



## **BOARD OF TRUSTEES MEETING**

**TUESDAY, November 24, 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, Maria Hernandez, Tracy Jensen, James Lugannani, Kirk E. Miller, Anthony B. Varni, and Barry Zorthian, MD.

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

### **CLOSED SESSION**

***Reconvene to Open Session***

### **OPEN SESSION**

**OPEN SESSION PUBLIC COMMENT (1<sup>st</sup> opportunity)** – The Board received public comments regarding staffing issues at John George Hospital from the following: Joe Rose, Frederick Tatum, and B.J. Wilson.

### **A. BOARD PRESIDENT REPORT**

The Board President presented Trustee Kirk E. Miller with a plaque and a framed Resolution in Gratitude and Recognition of Board Service (Resolution 2015-020).

***Action: A motion was made and seconded that the Board of Trustees approve Resolution 2015-020: Resolution in Gratitude and Recognition of Board Service. The motion passed.***

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

***NAYS: None***

***Abstention: None***

## **B. CEO REPORT**

The CEO reported that the state and federal government have agreed to a renewal of the 1115 Waiver for another 5 years. The Waiver equates to roughly \$7.4 billion in combined federal and state funding over the 5 year period for participating organizations. Alameda Health System will be participating in the Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program, the Global Payment Program (GPP) for services to the uninsured, and the Whole Person Care Pilot (WPC) which is a voluntary program that targets services for high-risk, vulnerable populations. AHS has created a waiver implementation team made up of clinical and non-clinical leadership who will be meeting with the state next week in order to discuss the domains and projects of the waiver and which ones will be implemented at AHS. In addition, the County has agreed to an extension of the current Interim Debt Agreement in order to allow leadership more time to create a Permanent Debt Agreement. The Board will be asked to approve this extension later at this meeting.

The CEO reported that Alameda Health Partners (AHP) will be “going live” in January 2016, subject to the Board’s approval of the contracts at this meeting. The AHP is the organization’s physician partner group, whose Board is made up of physicians and AHS leadership.

John George has experienced an increase in patient volume over the years. As a result, the CEO acknowledged the challenges staff is facing and thanked them for their efforts to continue providing great patient care. Leadership is looking into both short term and long term solutions to these issues. Despite these challenges, the indicators around quality, safety, and patient experience remain positive.

Lastly, the CEO reported that he has completed 14 of 24 employee forums across the organization with an attendance of about 700 employees so far. Dialogue has been very candid and forthright, as the CEO engages staff in the current state of the organization.

## **C. MEDICAL STAFF REPORTS**

The Board received written Medical Staff reports from Swapnil Shah, MD, HGH/FMT/JGH/Ambulatory Medical Staff, Deepak Dhawan, MD, San Leandro Hospital Medical Staff, and John Iocco, MD, Alameda Hospital Medical Staff.

The CMO noted that the credentialing process is still very different across each facility, with global information provided. The goal is to reach a point of uniformity across the facilities. The CMO also addressed the peer review process, which requires an independent decision of each medical staff to reconfigure their process.

In response to questions from the Board, the CMO summarized some of the factors that impact patient experience including operational challenges, no-show rates, parking, and timely appointment times.

## **D. DISCUSSION**

### **1. Toyon Report Update (AHS Pillar: Sustainability)**

Rebecca Gephardt, Finance Director, HCSA, provided a brief background regarding the Toyon report. In 2014, the Board of Supervisors requested that the Health department engage in an assessment of the financial and operating condition of Alameda Health System. HCSA engaged Toyon Associates to produce the report, which was completed in January 2015. Nancy Kaatz of Toyon Associates was re-engaged to provide a progress report for AHS. Due to competing priorities for the County, the progress report has not yet been completed. A full report will be presented to the Board in January 2016.

The Toyon report specified the need for significant changes, and the progress report will most likely reflect considerable improvements. Staff has been very cooperative in providing information for this report. However, due to the number of problems that surfaced in the initial report, the Board should be aware that many issues will still be reflected in the progress update.

