



ALAMEDA COUNTY MEDICAL CENTER

Highland Campus • Fairmont Campus

John George Psychiatric Pavilion • Ambulatory Healthcare Services

BOARD OF TRUSTEE MEETING TUESDAY, September 25, 2012

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 5:24 PM.

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Daniel Boggan, Jr., Kirk E. Miller, Ronald D. Nelson, Floyd Huen, MD, Valerie D. Lewis, Esq., Anthony Slimick, J. Bennett Tate, and Barry Zorthian, MD.

Stanley M. Schiffman and Ilene Weinreb were excused.

NON-VOTING MEMBER PRESENT:

Lyn Berry, MD.

TAB #2 COMMITTEE REPORT:

Executive Committee Report

Daniel Boggan, Jr., Committee Chair, reported on the September 6, 2012 Executive Committee meeting. The meeting was called so that management could apprise the Committee of the status of the St. Rose Hospital affiliation discussion. Management reviewed with the Committee the initial proposal that was offered to St. Rose, and requested guidance from the Board to respond to a specific request from the St. Rose leadership regarding cash flow support if St. Rose became affiliated with ACMC. During the meeting, the Committee provided the CEO with the authority to offer St. Rose Hospital a loan guarantee of \$3 million dollars at the culmination of the affiliation transaction to assist with cash flow. No other business was brought before the Committee.

Strategic Planning Committee Report

Floyd Huen, MD, Committee Chair, reported on the September 17, 2012 Strategic Planning Committee meeting. The main focus of the meeting was to discuss the draft executive summary of the three-year strategic plan and provide reactions to its

assumptions. The purpose of the plan is to guide our decisions on the strategies required for ACMC to succeed in a health care reform market as a more integrated and coordinated system of care that is relevant to a consolidating provider environment.

This draft will also be presented to our physician leadership over the next month in advance of our October board retreat.

REVISED MISSION AND VISION STATEMENTS

The committee had a lively dialogue on if and how we should revise ACMC's Mission and Vision statements. It was agreed that the current mission statement is too long and a concise, clear, and easy to recite wording is desirable. The proposed mission statement that the committee endorsed is:

TO HEAL, TO TEACH, TO SERVE

It was reviewed last Wednesday by the medical executive committee who provided additional viewpoints. Also, employee reaction will be solicited during the October employee forums.

The committee reviewed and revised a draft vision statement to read:

ALAMEDA HEALTH SYSTEM WILL CREATE A CULTURALLY COMPETENT COORDINATED NETWORK OF SERVICES TO REDUCE HEALTH DISPARITIES AND IMPROVE THE HEALTH OF OUR COMMUNITY.

Again, the Medical Executive has provided input and staff will solicit employee viewpoints at the October forums.

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

MOTION: *Trustee Nelson*

SECOND: *Trustee Slimick*

AYES: *Trustees Boggan, Miller, Nelson, Huen, Lewis, Slimick, Tate, and Zorthian*

NAYS: *None*

ABSTAIN: *None*

ABSENT: *Trustees Schiffman and Weinreb*

Audit and Compliance Committee Report

Daniel Boggan, Jr., Committee Chair, reported on the September 18, 2012 Audit and Compliance Committee meeting.

The main focus of the meeting was the presentation of the Compliance work plan and program. The committee took action to approve the APMC Compliance Program and Compliance Work Plan and to accept the recommendation to appoint the General Counsel to the position of Chief Compliance Officer.

Wright Lassiter, III, Chief Executive Officer, added that the external audit would be completed late October and a final report would be presented to the Audit and Compliance Committee at that time.

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

MOTION: *Trustee Huen*

SECOND: *Trustee Tate*

AYES: *Trustees Boggan, Miller, Nelson, Huen, Lewis, Slimick, Tate, and Zorthian*

NAYS: *None*

ABSTAIN: *None*

ABSENT: *Trustees Schiffman and Weinreb*

Finance Committee Report

Kirk E. Miller, Committee Chair, presented the report for the September 18, 2012 Finance Committee meeting.

