



BOARD OF TRUSTEE MEETING

Tuesday, May 28, 2013

**Central Administration Offices Located at Highland Hospital
1411 East 31st Street Oakland, CA 94602
Marla Cox, Clerk of the Board
(510) 437-8468**

MINUTES

THE MEETING WAS CALLED TO ORDER AT 7:25 P.M.

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Daniel Boggan Jr., Floyd Huen, MD, Michele Lawrence, Valerie D. Lewis, Esq., Kirk E. Miller, Ronald D. Nelson, Stanley M. Schiffman, J. Bennett Tate, Anthony Slimick, Taft Bhuket, MD. Anthony B. Varni

Kirk Miller introduced Anthony Varni as new Trustee

Public Speakers

Susan Rosenthal – Business Agent, ACMEA Bargaining Unit, passed out a letter for the BOT and a few comments to make. She has been in negotiations since the end of October and has been able to come to a compromise on many difficult issues. They are stuck right now and need the input from the BOT. The AHS wants to change the method of compensating CN4s to D class. The CN4s universally want to stay in steps. This is work for them and for this system for many years. Many of them are hear and are going to speak. She made a clarification and one observation. The clarification is there may be a misperception on the part of the BOT that the CN4s are high level managers, they are not. They act in a supervisory capacity, they don't have budgetary authority nor any authority to hire and fire employees. The observation that she wanted to make was actually painful, because they are educated and talented people, and yet many of them are very reluctant to speak because they are very afraid. They don't want to become visible by speaking here, and don't want to get noticed and they don't want to be here speaking their minds. They are afraid of retaliation. Many of them have experienced subtle but nevertheless real retaliation. They do not want to be at the whim of their manager, who often does not talk with them about evaluations or ongoing problems. In short the CN4s do not trust their managers and do not want their performance to be based on what they see as a biased evaluation system.

Carl Keary – Director Operating Engineers Public Employee Division. Operating Engineers for clarification represents 38,000 members throughout four states and over 8,000 public employees to include the Cal Trans. They have in honor for many many years of representing ACMEA mid-managers. They are the backbone of the labor force. They are the ones that get the job done for you. Over the years ACMEA operating engineers Local 3 as well as this hospital have had an excellent labor relations and working

together to achieve the vision of this body. An example of that is the reason passage of measure A. ACMEA, OB3 was very supportive of the passing and very instrumental along with many others of getting that measure passed by the public. With the election of continued revenue approaching we are still very committed in our support to ensure the continuance of that funding. Currently they are in discussion with the hospital as Ms. Rosenthal has mentioned with your representatives whether the CN4s should be in a step or within D class. Our members are very strongly interested with having salaries remain in steps and not become D class. During the discussion, they have yet to present any really measurable reasoning on why they should go to the D Class versus step.

The following employees commented on CN4s classifications.

Ruth Allen – CN4 for 30 years.

James Flynn – Nurse at Highland

Rick Davis – Business Rep for Operating Engineer

Robbie Maysanky – Assistant Nurse Mgr Highland

Valerie – Loyal Highland Employee

LW – Take professional comments from staff very seriously. Jeanette will be spending some time to have a discussion with leadership of ACMEA about their concerns and will report back to the HR committee.

TAB #2 - COMMITTEE REPORTS

Boggan/Finance

Operating Budget – 2.9 billion, operating variance negative of 7.9 under budget in terms of this year. There's a lot of work that has to be done to getting back to a place of comfort. The problem areas; FTE, registry, staffing, administration, pharmacy and nursing OT issues.

Better – Not making the kinds of end roads that was anticipated. WL will work with Med Assets to accelerate the effort. Looking at savings that have been identified but not utilized.

Traditions – Implementation of this contract will lead to better services, more services to our primary healthcare facilities, and also provides a margin of one or two million in over two years.

EHR Status Report – Basically a wash in terms of expenses. Some items were capped.

Sorian System Implementation – Has been rolled out. It is the heart of what we do.

