



ALAMEDA COUNTY MEDICAL CENTER

Highland Campus • Fairmont Campus

John George Psychiatric Pavilion • Ambulatory Healthcare Services

BOARD OF TRUSTEE MEETING

TUESDAY, January 22, 2013

Central Administration Offices Located at Highland Hospital

1411 East 31st Street Oakland, CA 94602

Barbara L. McElroy, Clerk of the Board

(510) 437-8468

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:47 PM.

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Daniel Boggan, Jr., Michele Lawrence, Valerie D. Lewis, Esq., Ronald D. Nelson, Stanley M. Schiffman, J. Bennett Tate, and Barry Zorthian, MD.

Floyd Huen, MD, Kirk E. Miller, and Anthony Slimick were excused.

NON-VOTING MEMBER PRESENT:

Taft Bhuket, MD.

TAB #2 CEREMONIAL: Installation of 2013 Officers

Daniel Boggan, Jr., President, introduced the 2013 slate of officers:

Kirk E. Miller, President

Valerie D. Lewis, Esq., Vice-President

Ronald D. Nelson, Secretary

TAB #3 COMMITTEE REPORTS:

Governance Committee Report

Valerie D. Lewis, Esq., Committee Chair, reported on the January 9, 2013 Governance Committee meeting.

A potential trustee was being vetted; Trustees Lewis and Tate will meet with the individual. Trustee Lewis asked the Board to provide names of any potential candidates to the Governance Committee.

Trustees Miller and Tate met with Supervisor Carson and discussed revisions to the ACMC bylaws.

Michele Lawrence has been appointed by the BOS and will join the Board in January.

Trustee Huen will term out of office on April 30, 2013 and Trustee Slimick will be eligible for re-appointment of an additional 2 year term as of June 30, 2013.

The Committee discussed the experience and skill sets that will be lacking when members of the Board of Trustees transition will be Community Health, Mental Health, and Union relationships.

Trustee Lewis has met with Roger Witalis to discuss the Board Assessment and Board Member Self-Assessment. The Board Assessment has been revised this year by The Governance Institute. The previous two years of assessments will not be compared to this year's assessment. A new benchmark will be established with this year's assessment. The link to the assessment will be uploaded to BoardEffect in February.

The Governance Committee will make a recommendation to the Executive Committee to move forward with the CEO Evaluation process to be completed in the 3rd quarter of the calendar year. In addition, the committee will recommend that succession planning for senior management be implemented to identify recommendations and a process moving forward.

A framework for a Community Advisory Council was presented to the Committee.

A 2013 Work Plan for the Committee will be developed and presented at the February 13, 2013 Governance Committee meeting.

ACTION: A motion was made, seconded, and unanimously accepted the Governance Committee Meeting report as presented.

Strategic Planning Committee Report

Warren Lyons, Chief Strategy & Integration Officer, reported on the January 14, 2013 Strategic Planning Committee meeting.

The agenda focused on three areas:

- Health care reform issues at the county, state, and federal domains
- Community engagement and advocacy work plan for CY 2013
- Strategic Plan Implementation Update Dashboard

The committee reviewed the strategic plan implementation update dashboard.

Mr. Lyons explained that county, state, and federal health care reform activity is so dynamic that the update reports given to the Strategic Planning Committee and Board of Trustees meetings this month are already out of date. He noted that the California Health Benefit Exchange, now called Covered California and the Governor's proposed FY14 budget have not resolved the issue of possible Medi-cal expansion or a basic health plan coverage in the exchange or the proposed State recapture of county 1991 re-alignment funding.

ACMC's legislative advocacy work will be very focused on protecting Medicaid and safety net funding working with CAPH, CHA, and AHA.

Mr. Lyons announced that two new elected members have received important assignments. New Assembly Member Rob Bonta, formerly on the Alameda City Council and Alameda Hospital District Board, is on the Assembly Health Committee. Congress member Eric Swalwell who replaced Pete Stark was named an Assistant Whip and member of the Home Land Security and Science, Space and Technology committees.

ACTION: A motion was made, seconded, and unanimously accepted the Strategic Planning Committee Meeting report as presented.

Finance Committee Report

Daniel Boggan, Jr., Acting Committee Chair, reported on the January 15, 2013 Finance Committee meeting.

Financial and Operations Reporting - Update for the Month Ending November 30, 2012.

