



CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
 Open Session
 Monday, May 7, 2012 Regular Meeting

Board Members Present	Management Present	Legal Counsel Present	Guests
Stewart Chen, DC Robert Deutsch, MD Elliott Gorelick J. Michael McCormick	Deborah E. Stebbins Kerry J. Easthope Brian Jung	Thomas Driscoll, Esq.	N/A
		Medical Staff Present	Excused
		Jim Yeh, DO	Jordan Battani
Submitted by: Erica Poncé, Administrative Secretary			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 6:07 p.m.	
II. Roll Call	Ms. Thorson called roll noting a quorum of Directors was present.	
III. Adjourn into Executive Closed Session	The meeting was adjourned into Executive Closed Session at 6:08 p.m.	
IV. Closed Session Agenda		
V. Reconvene to Public Session	The meeting was reconvened into public session at 7:40 p.m.	
A. Announcements From Closed Session	Director Deutsch stated that the Executive Closed Session Minutes were reviewed and approved from the March 31, 2012 and April 2, 2012 meetings. The Board Quality Committee Report for February 2012 was reviewed and accepted as presented. The Board approved the Credentialing Recommendations of the Medical Staff as outlined below. No other action was taken.	

Topic		Discussion	Action / Follow-Up	
<u>Initial Appointments – Medical Staff</u>				
	Name	Specialty	Affiliation	
	<ul style="list-style-type: none"> Kenneth Economy, MD 	Anesthesiology	Island Anesthesia	
<u>Reappointments – Medical Staff</u>				
	Name	Specialty	Staff Status	Appointment Period
	<ul style="list-style-type: none"> Faraz Berjis, MD 	Gastroenterology	Courtesy	06/01/12 – 05/31/14
	<ul style="list-style-type: none"> Gary Cecchi, MD 	Hematology / Oncology	Active	06/01/12 – 05/31/14
	<ul style="list-style-type: none"> Richard Kochenburger, MD 	OB / Gyn	Active	06/01/12 – 05/31/14
	<ul style="list-style-type: none"> Liesl Pavlic, MD 	Int Med / Hospitalist	Active	06/01/12 – 05/31/14
<u>Reappointment - Allied Health Professional</u>				
	<ul style="list-style-type: none"> Catherine Dunning, PA-C 	Physician Assistant		06/01/12 – 05/31/14
<u>Resignations</u>				
There were no resignations submitted during the month of April.				
VI. General Public Comments There were no public comments.				
VII. Regular Agenda				
A. Consent Agenda			Director McCormick made a motion to approve the Consent Agenda as presented. Director Chen seconded the motion. The motion carried.	
1) Approval of April 2, 2012 Regular Meeting Minutes				
2) Approval of March 31, 2012 Special Meeting Minutes				

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3)	Acceptance of the 2011 Environment of Care Annual Report	
4)	Approval of Revisions to the City of Alameda Health Care District Policy #2008-0b – Signature Authority	
5)	Approval to Enter into a Contract with MuirLab for Reference Lab Work	
6)	Approval of the 2012 Continuing Medical Education Program Mission Statement	
7)	Approval of Revisions to Medical Staff Rules: Article 2, Anesthesia Service	
B. Action Items		
1)	<p>Acceptance of March 2012 Unaudited Financial Statements and April 25, 2012 Finance and Management Committee Report</p> <p>Director McCormick stated that the March 2012 unaudited financial statements were reviewed for discussion and analysis at the Finance and Management Committee meeting of April 25, 2012 and provided the following report and key points from the meeting:</p> <p>Gross revenues were below budget for the first time in two months. The District experienced a negative bottom line with \$295,000 budgeted and a negative \$401,000 realized. The YTD bottom line was a negative \$1,112,000.</p> <p>Two unusual adjustments to contractual allowances pushed the financials to exceed budget by \$631,000. A \$35,000 reserve was established in anticipation of a potential State pay-back associated with this year's skilled nursing payments. In addition, the 2010 Medi-Cal cost report was settled with a payable of \$203,000 which was greater than anticipated. Without these adjustments the bottom line would have been a negative \$163,000.</p> <p>Lower activity contributed to the loss for the month which was also reflected in the revenue for the month. Overall gross revenue was 11.1% below budget with inpatient revenue down 15.2% and outpatient revenue down 2.5%. This was largely due to \$428,000 budgeted for the Wound Care Center, which has not opened.</p> <p>The Case Mix Index ran at 1.3071 which was above the YTD average.</p> <p>Expense activity was unusually high in purchased services including outside billing, information services, engineering and employee recruitment. However, YTD expenses</p>	<p>Director Gorelick made a motion to accept the March 2012 Unaudited Financial Statements and April 25, 2012 Finance and Management Committee Report as presented. Director Chen seconded the motion. The motion carried.</p>

