



BOARD OF TRUSTEES MEETING

THURSDAY, March 9, 2017

5:00PM – 7:00PM

Conference Center at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Vanessa Nushaiwat, Interim Clerk of the Board
(510) 535-7515

LOCATION:

Open Session: HCP Conference Center

MEMBERS

Michele Lawrence, *President*
Joe DeVries, *Vice President*
Maria G. Hernandez, *Secretary*
Kinkini Banerjee
Gary Charland
Tracy Jensen
Anthony Thompson
Barry Zorthian, MD

MINUTES

THE MEETING WAS CALLED TO ORDER AT 5:08 p.m.

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Michele Lawrence, Joe DeVries, Maria G. Hernandez, Gary Charland, Tracy Jensen, Anthony Thompson, Barry Zorthian

ABSENT : Kinkini Banerjee (excused)

A quorum was established.

OPEN SESSION / ROLL CALL

OPEN SESSION PUBLIC COMMENT (1st opportunity) – None

A. BOARD PRESIDENT REPORT *Michele Lawrence, President*

Trustee Lawrence announced that planning for the April 2017 Retreat is underway and items for the agenda are being considered. One proposed item is a discussion of an overall Board planning calendar so all committees can align their work with the full Board schedule. This issues/agenda calendar would include a discussion of the planning and evaluation cycle for the

organization to align the goal setting process, development of the budget, and evaluations of the CEO. Trustee Lawrence encouraged submission of additional ideas for the agenda,.

Trustee Lawrence also announced that the Board is still recruiting for the vacancy on the Board. All information regarding the Board vacancy has been published. In addition, Supervisor Haggerty has been contacted to suggest candidates since the vacancy is in his district.

B. CEO REPORT

Delvecchio Finley, Chief Executive Officer

Mr. Finley was not present but the General Counsel and Chief Medical Officer reported on his behalf:

[General Counsel] A decision was made by the California Supreme Court on Friday in a significant case - *City of San Jose v. Superior Court*. The issue in the case concerned the use of a private phone for business communication related to the business of the organization. The lower court ruling had determined that the agency or organization was not required to collect such communications in response to a Public Records Act request. The Supreme Court reversed and held that public business is public business no matter where it's conducted, if it is conducted on a communication device issued by the organization, or if it is conducted on a personal device. If a trustee or employee were to conduct business on their personal email account that's related to the business of the organization and we received a PRA request for any communications, we would be required to obtain these items from the individual's personal device /account. This applies to any records of the organization and any employee. Guidance will be established to help implement this decision within the organization.

[Chief Medical Officer] The CEO regrets missing today's meeting but he is in Chicago at the American Hospital Association meeting with the Federal Executive for Metropolitan Health Systems discussing healthcare plans, coverage, designs, and policy updates that have potential impact to our organization and the communities we serve.

The House of Representatives began discussion on the Affordable Care Act replacement bill. The proposed plan will draw back expansion of Medicaid and will reduce funding for the program. The bill does include some subsidies to help people afford coverage but these advance tax breaks are significantly less than the subsidies under the Affordable Care Act. Both of the House committees with jurisdiction - Energy and Commerce and Ways and Means - have advance the proposed American Health Care Act out of committee. The congressional leaders have expressed the goal of getting the bill approved by the April recess. The bill faces oppositions from the Democrats and conservative Republicans in the House and the Senate. It's not entirely clear that it will be approved as is.

The CEO is happy to report that the Electronic Health Record RFP was released on schedule and the responses are expected by April 3, 2017.

C. ACTION: CONSENT AGENDA

Action: A motion was made and seconded to approve the items below. The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Hernandez, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

A. Approval of the Minutes of the February 23, 2017, Board of Trustees Meeting.

B. Approval of Contracts and Authorization for the CEO Or His Delegate to Execute the Following Operating Contracts:

The Finance Committee recommends approval of the following contracts:

