



STRATEGIC PLANNING COMMITTEE MEETING
MONDAY, March 16, 2015

Conference Center Located at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Marla D. Cox, Clerk of the Board
(510) 535-7515

LOCATION:

Open Session: HCP Conference Center

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:35PM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Kinkini Banerjee, Tracy Jensen, Michele Lawrence, James Lugannani, and Barry Zorthian, MD.

Quorum was established.

TAB #1 ACTION: Consent Agenda

Action: A motion was made and seconded to approve the Strategic Planning Committee Meeting minutes from January 12, 2015. Minutes were approved.

AYES: Trustees Banerjee, Jensen, Lawrence, Lugannani, and Zorthian.

NAYS: None.

ABSTENTIONS: None.

TAB #2 PRESENTATION: San Leandro Hospital Update

James Jackson, Chief Administrative Officer of San Leandro Hospital, presented the hospital's strategic priorities and growth plan. The strategic priorities include providing emergency and acute care services in the community, building an efficient and sustainable business model, reaching a breakeven point for fiscal year 2016-2017, achieving a 1-2% margin for fiscal year 2017-2018, identifying near term revenue opportunities, and investing in longer term goals, including the transition of inpatient rehabilitation services from Fairmont to San Leandro Hospital. Volume trend-lines have increased overall. The surgical volume has doubled, ED visit volume has increased by 25%, and the average daily census has also increased. However, charges and payor mix are not where they need to be. Gross charges are increasing but this is not reflected in the net patient revenue.

Brenda Taylor, Business Development Manager, provided an overview of the steps necessary to break even which include an increase in patient volume, an increase in

reimbursement rate, and a reduction in overall expenses. Karen Black, Physician Liaison and Community Outreach, detailed her strategy during the past year for earning physician trust, focusing on the four core surgery lines, and targeting the Primary Care Physicians who represent the future of growth at San Leandro. The hospital has partnered with the senior center near the hospital and has recognized that San Leandro must also target this population.

DISCUSSION: San Leandro Strategy

Barry Zorthian, Trustee, expressed concern regarding the organizations ability to obtain the necessary contracts for sustainability. David Cox, Chief Financial Officer, explained the considerations taken into account in managing current and future payor contracts. Contracts are currently being analyzed to ensure we are securing favorable rates and renegotiating those that are not viable for San Leandro, taking into account new networks in the area as well as the available market.

Michele Lawrence, Trustee, commented on the remarkable work that the management at San Leandro has done with this campus however, she did question whether our current goals realistic and obtainable. Trustee Lawrence also requested an articulated timeline or end-date for financial breakeven at San Leandro. The CAO requested that he be allowed to defer this question to the next meeting in order to provide a more accurate timeline. The CFO confirmed that a plan detailing the total funding required to achieve breakeven was in progress. James Lugannani, Trustee, discussed specific scenarios with the CAO of San Leandro to better understand the financial need at this hospital. Trustee Lugannani requested a tour of the site in April as well as data regarding the overall patient experience at San Leandro to be provided for the next meeting.

In response to questions from the Committee, the CFO clarified that there are currently no issues with billing and revenue collection; however, there is room for improvement and these are being actively looked into. The CFO also explained that we are currently undergoing a Strategic Reimbursement Review for all locations to evaluate how to best position each hospital financially. It is currently not clear that a Public Hospital designation will be the most beneficial for San Leandro. The Committee requested the report regarding the state designation status be brought back once analysis is completed.

TAB #3

WRITTEN REPORT: Chief Strategy Officer Report

The Committee was provided a written report by the Chief Strategy Officer. Trustee Lawrence requested that a list be provided of the priorities for San Leandro for discussion at the Board Retreat. The list should include the financial commitment for each project and the funding source, whether it is being requested from the capital fund or operating fund. Trustee Lugannani would like some information regarding the steps necessary to obtain a 6% margin at San Leandro Hospital. Trustee Zorthian would like a more detailed explanation of how the rehabilitation center move is financially beneficial.

TAB #4

INFORMATION: 2015 Committee Annual Work Plan / Issue Tracking & Follow-up


Kinkini Banerjee, Trustee, would like to schedule a meeting prior to the Board Retreat to present a six month timeline from April to October to begin the process of implementing suggested strategies at San Leandro. The next meeting will focus on developing a framework of priorities for San Leandro, rather than a specific plan.

Public Comments – No Comments

Board of Trustees Remarks – No Comments

ADJOURNMENT: 6:22PM

Respectfully Submitted by:


Marla D. Cox
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____


Mike Moyer
Interim General Counsel