**2. Alameda Health Partners (AHS Pillar: Integration)**

The CFO provided a brief introduction of the Alameda Health Partners agreement. The AHP is designed to be the physician delivery vehicle for AHS moving forward. AHP is a wholly owned subsidiary of AHS. The Board of Directors includes multiple physicians in order to provide substantial physician representation in leadership. There are two contracts being requested reflect services AHP will receive from AHS and physician services AHS will receive from AHP. This agreement is budget neutral for the organization.

Trustee Hernandez expressed concern regarding the appointment process of the Community Member of the AHP Board, in particular that this person should reflect the community we serve.

In response to Trustee questions, the CFO clarified that all contracts over \$1 million would still require Board approval.

Trustee Varni expressed concern with the organization being transparent with the County regarding the AHP agreement. The CFO confirmed that the County is aware of the creation of the AHP and that it is a budget neutral agreement.

**3. Monthly Financial Update (AHS Pillar: Sustainability)**

The CFO reported an income of \$5.8 million for October 2015, as compared to a budget of \$3.5 million. Patient activity and gross charges increased, resulting in positive performance. The year to date EBIDA margin was 4.0% compared to the budget of 5.0%. Performance improvement initiatives around the revenue cycle continue, with many opportunities remaining for improvement. The organization has signed off on labor savings for the Better II project, with an estimated annual gain of \$14 million. Long Term Financial Planning is now in process, engaging teams at each campus to inform the process.

Trustee Lugannani noted that the October budget included the addition of the accounting for pension bond obligations required by the GASB 68.

The CFO reported that the net negative balance with the County agreement will see a spike in December due to a \$17 million payment due for the waiver in the first week of December 8<sup>th</sup>. The finance team is closely monitoring this issue and the County is aware.

**E. CONSENT AGENDA: ACTION**

**1. Approval of the Minutes from the September 22, 2015 Board of Trustees Meeting**

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

*The Finance Committee recommends approval of all contracts listed*

- a. Alameda Health Partners – Professional Services Agreement and Intercompany Services Agreement  
*David Cox, Chief Financial Officer*

- b. Ratification of the Contract Renewal with Alameda County Sheriff's Office to provide Law Enforcement and Security Services at Alameda Health System's Highland Hospital Campus for the period July 1, 2015 through July 1, 2016. Total payments during the term of this agreement will not exceed \$3,354,446.

*David Cox, Chief Financial Officer*

- c. Contract Extension with RadCare of California to provide professional diagnostic imaging services for the period December 1, 2015 through May 31, 2016 (6 months) for a net increase of \$1,549,350. Total payments over the term of this agreement including the proposed extension (September 1, 2012—May 31, 2016) will not exceed \$11,620,119.

*Joe Walker, Interim Chief Medical Officer*

- d. Contract Extension with The Regents of the University of California (UCSF) to provide Urology call coverage at Highland Hospital for the period November 7, 2015 through February 6, 2016 (3 months) for a net increase of \$21,000. Total payments over the term of this agreement including the proposed extension (July 1, 2014 – June 30, 2017) will not exceed \$17,959,287.

*Joe Walker, Interim Chief Medical Officer*

- e. Contract Extension with Sutter East Bay Medical Foundation to provide professional and consultation Hospitalists services and Medical Directorship at San Leandro Hospital for the period January 1, 2016 through June 30, 2016 (6 months) for a net increase of \$618,978. Total payments over the term of this agreement including the proposed extension (October 30, 2013—June 30, 2016) will not exceed \$2,390,052.

