

BOARD OF DIRECTORS  
SEQUOIA HEALTHCARE DISTRICT  
DECEMBER 4, 2002

**Present:**

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

**Also present:**

Mr. Gibson, CEO  
Ms. Greenberg, Counsel  
Ms. Johnson, Recorder

**Absent:**

None

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**CALL TO ORDER:**

President Faro called the meeting to order at 4:35 PM in the Sequoia Room at Sequoia Hospital. The President noted that although Mr. Hickey has joined the Board, his term of office does not take effect until Friday, December 6th at noon. Therefore, all comments by Mr. Hickey are not recorded as Board votes.

**PUBLIC COMMENT:**

Warren Gibson spoke to Brown Act and meeting times.  
El Don Corl spoke regarding Hospital seismic issues.  
Nick Szabo spoke to meeting times.  
David Rosner spoke to the proposed public communications program.

**CONSENT CALENDAR:**

Mr. Hickey asked to have item 3.a. (October 31 minutes) removed from the Consent Calendar because of a mistake. On a motion duly made and seconded, the remaining items on the Consent Calendar were unanimously approved.

**Discussion of Items Removed:**

Mr. Hickey said he recalled that at the October 31st meeting Mr. Frank Gibson had stated that physicians spend 80% of their time on paperwork and 20% on patient care, and asked if that should not be included in the minutes. Mr. Frank Gibson responded that there are many studies available regarding this issue, but he did not recall making such a statement at the October 31st meeting.

**Approval:**

**Director Shefren offered a motion to approve the minutes as presented. Director MacNaughton seconded the motion which unanimously passed.**

**OLD BUSINESS:**

**Consider Authorizing the CEO to enter into an agreement for the purchase of Software Licenses for Physician Electronic Medical Record System:**

**Mr. Frank E. Gibson asked that the Board consider authorizing him to enter into negotiations to purchase licenses for Alteer's electronic medical record system. This request originated from several members of the Hospital's medical staff as one method of recruiting and retaining physicians and meeting HIPPA regulations. In response to questions raised at the last meeting by Director Shefren, the CEO cited Mr. Hearn's letter (of Alteer) contained in the Board packet. Additionally, he noted that physicians would contract directly with Alteer and would be responsible for acquiring all their own hardware, installation, training and ongoing support; the physician would also contract with the District for use of the license and would agree to hold the District harmless. In return, the District would agree to purchase the license subject to a payment arrangement that would limit the District's risk if the physician failed to continue using the system or the vendor ceased operations.**

**Mr. Hickey said he is concerned about the cost of interfacing the Alteer system and would like to know what additional costs are involved. Mr. Gibson responded that there were no additional costs to the District and that Alteer would insure that their system would interface with the hospital's existing system.**

**Nick Szabo, a member of the public, stated that paper records are more secure than computer records and asked who will have access to the system and under what conditions. The CEO responded that the physician who would be contracting with Alteer would have access to the system and the physician would be responsible for the privacy of the records as it is now.**

**Warren Gibson, a member of the public, stated that a large number of competing software packages exist and asked if the Board had contacted other vendors. The CEO responded that Alteer was recommended by several members of Sequoia's medical staff. Warren Gibson stated that it looked to him like the Board was taking kickbacks from Alteer.**

**El Don Corl, a member of the public, stated that the District Board should not be in the software business; instead, they should save the money to rebuild the hospital.**

**Mr. Hickey said that the District should not be spending taxpayers money until the District knows what the voters want.**

**David Rosner, a member of the public, asked if CHW provides this type of funding for physicians at other CHW hospitals. The CEO answered that Sequoia is a community-**

owned hospital (not owned by CHW) and he doesn't know what CHW does for the hospitals they own.

Director MacNaughton asked when the contract would become effective and if there was a trial period. Mr. Hearn said that payments begin when the software goes live in the physicians practice. Physicians will make the decision when they want to utilize Alteer software and there is no trial period. He noted that no physician has ever returned the software. He added that the software is encrypted to protect the data but physicians are responsible for patient confidentiality just as they are for paper records.

Director Shefren stated that he thought this system would be a good tool in helping the hospital recruit and retain physicians and could actually improve the quality of patient care due to the ease of accessing patient info. These are worthwhile goals and appropriate for the District Board to consider; however, he expressed concern about which physicians would be targeted to participate in the software program and he did not think it was appropriate for the Board to be in the position of selecting a software program.

Mr. Hickey said that he is for eliminating paper work and would like to investigate where the excess overhead is coming from in a physician's practice and work to reduce government requirements.

It was the consensus of the Board to form a committee, chaired by Director Shefren, to study this matter further prior to any decision by the Board.

#### **Election Results:**

President Faro referenced the December 5, 2002 letter from Chief Elections Officer Warren Slocum certifying the record of votes in which Arthur Faro, Dr. Gerald Shefren and Jack Hickey were each elected to Director positions for a four year term (12/6/02-12/1/06). Director Kane offered a motion to accept the certified results of the election as presented. Director MacNaughton seconded the motion which unanimously passed.

