



FINANCE COMMITTEE MEETING

June 14, 2018

4:00pm – 5:30pm

Conference Center Located at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Ronna Jojola Gonsalves, Clerk of the Board
(510) 535-7515

LOCATION:

Open Session: HCP Conference Center

FINANCE COMMITTEE MEMBERS

Kinkini Banerjee
Gary Charland
Louis Chicoine
Joe DeVries
Michele Lawrence
Anthony Thompson - Chair

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:00 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Kinkini Banerjee, Louis Chicoine, Joe DeVries, Michele Lawrence, and Anthony Thompson.

ABSENT: Gary Charland, excused

A quorum was established.

OPEN SESSION

A. ACTION: Consent Agenda

1) Approval of the Minutes of the May 10, 2018 Finance Committee Meeting

NOTE: In the event that a quorum of the Board of Trustees participates on this Committee, the meeting is noticed as a Special Meeting of the Board of Trustees; however, no final Board of Trustees action can be taken.

ACTION: A motion was made and seconded to approve the minutes of the May 10, 2018 Finance Committee Meeting. The motion passed.

AYES: Trustees Banerjee, Chicoine, DeVries, and Thompson

NAYS: None

ABSTENTION: Lawrence

END OF CONSENT AGENDA

B. INFORMATION/DISCUSSION: Operating Reports

1) Finance Report:

Nancy Kaatz, Interim Chief Financial Officer

- a) April 2018 Financial Report
- b) 12 Month Forecast update

Ms. Kaatz reviewed the presentation available here:

<http://www.alamedahealthsystem.org/meeting-agendas-and-minutes/>

Trustee Thompson asked if it would be better to have a consolidated Strategic Business Units (SBU) report. Mr. Finley said the goal of the report was to give the Trustees a sense of how the SBUs were performing as individual entities. The reports weren't the best reflection of how an individual site was doing because of the issues with allocation on the revenue side.

Trustee Lawrence asked about the cash on hand data on page 12 of the agenda packet, and how the Alameda Health System (AHS) cash on hand did not compare well to other hospitals. She asked if there was a way to correct that. Ms. Kaatz said she wasn't sure if there was a better method. She wasn't sure it would make a difference until the net negative balance was paid down.

Trustee DeVries asked how AHS compared to other public hospitals. Ms. Kaatz said the numbers in her presentation were for all California hospitals because of the great variance of information for public hospitals. Many county hospitals didn't have their own cash balance.

Trustee Lawrence reminded management that the Trustees needed the assumptions included with the budget going forward.

2) Chief Operating Officer Report: (20 minutes)

Luis Fonseca, Chief Operating Officer

- a) April 2018 Operations Report
- b) Fiscal 2018 Back to Budget Plan
- c) Alameda Hospital SB90 Project Update

Mr. Fonseca reviewed the presentation beginning on page 33 of the agenda packet.

Trustee Banerjee said that at the last meeting staff showed the Emergency Department (ED) volume across the county decreasing, except at San Leandro Kaiser. The Board wanted to make sure the ED visits were being directed to AHS EDs as appropriate. She asked if they were keeping it down intentionally because of the construction at San Leandro Hospital. Mr. Fonseca said the ED volume was not directly related to the construction. There were many potential drivers to the problem. AHS was working with the relevant parties on how the transports were distributed.

3) Final FY2019 AHS Budget (20 minutes)
Delvecchio Finley, Chief Executive Officer

Mr. Finley reviewed the presentation beginning on page 74 of the agenda packet.

Trustee Chicoine asked if the 10% contingency for the Alameda Hospital project was normal. Mr. Fonseca said it was a little high because they wanted to plan for the unpredictable nature of the project.

Trustee Thompson confirmed that the Finance Committee supported the final FY19 AHS Budget as read by the Chief Executive Officer.

C. INFORMATION: Retrospective Review of Prior Contract Approvals

- 1) Agreement with Affirma Rehabilitation to provide post-acute rehabilitation services for three Alameda Hospital Skilled Nursing Facility sites, approved on September 2015.

Luis Fonseca, Chief Operating Officer

Mr. Fonseca reviewed the presentation beginning on page 123 of the agenda packet.

Trustee Jensen asked if the contract provided for continuity for the patients. Mr. Fonseca said the staff has been very stable and were very involved with the patients.

D. ACTION: Approval of Contracts

- 1) Renewal agreement with **Medline Industries, Inc.** to provide medical supplies across Alameda Health System. The term of the proposed agreement shall be from October 1, 2017 through January 31, 2019. The estimated impact of the proposed agreement is \$17,889,941.46.

Luis Fonseca, Chief Operating Officer

Baljeet Sangha, VP of Support Services recapped the presentation beginning on page 133 of the agenda packet.

Trustee Lawrence asked if, on this type of contract, they solicited bids from other organizations. Mr. Sangha said the extension in question was proposed to provide time to initiate the Request for Bids process.

