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MINUTES JOINT CONFERENCE COMMITTEE MEETING FOR LAGUNA HONDA HOSPITAL AND REHABILITATION CENTER

July 27, 2010
4:00 p.m. Conference Room A300
375 Laguna Honda Boulevard
San Francisco, CA 94116-1411

1) **CALL TO ORDER**

Present: Commissioner Sonia E. Melara, M.S.W, Chair
Commissioner James M. Illig, Member
Commissioner Margine A. Sako, Member

Staff: Mivic Hirose, Tess Navarro, Mike Llewelyn, Regina Gomez, David Woods, Michelle Fouts, Colleen Riley, John Thomas, Larry Funk, Steven Thompson, Debbie Tam

2) **APPROVAL OF MINUTES OF THE MEETING OF March 23, 2010**

Commissioner Melara stated that her name was misspelled in the minutes and asked for it to be corrected.

Action Taken: The Committee approved the minutes of the Laguna Honda Hospital Joint Conference Committee from March 23, 2010 with the correction noted above.

3) **HOSPITAL REPORT**

Mivic Hirose, Executive Administrator gave the report.

The following are highlights of the discussion of this item:

Ms. Hirose introduced Michelle Fouts as the Interim LHH Pharmacy Director and stated that Dave Woods, previous LHH Pharmacy Director, is now the Interim DPH Pharmacy Director.

The final California Department of Public Health licensing and certification survey was completed during the week of May 11-May 19. The survey team found substantially high quality of care, quality of life and resident safety at LHH. The LHH plan of correction for items specified in the standard statement of deficiencies was submitted and accepted in June.

Requisitions for open positions continue to be held at the Mayor's Office until the budget is passed.

LHH Food and Nutrition Services have been working hard to make changes to food options based on ongoing patient satisfaction surveys. Changes include more specific ethnic food options and fresh fruit are now made available on an ongoing basis.

Commissioner's Comments/Follow-Up

The Commissioners congratulated the staff for their good work and performance during the survey process.

Commissioner Sako asked what measures are being taken at LHH regarding the Pertussis alert. Ms. Gomez stated that there have been no cases of Pertussis at LHH and that the Infection Control Committee is discussing whether to offer Tdap, which contains a vaccine for Pertussis, to all employees.

Commissioner Illig stated that the format of the Quarterly Report is excellent and suggested that it be posted online and made available to other Commissioners.

LHH REPLACEMENT PROJECT UPDATE

John Thomas, Project Manager, and Larry Funk, Associate Administrator, presented the update.

The following are highlights of the discussion of this item:

The South Residence is now under City ownership. In the Pavilion only the production kitchen remains to be approved by OSHPD. The North Residence is midway in the OSHPD process. Completion of pre-licensing milestones is expected by September.

There is a final change order to complete additional work on the cooling and laundry systems as well as the general "punch list."

Regarding the remodel project for the old building, the contractor made errors in their initial assessment of the amount of steel work needed; LHH is now working with OSHPD and licensing to get everything approved. The remodel project should be completed approximately a year from the move-in to the new buildings.

The Contractor submitted a document regarding the delay in completing the new buildings meant to assist to determine if the contractor was at fault or if extenuating circumstances held up various aspects of the rebuild project.

Two of the buildings have already been turned over to the City's insurance program; the North Residence will transfer by end of this month

The furniture and finishes are expected to be completed by the end of Summer.

Committee Comments/Follow-Up:

Commissioner Sako asked for an update on whether the project is within budget. Mr. Thomas stated that of the \$358M budgeted for the new rebuild, \$355.5M has been executed with an expected \$5 in additional costs needed to complete the project. Of the \$57M budget for the remodel, \$44M has been planned already but the planning team is factoring in future risks that may take the project beyond the budget. The Committee asked for a written update on the Rebuild project budget.

Commissioner Illig asked if the Committee or the Commission can do anything to expedite the work that OSPHD or Licensing must do to complete the process. Regina Gomez stated that LHH is working closely with both OSPD and Licensing to coordinate as efficiently as possible. State furloughs have delayed the rate that these two entities can process work; the lead inspector for OSHPD is going on vacation for four weeks which adds time to the process. LHH will work with the lead inspector's supervisor in an attempt to keep the flow of work moving but it the timing is not within their control. At present the earliest possible time the move would occur would be at the end of October, 2010.

Commissioner Illig asked who provides security on the construction site. Mr. Thomas stated that there is a private security force onsite twenty-four hours a day.

Commissioner Illig asked who is responsible for initiating change-orders. Mr. Thomas stated that change orders occur when there are unforeseen site conditions, code changes, or owner-initiated requests.