Mr. Hickey thanked those who voted for him and read an acceptance speech (a copy is filed with the original of these minutes).

Director Shefren thanked those who voted for him stating that he was pleased and proud to be reelected. He noted that in all public forums he attended, he stated that if reelected he would continue to support the hospital and community programs which improve the health of the District residents and reduce or prevent disease.

Director Faro thanked District voters for reelecting him. He said that he agrees with Director Shefren in that as incumbents with track records, they were both reelected based on their past accomplishments and commitment to continue their work for the residents of the District.

#### **Children's Health Initiative:**

The CEO indicated that this item was approved by the Board at their August 28th meeting and

the contract now before the Board contains all of the conditions stipulated at that time. Mr. Hickey said he is opposed to spending tax payers money for this program. The money should be rebated back to the tax payers who could contribute it to the charities they choose. He stated that some of the recitals within the contract are incriminating and offered a motion to amend the contract to include a provision "that if the District rebated money back to the tax payers, the District would no longer be obligated under the terms of this contract." The motion died for a lack of a second.

Director Shefren said that the Board is committed to this program and believes it is a very important way in which to improve the health of district residents. Director Shefren offered a motion authorizing signing of the contract with the County of San Mateo. Director Kane seconded the motion which passed 4-0 (Mr. Hickey urged a No vote.) County Board of Supervisors Nevin and Gordon thanked the Board for its participation in this very worthwhile program. Redwood City and the Senior Affairs Commission "Community Wellness Center": Corine Centano, Director, City of Redwood City Parks & Recreation Department, asked the Board to consider entering into a partnership with the City and the Senior Affairs Commission by providing a \$20,000 grant toward a feasibility study to build a new Community Wellness Center. Mr. Leo Walsh and Mrs. Jean Harrison, Senior Affairs Commission Board Members, shared the scope of work the Commission currently provides and the acute need for more space and services. The overall cost of the study is projected at \$100,000 and the City of Redwood City has pledged \$80,000 toward the study. In response to Director Shefren's question as to how medical services are provided, Ms. Centano stated that medical advice is provided by Sequoia's Health & Wellness programs. The programs at the Seniors Center focus on promoting health care, not administering medical care. Director MacNaughton moved to approve a \$20,000 grant from the District for the feasibility study. Director Shefren offered a second to the motion which passed 4-0 (Mr. Hickey urged a No vote.) Director Shefren stated that he's in favor of the District as a catalyst in promoting such programs as offered through the Senior Center. He added, however, that the Board's approval of this grant should not be interpreted as a blanket approval to fund other programs going forward. Any future requests would be reviewed on their own merits and independent of this grant. Ms. Centano and Mr. Walsh thanked the Board for their support.

**Public Affairs Associates Proposal:**

Mr. Gibson stated that the proposal included in the Board packet by Public Affairs Associates includes every aspect of disseminating information to the community thereby allowing the directors to review all of the various services available and determine which would be most appropriate. He said that the Board was not being asked to, nor was it their intent to spend \$400,000 on a public relations campaign, but rather to look at the scope of services that could be provided.

Mr. Hickey stated that he was loathe to spend money on a PR campaign and if the District expanded its web site (or visited his web site) information about the District is available by computer. A member of the audience reminded Mr. Hickey that not everyone has access to a computer.

Mr. Rosner stated that it was not the intent of the Grand Jury that the District should engage in a campaign of this scope. Director Faro proposed that he form an ad hoc committee to review the scope of services needed, and report back to this Board.

**Election of Officers for 2003-2004:**

The Board considered a slate of officers for a two year term (January 2003-December 2004). Director Faro nominated Director Gerald Shefren as President and asked if there were nominations from the floor. There being none, Director Faro offered a motion to elect Director Shefren as President. The motion was seconded by Director MacNaughton and unanimously passed. Director Shefren nominated Malcolm MacNaughton to serve as Vice President. There were no other nominations from the floor and Director Shefren offered a motion to approve Director MacNaughton as Vice President. The motion unanimously passed. Director Faro nominated Kathleen Kane as Secretary/Treasurer and asked if there were nominations from the floor. There being none, he offered a motion to approve Director Kane as Secretary/Treasurer. Director MacNaughton seconded the motion which unanimously passed.

**ADJOURN:**

President Faro stated that he has served on this and many other boards over the years and there were often times when directors had differences of opinion. Although directors need to represent those voters who supported them, they also need to be productive in serving the larger issues facing the District. Often times, this means agreeing to disagree. There is no place at these meetings for verbal attacks or unfounded accusations from either the public or a director, and he hoped the directors could develop into a productive and respectful Board.

President Faro adjourned the meeting at 6:10 PM.

Respectfully submitted,

Gerald Shefren, M.D.  
Secretary