



FINANCE COMMITTEE MEETING

Monday, July 27, 2015

Conference Center Located at Highland Care Pavilion

1411 East 31st Street Oakland, CA 94602

Marla Cox, Clerk of the Board

(510) 535-7535

LOCATION:

Open Session: HCP Conference Center

FINANCE COMMITTEE MEMBERS

Jim Lugannani, ***Chair***

Kinkini Banerjee

Michele Lawrence

Anthony B. Varni

AGENDA

OPEN SESSION / ROLL CALL

3:00 – 3:05pm

TAB #1 ACTION: CONSENT AGENDA

3:05 – 3:10pm

A. Approval of the Minutes of the June 17, 2015 Finance Committee Meeting.

B. Approval of the Minutes of the May 19, 2015 Special Joint Finance Committee and Strategic Planning Committee Meeting

Recommendation: Motion to Approve

END OF CONSENT AGENDA

TAB #2 ANNUAL FINANCE COMMITTEE AGENDA AND OPERATIONS / ISSUE TRACKING

3:10 – 3:30pm

Jim Lugannani, Finance Committee Chair

A. Discussion: Finance Committee Operations

B. Finance Committee Planning Calendar

C. Alameda County Health Committee Calendar

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- TAB #3** **CHIEF FINANCIAL OFFICER UPDATE** **3:30 – 4:20pm**
David Cox, Chief Financial Officer
- A. Chief Financial Officer Report
 - B. Fiscal 2016 Operating Budget
- TAB #4** **REPORT AND DISCUSSION** **4:20–4:30pm**
- A. ICD-10/EHR Meaningful Use
 Dave Gravender, Chief Information Officer
 - B. Managed Care and Reimbursement Strategy (**Verbal**)
 David Cox, Chief Financial Officer
- TAB #5** **STATUS REPORT OF KEY PREVIOUSLY APPROVED ITEMS** **4:30-4:50pm**
- A. Standard Register - Supply Chain System Wide for Printing Services
 David Cox, Chief Financial Officer
- TAB #6** **ACTION ITEMS:** **4:50 – 6:00pm**
- A. Contract Amendment with Sutter East Bay Foundation (Hospitalists) to provide Professional and Consultation Hospitalists Services at San Leandro Hospital, for the period July 1, 2015 through December 31, 2015 (six month extension). Estimated impact of this extension will not exceed a net increase of \$590,358. With this extension and prior contractual commitments to this vendor, the overall obligation to this vendor will total an amount not to exceed \$1,771,074.
 Mark Fratzke, Chief Operating Officer
 - B. Contract Amendment with Nighthawk Radiology to provide Tele-radiology services for emergent cases requiring diagnostic imaging interpretation to Highland, for the period April 7, 2014 through October 6, 2015 (six month extension). Estimated impact of this extension will not exceed a net increase of \$498,552. With this extension and prior contractual commitments to this vendor, the overall obligation to this vendor will total an amount not to exceed \$4,467,805.
 Mark Fratzke, Chief Operating Officer
 - C. Contract Amendment with Dr. Thurman Hunt, to provide comprehensive inpatient and outpatient professional anesthesiology services, for the period July 1, 2015 through December 31, 2015 (six month extension). Estimated impact of this extension will not exceed a net increase of \$250,000. With this extension and prior contractual commitments to this vendor, the overall obligation to this vendor will total an amount not to exceed \$2,875,000.
 Mark Fratzke, Chief Operating Officer

