ALAMEDA COUNTY MEDICAL CENTER

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

STRATEGIC PLANNING COMMITTEE MEETING

Monday, September 17, 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 4:36 P.M.

ROLL CALL WAS TAKEN; THE FOLLOWING TRUSTEES WERE PRESENT:

Floyd Huen, MD, J. Bennett Tate, and Barry Zorthian, MD.

Stanley M. Schiffman and Ilene Weinreb were excused.

TAB #2 ACTION: Approval of Minutes

***ACTION:* A motion was made, seconded, and unanimously approved the Minutes from the July 16, 2012 Strategic Planning Committee Meeting as presented.**

***MOTION:* Trustee Tate**
***SECOND:* Trustee Zorthian**

AYES: *Trustees Huen, Tate, and Zorthian*
NAYS: *None*
ABSTAIN: *None*
ABSENT: *Trustees Schiffman and Weinreb*

TAB #3 REPORT: Chief Strategy and Integration Officer Report & Healthcare Reform/Legislative-Regulatory Update

Warren Lyons, Chief Strategy and Integration Officer, presented the following:

Alameda County
Transition of Seniors and Persons with Disabilities (SPD) into Medi-Cal Managed Care
In Alameda County, ACMC, the Alameda Alliance for Health) and the Alameda Health Consortium/Community Health Care Network (AHC/CHCN - whose eight

members are Federally Qualified Health Centers) have begun discussions to prepare for the mandatory conversion of Dual Eligibles (Medicare and Medi-Cal) and Healthy Families into Medi-Cal Managed Care. The report on SPD conversions attached in Tab 3 highlights concerns and challenges regarding this conversion and is relevant to similar issues facing patients and providers when the conversions of dual eligibles commences in June, 2013.

County Health Care Reform Hearings
ACMC will participate in health care reform hearings being sponsored by the Board of Supervisors Health Committee focusing on Information Technology in October and Specialty Care in November. At the October hearing, ACMC will be co-presenting with AHC/CHCN on our partnership in Electronic Health Records and Health Information Exchange efforts.

State
2012-2013 Legislative Session
The State legislators deferred actions on a number of legislative bills focusing on health care reform.

Special Session on Health Care Reform
The Governor also has called a special session in December to address health care reform issues including further implementation of the California Health Benefit Exchange.

California Health Benefit Exchange (CHBE)
At its recent meeting, the CHBE adopted the definition of An Essential Community Provider. The definition adopted was an improvement from the proposed definition, for which ACMC submitted comments. The adopted definition is narrower; it includes DSH hospitals and community clinics and includes private physicians as an essential provider if they meet a threshold of 30% in providing care to Medi-Cal and uninsured patients. Unfortunately, the CHBE did not provide a definition for the uninsured.

Federal
Legislative Session
Congress will return in October to finalize a resolution to continue flat funding of the government for the following six months (October through March). After the election, Congress will face its lame duck session, which is now being called a "fiscal cliff" given the variety of issues that need to be dealt with including the Bush tax cuts, payroll tax acts, sequestration and the expiration of the SGR.

ACA - Medicaid DSH Funding
ACA mandates a significant reduction in DSH funding. One of the issues that ACMC along with its trade organizations will be focusing on is why Congress can no longer justify cuts to Medicaid DSH payments given the voluntary Medicaid Expansion opt out outlined in the Supreme Court decision. The primary rationale for this advocacy issue is that given the Medicaid opt out, there will be a significant amount of uninsured individuals under the ACA that will be seeking care at DSH hospitals and/or other safety net providers. Furthermore, CMS has been stating that there is no deadline for states to commence Medicaid expansion and that states can drop Medicaid expansion when they so choose. This policy will impact the number of uninsured at any given time and will further the need for supplemental funding for public hospitals.

TAB #4 REPORT: Strategic Plan Update

Mr. Lyons reported that work on the three year ACMC Strategic Plan continues towards presentation of the final recommended plan including a financial analysis at the October Board Retreat.

The Strategic Plan Steering Committee evaluated the current ACMC Mission and Strategic Vision statements to determine if updates to the wording are desirable and considered a draft "Affiliation Construct" that would provide criteria and options that we should use when evaluating expansion of our system through affiliations, partnerships and acquisitions.

We will seek board reaction and guidance on its use for current and future system expansion arrangements.

Mr. Jeff Hoffman with Kurt Salmon Associates presented the Strategic Plan update including

ACMC's vision to develop a "System of Care" network that links multiple providers with the goal of coordinating the care for a large portion of Alameda County's adult population. This network will be built around a set of tight linkages with community clinics and local payors, as well as other hospital providers that will be part of the network. This network will also be strengthened through partnerships with independent community physicians/medical groups as well as other regional providers to serve academic and sub-specialized care needs of the population.

