



BOARD OF TRUSTEES MEETING
TUESDAY, March 25, 2014

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

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:15 PM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Kirk E. Miller, Kinkini Banerjee, Daniel Boggan, Jr., Joe DeVries, Michele Lawrence, Ronald D. Nelson, J., Stanley M. Schiffman, Anthony B. Varni and Barry Zorthian, MD.

Trustees Bennett Tate and Valerie D. Lewis were excused.

NON-VOTING MEMBER PRESENT:

Taft Bhuket, MD and Steven Rosenthal, MD

Moment of Silence and Comments for Trustee Ronald D. Nelson

TAB #1 UPDATE: San Leandro Hospital and Status of Eden Township District Subsidy

James E.T. Jackson, Chief Administrative Officer, provided year-to-date data on the Average Daily Census for San Leandro Hospital. Mr. Jackson expressed to the Board that decreasing wait time is integral to our ability to advertise and to encourage people to return to utilizing the Emergency Department.

Rich Gianello, Interim CFO, AHS, reported, the month of January, there was a \$2.9 million loss on estimated revenue of \$3.3 million. Expenses were \$6.2 million. YTD Loss of \$6.8 million. Net Patient Revenue was estimated at \$5.203 million and Net Operating Expenses amounted to \$5.039 million.

Doug Habig, General Counsel announced that the Board would move to Closed Session to consider a public employee evaluation for the CEO, discuss a matter of substantial litigation and engage in a conference with a labor negotiator.

TAB #2 CLOSED SESSION

TAB #3 COMMITTEE REPORTS:

- **Finance Committee Report**

Daniel Boggan, Jr., Committee Chair

Daniel Boggan, Jr., Committee Chair provided the budget timeline, staff input to be received by March 30, 2014; leadership input by Finance Committee and others by April 30, 2014; final budget presentation to be at the next Finance Committee meeting with presentation to the full Board to follow.

- **Audit and Compliance Committee Report**

Kirk E. Miller, Committee Chair

Kirk E. Miller, Committee Chair reported that a report from the internal auditor was received. A consultant was engaged to help create a plan for a structure that would permit regular reporting of auditing operations.

- **Strategic Planning Committee Report**

Stanley M. Schiffman, Committee Chair

Stanley M. Schiffman, Committee Chair reported that the Physician Hospital Organization is in development.

- **Quality Professional Services Committee Report**

Barry Zorthian, MD, Committee Chair

Barry Zorthian, MD, Committee Chair reported that the committee heard peer review reports from AHS; SLH reports are in development. The committee received and accepted credentialing reports from both medical staffs. March policies and procedures were approved. Medical staff reports received from both medical staffs.

- **Governance Committee Report**

Valerie D. Lewis, Esq., Committee Chair

Kirk E. Miller, Member, reported on behalf of Trustee Lewis. Trustee Miller reported that the committee reviewed the board self-assessment results and will report back at the Spring Retreat. The committee also discussed the need for new Trustees.

- **Human Resources Committee Report**

J. Bennett Tate, Committee Member

No report received.

The Committee Reports were accepted as presented.

TAB #4 ACTION: Consent Agenda

- A. **Approval of the Minutes from the January 28, 2014 Board of Trustees Meeting.**
- B. **Approval of Contracts and Authorization by the CEO to Execute the Following Operating Contracts:**
1. Contract Renewal with Envision Construction & Design, Inc. for Construction of the new Hayward Wellness Clinic, for the period **February 11, 2014 through September 30, 2014**, not to exceed the amount of **\$3,989,814**.
Benita McLarin, Vice President, Ambulatory Healthcare Services
- C. **INFORMATION: Approved Contracts and New Grants Within the Range of \$500,000 to \$1,000,000**
See attached spreadsheet
- D. **Approval of Medical Staff / Organizational Policies and Procedures**
Recommendation by the Quality Professional Services Committee
See Agenda Attachment A

ACTION: Upon motion made and seconded, the Consent Agenda items were approved.

END OF CONSENT AGENDA

TAB #5 INFORMATION: Board of Trustees President Report

Kirk E. Miller, President reminded the Board of the upcoming AHSF Gala; Mr. Nelson's celebration services and the upcoming Spring Retreat.

