ALAMEDA COUNTY MEDICAL CENTER

Highland Campus • Fairmont Campus
John George Psychiatric Pavilion • Ambulatory Healthcare Services

STRATEGIC PLANNING COMMITTEE MEETING

Monday, January 23, 2012

Central Administration Offices Located at Highland Hospital
1411 East 31st Street Oakland, CA 94602
Barbara L. McElroy, Clerk of the Board
(510) 437-8468

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:37 P.M.

ROLL CALL WAS TAKEN; THE FOLLOWING TRUSTEES WERE PRESENT:

Floyd Huen, MD, J. Bennett Tate, Ilene Weinreb, Barry Zorthian, MD., Daniel Boggan, Jr., and Stanley M. Schiffman.

TAB #2 ACTION: Approval of Minutes

ACTION: A motion was made, seconded, and unanimously approved to adopt the Minutes from the November 21, 2011 Strategic Planning Committee Meeting.

MOTION: Trustee Tate
SECOND: Trustee Zorthian

TAB #3 ACTION: Strategic Planning Committee Annual Work Plan

Warren Lyons, Chief Strategy & Integration Officer, reviewed the Strategic Planning Committee work plan and calendar of topics that provides an ongoing opportunity to add items for presentation and discussion throughout the year. The format is similar to the Finance Committee work plan and calendar and has a goal to coordinate the work of the strategic planning committee with other board activities including the two board retreats in April and October.

ACTION: A motion was made, seconded, and unanimously approved to adopt the Strategic Planning Committee Annual Work Plan as presented.

MOTION: Trustee Tate
SECOND: Trustee Zorthian

TAB #4 UPDATE: Re-Branding Model – Web Pages

Mr. Lyons referred committee members to his update memo in Tab 4 that provides a summary of our community perception study and conclusions that actions are needed to convert unfavorable perceptions about ACMC into positive understanding about our many important clinical services that would retain our current patients and attract new patients with choice under health care reform including the expected California Health Benefit Exchange health plans and expanded coverage in 2014.

The study indicated that many area consumers may not know about our successes and strengths in specific clinical programs given the limited marketing over the past few years.

Our communications and marketing work plan includes a goal to educate our community about major clinical programs and locations by adopting a "House of Brands" model. The House model will communicate our major clinical service lines as value based "sub-brands" that reside within our integrated health system - the "House"- that demonstrates our common mission and vision.

The rebranding project is a multi-year program to communicate the value and availability of our medical care services to our community and position ACMC as a sustainable system of choice.

Our first phase has been to upgrade our intranet and internet platforms with contemporary technology to support an interactive web page portal to our patients, community physicians and others.

Mr. Lyons presented a draft set of web pages that adopt the house of brands concept and is adaptable to providing new information to our patients and help them navigate to the information that they need. These web pages also illustrate how in the future we might help persons select an ACMC physician or even make an appointment online.

The committee reviewed examples of internet web pages for Ambulatory, Highland Hospital, Fairmont Hospital and a proposed new sub-brand for Behavioral Health Services that includes the inpatient psychiatric services at John George Psychiatric Pavilion.

Ambulatory Division

The ambulatory division web pages share a common design and new logo using a specific geographic location as the anchor name for each site. All sub-brand pages will have a standard tab bar on the top giving the message that we are an integrated system of care that has distinct services meaningful to the communities in each

geographic area. The message tag is: "YOUR HEALTH. OUR NEIGHBORHOOD" on every ambulatory page.

The web page layout at the bottom helps patients locate our geographic specific service locations, such as HIGHLAND HOSPITAL or Newark Wellness, or system side services such as Lighthouse Behavioral Health. The web page tabs and links can accommodate persons interested in employment or wanting to send comments to us.

As we develop new locations for wellness centers, it will be easy to customize our web pages for location and range of services but also show how we are patient centered regardless of location.

Highland Hospital

The Highland Hospital brand is framed as our flagship and crown jewel demonstrating excellence in advanced medical care. There is no logo proposed for Highland Hospital. Instead the name in all capital font without spacing "HIGHLANDHOSPITAL" is the logo. The web page supports both inpatient care services and specialty care on our campus. Awards and testimonials will be shown and updated as needed.

Fairmont Hospital

The Fairmont Hospital sub-brand design will acknowledge our transitional period from the current location for acute rehabilitation services to a new location but does not defer promoting physician medicine and restorative care. Because the phase "acute rehab" can be confused with the treatment of alcohol and substance abuse rehabilitation, our branding will emphasize the restorative nature of rehabilitation medicine. We also will want a Fairmont Hospital sub-brand message that focuses on our skilled nursing facility as a distinct service line. This page is under development.