The financial results for the month of August 2012 were presented. The overall themes show that APMC is working on razor thin margins, but overall an excellent year. There has been a slight decline in financial margins.

The first status report was provided by MedAssets on the Building Excellence Through Timely Expense Reduction (BETTER) initiative. The overall direction of the initiative is provided by the Executive Steering Committee whose membership is the APMC Executives. Each initiative has an Executive Sponsor with implementation teams. The budgeted realized savings is \$10.6M; the targeted annual savings is \$19.6M and the identified savings (through the work of the teams) to date is \$3M.

Status on Electronic Health Record (E.H.R.) Budget was presented. Due to project delays, the E.H.R. capital budget will be exceeded by \$2.5M. Status on the implementation schedule was presented to the committee.

Delivery System Reform Incentive Payment (DSRIP) Quarterly Update was presented as well.

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

MOTION: *Trustee Tate*

SECOND: *Trustee Huen*

AYES: *Trustees Boggan, Miller, Nelson, Huen, Lewis, Slimick, Tate, and Zorthian*

NAYS: *None*

ABSTAIN: *None*

ABSENT: *Trustees Schiffman and Weinreb*

Human Resources Committee Report

Ronald D. Nelson, Committee Chair, presented the report on the September 19, 2012 Human Resources Committee meeting.

Paul Ransom, Director of Workforce Planning and Recruitment, provided the committee with a presentation of workforce development and recruitment status.

Craig LaFargue, Director of Organizational Learning & Effectiveness (OLE) presented results of the Employee Partnership Survey.

Paula Peck, Assistant Director, Health and Wellness, provided an overview of the 2013 Benefit Plan Renewal process.

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

MOTION: *Trustee Miller*

SECOND: *Trustee Huen*

AYES: *Trustees Boggan, Miller, Nelson, Huen, Lewis, Slimick, Tate, and Zorthian*

NAYS: *None*

ABSTAIN: *None*

ABSENT: *Trustees Schiffman and Weinreb*

Quality Professional Services Committee Report

Barry Zorthian, MD, Committee Chair, presented the report from the August 16, and September 20, 2012 Quality Professional Services Committee meetings.

The committee reviewed and approved credentialing and peer review.

Numerous policies were reviewed and approved.

Discussion at the meeting focused on the direction of the committee for the future; specifically looking to champion quality and safety efforts at APMC. The committee is planning a half day retreat in November to discuss the issue and will be setting goals for the next eighteen months.

TAB #3 ACTION: Consent Agenda

Trustee Boggan announced that item 3.B.3 – agreement with Morrison Management be pulled for discussion.

Hearing no further requests, Trustee Boggan called for a motion to approve the Consent Agenda.

ACTION: *A motion was made, seconded, and unanimously approved the Consent Agenda with the removal of item 3.B.3.*

MOTION: *Trustee Huen*

SECOND: *Trustee Nelson*

AYES: *Trustees Boggan, Miller, Nelson, Huen, Lewis, Slimick, Tate, and Zorthian*

NAYS: *None*

ABSTAIN: *None*

ABSENT: *Trustees Schiffman and Weinreb*

TAB #3.B.3 ACTION: Morrison Agreement

Bill Manns, Chief Operating Officer, provided an overview of the contract details. Three (3) management positions would be included in the contract and staffed by Morrison personnel which will add an additional level of expertise in the Food and Nutrition Services area that APMC currently does not possess. Additionally, the contract will provide APMC with food purchasing power as Morrison purchases in high volumes. Currently, APMC has seen an 11% increase in cafeteria sales since the change.

Mr. Manns will provide quarterly reporting to the Board on the status of the agreement.

ACTION: *A motion was made, seconded, and unanimously approved the agreement with Morrison Management to provide Food and Nutrition Management Services, for the period October 1, 2012 through September 30, 2017, not to exceed \$15,052,860.*

MOTION: *Trustee Huen*

SECOND: *Trustee Nelson*

AYES: Trustees Boggan, Miller, Nelson, Huen, Lewis, Slimick, Tate, and Zorthian

NAYS: None

ABSTAIN: None

ABSENT: Trustees Schiffman and Weinreb

TAB #4 ACTION: Approval of the ACMC Compliance Program and Compliance Work Plan

Douglas B. Habig, General Counsel, presented the overview of the Compliance program and work plan as presented and approved by the Audit and Compliance Committee.

