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# **MARIN HEALTHCARE DISTRICT**

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Wednesday, June 9, 2005

John W. Severinghaus, M.D., Chair

## **REPORT OF MARIN HEALTHCARE DISTRICT BOARD TO GRAND JURY**

On behalf of the District Board, I thank the Marin County Grand Jury for its incisive and often helpful investigation of the status of Marin General Hospital, its management and operation by Sutter Health, and the status of the Marin Healthcare District Board in its oversight role at this crucial time when decisions must be made on meeting the California seismic laws for acute patient care facilities.

The District Board has now retained health professional advisors regarding legal (Coffey) and financial (Hicks) matters, a strategic planning firm (Lewin) to interview members of the Board, the public, hospital personnel, management, and community leaders to provide guidance on options available to the Board, and a Public Opinion polling organization (Bregman) to determine the District public's preferences with respect to management of MGH by Sutter or some alternative. The Board also retained architectural (Thistlethwaite) and engineering (E-structure) specialists in hospital design to evaluate Sutter's preliminary plans and estimates of costs of either retrofitting the older wings of MGH or constructing a new wing. Each of these advisory groups are assisting the District at this time, with a schedule that should bring final reports to the District on July 12 at a regular Board meeting. The Board expects to announce its first decisions on options to satisfy seismic deadlines at a regular District meeting on August 9, 2005.

Separately please find my personal comments on the Grand Jury letter of May 2, 2005. Each Board member was sent a draft of this response and given an opportunity to suggest changes.

### **Board responses:**

**FINDINGS F1, F3, F5:** The Board agrees with these findings.

**F6:** Board agrees except for the issues discussed above - healthcare quality control (determined by hospital administrative management), MGH/Sutter finances (which are being investigated by the Lewin Group) and new management selection (an ad-hoc subcommittee has been instructed to identify possible new management, but will not present a list to the District until a decision leading to a change of management is chosen and initiated.)

**RECOMMENDATIONS R1:** The Board agrees. These suggestions are now being implemented.

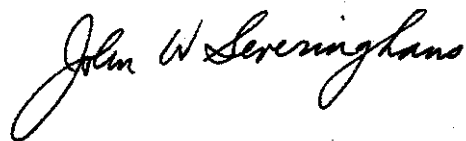
**R2: Bullet 1:** The Lewin Group were instructed to investigate as deeply as possible the finances of MGH and Sutter, and will report findings on July 12.

**Bullet 2:** Lease obligations have been violated by MGH/Sutter as discovered by CMS for Medicare, and legal action by the Board is under consideration. Lease opportunities have been suggested by Sutter. If other management is sought by the District, either contract or lease arrangements may be considered.

**Bullet 3:** Yes. Healthcare financial expert Gary Hicks will present to board and public a 2 hr discussion on financing construction on June 13.

**Bullet 4:** Quality of care is the responsibility of the hospital management and board. The District Board has often expressed concern when inadequate quality of care has been identified. The Board may select an option for future management based on improving the quality of care. These decisions will be an outcome of the Lewin group and the poll of public opinion regarding Sutter's management and the other District Board options.

**Bullet 5:** The Lewin report, the Bregman public poll and our other advisors will guide Board's choice on possible future management. Identification of potential alternative management is underway by an ad-hoc District Board committee.



John W. Severinghaus, M.D., Chair