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- D.** Contract Amendment with Dignity Health dba St. Mary's Medical center of the Podiatric Residency Training Program, for the period July 1, 2015 through June 30, 2020 (60 month extension). Estimated impact of this extension will not exceed a net increase of \$1,825,703. With this extension and prior contractual commitments to this vendor, the overall obligation to this vendor will total an amount not to exceed \$3,436,510.
Mark Fratzke, Chief Operating Officer
- E.** Contract Amendment with Dignity Health dba St. Mary's Medical center of the Orthopedic Residency Training Program, for the period July 1, 2015 through June 30, 2020 (60 month extension). Estimated impact of this extension will not exceed a net increase of \$2,206,419. With this extension and prior contractual commitments to this vendor, the overall obligation to this vendor will total an amount not to exceed \$4,468,925.
Mark Fratzke, Chief Operating Officer
- F.** Contract Renewal with Paragon Pathology Medical Associates, Inc., to provide professional comprehensive clinical and anatomical pathology services including lab services and management of in-house blood bank, for the period July 1, 2015 through June 30, 2016; not to exceed \$1,588,049. Estimated impact of this extension is a net savings of \$5,000.
Mark Fratzke, Chief Operating Officer
- G.** Full Replacement Agreement with Traditions Behavioral Health for Professional Psychiatry Services for inpatient psychiatric care at John George Psychiatric Hospital, for the period July 1, 2015 through July 30, 2016; not to exceed \$5,742,583. Estimated cost increase of \$690,513, at the same service level, over the term of this agreement due to market changes in compensation and increases of volume in service.
Mark Fratzke, Chief Operating Officer
- H.** Full Replacement Agreement with Alliance Healthcare Services to provide Mobile MRI to Alameda and San Leandro Hospitals for the period June 4, 2015 through June 3, 2018, not to exceed \$2,301,000. Estimated impact of this agreement is a net savings of \$117,000 over the three years of the agreement
Mark Fratzke, Chief Operating Officer
- I.** 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.
Carladenise Edwards, Chief Strategy Officer

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- J. Full Replacement Agreement with Richard Gutstadt, to provide Legal assistance in specialized Medi-Cal reimbursement recovery services and Third Party Liability (TPL) case representation for Alameda Health System, for the period July 1, 2015 through June 30, 2017; not to exceed \$1,600,000 – based on a very competitive contingency fee. Estimated cost reduction of \$83,500 at the same service level, over the two years of the agreement
David Cox, Chief Financial Officer

 - K. Full Replacement Agreement with AFFIRMA Rehabilitation to provide post-acute rehabilitation services for three Alameda Hospital SNF sites, for the period of September 1, 2015 through June 30, 2018; not to exceed \$3,711,666.
Mark Fratzke, Chief Operating Officer

 - L. Full Replacement Agreement with Healthcare Security Services of California d/b/a HSS to provide security to all AHS hospital campuses and clinics, for the period July 1, 2015 through June 30, 2018; not to exceed \$11,894,500. Estimated cost reduction of \$430,000 at the same service level, over the three years of the agreement.
Mark Fratzke, Chief Operating Officer

Recommendation: Motion to Approve

TAB 7 **EDUCATION:**
Review Schedule for Future Meetings

6:00pm

Public Comment

Board of Trustee Remarks

ADJOURNMENT

Our Mission

Caring, Healing, Teaching, Serving All

Strategic Vision

AHS will be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes the health of our diverse communities.

Meeting Procedures

The Board of Trustees is the Policy Body of the Alameda Health System. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Board Members or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room. Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of the Board or to its members, 1411 East 31st Street Oakland, CA 94602.

Disability Access

The Meeting Rooms are wheelchair accessible. Assistive listening devices are available upon request at the Clerk of the Board's Office. To request sign language interpreters, readers, large print agendas or other accommodations, please contact the Clerk of the Board. Requests made at least 48 hours in advance of the meeting will help to ensure availability. The nearest accessible BART station is Lake Merritt. Accessible AC Transit Bus Route 62 stops at the entrance to Highland Hospital. Route 11 stops one block away, on 14th Avenue at East 31st Street. For schedule updates, call AC Transit at (510) 817-1717; BART at (510) 465-2278. There is accessible parking in the main patient parking lot enter on East 31st Street.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to perfumes and various other chemical-based scented products. Please help us to accommodate these individuals.

The AHS Board of Trustees is committed to protecting the private health information (PHI) of our patients. We ask that speakers refrain from disclosing or discussing the PHI of others. Please also know that, should you decide to disclose your PHI, the Trustees will still likely refer your matter, to the extent it involves PHI, to the executive staff for a confidential review of the facts and for confidential handling. If you would like more information regarding the confidentiality of PHI as it relates to the Health Insurance Privacy and Accountability Act, please refer to 45CFR Section 164.101, et.seq.