- November Total Loss (*excluding* DSRIP) was \$1.7M resulting in a negative variance of \$0.9M (102.6%) over budget and a negative variance of \$2.1M under prior year actual. Total Operating Revenue was under budget by \$36K (0.1%) and operating expenses were over budget by \$1.0M (2.0%).
- YTD Total Loss (*excluding* DSRIP) was \$3.4M resulting in a negative variance of \$3.4M over budget and a negative variance of \$8.2M under prior year actual. Total operating revenue was \$2.9M (1.3%) over budget and total operating expenses were \$3.4M (65.4%) over budget.
- November Total Income (*with* DSRIP) was \$31K with a favorable variance of \$388K over budget and a negative variance of \$1.4M under prior year actual.
- YTD Total Income (*with* DSRIP) was \$4.6M with a positive variance of \$2.1M over budget and \$9.4M under prior year actual.
- Ms Schales also reported that the December 2012 financials (just closed) reflect that the operating margin for the month is at breakeven. While this is an improvement, the operating margin is still under budget for the month by \$822K (86.5%). December labor expenses were over budget \$1.3M (4.1%) while non-labor expenses were under budget by \$749K (4.9%).

Jack Datz of MedAssets presented a status update on the Building Excellence Through Timely Expense Reduction (BETTER) Initiative.

- MedAssets is employing a partnering approach with ACMC. The overall direction of the initiative is provided by the Executive Steering Committee whose membership is the ACMC Executives.
 - The 2013 budgeted savings is \$10.6M; the targeted total project savings is \$19.6M, and the identified savings (through the work of the teams) to date is \$7.6M.
 - Mr. Datz reviewed the scorecard results for each of the initiatives.
 - The medical center added a fourteenth (14th) initiative to be called "Financial Performance Improvement (FPI)." This initiative will focus on identifying departments who are spending beyond budget, and on developing plans of action to get back on target.

A report was presented on the Recovery Audit Contractor (RAC) Audits.

- CMS has adopted several programs including Medicare Recovery Audits (or RAC audits) as the first real tangible effort to push hospitals, physicians and other healthcare providers down a path of revolutionizing the clinical practice of medicine. CMS has combined clinical pay for performance initiatives and value-based purchasing initiatives to insure providers are doing their part to facilitate a nationalized, evidence-based healthcare structure with fiscal responsibility.
- The goal of the recovery audit is to identify improper payments made on claims of health care services provided to Medicare beneficiaries which may be overpayments or underpayments.
- Actions and recommendation: there are several long and short term plans in various stages of implementation. 1) instituted an ACMC RAC Response Plan, which is an internal process with HIMS, Finance and Quality to assess and respond to RAC requests; 2) instituted RAC Committee – RAC audit loss prevention plan in development for long term strategy; 3) Immediate strategies in process to address vulnerabilities: initiate use of observation status, implement observation unit, and implement Care Management Plan; and 4) pursue advocacy with NAPH and CAPH to address possibility for CMS to institute safety net hospital adjustments to RAC criteria.

Several contracts were approved and are included in the Consent Agenda for approval by the full Board.

ACTION: A motion was made, seconded, and unanimously accepted the Finance Committee Meeting report as presented.

Human Resources Committee Report

Ronald D. Nelson, Committee Chair, reported on the January 16, 2013 Human Resources Committee meeting.

The Committee received a report on the medical center's recruitment strategies and successes on filling vacant positions and a review of some of the strategies.

The Committee was introduced to the recruitment team which is an impressive group of individuals and symbols of the medical center's success.

A report was presented on the organization's strategic health insurance plan and the results of the open enrollment period.

The medical center's Wellness program is in its second year. A report on 2012 accomplishments and 2013 work plan was presented.

ACTION: A motion was made, seconded, and unanimously accepted the Human Resources Committee Meeting report as presented.

Quality Professional Services Committee Report

Barry Zorthian, MD, Committee Chair, reported on the January 17, 2013 Quality Professional Services Committee meeting and the December 1, 2012 QPSC Retreat.

At the December 1, 2012 Retreat, Quality staff and QPS Committee members participated in a round table discussion with facilitator Dr. Jim Reinertsen who is experienced working with governing boards and staff focusing on patient safety.

At the January 17, 2013 Quality Professional Services Committee meeting the Committee discussed:

- The 2013 agenda / work plan
- Including patient stories at every meeting
- Looking at including patients on the QPS Committee
- Reviewing dashboards monthly
- Each month will focus on a specific theme
- Reducing Re-admissions as the major AIM
- Continuing Phase II of the Harm Reduction Team initiative
- Reviewing the Summit Series as an educational opportunity
- The Committee also reviewed / approved confidential Peer Review and Credentialing

ACTION: A motion was made, seconded, and unanimously accepted the Quality Professional Services Committee Meeting report as presented.

