



FINANCE COMMITTEE MEETING

Tuesday, May 19, 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:

HCP Conference Center

MINUTES

OPEN SESSION / ROLL CALL: 6:06pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Jim Lugannani, Michele Lawrence, Anthony B. Varni, Kinkini Banerjee, Patricia Scates.

TAB #1 ACTION: Consent Agenda

Approval of the Minutes of the April 14, 2015 Finance Committee Minutes.

Action: A motion was made and seconded, and the Committee approved the Finance Committee minutes of April 2015 as presented. Motion passed.

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

A. Finance Committee Planning Calendar

Mr. Cox reviewed the Finance Committee Planning calendar.

TAB #3 CHIEF FINANCIAL OFFICER UPDATE

A. REPORT: Current Financial Report

Mr. Cox reported on the results of operations for March, 2015, with a reported slight profit of \$0.3 million. April results will be likely be a loss of \$1.3 million, which includes an IGT gain, due to decreased volumes.

B. REPORT: Cash Forecast

Mr. Cox reported that the net negative balance (NNB) due to the County loan was currently at \$160 million. The cash forecast includes expected payback to Medi-Cal

Waiver of \$24 million. Mr. Cox still expects to meet the required cap of \$150 million by June 30, 2015. Mr. Cox introduced financial, service and quality proposed metrics to be reported to the County on a monthly basis.

C. REPORT: Revenue Cycle Improvement Project Status

Mr. Cox discussed accomplishments over the last month.

- Staff working denials have collected \$2.9 million since January, while the Revenue Integrity group is working on charge-capture activities utilizing CRANEWARE.
- Due to the success of pre-authorization pilot in surgery, it is now being rolled out to infusion center and radiology.

Mr. Cox identified additional opportunities which may include a capital component but many of which are process improvement, such as the reorganization of the contracting department to included both physician and non-physician.

Mr. Cox introduced the Bay Area Accountable Care Network (BAACN) – a new contracting entity effective January 1, 2016 being lead by providers around the bay area which the exception of Kaiser, Stanford and Sutter.

D. REPORT: Fiscal 2016 Operating Budget Status

Mr. Cox reviewed the Operating Budget Target and reported that our Budget Oversight Committee is working hard on the budget, reviewing details and establishing accountability. They are achieving results and looking at costs that cut across the organization.

TAB #4 ACTION ITEMS

- A. The Fourth Amendment and the Extension of the Interim Agreement on the Repayment of Alameda Health System's Obligation to the Consolidated Treasury
- B. Ingenious Med Agreement, to improve and standardize the charge capture process by moving from a paper process to electronic charge capture system, for the period of May 20, 2015 through May 19, 2018, not to exceed \$ 1,121,616
- C. Contract Amendment with Midas Plus, Inc. to provide support for Case Management for the period of September 27, 2013 through September 30, 2018, not to exceed \$1,716,505

No action taken, this item was deferred to the June 2015 Finance Committee Meeting.

- D. Contract Extension with Alliance One Receivables Management, Inc., to provide Patient Collection for Alameda Hospital, for the period of July 1, 2015 through June 30, 2017, not to exceed \$1,450,000
- E. Contract Extension with MedAssets Net Revenue System, to provide Safety Net

Accounts Receivable Services for the period of June 1, 2015 through June 30, 2017, not to exceed \$5,000,000

- F. Contract Extension with MedAssets Net Revenue System, to provide Interim Revenue Cycle Leadership, through December 31, 2015, not to exceed \$675,000.
- G. Contract Extension with American Red Cross, to provide blood and blood product services to the Blood Bank in the Clinical Laboratory, through December 31, 2017, not to exceed \$1,833,112.
- H. Contract Amendment with East Bay Medical Foundation for Graduate Medical Foundation, to provide Surgical Residency Services for the period, July 1, 2015 through June 30, 2016, not to exceed \$2,218,281.
- I. Contract Extension with Michael Jacobson, M.D. to provide Professional Inpatient and Outpatient Urology through July 31, 2015, not to exceed \$1,219,809.
- J. Contract Extension with MModal, to provide Transcription and Medical Dictation Services through March 31, 2018, not to exceed \$4,440,689

Action: A motion was made and seconded, and the Committee approved items A, B, C, E, F, G, H, I, J, and K for recommendation to the full Board of Trustees meeting in May 2015. Motion Passed.


Public Comment –

Susan Rosenthal, ACMEA – Although we have not reached agreement, ACMEA has spent most of the past month working with the Board of Supervisors, with various members of the Board of Trustees and AHS staff to get the various entities, the various people to start talking about stepping back from the looming disaster which would have been cutting the budget. Having to pay back the county \$45 million which could have been upwards of 300 layoffs. We've all now got some breathing room to do this in a more thoughtful way. I am requesting that the organization put the money into the budget to give the ACMEA employees the same pay raise that the executives and rank and file employees have received. You are going to be asking the mid managers to go without an increase, which would be very disruptive to the morale. This is the group you will be looking to to make the kind of changes you need. Just put yourselves in their place, Executives received a 3.22% wage increase on average which totaled about \$750,000. That was just awarded in December of this year, so you were well aware of the financial situation. The rank and file employees also got a 3% wage increase. This makes it untenable for these employees to feel that their work is being valued. They are the only group who was not awarded an increase. This is not common sense and this is not the priorities you should have. Thank you.

Board of Trustees Remarks - None

ADJOURNMENT – 8:16pm

Respectfully submitted by:


Marla D. Cox
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____


Mike Moye
Interim General Counsel