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	<p>are very near budget at \$166,000.</p> <p>Cash on hand went from 12.4 days in February to 2.2 days in March. The current ratio ended the month at 1.0.</p> <p>Director Gorelick asked for Management's opinion regarding the Hospital's ability to stay in compliance with the two covenants with the Bank of Alameda (current ratio and net assets). Mr. Easthope replied that the months with increased income will drive both the ratio and assets up due to their working relation with one another. Ms. Stebbins added that Management continues to maintain communication with Bank of Alameda regarding the loan covenants.</p> <p>Director Gorelick stated his concern for the draw down on the short-term construction loan for the Wound Center project. Mr. Easthope stated that the draw to date is approximately \$145,000. Ms. Stebbins stated that they will continue to look at the loan and monitor the draw on the funds. Management will report on loan and project status at the next Finance and Management Committee Meeting scheduled for Wednesday, May 30, 2012.</p>	
2)	<p>Approval to Enter into an Agreement with Select Therapies for Long Term Care Rehabilitation Services Management</p> <p>Mr. Easthope presented the proposed the recommendation to enter into an agreement with Select Therapies as outlined on pages 75-82 of the Board Packet.</p> <p>Director McCormick recalled Mr. Easthope's statement that it is essential to establish a rehabilitation program for the impending orthopedic program to be successful, and then asked if a rehab program would be successful even if the orthopedic program is not established. Mr. Easthope replied that a strong rehabilitation program is needed regardless of what occurs with orthopedics. He added that rehab in a long term care setting is unique and is different than inpatient or outpatient rehab care. The Hospital's Long Term Care Administrator (Richard Espinoza) has stressed the importance of a strong rehab program in long term care.</p> <p>Director Chen asked if the rehab staff's concerns that were brought to the Board have been addressed. Mr. Easthope replied that there have been discussions with staff regarding the change and their concerns have been addressed. Ms. Stebbins also replied that the meetings Management has had with the rehab staff have been positive, with Management communicating the need for staff development, program improvement, and change of care philosophy.</p> <p>Director Chen asked if alternatives short of outsourcing have been explored. Ms.</p>	<p>Director Chen made a motion to Enter into an Agreement with Select Therapies for Long Term Care Rehabilitation Services Management. Director McCormick seconded the motion. The motion carried.</p>

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	<p>Stebbins replied that this plan is the alternative plan, which consists of outsourcing only the long term care portion of rehab.</p>	
<p>3)</p>	<p>Approval of Revisions to the Terms and Conditions of the Orthopedic Professional Service Agreements and Authorization to Execute Such Agreements</p> <p>Tony Corica presented the proposed changes on pages 83-87 of the Board Packet, highlighting that there is an increase of \$211,000 over the three-year term as compared to the initial proposal presented at the April 2, 2012 District Board Meeting. Director Gorelick asked if a commitment had been received from the orthopedists. Mr. Corica stated that the spine surgeon has given a tentative commitment and the sports medicine specialist is expected to give his response within one week. Director Gorelick asked if the orthopedists have visited the Hospital beyond their initial meeting, to which Mr. Corica replied that they have. A short discussion followed.</p>	<p>Director Gorelick made a motion to approve the Revisions to the Terms and Conditions of the Orthopedic Professional Service Agreements and Authorization to Execute Such Agreements. Director McCormick seconded the motion. The motion carried.</p>
<p>4)</p>	<p>Approval of Proposed FY 2012 Executive Performance Metrics and Incentive Compensation Plan</p> <p>Directors McCormick and Gorelick worked together with management on an updated Incentive Compensation Plan, found on pages 88-89 of the Board Packet. Director Gorelick stated that the revised plan incorporated the concerns of the Board from the April 2, 2012 Board meeting and was cognizant of the work relating to Waters Edge. It has also been noted that in the future, more timely presentation of the performance metrics and incentive compensation plan would be ideal. It was suggested by Director McCormick that the next incentive proposal should be outlined in a simple format and brought to the Board in August 2012.</p> <p>Director Chen asked if any other Management personnel are included in this plan. Director Gorelick replied that the only two are the CEO and CFO. There has been discussion of opening it up to other executives, but at this time there are only two included in this structure. Director McCormick added that it would be beneficial to incorporate other members of Management in the future as well as restore the wage rollbacks and wage freezes throughout the Hospital staff.</p>	<p>Director Chen made a motion to approve the Proposed FY 2012 Executive Performance Metrics and Incentive Compensation Plan. Director Deutsch seconded the motion. The motion carried.</p>
<p>C. Board President Report</p>	<p>Director Deutsch reported in President Battani's absence. Director Deutsch, along with Attorney Tom Driscoll, briefly discussed a complaint received by the Fair Political Practices Commission in 2011 alleging that Dr. Deutsch had a conflict of interest and made governmental decisions that had a reasonably foreseeable material financial effect on a source of income to him. The Commission</p>	