The proposed six strategic goals were:

Access - Market competitive standard for access in the communities we serve that supports organizational growth

Sustainability - Financial sustainability that supports growth and reinvestment to sustain our mission
Integration - Effective physician and hospital partnership that supports clinical integration leading to improved quality and experience for patients
Experience - Patients feel valued, cared for and continue to choose us as their medical home/provider of care
Network - Community engagement and external partnerships that align resources necessary for a sustainable clinically integrated network of care
Workforce - Culture of excellence in the workforce that empowers staff to embrace and lead transformation to a high performance health system

Mr. Hoffman reviewed diverse measures of success for the strategic plan including:

- Improved access in key specialties (segmented by specialty and by network relationships)
- 35+ specialty physicians recruited (organically or through network)
- Payor mix shift – increase in Medicare patients; Medi-Cal market share greater than 35% for county adult population
- Physician Organization established – 75% current medical staff participating
- Patient satisfaction – 75% percentile
- At or above all area competitors for CMS core measures
- Revenue surpasses ISFP projected targets
- Financial performance targets in line with ISFP recommendations
- Major affiliation arrangement with other major provider serving East Bay (hospital and/or physician group)
- All DSRIP projects implemented, milestones achieved

Mr. Hoffman next presented proposed revisions to the ACMC Mission and Vision statements. Mission statements should clearly address "why we exist" while Vision statements focus on "What we are striving to become"

The current mission statement reads as follows:

Alameda County Medical Center is committed to maintaining and improving the health of our community, regardless of ability to pay

The Medical Center provides comprehensive, high quality medical treatment, health promotion, and health maintenance through an integrated system of hospitals, clinics, and health services staffed by individuals who are responsive to the diverse cultural needs of our community

The Medical Center, as a training institution, is committed to maintaining an environment that is supportive of a wide range of educational programs and activities. Education of medical students, interns, residents, continuing education for

medical nursing, and other staff, along with medical research, are all essential components of our environments

Based on input from the work group, the mission statement has been re-worded to be more succinct and respond to the changing nature of the "system":

Alameda Health System is committed to maintaining and improving the health of ***our community****, regardless of ability to pay*

We provide comprehensive, high quality medical treatment, health promotion, and health maintenance through an integrated ***system of health services*** *staffed by individuals who are responsive to the diverse cultural needs of our community*

The Medical Center, as a training institution, is committed to maintaining an environment that is supportive of educational programs

In addition, an alternate mission statement has been proposed:

To Heal, To Teach, To Serve.

The current Vision statement is:
Alameda County Medical Center will be recognized as a leading integrated health care system available to all residents of Alameda County. We will champion expansion of health care coverage and access to help reduce health disparities within the County's diverse communities.

Based on the input from the work groups, the following revise Vision statement was proposed"

Alameda Health System will create a coordinated network of services to reduce health disparities and improve the health of our community

Mr. Hoffman shared that the general sense of the Steering Committee was that the updated Mission and Vision statements could be more succinct.

The committee discussed the statements proposed and agreed that more succinct versions would be the best option.

TAB #5 REPORT: DSRIP Quarterly Update

Kathleen Clanon, MD, Interim Chief Medical Officer, presented the quarterly update on the

Delivery System Reform Incentive Program (DSRIP) that is designed to prepare California Public Hospitals for health care reform. She noted that the funding is not a grant but must be earned by achieving milestones. FY 13 is now year three of the five year DSRIP grant period. The initial two years focus on planning and setting baselines while years three to five focus on outcomes.

The strategic uses for DSRIP funds include:

- Transition from a Medical Center to Health System model through expansion of Primary Care, Specialty Care, partnerships, and a Physician Operating Model.

- Transform existing services to improve patient experience, access, efficiency and quality.

To date, total allocated funds total $113.6M. The strategic allocations for FY13 will be:

- Ambulatory Care Systems ($22.568M) = 75%
- Acute Care Systems ($3.011M) = 10%
- Population Health Measures ($2.259M) = 7.5%
- Urgent Improvement ($2.259M) = 7.5%

Dr. Clanon noted that the potential risks to achieving DSRIP milestones involve demonstrating measurable improvements rather than reporting only. For FY12, ACMC achieved 33.75 of 34 milestones and a positive State agency progress report with constructive guidance for improvement. Dr. Clanon also reviewed the new DSRIP Category 5 for the transition of HIV patients from the Ryan White Act funding to the Low Income Health Program. The total funding could total up to $5.4M for the period July 2012 to December 2013. The program is awaiting CMS approval.

The committee thanked Dr. Clanon for her presentation.

TAB #6 INFORMATIONAL READING

Mr. Lyons referred three articles:

- Lifelong Health Care Receives Kaiser Grant
- Children's Hospital Seeks $450M To Expand
- Field Poll Survey-Californian's Assessment of Affordable Care Act

TAB #7 INFORMATION: Issue Tracking & Follow-up

Mr. Lyons reported that the two items pending are now closed. The Advocacy Toolkit required some modifications which are complete. Douglas Habig, General Counsel, spoke to the issue of the status of the suspension of certain provisions of the Brown Act. Although some provisions which relate to timing of notice have been suspended, most public organizations are adhering to the Brown Act as originally implemented as is ACMC.

TAB #8 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 6:10 p.m.

Respectfully Submitted by:

Barbara L. McElroy,
Clerk of the Board

APPROVED AS TO FORM:

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