- a)
- b) Second Amendment with East Bay Hematology & Oncology Consultants, Inc. to provide professional Hematology & Oncology Services. The term of the proposed extension is April 20, 2017 through April 19, 2018. The estimated impact of the proposed extension is \$970,524.00. Inclusive of this contract and prior contractual commitments (April 20, 2015 - April 19, 2017), the overall obligation to this vendor is estimated at \$2,688,191.00.
Ghassan Jamaledine, MD, Chief Medical Officer
- c) Thirteen (13) Agreements with GE Healthcare to purchase necessary medical equipment and maintenance and support services for purchased equipment. The term of the proposed agreements is April 2, 2017 through September 30, 2018. The estimated impact of the proposed purchase and service agreements is \$5,023,944.17. Inclusive of these contracts and prior contractual commitments (July 1, 2016 - November 30, 2021), the overall obligation to this vendor is estimated at \$5,505,106.00.
David Cox, Chief Financial Officer
- d) Master Service Agreement (“MSA 1”) extension and Statement of Work 1 (“SOW 1”) for Freed Associates to provide consulting and management services to the Ambulatory Access Implementation project. The term of the proposed MSA 1 extension is July 1, 2017 through June 20, 2019. The term of the proposed SOW 1, pursuant to MSA 1, is March 27, 2017 through September 30, 2017. The estimated impact of SOW 1 is \$600,000.00 Inclusive of this statement of work and prior contractual commitments the overall obligation (July 1, 2016 – June 30, 2017) to this vendor is estimated at \$3,147,000.00.
David Cox, Chief Financial Officer
- e) Statement of Work 2 (“SOW 2”) is for Freed Associates to continue to provide an Interim Director of Patient Financial Services. The term of the proposed SOW 2 is April 1, 2017 through June 30, 2017. Estimated impact of the proposed SOW 2 is \$175,000.00. Inclusive of this statement of work and prior contractual commitments the overall obligation (July 1, 2016 – June 30, 2017) to this vendor is estimated at \$3,322,000.00.
David Cox, Chief Financial Officer

- f) Statement of Work 3 (“SOW 3”) with Freed Associates is to provide consulting and management support to AHS’ Revenue Integrity department. The term of the proposed SOW 3 is April 1, 2017 through June 30, 2017. Estimated impact of the proposed SOW 3 is \$240,000.00. Inclusive of this statement of work and prior contractual commitments the overall obligation (July 1, 2017 – June 30, 2017) to this vendor is estimated at \$3,562,000.00.
David Cox, Chief Financial Officer
- g) Statement of Work 4 (“SOW 4”) with Freed Associates is to provide consulting services for the implementation of the Care Management Redesign, and support and planning for Encounter Billing Error Worklist (“EBEW”) improvements. The term of the proposed SOW 4 is March 24, 2017 through April 28, 2017. Estimated impact of the proposed SOW 4 is \$50,000.00. Inclusive of this statement of work and prior contractual commitments the overall obligation (July 1, 2016 – June 30, 2017) to this vendor is estimated at \$3,612,000.00.
David Cox, Chief Financial Officer
- h) Statement of Work 5 (“SOW 5”) with Freed Associates to provide consulting and management support to the ongoing revenue cycle improvement efforts for the facility patient access department. The term of the proposed SOW 5 is April 1, 2017 through June 30, 2017. Estimated impact of the proposed SOW 5 is \$130,000.00. Inclusive of this statement of work and prior contractual commitments (July 1, 2016 – June 30, 2017) the overall obligation to this vendor is estimated at \$3,742,000.00.
David Cox, Chief Financial Officer
- i) Statement of Work 6 (“SOW 6”) with Freed Associates to provide consultant support to the Provider Information Management System Project. The term of the proposed SOW 6 is March 24, 2017 through March 31, 2017. Estimated impact of the proposed SOW 6 is \$10,000.00. Inclusive of this statement of work and prior contractual commitments (July 1, 2016 – June 30, 2017) the overall obligation to this vendor is estimated at \$3,752,000.00.
David Cox, Chief Financial Officer
- j) Renewal/consolidation of lease with Eastmont Town Center for Eastmont Wellness Center. The term of the proposed lease is 11 years (through 2028). Estimated impact of the proposed lease is \$12,682,825.59.
Luis Fonseca, Chief Operating Officer

Trustee Zorthian excused herself from the meeting and did not participate in discussion of or action on the next item.

Action: A motion was made and seconded to approve the item below. The motion passed.
AYES: Trustees Banerjee, Charland, Devries, Hernandez, Jensen, Lawrence, and Thompson.
NAYS: None
Abstention: None

Third Amendment with OakCare Medical Group, Inc. to provide professional medical services and administrative support. The term of the proposed extension is April 1, 2017 through June 30, 2017. The estimated impact of the proposed extension is \$8,206,506.00. Inclusive of this contract and prior contractual commitments (July 1, 2014 - March 31, 2017), the overall obligation to this vendor is estimated at \$105,324,973.00.
Ghassan Jamaledine, MD, Chief Medical Officer

Trustee Zorthian returned to the meeting.

D. ACTION ITEMS

A. Approve Plan for Primary Care Expansion/Alameda Service Area
*Ishwari Venkataraman, Vice President,
Strategic Planning & Business Development*

A business plan for establishing a primary care medical office to serve patients in the City of Alameda was presented. Ms. Venkataraman reviewed the business case, needs assessment, operational plan, and financials for establishing the medical office. Ms. Venkataraman explained that there is a demonstrated and growing need for primary care in the area and that the this medical office will provide Alameda access to a much needed primary care network. In addition, establishing this office is consistent with the organization's move towards population health management.