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	completed their investigation of the facts in this case and decided to close the case without further action.	
<p>D. Chief Executive Officer Report</p> <p>1) Monthly CEO Report</p>	<p>Ms. Stebbins directed Board Members to pages 90-94 in Board Packet, highlighting Executive Re-Organization, Schedules and Events, Community Outreach, Local Hospitals, Wound Care, Seismic and Other Regulatory Compliance Planning Activities, and April Key Stats.</p> <p>Ms. Stebbins introduced Brian Jung as the new Chief Business Development Officer and announced Kerry Easthope's transition to Chief Financial Officer. She also invited District Board Members to attend Hospital events over the next week which highlight National Hospital Week and National Nurses Week.</p> <hr/> <p>2) District Board Meeting Scheduling Discussion</p> <p>Following discussion, a vote was taken regarding changing the meeting days for the District Board.</p>	<p>Director McCormick made a motion to approve the change of the City of Alameda Health Care District Board Meetings to the first Wednesday of each month for the remainder of 2012. Director Chen seconded the motion. Director Gorelick abstained. The motion carried.</p>
<p>E. Medical Staff President Report</p>	<p>James Yeh, DO, Medical Staff President, stated that the CME program for May is slated for May 22 with the following speaker presenting:</p> <ul style="list-style-type: none"> Ronnie Mimran, MD, Neurosurgeon, Pacific Brain and Spine Medical Group – “Minimally Invasive Spine Surgery” 	<p>No action taken.</p>
<p>F. Community Relations and Outreach Committee Report</p>	<p>Director Chen reported on the April 24, 2012 Community Relations and Outreach Committee noting the following:</p> <p>The committee heard a presentation from Michael Baxter, Stroke Program Coordinator, about the certified stroke center.</p> <p>Last week, Alameda Hospital provided TB testing for Alameda Unified School District</p>	<p>No action taken.</p>

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	<p>Employees.</p> <p>Alameda Hospital participated in a health fair for the Alameda Point Collaborative on Friday, May 4. Upcoming events include:</p> <ul style="list-style-type: none"> • Park Street Spring Festival on May 12 • Mastick Senior Center Senior Fitness Day on May 16 • Community Stroke Risk Assessment on May 18 • South Shore Asian Pacific Islander Festival on May 20 • Senior Health Day at the Harbor Bay Club on May 30 <p>Alameda Hospital will provide health screenings, health education, and information about Hospital services at these community events.</p> <p>Let's Move Alameda campaign to prevent childhood obesity continues. Alameda Hospital and its community partners (Girls Inc, Boys and Girls club, Alameda Recreation and Parks, and local schools) are actively collecting healthy lifestyle pledges throughout the city.</p> <p>Tony Corica provided an update on the Comprehensive Orthopedic Program.</p> <p>The Alameda Hospital Foundation is presenting a special fundraiser: "Antique Adventures 2" at Michaan's Auctions on June 7, 4:00 to 7:00 p.m. District Board Members are invited to attend.</p>	
VIII.	<p>General Public Comments</p> <p>There were no additional comments.</p>	
IX.	<p>Board Comments</p> <p>There were no comments.</p>	
X.	<p>Adjournment</p> <p>Being no further business, the meeting was adjourned at 8:46 p.m.</p>	

Attest:

Jordan Battani
President

Elliott Gorelick
Secretary