- Santa Clara and San Francisco counties have implemented such a plan for all low income children.
- The Board of Supervisors has agreed to match up to \$2.7 million to cover kids from 6-18 throughout the County.
- The District's \$1.35 million would cover kids within the District.

Board questions concerned:

- How would the ever-increasing costs of health insurance premiums be addressed in the coming years? Ms. Taylor replied that many of the uninsured children qualify for Medi-Cal and they project that a reserve can be built up in the first few years that will help offset rising insurance premiums.
- How would the plan's administration and management be handled? Ms. Taylor reported that the administration of the uninsured program would be moved out of the County and into the Health Plan of San Mateo. Mr. Gibson indicated that the Health Plan may be going out of business. Ms. Taylor responded that if that occurred, they would contract with the Santa Clara County network.
- Who would provide the care? Ms. Taylor answered that many of the children who would be covered by this new program are now being provided care through hospital emergency rooms. Under the new program, some of the costs for their care would be covered, and hospitals, clinics and physicians would receive payment based on the MediCal fee schedule.
- Referencing the lack of funding participation from Stanford and Kaiser, the Board noted that under the new program, both hospitals would receive payment for services that they had previously provided through charity care. Ms. Taylor indicated that Kaiser has been approached for funding and Stanford will be also.

The San Mateo County Children and Families First Commission has committed \$2.3 million annually for the next 10 years to insure that every child in the county from birth until their sixth birthday receives health insurance.

Director Shefren reminded the board he works for Stanford Hospital and that some of these children may be seen at one or more of Stanford's clinics. He stated that he receives no compensation or financial gain from the existing or proposed services. It was suggested that District counsel meet with Director Shefren and advise the Board if there are any conflict of interest issues.

After discussion of the merits of this program, Director Faro stated that the vision to make available access to healthcare to every child within the District fits the philosophy of this Board and he offered a motion to grant \$1.35 million for 5 years to help fund the Children's Health Initiative with the following terms and conditions:

1. The District remains a sovereign entity with the ability to collect taxes.
2. San Mateo County will match each dollar provided by the District.
3. The District's grant will be used only to fund health insurance for children living within the District.

4. The District's grant will be funded only from tax receipts collected in the current year.
5. The District's contribution to the program will not exceed more than 25% of the total cost of the program, or \$1.35 million, whichever is less.
6. The District will receive at least quarterly updates and progress reports.
7. The District's grant will be funded on a semi-annual basis after receipt of an invoice.
8. If the program is terminated or substantially modified at any time during the five-year period, the District may withdraw any remaining grant funds not yet paid.
9. San Mateo County and the Children's Health Initiative will hold the District, its directors, officers, staff, and representatives, harmless, and indemnify and defend them from any and all claims brought in connection with the District's participation in the program.

Director Kane seconded the motion which passed by roll call vote as follows:

Ayes: Director Faro, Director Kane, Director MacNaughton, Director Shefren

Noes: None

Abstain: None

Ms. Taylor thanked the Board and stated that she will provide the additional information they requested.

RE-ROOF PROJECT AT 2900 WHIPPLE MOB:

Mr. Gibson introduced John Friel who has been conducting the bid process for the re-roofing project at 2900 Whipple Avenue. Mr. Gibson indicated that this project could not move forward earlier due to litigation which has now been settled. Three bids for a poly-foam roof with a 15 year warranty and which will leave the existing roof in place were received. The bids submitted ranged from \$218,327 to \$123,570. Mr. Gibson and Mr. Friel recommended the lowest bid, which was presented by Best Roofing at \$123,570. Mr. Friel has run a Dunn and Bradstreet report on the company and checked their references, which are excellent. Mr. Gibson reported that Best Roofing did indicate that in their bid they overlooked the requirement to remove and replace the existing wood blocks under one of the noise barriers with stainless steel supports. (One of the barriers has steel supports and the other does not.) Best Roofing said they could do the work but asked to increase their bid by \$7,000, to which Mr. Gibson responded that they could not adjust their bid amount. Best Roofing then suggested wrapping the existing wood in sheets of metal and applying the foam over the metal wrap. Mr. Gibson and Ms. Greenberg discussed this situation at length and Ms. Greenberg determined that that Board could accept this contractor as the low bidder and accept the modification of work as inconsequential to the overall project, if the Board approved. It was pointed out that the second place bidder was \$64,000 more than Best Roofing's bid.

Director Shefren offered a motion to accept the bid presented by Best Roofing deeming the work modification to the bid as inconsequential. Director MacNaughton seconded the motion which passed by roll call vote as follows:

Ayes: Director Faro, Director MacNaughton, Director Shefren

Noes: Director Kane

Abstain: None

The next step in this process is to have a contract drawn and the contract and warranty reviewed by legal counsel. It is imperative this project is completed before the rainy season begins.

CLOSED SESSION:

At 6:20 PM, Director Shefren offered a motion to recess to a Closed Session for the purpose of discussing a personnel matter, pursuant to Government Code §54957.6. Director Kane seconded the motion which passed by roll call vote as follows:

Ayes: Director Faro, Director Kane, Director MacNaughton, Director Shefren

Noes: None

Abstain: None

RECONVENE:

At 6:45 PM, the meeting was reconvened in Open Session. Vice Chair MacNaughton announced that the Board reviewed the terms, provisions and performance of the management contract with Frank E. Gibson Associates and approved the agreement to extend the term until August 31, 2006.

Director Faro offered a motion to ratify the amendments to Mr. Gibson's contract as approved in the Closed Session. Counsel was requested to draft the language necessary to amend the contract. Director Kane seconded the motion which passed by roll call vote as follows:

Ayes: Director Faro, Director Kane, Director MacNaughton, Director Shefren

Noes: None

Abstain: None

CONSIDER RESCHEDULING OCTOBER MEETING:

Mr. Gibson reported that the ACHD Annual Meeting falls on the same date as the District's next regular meeting on October 2nd and conflicts with schedules of two board members. After discussion, it was the consensus of the Board to reschedule the October 2nd meeting as soon as practical. The next regular meeting of the Board of Directors is scheduled for December 4th.

ADJOURN:

At 7:00 PM, Vice Chair MacNaughton adjourned the meeting.

Respectfully submitted,

Gerald Shefren, M.D.

Secretary