*Joe Walker, Interim Chief Medical Officer*

### **3. Policies and Procedures**

*The Quality Professional Services Committee recommends approval of Policies and Procedures listed*

- a. Alameda Health System Policies:

Clinical

- Pediatric Influenza Vaccine- Standing Order

Department

- Primary Care Cancellation and Missed Appointment Policy

- b. Alameda Hospital Policies:

Administration

- Primary Stroke Center Performance Improvement

Clinical

- Fentanyl Transdermal Patch
- Medication Administration

- c. San Leandro Hospital Policies:

Clinical

- 5150- Care of Patients That are a Danger to Themselves or Others, or that are Gravely Disabled
- Blood Specimens Obtained in the Emergency Department
- CE Educational Offerings
- Code White Cardiopulmonary
- Emergency Department Referral Services
- Emergency Triage by Registered Nurse

- Laboratory Culture Follow Up
- Medications: Therapeutic Interchanges
- Protective Eye Covers in the Operating Room
- Reddinet EMS Radio Calls: Emergency Department
- Renal Adjustments of H2 Antagonists
- Returned to a Skilled Nursing Facility from the Emergency Department
- Surgical Attire
- Surgical Scheduling
- Suture Removal

The General Counsel reported that there was a procedural requirement in which the Board of Supervisors required a signed copy of the agreement noted in Item 2.B prior to this Board's meeting. Based upon the Finance Committee's approval and recommendation for approval by the Board, the agreement was signed and is now presented to the Board for ratification.

**Action:** *A motion was made and seconded that the Board of Trustees approve all items in the Consent Agenda. The motion passed.*

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

**NAYS:** *None*

**Abstention:** *None*

## **F. ACTION ITEMS**

### **1. Resolution 2015-021: Resolution Agreeing to Extension of Term of the Interim Agreement Between Alameda County and Alameda Health System**

Trustee Varni expressed concern with the ability of staff to meet with the County and exceed the debt ceiling without additional action from the Board. The CEO noted that all terms are the basis of current discussion for finalizing the Permanent Agreement.

**Action:** *A motion was made and seconded that the Board of Trustees approve Resolution 2015-021: Resolution Agreeing to Extension of Term of the Interim Agreement Between Alameda County and Alameda Health System. The motion passed.*

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

**NAYS:** *None*

**Abstention:** *None*

### **2. Board of Trustees 2016 Meeting Calendar**

The Board voted to approve the proposed 2016 Meeting Calendar.

**Action:** *A motion was made and seconded that the Board of Trustees approve the 2016 Meeting Calendar. The motion passed.*

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

**NAYS:** *None*

**Abstention:** *None*

## **G. COMMITTEE REPORTS**

Written reports were received from the Chairs of the Audit and Compliance, Finance, and Quality Professional Services Committees.



## **H. INFORMATION**

**1. Regulatory Requirements for Governance (AHS Pillar: Integration/Quality)**

The Board received a written report by Kerin Bashaw, Vice President, Quality regarding the Board's governance obligations for policies and procedures.

**2. AHS Media Report (AHS Pillar: Network)**

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

**3. Legislative Affairs/Local Government Strategy (AHS Pillar: Network)**

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

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

The Board heard a report on pending litigation in closed session.

**OPEN SESSION PUBLIC COMMENT (2<sup>nd</sup> opportunity)** - The Board received public comments regarding staffing issues at John George Hospital from the following: Rachel Odes, Ruby Sloane, David Schatz, MD, Ben Castillo, Beverly Bergman, Mary Ann P., Tawanda Gilbert, Virginia Fasla (on behalf of Troy Nixon), Dana Langham, Lucille Edwards, Ruth Allen, Terry Mazurkiewicz, and Frederick Tatum.

### **Trustee Comments**

Trustee Kirk E. Miller noted that being a Trustee and taking the work seriously is not an easy job. Trustee Miller expressed his gratitude at being a member with the Board of Trustees for 9 years and summarized the many changes and challenges that have been faced in that time.

President Lawrence addressed the staff and public who spoke at the meeting and assured everyone that their comments were heard and work will continue to address this issue. The President thanked John George staff for their work and commitment to our patients.

**Adjournment – 7:13pm**

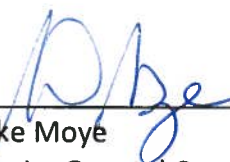
Respectfully submitted by:



Susana Flores  
Interim Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:

  
Mike Moyer  
Interim General Counsel