



**BOARD OF TRUSTEES MEETING**

**TUESDAY, September 22, 2015**

**4:00PM – 6:30PM**

**Conference Center at Highland Care Pavilion**

**1411 East 31<sup>st</sup> Street Oakland, CA 94602**

**Susana Flores, Interim Clerk of the Board**

**(510) 535-7515**

**LOCATION:**

Open Session: HCP Conference Center

**MINUTES**

**THE MEETING WAS CALLED TO ORDER AT 4:01PM**

**ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:**

Michele Lawrence, Kinkini Banerjee, Joe DeVries, Maria Hernandez, Tracy Jensen, James Lugannani, Anthony B. Varni, and Barry Zorthian, MD.

Quorum was established.

**(General Counsel Announcement as to Purpose of Closed Session)**

**CLOSED SESSION**

***Reconvene to Open Session***

The Interim General Counsel reported that the Board of Trustees met with their labor negotiator and heard a report on pending litigation in closed session. The Board took no action.

**OPEN SESSION**

**OPEN SESSION PUBLIC COMMENT (1<sup>st</sup> opportunity) – None Received.**

**A. Board President Report**

Michele Lawrence, President, noted that she received communication from Supervisor Chan indicating the County is interested in organizing joint Board of Supervisors and Board of Trustees meeting within the next few months. The Supervisors are interested in reviewing and considering some changes to the Board of Trustee Bylaws.

President Lawrence and the AHS CEO will be meeting with Supervisor Chan this week to discuss these meetings and the topics to be discussed.

## **B. CEO Report**

Delvecchio Finley, Chief Executive Officer, thanked the Board of Trustees for the opportunity to join this organization and AHS staff for their continued efforts during this time of transition. The CEO commended the finance staff for their efforts to ensure the improvement of AHS finances in order to maintain the organization's ability to function. The organization is also working closely with partners at the California Association of Public Hospitals and the State of California to support the renewal of the state's MediCaid 1115 waiver, which is a large source of funding for AHS. The Pulse Check survey is currently underway, which provides an overview of employee engagement in preparation for the full survey which will occur in early 2016. In partnership with the Community Health Clinics Network, AHS has begun providing them with a monthly update which includes a comprehensive list of our specialty services, including locations, dates and times of clinics, points of contact, physicians providing services, and timelines for appointment scheduling. This effort will help facilitate access to patients for specialty services. Alameda Health Partners is preparing its first cohort of physicians for onboarding with AHS. Staff is currently finalizing employment proposals and benefits for a targeted November 1<sup>st</sup> start date. The CEO noted that a Strategic Planning effort will be launching within a week in collaboration with SG2, with more information to follow in the coming meetings.

The CEO briefed the Board on the work being completed around the implementation of ICD-10, which is slated to go live on October 1<sup>st</sup>. The CEO also discussed some of the topics that are being considered for the upcoming Board Retreat, including CEO performance and measurement, Board goals and expectations, and some targeted education per the Board's interest.

The CEO requested the participation of one or two Trustees to participate in the Retreat agenda planning. Trustee Maria Hernandez and Trustee Kinkini Banerjee volunteered to assist.

## **C. CONSENT AGENDA: ACTION**

- 1. Approval of the Minutes from the July 28, 2015 Board of Trustees Meeting**
- 2. Appointment of Trustee Tracy Jensen to the AHS Investment Committee**  
*Recommendation to approve from the Human Resource Committee*
- 3. Resolution Authorizing Amendment of AHS 457(b) and 403(b) Plans to Include AHP**  
*Recommendation to approve from the Human Resource Committee*
- 4. Approval of Medical Staff / Organizational Policies and Procedures**  
*Recommendation to approve from the Quality Professional Services Committee*
- 5. Approval of Contracts and Authorization by the CEO to Execute the Following Operating Contracts:**  
*Recommendation to approve from the Finance Committee*