TAB #4 ACTION: Consent Agenda

Trustee Lewis requested agenda item TAB 4.C.1 – contract with Samuel Merritt College be pulled for discussion.

Trustee Lawrence requested agenda item TAB 4.F – Rooming-In Policy be pulled for discussion.

Hearing no other requests for items to be pulled from the Consent Agenda, Trustee Boggan called for a motion to approve the remainder of the Consent Agenda as presented.

A. Approval of the Minutes from the October 26 – 27, 2012 Board of Trustees Retreat.

B. Approval of the Minutes from the November 27, 2012 Board of Trustees Meeting.

C. Approval of Contracts and Authorization by the CEO to Execute the Following Operating Contracts:

Recommendation by the Finance Committee

2. Contract Renewal with **CareFusion** to provide thirteen (13) additional pharmaceutical inventory machines for the new Highland Care Pavilion, not to exceed **\$2,471,280**.

(Impact of this renewal is a net increase of: **\$91,272**).

3. Contract Amendment with **Alameda County Sheriff's Department** to provide law enforcement services at the Alameda County Medical Center's Highland Campus, not to exceed **\$4,921,580** (Impact of this renewal is a net increase of: **\$272,974**).

D. Approval of Contracts and Authorization for the CEO to Execute the Following Capital Contracts:

Recommendation by the Finance Committee

1. New contract with **Rossi Builders** to provide construction services for the Fairmont sprinkler system replacement for B-building, not to exceed **\$882,560**. (Impact of this contract: **\$882,560**).

2. Capital purchase from **GE Healthcare** of two workstations for mammography and full diagnostic mammography systems for Eastmont and Newark Wellness Clinics, not to exceed **\$648,872**. (Funded by DSRIP).

E. Revised Signature Authority Matrix

Recommendation by the Finance Committee

F. Approval of Medical Staff / Organizational Policies and Procedures

Recommendation by the Quality Professional Services Committee

- Universal Congenital Heart Disease Screening
- Enteral Feeding Tube Placement

ACTION: *A motion was made, seconded, and unanimously approved the Consent Agenda as presented without items 4.C.1 (Samuel Merritt College contract) and 4.F (Rooming-In Policy).*

MOTION: *Trustee Schiffman*

SECOND: *Trustee Nelson*

AYES: *Trustees Boggan, Lawrence, Lewis, Nelson, Schiffman, Tate, and Zorthian*

NAYS: *None*

ABSTAIN: *None*

ABSENT: *Trustees Huen, Miller, and Slimick*

Item TAB 4.C.1 (Samuel Merritt College contract) was discussed briefly to clarify the financial impact to the organization. Hearing no further discussion, Trustee Boggan called for the question.

C. Approval of Contracts and Authorization by the CEO to Execute the Following Operating Contracts:

Recommendation by the Finance Committee

1. Contract Amendment with **Samuel Merritt College** to provide professional services for inpatient, ambulatory and emergency care including 24x7 call coverage, not to exceed **\$604,010**.
(Estimated impact of this amendment is a net increase: **\$338,520**).

ACTION: *A motion was made, seconded, and unanimously approved item 4.C.1 - Samuel Merritt College contract as presented.*

MOTION: *Trustee Lewis*

SECOND: *Trustee Schiffman*

AYES: *Trustees Boggan, Lawrence, Lewis, Nelson, Schiffman, Tate, and Zorthian*

NAYS: *None*

ABSTAIN: *None*

ABSENT: *Trustees Huen, Miller, and Slimick*

Trustee Lawrence requested clarification on who receives the policy for Rooming-In. It was clarified that the policies presented for approval are for staff. Discussion followed with regards to the process by which policies and procedures are approved and brought forward to the Board of approval. The process is being evaluated to determine a more efficient approach to move policies for approval through the system.

Hearing no further discussion, Trustee Boggan called for the question.

F. Approval of Medical Staff / Organizational Policies and Procedures
Recommendation by the Quality Professional Services Committee

- Rooming-In Policy

ACTION: *A motion was made, seconded, and unanimously approved item 4.F – Rooming-In Policy as presented.*

MOTION: *Trustee Schiffman*
SECOND: *Trustee Lawrence*

AYES: *Trustees Boggan, Lawrence, Lewis, Nelson, Schiffman, Tate, and Zorthian*

NAYS: *None*

ABSTAIN: *None*

ABSENT: *Trustees Huen, Miller, and Slimick*

TAB #5 UDPATE: Chief Executive Officer Update

Wright Lassiter, III, Chief Executive Officer, presented highlights from his written report on the following:

Strategic Goal #5 – Network - This strategic goal is principally characterized by efforts to build a network health system that offers services throughout Alameda County by seeking selective partnerships to strengthen ACMC's financial sustainability, improve geographic distribution of services, and to enhance our competitive position in a reformed health system.