Public Comment:

Patrick Monette Shaw: Regarding mention of the Black-Tie Gala Dinner in today's Executive Administrator report, why has the amount of money raised at the dinner held a month ago not been released to date? The San Francisco AIDS Walk held on July 18 released an estimate it raised \$3 million within day of their fundraising event. Why can't the Gala do the same thing to restore donor confidence in both the LHH patient gift fund and in Laguna Honda Volunteers, Inc.? It was disappointing that Commission present Jim Illig ignored by advice to invite former supervisor Angela Alioto to the Ribbon-Cutting Ceremony, since it was her efforts — not Louise Renne's — that filed the tobacco lawsuit. As for the Replacement Project update, problems with the cooling systems, morgue, and now with the Site Improvement Phase III package are rarely presented for discussion during Citizen's General Obligation Bond Oversight Committee hearings, which they should discuss.

4) PUBLIC COMMENT

Statement of George Wooding, West of Twin Peaks Central Council (WTPCC): As the President of the West Of Twin Peaks Central Council, I have been asked to submit a resolution passed by our members on June 28

requesting a full audit of the Laguna Honda Patient Gift Fund. Among other remedies, the WTPCC membership requests a full audit of the Patient Gift Fund since 2004, restitution to the Patient Gift Fund of any improper diversion of funds into staff amenity sub-accounts, and restoration of various oversight protection to Laguna Honda Hospital policy #45-01, including quarterly reports to this body, the LHH-Joint Conference Committee given your fiduciary oversight responsibilities.

Statement of Patrick Monette-Shaw: In September 1993, LHH initially adopted a "Patient Gift Fund" policy (#45-01); its stated purpose indicated the restricted-use funds would be used solely to enhance the quality of life of patients, and would not be used by the City to operate this Hospital. No wonder some higher-paid staff loved Mr. Kanaley. Within weeks after becoming Executive Administrator, he removed the patient representative from the Gift Fund Management Committee, and eliminated quarterly expenditure statements to this Committee that had been expressly included in the 1993 initial policy. Nine months later, Mr. Kanaley ushered through creating sub-accounts within the gift fund to benefit staff, which was, and remains, an improper use of funds donors were never told would be diverted from patients to staff. This led to "Gift Fund Gate," robbing poor people of funds intended for them. This JCC should audit this patient fund and reinstate quarterly reports to increase oversight.

Derek Kerr M.D. stated that in 2004, the LHH Gift Fund mission statement stated that money was meant exclusively for the patients. Dr. Kerr stated that since 2005, \$300K of questionable expenditures have been spent and he is asking for an impartial City audit to be completed.

Maria Rivero, M.D., stated that seed money for the Gift Fund came from Volunteers Inc and that she has documents which show that over \$100k in interest earnings were deposited into "staff" accounts. In addition, she stated the documents she contains also show that the Gift Fund was used to pay for staff activities such as CPR classes.

Norm Burns stated that he used to be an activity director at LHH and used to wonder why there were not funds readily available for patient activities.

Commissioner Melara stated that an update on the LHH Gift Fund will be presented at the 9/28/10 LHH JCC Meeting.

5) **CLOSED SESSION**

A) Public Comments on All Matters Pertaining to the Closed Session

None.

B) Vote on Whether to Hold a Closed Session (San Francisco Administrative Code Section 67.11)

Action Taken: The Committee voted to hold a closed session.

The Committee went into closed session at 4:26p.m. Present in closed session were Commissioner Melara, Commissioner Illig, Commissioner Sako, Mivic Hirose, Tess Navarro, Mike Llewelyn, Regina Gomez, Dave Woods, Colleen Riley, John Thomas, Debbie Tam, Michelle Fouts.

C) Closed Session Pursuant to Evidence Code Sections 1156, 1156.1, 1157, 1157.5 and 1157.6; Health and Safety Code Section 1461; and California Constitution, Article I, Section 1

**FOR PROPOSED ACTION: MEDICAL STAFF REAPPOINTMENT AND
MEDICAL STAFF BYLAWS**

(Steven Thompson, M.D., Chief of Staff)

FOR ACTION: QUALITY ASSURANCE PERFORMANCE IMPROVEMENT PROGRAM

(Regina Gomez, Quality Management Director)

D) Reconvene in Open Session

The Committee reconvened in open session at 6:10p.m.

1. Possible Report on Action Taken in Closed Session (Government Code Section 54957.1(a)2 and San Francisco Administrative Code Section 67.12(b)(2).)
2. Vote to Elect Whether to Disclose Any or All Discussions Held in Closed Session. (San Francisco Administrative Code Section 67.12(a).)

Action Taken: The Committee voted not to disclose items discussed:

6) **ADJOURNMENT**

The meeting was adjourned at 6:12pm