Ms. Venkataraman advised that there is an immediate need for seven primary care physicians and will grow within the next 5 years to 10 physicians. The proposed plan will begin with the hire of two physicians under a three-year development plan. The office will occupy existing space at Marina Village – site of a former primary care clinic – with two physicians including staff and begin its operations July – August 2017. The proposed plan is to integrate the population health guidelines to develop a comprehensive approach to care including addressing social determinants of health.

The Board discussed the proposal, focusing on the projected financials for the project. Specifically, the Board questioned whether the financials were overly optimistic, projecting profitability for the venture within the first three years. Ms. Venkataraman responded to these concerns, noting that the financial model was conservative, given the needs and anticipated workflow.

Action: A motion was made and seconded to approve this item. The motion passed.
AYES: Trustees Banerjee, Charland, Devries, Hernandez, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

E. REPORT

A. Update on EHR Selection Process

David Gravender, CIO

James Kalyvas, Foley & Lardner

Mr. Gravender introduced Mr. Kalyvas who is serving as outside counsel for the EHR selection project. Mr. Kalyvas explained the overall approach to the selection process and that the structure of the RFP was designed to have in place at the outset a structure that connected the pricing, statements of work, and service level agreements. All elements of the RFP structure are integrated with a detailed pricing model. Our IT consultant Leidos and AHS staff and physicians have worked together identifying the essential and desired requirements of the design of the future system. This approach has included the development of detailed workflow scripts that each of the respondents must capture in the demonstration of their product. The approach is to help identify and distinguish between the vendors. The goal is to have the best vendor that can respond to AHS's needs as far as system functionality, pricing, sustainability, staffing, and reliable data.

Mr. Kalyvas explained that an EHR Working Group, comprised of executive leaders, has been established to provide executive oversight of the project. oversee the next steps of the process will take the vendors system and implement it to the added patients and the vendor's workflow. The group has made a decision to have an enterprise bill by using the workflow of the vendors and part of the selection. Next is to implement it without trying to improve the product.

The next step is to have the vendors questions answered and all responses are due in early April. There will be a review of the RFP responses. Demonstrations will be scheduled for vendors to come out and display scripted demonstrations for the staff. This will be scheduled to take place in April and May. The demonstration sessions will be scored against common metrics. In June, there will be a final decision made regarding the vendors. Contract negotiations with the selected vendor will continue through September/October and approval by the Board is expected to be completed by October.

F. COMMITTEE REPORTS

A. QPSC Report

Barry Zorthian, MD, Committee Chair

Trustee Zorthian reported on the February 23, 2017 committee meeting. The credentialing reports from each of the medical staffs were discussed and approved.

No polices were submitted for approval. The Committee engaged in a an extensive discussion of a draft plan for presenting quality matters at QPSC throughout the year and how best to bring quality issues to the full Board.

G. INFORMATION REPORTS (Written)

A. AHS Community Engagement Report

Terry Lightfoot, Director, Public Affairs and Community Engagement

B. Legislative Affairs/Local Government Strategy

Terry Lightfoot, Director, Public Affairs and Community Engagement

(Board President Announcement as to Purpose of Closed Session)

CLOSED SESSION

A. Pending Litigation

[Government Code Section 54957.9(a)] (1 matter)

M.D. Moye, General Counsel

Alameda Health System; The County of Contra Costa; The Regents of the University of California; and The County of San Mateo v. Sylvia Mathews Burwell, in her official capacity as Secretary of the United States Department of Health and Human Services; and the Centers for Medicare and Medicaid Services

[United States District Court- Northern District of California, Case No. 4:16-CV-05903-PJH]

B. Conference with Labor Negotiator – BTC Local 56 and PACE

[Government Code Section 54957.6] (2 matters)

Jeanette Loudon Corbett, Chief Human Resources Officer

M.D. Moye, General Counsel

OPEN SESSION

H. REPORT: Report on Action Taken in Closed Session

The Board met in closed session and took no action.

OPEN SESSION PUBLIC COMMENT (2nd opportunity) - NONE

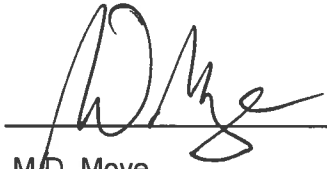
Trustee Comments - NONE

Adjournment – 5:59pm

Respectfully submitted by:

Vanessa Nushaiwat
Interim, Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 
M.D. Moye
General Counsel