Potential Acquisition of San Leandro Hospital (SLH) – Mr. Lassiter reported that negotiations with Sutter Health have stalled regarding the acquisition of SLH. Mr. Lassiter referenced communication between ACMC and the Mayor of San Leandro, and the leadership at Eden Township Healthcare District included in the agenda packet.

Unannounced Joint Commission Survey – On Thursday, January 17th, a Joint Commission surveyor arrived at the Highland campus and indicated that she was on-site for an unannounced “for-cause” survey. It was determined that the survey was a result of safety concerns regarding patients/visitors in the emergency department (ED) who are determined to have weapons in their possession. The surveyor spent two days

between the Highland and Fairmont campuses. Most of her time was spent interviewing ED staff, discussing ACMC's response to these kinds of events with our security and the Sheriff's staff, and reviewing policies and procedures. As is customary, the surveyor will follow patients through the entire continuum of care and ED patients were followed to the intensive care unit, the operating room, and to the Fairmont hospital inpatient rehabilitation unit. The surveyor conducted an exit interview on Friday afternoon, and provided very positive feedback regarding our responses and planning for incidents where patients/visitors are found to be in possession of weapons. Also customary in regulatory reviews, the surveyor provided three recommendations for improvement that our accreditation, risk, and safety team will share with unit managers in the ICU and rehabilitation unit. Lastly, she shared feedback on a brand new TJC standard regarding communication with patients that will cause a minor change in our electronic health record. Our new system accommodates a data field for recording the patient's primary language. However, the new TJC standards now requires collecting a new field which records the patient's preferred language of communication in addition to their primary language. We expect the official report within 45-60 days of the visit, and will share any additional information with the Board at that time.

Strategic Goal #4 – Experience - Significant effort continues to improve the patient experience across all service areas within ACMC. Mr. Lassiter provided a high-level overview of the 3 targeted goals (threshold – interim – final) included in the agenda packet.

SF Business Times Corporate Director Award – Mr. Lassiter announced that Trustee Boggan has been recognized by the San Francisco Business Times as an Outstanding Corporate Director and will be honored at a recognition dinner on Thursday, February 21, 2013 in San Francisco. Please RSVP to Barbara McElroy at your earliest convenience so that we can plan appropriately.

Special Board of Trustees Meeting, February, 26, 2013 – Incoming Board President Miller and Mr. Lassiter have scheduled a special Board meeting to discuss the Board's agenda for 2013. The location and meeting logistics are still in the works. A memo describing the purpose of the meeting and request for input has been distributed to all Board members (and is also included in the agenda packet). The Clerk of the Board will finalize polling results and provide to the President and CEO.

TAB #6 UPDATE: ATR Project

Mr. Lassiter provided an overview of the progress of the ATR project. The project is moving along quickly, on target for budget and schedule. A tentative County dedication ceremony has been set for April 18, 2013 for the Highland Care Pavilion; more information will follow as the date is confirmed.

TAB #7 UPDATE: Physician Organization

Kathleen Clanon, MD, Interim Chief Medical Officer, provided an overview of the board memo in the agenda packet. A framework for the new organization will be presented to the Board in March. The timeline for the launch of the organization; incorporated and with key leadership in place will be the end of the calendar year.

The Board had no questions and thanked Dr. Clanon for the report.

TAB #8 REPORT: Nursing Division Summary

Kimberly C. Horton, RN, Chief Nurse Executive, presented an overview of the Nursing Division highlighting the following areas:

Emerging Trends and Potential Board Considerations:

- Increased use of Advanced Practice Nurses in Primary Care (Protocol review approval, expansion opportunities and cost implications)
- California Board of Registered Nursing (nursing supply and increased license renewal and maintenance requirements)
- Impact of Economy on Nursing Supply and Demand (retirements and new graduate nurse recruitment strategies)

Future Goals:

- **Magnet Designation** - The Magnet Recognition Program® recognizes healthcare organizations for quality patient care, nursing excellence and innovations in professional nursing practice. Consumers rely on Magnet designation as the ultimate credential for high quality nursing. Developed by the American Nurses Credentialing Center (ANCC), Magnet is the leading source of successful nursing practices and strategies worldwide.
- **Nursing Institute for Professional Excellence** – provides grants to move forward with goals.
- **Base Site for RN to BSN Program** – work with 11 universities to become base station to provide avenue for nurses to earn their BSN by taking classes on campus at APMC.