Contracts – Listed those presented.

ACTION: A motion was made, seconded, and unanimously accepted the Governance Committee Meeting report as presented.

TAB #3 HR Committee – Nelson

HR Committee met on April 17 with an agenda presented by the Director of HR, for the employee benefits, which is also part of the days agenda and will be reported on. This is followed by the:

- Employee Engagement Presentation
- Policy of Performance
- Appraisal
- Competencies

ACTION: A motion was made, seconded, and unanimously accepted the HR Agenda.

Quality Professional Services Committee Report

At the April 18, 2013 and May 23, 2013 meeting, the Committee reviewed/approved Financials & Privileges for providers and new appointments. Policy & Procedures for review are being submitted and waiting on approval.

At the April 18, 2013 meeting, the Value Based Purchasing program, an incentive program required through the Affordable Care Act was discussed. The focus of the program is on Medicare, but anticipates a rollout to Medicaid.

Strategic Dashboard was presented and that has the Core Measures and Standard Metrics.

Discussed readmissions is an area of focus across the nation, Highland's readmission rate was fairly decent. Focusing on harm reduction. Patients involved in the Patient Safety Process.

ACTION: A motion was made, seconded and unanimously accepted the QPS Committee report as presented.

TAB #4 – CEO Report

Wright Lassiter III reported the hiring of a new Chief Medical Officer, Dr. Peruzzi. He will start on January 15, 2014. He is currently the Chief Medical Officer at Miami Health Systems.

Dr. Clanon was acknowledged for her services and hard work as the interim CMO.

There are two other executive positions that will be filled soon; Chief Strategy Officer and Chief Information Officer.

Wright Lassiter III, asked Bill Manns for an ACP update.

- Pushing to open week of June 10th
- June 6 & 7 licensing on onsite
- Day in the Life
- Mock Survey prior to licensing

Wright Lassiter III and Supervisor Chan held a brief press conference addressing Governor Brown's budget cuts.

TAB #5 – SLH Acquisition

- Letter of Intent included in the packet, AHS & Sutter.
- Sutter is willing to donate the facility to AHS at no cost.
- Establish a \$22 million fund.
- Sutter requested that AHS sign a binding letter by July 1, 2013

TAB #6 – Retreat

The focus was on Strategic Plan and in particular the opportunities and the need for growth, and the opportunities to reduce cost.

Wright Lassiter discussed the impending departure of many of the board members over the next three years as terms expire. He would like to retain a board recruitment resource to assist in the accelerating identification of potential board members. He has reached out to two different entities that will do that work on behalf of the BOT. Is this a direction that the board still wants to pursue? Trustee Lewis does not want to pay anyone to recruit. Trustee Nelson suggested that information packets need to be developed for trustees to recruit. A discussion ensued with the Board of Trustees regarding the process.

TAB #7 – Dr. Bhuket

- 1) PHO – Strategic priority for AHS
Dr. Clanon, our counsel and a group of physicians have led a Steering Committee to entertain the dialog leading to the development of the PHO. The general body of the medical staff hasn't understood the concept. CEO had a meeting with the physicians, and the concept is now going viral.
- 2) Educational Mission – Loss of accreditation for continuing medical education has been regained about three weeks ago. ACGME had their site visit at AHS two weeks ago.
- 3) Budget – Feeling the squeeze – Trustee Bhuket shared a story about a department who ordered needle kits and that contract was on hold.

TAB #8 – Information only.

TAB #9 – Information only.

TAB #10 – Information only.

TAB #11 – Doug Habig, General Counsel reported in Closed Session the Board considered matters related to substantial litigation and also met with labor negotiator, no action was taken.

Trustee Comments – Trustee Slimick shared his experience regarding rounding at Highland Hospital and encouraged other Trustees to participate.

Adjourn – 8:44 pm

Respectfully Submitted by:

Barbara L. McElroy,
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:



Douglas Habig, Esq.
General Counsel