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- a. Contract Amendment with Federico Castro–Moure, M.D. to provide professional Neurology Services at Highland Hospital, for the period November 1, 2015 through April 30, 2016 (six month extension). Estimated impact of this extension will not exceed a net increase of \$396,128. With this extension and prior contractual commitments to this vendor, the overall obligation (April, 2011- April, 2016), to this vendor will total an amount not to exceed \$3,863,025.  
*David Cox, Chief Financial Officer*
- b. Contract Amendment with Atul Patel, M.D. to provide professional Neurology Services at Highland Hospital, for the period November 1, 2015 through April 30, 2016 (six month extension). Estimated impact of this extension will not exceed a net increase of \$396,128. With this extension and prior contractual commitments to this vendor, the overall obligation (April, 2011 – April, 2016) to this vendor will total an amount not to exceed \$3,863,025.  
*David Cox, Chief Financial Officer*
- c. Contract Amendment with Nighthawk Radiology Services to provide Tele-radiology services for emergent cases requiring diagnostic imaging interpretations to Highland Hospital, for the period October 7, 2015 through January 31, 2016 (4 month extension). Estimated impact of this extension will not exceed a net increase of \$319,050. With this extension and prior contractual commitments to this vendor, the overall obligation (April, 2010 – January, 2016), to this vendor will total amount not to exceed \$4,783,556.  
*David Cox, Chief Financial Officer*
- d. Contract Amendment with Aretaeus Telemedicine, Inc. d/b/a OffSite Care, Inc. to provide Intensive Coverage and Telemedicine services at San Leandro Hospital, for the period October 31, 2015 through April 30, 2016 (6 month extension). Estimated impact of this extension will not exceed a net increase of \$412,200. With this extension and prior contractual commitments to this vendor, the overall obligation (October, 2013 – April, 2016) to this vendor will not exceed \$2,061,000.  
*David Cox, Chief Financial Officer*
- e. Contract Amendment with Freed Associates, to provide Consulting Services for Revenue Cycle Improvement, for the period September 1, 2015 through June 30, 2016 (10 month extension). Estimated impact of this extension will not exceed a net increase of \$1,500,000. With this amendment and prior contractual commitments to this vendor, the overall obligation (October, 2014 – June, 2016), to this vendor will not exceed \$3,600,000.  
*David Cox, Chief Financial Officer*
- f. Contract Amendment with Otis Elevator Company; amending contract to include Fire Service Testing, effective July 1, 2015 through January 31, 2018 (5 year agreement). Estimated impact of this extension will not exceed a net increase of \$30,690. With this amendment and prior contractual commitments to this vendor, the overall obligation (February, 2013 – January, 2018) to this vendor will not exceed \$1,413,904.  
*David Cox, Chief Financial Officer*
- g. New Contract with Douglas Parking, LLC, to provide parking and shuttle management services, for the period October 1, 2015 through September 30, 2018 (3 year agreement). Estimated impact of this agreement will not exceed \$3,870,619.  
*David Cox, Chief Financial Officer*

- h.* Contract Amendment with General Anesthesia Services Medical Group, Inc. (Janey Kunkle, M.D.) for professional anesthesiology services for the period October 1, 2015 through December 31, 2015 (3 month extension). Estimated impact of this extension will not exceed a net increase of \$125,000. With this amendment and prior contractual commitments to this vendor, the overall obligation (April, 2010 – December, 2015) to this vendor will not exceed \$2,875,000.

*David Cox, Chief Financial Officer*

The Board elected to remove items 2 and 4 from the Consent Agenda, pending further discussion.

***Action: A motion was made and seconded that the Board of Trustees approve Items 1, 3, and 5. The motion passed.***

***AYES: Trustees Lawrence, Banerjee, DeVries, Hernandez, Jensen, Lugannani, Varni, and Zorthian.***

***NAYS: None***

***Abstention: None***

The Board discussed the Alameda Health System Investment Committee and the responsibility of the Trustee in the Committee. Jeanette Loudon-Corbett, Chief Human Resource Officer explained that since AHS assumed responsibility for the 457(b) and 403(b) retirement savings accounts and subsequently established another retirement plan for unrepresented employees, the pension attorney suggested that best practice would be to conduct the Committee in accordance to the Brown Act and include a member of the Board. The Committee meets quarterly with Prudential and the organization's pension broker to review all mutual funds in the AHS portfolio.

***Action: A motion was made and seconded that the Board of Trustees approve Item 2. The motion passed.***

***AYES: Trustees Lawrence, Banerjee, DeVries, Hernandez, Jensen, Lugannani, Varni, and Zorthian.***

***NAYS: None***

***Abstention: None***

In response to Board questions, Kerin Bashaw, VP of Quality, explained the process by which policies are vetted prior to reaching the Board for approval. Policies are updated based on Joint Commission standards, literature reviews, and standard practice across the country. Once policies are approved, departments assess whether a communication is sufficient or if these updates require staff competency updates.

***Action: A motion was made and seconded that the Board of Trustees approve Item 4. The motion passed.***

***AYES: Trustees Lawrence, Banerjee, DeVries, Hernandez, Jensen, Lugannani, Varni, and Zorthian.***

***NAYS: None***

***Abstention: None***

## **D. ACTION ITEMS**

### **1. Election to Fill Vacant Officer Positions**

Michele Lawrence, President, lead a discussion with the Board regarding the need to fill currently vacant positions. The Board discussed the timing and suggested that this election wait until the January 2016 meeting.

**Action:** *A motion was made and seconded that the Board of Trustees postpone the election to fill vacant officer positions until the January 2016 Board meeting. The motion passed.*

**AYES:** *Trustees Lawrence, Banerjee, DeVries, Hernandez, Jensen, Lugannani, Varni, and Zorthian.*

**NAYS:** *None*

**Abstention:** *None*

### **2. Board Committee Restructure**

Michele Lawrence, President, introduced a proposed restructure of the current Board Committees to retain the Audit and Compliance, Finance, and Quality Professional Services Committees; eliminating the Governance, Human Resource, and Strategic Planning Committees. The restructure also proposes bi-monthly Board meetings and a reduction of total Board members to nine (9).

