

**MINUTES OF MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
DECEMBER 1, 2004**

Present: Mr. Faro
Mr. Hickey
Ms. Kane, President
Mr. MacNaughton
Dr. Oblak

Also present: Ms. Scott, CEO
Ms. Greenberg, Counsel
Ms. Johnson, Recorder

Excused: None

CALL TO ORDER:

President Kane called the meeting to order at 4:30 PM in the Sequoia Room at Sequoia Hospital. The meeting began by the swearing in of Director Oblak, appointed on November 9, 2004 by the County's Board of Supervisors. During the swearing-in Director Hickey stated the District Board should consider having an election to fill the position. In reference to the election results on the agenda, Director Hickey stated that this should be an action item, allowing the Board to vote on the election results as it had in the past. Director Faro stated the vacancy on the Board has been widely publicized and the Board of Supervisors made Director Oblak's appointment. Ms. Greenberg confirmed proper legal procedures had been followed. Director Hickey asked counsel if the District Board could call for an election to fill this position. Ms. Greenberg answered that it could not, because there is no vacancy to fill.

Director Oblak took the Oath of Office. His term is for two years, expiring December 1, 2006.

PUBLIC COMMENT:

Director Faro congratulated Directors Kane and MacNaughton upon their re-election. He stated the results demonstrate District voters are in support of the District Board and its accomplishments.

Director Hickey congratulated the Peninsula Coalition.

CONSENT CALENDAR:

Director Hickey requested the removal of item 4.c (CEO's Report of November 27, 2004) from the Consent Calendar. Director Oblak moved to approve the remaining items on the Consent Calendar. Director MacNaughton seconded the motion, which unanimously passed.

Referring to the CEO's Report, Director Hickey said he did not see any reference regarding the draft appraisals on 2900 Whipple and 525 Veterans. Ms. Scott explained the appraisals were sent along in the same envelope as the board packet for the Board's information. Director Hickey asked if public agencies had been noticed and if so, did any of them respond. Ms. Scott replied that public agencies were duly noticed and none have expressed interest in either property.

Director Faro moved to approve the CEO's report of November 27, 2004. Director MacNaughton seconded the motion, which unanimously passed.

OLD BUSINESS:

6.a. Conflict of Interest Code; Consider And Approve Resolution 04-9 "Resolution Amending Conflict Of Interest Code" To Return Filing Officer To San Mateo County Clerk.

District counsel, Ms. Greenberg, explained that the County reversed its earlier mandate and decided the Form 700 filing functions should remain with the County. Resolution 04-9 will change the District's Conflict of Interest Policy back to the way it was prior to August 2004 when the District Board amended it to accommodate the County's earlier decision. A motion was duly made and seconded to waive reading of the resolution.

Director Faro offered a motion to approve Resolution 04-9. Director Hickey seconded the motion and President Kane called the question. Roll call vote:

AYES:	Directors Faro, Hickey, Kane, MacNaughton, Oblak
NOES:	None
ABSTAIN:	None
ABSENT:	None

NEW BUSINESS:

7.a. Recognize Directors Kane and MacNaughton as Newly Elected Directors for the Term 12/3/04 – 12/5/08

Ms. Scott reported final election results are available on the County's web site. The Election Officer's official certification of the final results will be mailed to the District office shortly.

7.b. Appointment of a Board Member to Work with Staff and Legal Counsel for the Completion of a Review Draft of the Board Policies and Procedures and Establishment of the Subsequent Review Process by the Full Board of Directors

President Kane reported that a member of the Board is to be appointed to work with Ms. Scott and Ms. Greenberg to complete the drafting of Board policies and procedures. Director Faro stated as President of the Board, Director Kane is the most logical representative. Director Hickey stated he would volunteer to work on this project. President Kane agreed to represent the Board and work with staff and counsel to draft policies and procedures.

President Kane noted the second part of this agenda item is to establish a review process for the policies and procedures draft. Once completed, the draft will be provided to all Directors for consideration. Ms. Greenberg suggested the Directors send their comments directly to her. She will compile all comments and provide them to the Directors. The Board may then determine whether a special study session is needed or if review at a regular meeting will suffice.

Director Faro offered a motion to approve the policy review process as outlined by Ms. Greenberg. Director Oblak seconded the motion, which was unanimously approved.

7.c. Discussion of Governor Schwarzenegger's Postponement of the 1:5 Nursing Ratio and the Implications for the District.

It is President Kane's opinion that the Governor's postponement of the new ratios was due to the current nursing shortage and that the 1:5 ratio would only exacerbate the shortage, perhaps causing more hospital closures. She does not see the postponement as having any implications to the District.