TAB #9 REPORT: Chief of Staff Report

Taft Bhuket, MD, Chief of Staff, APMC Medical Staff, presented the following updates focused on People – Process - Opportunities:

People:

- There has been a leadership change in the Orthopedics department; Dr. Shah has stepped down and Dr. Michael Krosin is the new Chief of Orthopedics.
- The Department of Medicine has hired a new Research Director, Dr. Irene Yen, who holds a PhD in Epidemiology and holds a co-appointment at UCSF.
- Two doctors from APMC, Greg Victorino, MD, Chief of Trauma Surgery, and Bob Savio, MD, Chief of Pediatrics, have been recently selected to join a very prestigious 2 year California Healthcare Foundation Fellowship. Thirty-two physicians are selected every 2 years for the Fellowship which will provide the doctors with the skill set necessary to become future medical leaders. With these two appointments, APMC has now been represented by twelve physicians, the 2nd highest representation in the state.

Process:

- MEC is now utilizing BoardEffect to manage meeting content.
- The medical staff is working with the IT Department to develop a web accessible call schedule. Currently, the only way to determine on-call staff is to call the hospital operators, who look up the information manually. The web based model will assist with communication.
- Hands on training for Soarian (EHR system) is in process for the launch on February 12, 2013.
- Thanks to Dr. Clanon for reviving the Council of Chairs

Opportunities:

- Efforts to re-accreditation of the Continuing Medical Education program at APMC are underway with the hopes that within 3-4 months we will again be able to offer CME to our staff.
- Graduate Medical Education (GME) residency program will be surveyed in May by ACGME, the accrediting body for this program. Confident that the program will pass the survey.
- Kim Horton, RN, Chief Nurse Executive, presented a report on the bonds between nurses and doctors.
- There has been some security issues in the public buildings, discussions are taking place with the executive team. In approximately two weeks, a new security plan will be rolled out.
- MEC & QPSC are discussing the best way to address the policy & procedures process.

TAB #10 INFORMATION: BoardEffect Education

Barbara L. McElroy, Clerk of the Board, provided an update on the revised folder hierarchy in the Resource Library in BoardEffect.

Healthcare Acronyms from The Governance Institute have been ordered and will be

distributed at the next Board meeting.

TAB #11 INFORMATION: Health Policy and Advocacy Update

Warren Lyons, Chief Strategy & Integration Officer, provided an overview of the information contained in the agenda packet.

TAB #12 INFORMATION: APMC Media Report

Mr. Lyons provided an overview of the Media Report provided in the agenda packet.

TAB #13 INFORMATION: Follow-up Issues

Mr. Lassiter provided an update to the issues being tracked.

CLOSED – Revisions to the BOT Policies and Procedures will be presented to the Governance Committee on February 13, 2013.

CLOSED - Board requested staff to develop a communication strategy for advocacy and plug the Trustees in where needed. A communication strategy was presented to the Strategic Planning Committee at the January 14, 2013 meeting.

CLOSED - At this time neither business partner is prepared to provide the partnership as anticipated. Staff may evaluate the opportunity at a later date.

CLOSED - Dr. Shortell will provide Mr. Lassiter with opportunities as they arise.

TAB #14 REPORT: Legal Counsel's Report on Action Taken in Closed Session

Douglas B. Habig, General Counsel, reported that the Board conferred with counsel on matters related to substantial litigation and also met with the labor negotiator. The Board approved the BTC and PACE agreements. No action was taken regarding matters related to substantial litigation.

Public Comments: None.

Board of Trustees Remarks:

- Trustees Schiffman, Tate, Weinreb, and Lewis gave remarks thanking Trustee Boggan for his service.
- Trustee Schiffman acknowledged that Trustee Boggan was at the top of his game
- Trustee Tate acknowledged Trustee Boggan's leadership, integrity and sense of humor
- Trustee Lewis thanked Trustee Boggan for being a wonderful mentor.
- Trustee Boggan shared a story of when he met Trustee Lewis in Flint Michigan; she was a high school student participating in Government Day. Trustee Boggan was the City Manager and Trustee Lewis was assigned to shadow the City Manager for the day. Showing disappointment that she hadn't been assigned to the Mayor, thinking the Mayor was the person in charge; Trustee Boggan informed her that the City Manager ran the operation.

Trustee Boggan reminded the Board of the APMC Annual Meeting on January 29, 2013 @ 6:00 pm at the Scottish Rite in Oakland.

ADJOURNMENT: THE MEETING WAS ADJOURNED AT 7:15 PM.

Respectfully Submitted by:

Barbara L. McElroy,
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:



Douglas Habig, Esq.
General Counsel