The Board discussed the proposed restructure and committed to participate in two Board meetings each month. Staff will poll the Board to develop a standing calendar for the coming year that reflects the proposed changes.

Trustees expressed concern with eliminating Committees due to the importance of the issues they address. However, the proposed restructure would elevate matters normally reported in these Committees to the full Board. In addition, Ad Hoc committees may be created in order to address specific issues of the Board.

The Board agreed to move forward with the proposed structure for a six month review period, after which the Board will bring this back for discussion.

**Action:** *A motion was made and seconded that the Board of Trustees approve the proposed changes as presented or amended by discussion and direct staff to begin implementation while appropriate action is taken to recommend necessary Bylaw changes to Board of Supervisors. The motion passed.*

**AYES:** *Trustees Lawrence, Banerjee, DeVries, Hernandez, Jensen, Lugannani, Varni, and Zorthian.*

**NAYS:** *None*

**Abstention:** *None*

### **3. AMF Media Group Presentation / Contract Amendment**

a. Full Replacement Agreement with AMF Media Group to provide marketing campaign support to AHS, for the period July 1, 2015 through June 30, 2016; not to exceed \$1,250,000. This agreement represents a 60 percent reduction over the previous fiscal year.

i. The Board of Trustees agreed to a 5 month extension of the AMF Media Group agreement not to exceed \$600,000 and requested a presentation be made to the full Board at the September meeting.

Vintage Foster, AMF Media Group, provided an overview of the current AHS marketing campaign and how the funds have been allocated. Based on the NRC ticker service as a

measure, AHS increased in recognition as a quality community health program from 8% to 8.7%. Web traffic increased over 47% across all hospital sites during the campaign period of February 2015 to June 2015. Campaign goals for 2016 include improving community perception, retain current patient population, attract new patients, increase employee engagement, and promote the new Acute Tower Replacement as well as San Leandro and Alameda Hospitals.

The Board discussed the need for more robust tracking measurements to evaluate the effectiveness of AHS's media campaign. Carladenise Edwards, Chief Strategy Officer, committed to explore some options for more direct tracking.

**Action:** *A motion was made and seconded that the Board of Trustees approve the AMF Media Group contract as presented in July 2015. The motion passed.*

**AYES:** *Trustees Lawrence, Banerjee, DeVries, Hernandez, Jensen, Lugannani, Varni, and Zorthian.*

**NAYS:** *None*

**Abstention:** *None*

## **E. DISCUSSION**

### **1. Monthly Financial Update**

David Cox, Chief Financial Officer, presented the monthly financial update for July 2015. The organization posted a \$725,000 profit for month of July, which is very close to budget. Volumes are at or above budget, revenue cycle collections rates and cash collection rates have been good and expenses have been in line with volumes for the month of July. August 2015 is expected to follow the same trends as July. AHS remains in compliance with the terms of the interim agreement with the County and staff is currently in discussion for the terms of the permanent agreement.

The CFO also noted several other matters in progress. Analysis into the ACERA pension plan is underway due to possible over allocation of pension costs to AHS. Contract negotiations are ongoing with several entities including Kaiser, CHCN, Alameda Alliance, Aetna, and Humana. Performance Improvement initiatives are still in progress and the Better II performance improvement, which will complete at the end of this calendar year, is targeting savings of about \$12 million.

### **2. Toyon Report Update**

David Cox, Chief Financial Officer, noted that since the previous update, staff has met with Healthcare Services Agency to review the report. HCSA would like to go over more questions and review some additional data. A full report is being prepared and will be included in the November agenda.

### **3. FQHC Update**

The CEO updated the Board regarding the recent HRSA operational site visit in July 2015. The organization met 15 of the 19 elements of program compliance for FQHC. The CEO reviewed some positive feedback provided by HRSA and presented a timeline of the corrective action plans for items that were not in compliance. The official report has not yet been released.

## **F. MEDICAL STAFF REPORTS**

No reports were received from the Medical Staffs at this meeting.

## **G. COMMITTEE REPORTS**

Written reports were received from the Chairs of the Audit and Compliance, Finance, Quality Professional Services, and Human Resources Committees. The Strategic Planning Committee reported in July and had no new business to report at this meeting.

## **H. INFORMATION**

### **1. AHS Media Report**

The Board received a written report by Jerri Randrup, Director of Corporate Communications & Marketing.

### **2. Legislative Affairs/Local Government Strategy**

The Board received a written report by Terry Lightfoot, Director, Legislative and Community Affairs.

## **I. Report on Action Taken in Closed Session**

The Interim General Counsel reported at the start of open session that the Board of Trustees met with their labor negotiator and heard a report on pending litigation in closed session. The Board took no action.

**OPEN SESSION PUBLIC COMMENT (2<sup>nd</sup> opportunity) – None**

**Trustee Comments - None**

**Adjournment – 7:13PM**

Respectfully submitted by:



Susana Flores

Interim Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: \_\_\_\_\_



Mike Moya

Interim General Counsel