The subject and sub-branding of mental health services was presented and discussed. Mr. Lyons proposed a new brand name and model that would encompass Behavioral Health Services provided by ACMC's clinical team at all patient care locations using the name "Lighthouse Behavioral Health".

Our sub-brand development is to communicate that we have a behavioral health service brand whose providers and programs are or will be available at many different ACMC locations such as the partial hospitalization program on the Highland Campus to centers of comprehensive outpatient care that could be provided at the John George Campus or new behavioral outpatient care centers that ACMC may sponsor.

Lighthouse Behavioral Health Service providers – such as our staff psychiatrists at John George – could provide liaison services for inpatients at Highland or Fairmont

hospitals or by arrangement at some of the Federally Qualified Health Centers that might want psychiatry services at their locations.

The Lighthouse brand also can be a business development vehicle to contract with commercial insurers and newly formed accountable care organizations and networks that need to purchase behavioral health and psychiatry services from a provider with scale and geographic access.

Committee members provided opinions on the value of having a new mental health services brand and visibility at all ACMC locations but noted that some persons might confuse the "Lighthouse" name with programs that serve the blind community. The word "Pavilion" in our John George hospital name was questioned regarding the meaning and utility of that word compared to the word "hospital". Members reflected on community opinions that were noted in the Community Perception Study that the name "John George Psychiatric Pavilion" has a very strong positive image within the professional community but a negative image with community residents.

Management will conduct additional research on the subject of re-branding the mental health services at ACMC.

Alameda County Medical Center

The committee reviewed the subject of our overall system name "Alameda County Medical Center" that in marketing terms is the "Top of the House of Brands" and discussed the positive and negative aspects of using each word in our current system brand name.

Committee members discussed several guiding principles on re-branding including 1) Our brand should elevate what we do and 2) Branding changes must not repeat well known marketing missteps such as "New Coke" that disrupted consumer perception of the Coke brand.

Mr. Lassiter indicated that the re-branding model will be further researched and presented within 60 days. The work will include options that include or exclude the words "County" and "Alameda".

TAB #5 UPDATE: Health Information Exchange

Mr. Zielazinski (CIO) reported on the development of Health Information Exchanges (HIE), a critical component of the 2009 American Recovery and Reinvestment Act (ARRA) and Health Share Bay Area (HSBA). HIE focuses on goals related to meaningful use to improve quality and efficiency in health care delivery. There is the action of exchanging information and the organizations created to do so; both are called HIE.

- Currently health information is kept in silos by unrelated health organizations.

- Health Information Exchanges will provide services focused on data exchange and sharing of patient data across disparate stakeholders.

HIE is one way to combat the fragmented nature of safety net care, provide a complete point-of-care medical record, support medication reconciliation, error reduction and care coordination, decrease duplicative testing and prepare for future care coordination incentive models of reimbursement.

Health Share Bay Area (HSBA) was created by merging the San Francisco HIE with the Alameda Contra Costa HIE. The combined organization has strong representation from public and private institutions (Catholic Healthcare West, Sutter, John Muir, UCSF, Community Health Center Network, City and County of San Francisco, for example) and a correspondingly strong and active governing committee. The HSBA business plan is based on subscription to core or premium service offerings rather than per transaction charges, which could discourage participation. HSBA will apply for 501(c) (3) status in February 2012 and begin core service information exchange in June 2012. There are talks underway to expand by including Marin and Santa Clara County; San Mateo County is already involved.

Cost to ACMC for seed money is $15K-$35K in FYE-2012; FYE-2013 participation is estimated at $85K. The business plan includes mechanisms to refund seed money to founding members during the first 1-3 years. Additional sources of funding may become available through grants, but these are not included in the break-even business plan.

TAB #6 REPORT: Chief Strategy and Integration Officer Report and Health Care Reform Update

A. Health Committee Hearings

Mr. Lyons reviewed several health reform topics including the year-long agenda for the health committee hearings that were requested as a follow-up item from the November, 2011 Strategic Planning Committee meeting.

B. SPD/Dual Eligibles Conversion to Managed Medi-Cal

An important theme in the State level changes is to re-direct the fragmented delivery and funding of care for patients who are fragile with multiple and complex diseases into a managed care model.

For Seniors and Persons with Disabilities, known as "SPD", California received a federal Section 1115 waiver of the Social Security Act to permit mandatory enrollment of Medi-cal only seniors and persons with disabilities into Medi-cal managed care. The conversion began last June including Alameda County. The intent of the waiver is to permit the Department of Health Care Services to achieve

care coordination, better manage chronic conditions and improve health outcomes. Many of the SPD patients have significantly higher rates of multiple diseases, are disabled and low-income. They often receive at home services through the "In-Home Supportive Services Program or ISSP that provides housecleaning, cooking, laundry, grocery shopping, bathing and transportation for medical appointments. Persons with mental disabilities have protective supervision. There are 440,000 IHHS home services recipients in California.