TAB #6 UPDATE/DISCUSSION: Chief Executive Officer Update

Wright Lassiter, III, CEO provided an update on the following:

- The Board will be provided weekly updates regarding labor negotiations
- The Board will receive an update from the CEO office bi-weekly
- Executive C-level recruiting is moving forward; we are actively interviewing for the COO, CFO openings
- Working with Supervisors on Measure AA
- Operation loss year to date is 3 million dollars; we are ahead of the budget at this time; going forward areas of focus to reduce costs: purchase services; pharmacy costs; outside medical services
- AHS selected to be the MedAssets 2014 winner of the President's Award; top client for cost reduction
- Leadership offsite event to discuss the AHS Way (LEAN, Studer evidence based leadership model, our new values approach and standardization of how we do work)
- Spring Retreat; focus on Strategic Priorities

TAB #7 INFORMATION: Chief of Staff Reports

Dr. Taft Bhuket, MD, Chief of Staff, High, Fairmont & John George Medical Staff reported on the following:

- Dr. Patel has been elevated to Division Chief of Neurosurgery, in Department of Surgery at Highland Hospital.
- Dr. Ed Limb has been appointed to complete the term for the At-Large John George position.
- California Healthcare Foundation Leadership Fellows – Holly Garcia and Dr. Steven Chen have been selected for this prestigious program.
- Processes
- The Residency Program received the highest accreditation.
- Physician Organization

Dr. Steve Rosenthal, MD, Chief of Staff, San Leandro Hospital Medical Staff reported on the following:

- Departments at San Leandro Hospital
- Developing Palliative Care
- ICU Care
- Challenges in Patient Satisfaction
- Start a By-Laws Committee and Update By-Laws
- Unannounced State Survey – SLH did well

TAB #8 INFORMATION/ACTION: Alameda Hospital Affiliation

A. Due Diligence Review

Wright Lassiter, III, CEO reported that after completing due diligence assessments and financial modeling, management continues to recommend moving forward with the Alameda District Hospital affiliation.

B. Financial Review

No discussion

C. Approval of BOT Resolution 2014-001 (Resolution Approving Alameda Hospital Budgeted Contracts)

D. Approval of BOT Resolution 2014-002 (Alameda Hospital Medical Staff)

E. Approval of BOT Resolution 2014-003 (Alameda Hospital Bank Accounts)

F. Approval of BOT Resolution 2014-004 (JPA Side Letter Agreement)

ACTION: Upon motion made and seconded, Resolutions 2014-001 through 2014-003 were approved with one opposition.

Doug Habig, General Counsel reminded the Board that a vote was still needed on Tab 8C.

ACTION: Upon motion made and seconded, Resolution 2014-004 was approved with one opposition.

TAB #9 INFORMATION: LEAN

A written report was provided for the Board. Wright Lassiter, III, CEO stated that the examples in the packet are the recent LEAN activities happening on the Fairmont and John George Campus.

TAB #10 INFORMATION: Legislative Affairs/Local Government Strategy

A written report was provided for the Board.

TAB #11 INFORMATION: AHS Media Report

A written report was provided for the Board.

TAB #12 INFORMATION: Board Communication

Wright Lassiter, III, announced that a draft agenda will be distributed with topics to be discussed at the Board Retreat. The Board was reminded of upcoming Board Dinner May 9, 2014.

TAB #13 INFORMATION: Annual Board of Trustee Calendar and Follow-up Issues

The 2014 meeting calendar was provided for the Board.

TAB #14 REPORT: Legal Counsel's Report on Action Taken in Closed Session

Doug Habig, General Counsel, reported that in Closed Session the Board met concerning a matter of employee performance evaluation; conference with legal counsel regarding a matter of substantial risk of litigation and met with labor negotiator. The only action taken was to approve the recommendation of the labor negotiator.

Public Comments

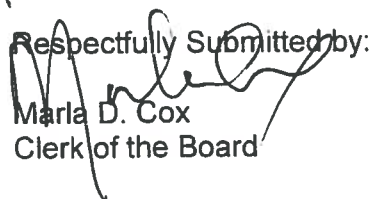
Comments were received from two SEIU Local 1021 employee union representatives who spoke on employee abuse and provided the board with a petition signed by employees.

Board of Trustees Remarks

No remarks

ADJOURNMENT – 8:36pm

Respectfully Submitted by:


Marla D. Cox
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:


Douglas Habig, Esq.
General Counsel