The Compliance Program is designed to enhance ACMC's ability to assure its compliance with the myriad of laws and regulations that govern hospitals and the provision of health care. The Patient Protection and Accountable Care Act (PPACA) passed in March 2010 will require hospitals to implement a comprehensive compliance program consistent with requirements to be established by CMS. CMS has previously given substantial guidance on the requirements that a compliance program is expected to include and the Program set forth in the agenda packet complies with that guidance. The Compliance Work Plan is designed to set forth the path by which the Compliance Program will be implemented. ACMC already has many elements of compliance efforts in place, upon which the Compliance Program will build. The first year of the Compliance Program will involve appointment of the Chief Compliance Officer and the hiring of a Compliance Specialist. ACMC's intention is to appoint the General Counsel as the Chief Compliance Officer. The Chief Compliance Officer will then establish a plan for primary reporting of all compliance efforts to senior management and the Board of Trustees. The Chief Compliance Officer will also conduct a Compliance Risk Assessment to identify areas of compliance risk for the organization. Finally, they will develop educational programs to train ACMC employees about the Compliance Program. In the second year, ACMC will roll out the Compliance Program to its employees with focused compliance education that will allow them to have a better understanding of what compliance means and how to report and address non-compliance. The third year of the Program will involve efforts to sustain the gains made in the previous two years and to work towards developing a Culture of Compliance, which will be discussed with the Board in more detail in the future.

The Board discussed the importance of employee education and that it should be made a priority in the process of developing the program. Mr. Habig responded that it will take at least ten (10) months to get the program up and running before the employee training component can be brought forward. Mr. Habig confirmed for the Board that the additional staffing has been approved in the budget.

ACTION: A motion was made, seconded, and unanimously approved the ACMC Compliance Program and Compliance Work Plan as presented.

MOTION: Trustee Nelson
SECOND: Trustee Huen

AYES: Trustees Boggan, Miller, Nelson, Huen, Lewis, Slimick, Tate, and Zorthian

NAYS: None

ABSTAIN: None

ABSENT: Trustees Schiffman and Weinreb

TAB #5 RECOGNITION: AMF Media Group –
National Crisis Communications Honor

Warren Lyons, Chief Strategy & Integration Officer, introduced Vintage Foster of AMF Media Group to make the presentation.

Mr. Foster announced that AMF Media Group received the top award in Ragan Communications Dow Jones PR Daily Competition for Management of the public relations following the hospitalization of injured Iraq war veteran Scott Olson at Highland Hospital. The award was received on September 18, 2012. As the PR involved ACMC, they wanted to share this exciting news with the Board.

Mr. Foster thanked Warren Lyons, Wright Lassiter, III, Kim Horton, and Dr. Harkin for their efforts during the crisis. Mr. Lyons recognized Jerri Randrup, Director of Corporate Communications and Marketing for her efforts and added that she had started with ACMC the week prior to the incident.

The Board thanked all for their work.

TAB #6 UDPATE: Chief Executive Officer Update

Mr. Lassiter provided an overview of the following:

Chief Information Officer interviews are underway. Interviews for the Chief Medical Officer are moving forward.

St. Rose – The St. Rose Board announced ten (10) days ago that a decision had been made to affiliate with Allecta another organization which is private.

San Leandro – conversations are continuing with the acquisition of the facility.

Mr. Manns provided an update to receiving an extension on seismic compliance (SB 90) for the Fairmont campus related to the inpatient acute rehab services.

Mr. Lassiter referred the Board to page 963 and the data about patient experience.

There is a Governance Institute System Invitational slated for late September – early October in Arizona; staff and Trustees will be attending.

The United States premier of The Waiting Room will be in New York City tomorrow, September 26, 2012. Mr. Lassiter will be traveling to New York to participate in the panel. The Oakland premier will be at the Grand Lake Theater on October 23, 2012.

