



**FINANCE COMMITTEE MEETING**

**Tuesday, February 17, 2015**

**Conference Center Located at Highland Care Pavilion**

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

Marla Cox, Clerk of the Board

(510) 535-7535

<u>LOCATION:</u>	<u>COMMITTEE MEMBERS</u>
Open Session: HCP Conference Center	Jim Lugannani, <i>Chair</i> Michele Lawrence Valerie D. Lewis, Esq. Anthony B. Varni Kinkini Banerjee Patricia Scates

**Minutes of Meeting**

**OPEN SESSION / ROLL CALL** – Quorum established.

**TAB #1 ACTION: Approval of Minutes**

The Minutes of the January 13, 2015 meetings were approved as presented.

**TAB #2 Chief Financial Officer Update**

**A. REPORT: Current Financial Report**

David Cox, Chief Financial Officer (CFO) reported on the results of operations for December 2014 and January 2015, noting slight improvement with a reported loss of \$2.1 million in January. Contributing factors are improved charge capture and favorable expense trends. Jim Lugannani, Chair requested that the CFO present an update on the staffing plan for the Finance Department at a future meeting, perhaps in closed session.

The CFO reported that AHS remains in compliance with the requirements of the County Interim Agreement, and is in a position to catch up on accounts payable over the next few weeks.

**B. ACTION: Revenue Cycle Status**

The CFO discussed accomplishments over the last month and the work plans that are in place going forward.

**C. REPORT: Fiscal 2016 Capital Budget**

The CFO reported that, based on preliminary review of our long-term capital plan, management is recommending that we delay the Alameda Hospital Kitchen Renovation project until 2018.

**TAB #3 Report from Operations**

**A. Report: Performance Improvement Plan**

Mark Fratzke, Chief Operations Officer (COO) reported on the status of the MedAssets BETTER II cost reduction program and then introduced Frank Verba, who is the Project Manager.

**TAB #4 Information Items, No Discussion**

**A. Report: Status of County Agreement for Repayment of AHS Obligation to the Consolidated Treasury**

The CFO reported on the status of discussions with County, noting that the County has extended the interim agreement through March 31, 2015 and that he will be meeting with the County Auditor on this issue on February 23, 2015. The CFO is currently extending our cash forecast to determine AHS ability to comply with the requirements of the permanent agreement.

**B. Report: Status on Marina Village Relocation**

Dan Boggan Jr., Interim CEO reported that management is still evaluating space requirements and alternatives to meet them and expects to be able to report at the next meeting of the Committee.

**C. Report: HCSA/Toyon Analysis**

Nancy Kaatz, from Toyon Associates, presented her findings from the independent operational and financial review. Discussion ensued.

**D. Report: Toyon Management Response and Plan**

The CFO reported on management plan to address the issues that were identified in the independent review.

**E. Report: JGP Focused Success Report**

Guy Qvistgaard, Chief Administrative Officer (CAO) reported on the successful operational turnaround of John George Psychiatric Hospital.

**TAB #5 ACTION ITEMS**

- A. Revision of Signatory Authority Policy  
*David Cox, Chief Financial Officer*
- B. Second Amendment and Extension of the Interim Agreement with the County of Alameda for the Repayment of AHS' Obligation to the Consolidated Treasury, from 2/27/15 to 3/31/2015  
*David Cox, Chief Financial Officer*
- C. Agreement with Abbott Laboratories to provide Clinical Laboratories Reagent Services for the period of March 1, 2015 through March 1, 2020, not to exceed \$5,670,000.  
*Mark Fratzke, Chief Operating Officer*  
*John Chapman, Interim Chief Administrative Officer*
- D. Amendment with Freed Associates to provide Project Managers to support AHS Revenue Cycle Improvement for the period of October 1, 2014 through August 31, 2015, from \$950,000, not to exceed \$2,100,000.  
*David Cox, Chief Financial Officer*


**ACTION: Upon motion made and seconded, Tab A, B, C and D were approved.**

**Public Comment – None**

**Board of Trustees Remarks – None**

**ADJOURNMENT: 6:42 PM.**

Respectfully Submitted by:

  
Maria D. Cox  
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 

Mike Moyer  
Interim General Counsel