President Kane asked Ms. Linda Kresge, Chief Nurse Executive of Sequoia Hospital, to speak to the postponement.

Ms. Kresge stated she thought the Governor's postponement decision was well thought out. Care could be negatively impacted if patients needed to be admitted to the hospital from the Emergency Room and

all nurses were at their maximum ratio. The new patients would have to remain in the Emergency Room, leading to overcrowding, or be diverted to other facilities. The Governor was aware there are patient care issues needing further review before implementing the 1:5 ratio. Ms. Kresge added, however, that leaving the ratio at 1:6 does not mean that our supply of nurses is richer. Sequoia Hospital was successful in recruitment and retention efforts to reach the 1:6 ratio and this Board had the foresight to look at ways to promote and educate nurses to insure adequate care for District residents. Thanks to the District's support, Sequoia Hospital was able to partner with Cañada College and San Francisco State University School of Nursing to offer a Bachelor of Science degree in Nursing. The program is being cited as a successful approach to this workforce challenge.

Referring to the Nursing Program, Director Hickey said the District should decrease the funding and number of students enrolled and suggested Kaiser and Palo Alto Medical Foundation should be contacted to see if they would like to provide funding for students in the program. Director Hickey said Sequoia Hospital should be underwriting the program and not the District. Ms. Kresge stated that tuition assistance is available and 14 of the students have exercised that option and 18 did not.

Director MacNaughton stated the nursing program should be expanded instead of reduced. Director Faro said we need to be mindful that we are not training nurses to exclusively meet new ratios but to fill an imminent shortage and it would be shortsighted not to plan ahead and therefore the program should definitely be continued.

Ms. Kresge said it would be premature to involve other facilities at this time. The model for the nursing program took several years to develop and is unique in that it allows caregivers to work directly with faculty. Sequoia Hospital has excellent success at providing care and the faculty has experience with this baccalaureate degree and great success in educating caregivers. The students receive all of their clinical support at Sequoia Hospital so they can be mentored. This is a very intense educational program. The program is conducted within in a community college setting and the students either live, work or attend school within the District boundaries with the thought that upon completing the program, they will most likely seek employment in this area.

Director Hickey stated that Kaiser nor PAMF are benefited by the program, to which Ms. Kresge responded that once the nursing students graduate they are free to seek positions at other facilities. Director Hickey added that another means of attracting nurses to Sequoia Hospital would be to provide nurse housing using the medical office building located at 2900 Whipple.

Director Oblak suggested that other facilities be contacted to see if they have interest in participating in the program by providing tuition assistance.

Ms. Kresge said she appreciates the many positive comments to the effect this program is a model of success that can be carried out by other facilities. However, she would like the first group of students to complete the program (May 2006), allowing for an opportunity to evaluate the program model. It can then be determined if this is a good program and should be expanded or needs to be modified. She would rather provide a proven model, establish the evidence and document it as a success and let those involved in creating the program be given the opportunity to let this model play out as it has been designed.

Ms. JoAnn Kemist, Vice President of Development & Community Relations for the Hospital and President of Sequoia Hospital Foundation, reported to the Board that as a spokesperson for the Hospital's rebuilding project she has been speaking to a number of community groups within the District. Several aspects of her presentation discuss the nursing shortage and what the District has done to make the nursing program possible. There has been resounding support for this program from

residents throughout the District and they are embracing the value of what the District brings to their communities as a whole. The healthcare communities of Kaiser, the San Mateo Medical Center, Mills-Peninsula and Stanford are applauding the District for stepping forward to address the nursing shortage. To step back from this program now would create a public outcry from District residents.

President Kane thanked everyone for their comments.

Director Hickey stated the most recent Open Letter to the Community did not mention today's meeting.

Director MacNaughton asked when the appraisals of the District's MOBs would be on the agenda. President Kane said she would address the matter in a future meeting.

Director MacNaughton asked if Catholic Healthcare West (CHW) could be placed on a future agenda to present an updated status of the Hospital rebuilding project. The District has made a \$25 million commitment toward the rebuilding of Sequoia Hospital and CHW has verbally indicated they are supportive of rebuilding the hospital. President Kane noted the Board could consider the matter for a future meeting.

The meeting was adjourned at 5:15 PM. The next regular meeting of the Sequoia Healthcare District Board of Directors is scheduled for Wednesday, February 2, 2005 at 4:30 PM, Sequoia Room, Sequoia Hospital.

Respectfully Submitted,

John B. Oblak, Ph.D.
Secretary