TAB #7 REPORT: 2012 ACMC Employee Partnership Results

Jeanette Loudon-Corbett, Chief Human Resources Officer, provided an update to the Board on the 2012 Employee Partnership Survey results.

TAB #8 UPDATE: CMS Survey Process

Kerin Bashaw, MPH, RN, VP, Quality, provided an update to the CMS Survey process. The CMS surveyors returned as a follow-up to the April, 2012 survey where ACMC was found to be deficient in three areas, Nursing, Dietary, and Pharmacy. In addition, as a result of conditional deficiencies in more than 2 areas, ACMC was also cited in Governance/Leadership. The surveyors arrived September 24, 2012 and informed staff they would not be completing a full validation survey, but would only be reviewing the areas found to be deficient previously. They are anticipated to be on-site for 3-4 days.

TAB #9 UPDATE: October Board Retreat

Trustee Boggan and Mr. Lassiter provided an overview of the upcoming October Board retreat which will be held at The Claremont Resort & Spa on Friday, October 26 (8:00 am – 5:00 pm) & Saturday (8:00 am – noon), October 27, 2012. Special guest speaker will be Stephen Shortell, Ph.D. / Dean, UC School of Public Health (Fri. am). The primary focus of the Retreat will be to review, discuss, and adopt the 2013-15 Strategic Plan; 2013 Goal/Scorecard Review; and Board governance issues. A detailed agenda will be distributed by October 8, 2012.

TAB #10 REPORT: Medical Staff President Report

Lyn Berry, MD, introduced Taft Bhuket, MD as the incoming Chief of Staff of the ACMC Medical Staff. The new medical staff officers were elected at the annual Medical Staff meeting held on Monday, September 24, 2012.

TAB #11 RECOGNITION: Past President Medical Staff

The Board of Trustees recognized Lyn Berry, MD, as the outgoing Chief of Staff of the APMC Medical Staff and thanked her for serving the organization in that capacity.

TAB #12 INFORMATION: BoardEffect Education

Barbara L. McElroy, Clerk of the Board, provided procedures on how to utilize “sticky notes” in pdf documents through the BoardEffect web portal.

TAB #13 INFORMATION: Health Policy and Advocacy Update

Warren Lyons, Chief Strategy and Integration Officer, presented an overview of health policy and advocacy for local, state, and federal updates.

TAB #14 INFORMATION: APMC Media Report

Mr. Lyons presented an overview of the news articles in the agenda packet.

TAB #15 INFORMATION: Follow-up Issues

Mr. Lassiter informed the Board that the item addressing the Managed Equipment Services agreement would not be presented to the Board at the October Retreat.

TAB #16 REPORT: Legal Counsel’s Report on Action Taken in Closed Session

Douglas B. Habig, General Counsel, reported that in closed session the Board of Trustees considered three (3) matters of pending litigation and approved all three matters. Other matters of potential litigation were discussed as well as conferring with negotiators.

Public Comments:

Susan Stofan with SEIU local 1021 addressed the Board. Ms. Stofan thanked the Board for acknowledging staff that had wanted to address the Board. Ms. Stofan provided an update on the training process. There have been a few employees that have elected to accept the layoff and will be leaving the medical center. The training process will assist staff in moving into other positions at the medical center. The joint educational fund has been utilized for the process. The individuals that wanted to speak today wanted to

address that they have a commit to this institution and hope that commitment from the institution is there for them. As we move forward with layoffs of those positions that there are not long term employees going out the door. We recognize that people need to be able to fully do their jobs, but there is a learning curve and hope that the Board recognizes that. Allow them to get through the learning curve. Thank you for acknowledging them for coming in and allowing me to speak on their behalf. We have been working in a very positive cooperative manner with the medical center. It speaks well to the medical records staff, but to all of our members. The group that came this evening is made up of not only medical records staff, but many of our other members. Thank you again for allowing us to address the Board.

Board of Trustees Remarks: None.

ADJOURNMENT: THE MEETING WAS ADJOURNED AT 7:22 PM.

Respectfully Submitted by:

Barbara L. McElroy,
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:


Douglas Habig, Esq.
General Counsel