The conversion to managed care has been difficult for many of the SPD patients and community advocacy groups have requested changes in the conversion program. Physicians and clinics are reporting that some patients are confused about selecting a new managed care physician.

Concurrently, the first state budget trigger cuts included a 20% cut in services to most of the In Home Supportive Services program recipients. Although the managed care conversion continues, a federal preliminary injunction was issued to stop the reductions in at home services.

The shift of the SPD population into Medi-cal managed care represents a significant shift by greatly increasing the number of patients with a range of chronic conditions that need specific disease management services including behavioral health services.

For "dual eligibles", California received a $1 million planning grant to implement a demonstration project to integrate care for beneficiaries eligible for both Medicare and Medicaid.

As with the SPD population, dual eligibles tend to have many chronic health conditions and rely on services from numerous and often separately operated providers. Currently, only a small portion of California's dual eligibles are enrolled in an organized care system that integrates medical and social care needs.

Advocacy groups including AARP have voiced strong objections to the conversion model and timeframe at town hall meetings conducted by the Department of Health Care Services and at county level hearings throughout California.

The eventual "coordinating" agency will have a direct impact on Medi-cal managed care plans and also how Medicare benefits are connected to that process.

As with the SPD conversion, these changes will impact how we provide ambulatory and hospital care to these high risk populations converting into managed care programs.

C. **Reorganization of State Mental Health and Hospitals Services**
The Department of Mental Health currently oversees a variety of state and local public mental health programs. The current department has been reorganized and renamed as the new "Department of State Hospitals" to focus exclusively on improving the operation of state mental health hospitals that have about 6,300 patients in state hospitals and prisons.

Local mental health services are realigned with funding to the counties. Also, state Medi-cal mental health functions will be transferred to other state departments.

Fortunately, Alameda County through the HPAC initiative has already begun to integrate community level behavioral health services and programs into the overall ambulatory care provider organizations. For example, this year in HPAC each primary care clinic has funding to provide mental health treatments—the HPAC policy and operations groups include our County Behavioral Health Services leadership and our John George psychiatrists in areas such as medication management and formularies. The State changes should not have an immediate impact on delivery of services but future funding of the mental health and other "special programs" will be affected by the health care reform momentum to combine all local and federally subsidized health care services into one funding stream that operates as a managed care plan.

D. **Pioneer ACO Applicants Approved in California**
Mr. Lyons reviewed the list of Medicare approved Accountable Care Organizations in California that are called "Pioneer ACOS".

In California, six organizations were selected including one in the Bay Area: Brown & Toland Physicians. This group recently merged with Alta Bates Medical Group in our East Bay area. Of interest is that in California only one integrated hospital system, the SHARP system was selected. The other California ACOS are physician medical groups and independent practice associations one of which, the Monarch group, was purchased last year by United Health Care that operates insurance plans nationally.

Mr. Lyons noted that several physicians groups, such as the Mayo Clinic and large health care systems, have registered caution about the Medicare ACO model but they are rapidly constructing clinically integrated networks that can operate or contract with private insurance type ACOs.

Regarding Medi-cal ACOs, there are federal proposals under development to offer a Medi-cal or "Safety Net ACO" program but no official drafts have been released.

Mr. Lassiter reported that there is renewed Federal legislative interest to approve a County Organized System or "COS" that might be the infrastructure for a safety net ACO type model in Alameda County.

E. **UPDATE: Strategic Plan Consultant**
Mr. Lyons updated the committee on management's activity to select a consultant to assist us in developing a three year strategic plan. The work plan scheduled a presentation of a draft plan at the April Board Retreat with a complete plan draft ready for review by end of August, 2012.

TAB #7 INFORMATION: Issue Tracking & Follow-up

Mr. Lyons reported that the three issue tracking items were noted as completed.

TAB #8 INFORMATIONAL READING

Mr. Lyons suggested that everyone read the Dr. Don Berwick speech "The Moral Test".

TAB #9 REPORT: Legal Counsel's Report on Action taken in Closed Session

Douglas B. Habig, General Counsel, reported there was no Closed Session.

Public Comments: None.

Board of Trustees Remarks: None.

ADJOURNMENT: The meeting was adjourned at 6:07 p.m.

Respectfully Submitted by:

Barbara L. McElroy,
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____
Douglas B. Habig, Esq.
General Counsel