Trustee Banerjee asked why the contract was allowed to expire with such a large amount. Mr. Sangha explained there had been a limited understanding of the process by previous staff. The current controls were what allowed them to catch the issue.

ACTION: A motion was made and seconded to approve the Medline Industries, Inc. renewal agreement, at an estimated \$17,889,941.46, effective October 1, 2017 through January 31, 2019. The motion passed.

AYES: Trustees Banerjee, Chicoine, DeVries, Lawrence, and Thompson

NAYS: None

ABSTENTION: None

- 2) Amendment to the agreement with **Affirma Rehabilitation, Inc.** for the provision of post-acute rehabilitation services to the Alameda Hospital Skilled Nursing Facilities. The term of the proposed amendment shall be from July 1, 2018 through June 30, 2021. The estimated impact of the proposed agreement is \$3,711,666.00.

Luis Fonseca, Chief Operating Officer

ACTION: A motion was made and seconded to approve the Affirma Rehabilitation, Inc. agreement amendment, at an estimated \$3,711,666.00, effective July 1, 2018 through June 30, 2021. The motion passed.

AYES: Trustees Banerjee, Chicoine, DeVries, Lawrence, and Thompson

NAYS: None

ABSTENTION: None

- 3) Amendment to the agreement with **University of California, San Francisco East Bay Faculty Surgeons** for the provision of trauma general surgery services. The term of the proposed amendment shall be from July 1, 2018 through June 30, 2020. The estimated impact of the proposed agreement is \$1,468,183.37.

Ghassan Jamaledine, MD, Chief Medical Officer

Trustee Jensen asked why San Leandro Hospital retained community non-UCSF doctors and Alameda Hospital was going entirely to UCSF for surgery. Dr. Jamaledine requested the discussion move to closed session.

ACTION: A motion was made and seconded to approve the University of California, San Francisco East Bay Faculty Surgeons agreement amendment, at an estimated \$1,468,183.37, effective July 1, 2018 through June 30, 2020. The motion passed.

AYES: Trustees Banerjee, Chicoine, DeVries, Lawrence, and Thompson

NAYS: None

ABSTENTION: None

- 4) Renewal agreement with **California Medical Billing Services, LLC** for the provision of professional medical billing and consulting services. The term of the proposed agreement shall be from August 1, 2018 through June 30, 2021. The estimated impact of the proposed agreement is \$1,360,000.00.

Nancy Kaatz, Interim Chief Financial Officer

ACTION: A motion was made and seconded to approve the California Medical Billing Services, LLC renewal agreement, at an estimated \$1,360,000.00, effective August 1, 2018 through June 30, 2021. The motion passed.

AYES: Trustees Banerjee, Chicoine, DeVries, Lawrence, and Thompson

NAYS: None

ABSTENTION: None

- 5) Amendment to the agreement with **East Bay Foundation for Graduate Medical Education** to administer the East Bay Residency Program for surgical residents under the UCSF School of Medicine. The term of the proposed amendment is July 1, 2018 through June 30, 2019. The estimated impact of the proposed agreement is \$2,724,606.02.

Ghassan Jamaledine, MD, Chief Medical Officer

ACTION: A motion was made and seconded to approve the East Bay Foundation for Graduate Medical Education agreement amendment, at an estimated \$2,724,606.02, effective July 1, 2018 through June 30, 2019. The motion passed.

AYES: Trustees Banerjee, Chicoine, DeVries, Lawrence, and Thompson

NAYS: None

ABSTENTION: None

- 6) New agreement with **Hyland Software, Inc.** to procure their OnBase enterprise content management software platform to be integrated with Epic for testing and active use. The term of the proposed agreement shall be from July 1, 2018 through June 30, 2021. The estimated impact of the proposed agreement is \$1,893,573.17.

Ed Babakanian, Interim Chief Information Officer

Trustee Lawrence asked if the amount of money for the Hyland agreement had been included in original presentation regarding the cost of Epic. Mr. Finley said it was.

ACTION: A motion was made and seconded to approve the Hyland Software, Inc. agreement, at an estimated \$1,893,573.17, effective July 1, 2018 through June 30, 2021. The motion passed.

AYES: Trustees Banerjee, Chicoine, DeVries, Lawrence, and Thompson

NAYS: None

ABSTENTION: None

E. INFORMATION/DISCUSSION: Business Planning

Trustee Thompson made some brief remarks, announced his resignation from the Board of Trustees, effective June 15, 2018, and the meeting adjourned.

F. DISCUSSION: Committee Planning

- 1) Issues Tracking

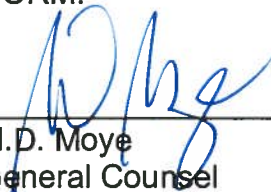
TRUSTEE COMMENTS

ADJOURNMENT 5:40pm

This is to certify that the foregoing is a true and correct copy of the minutes of the Finance Committee June 14, 2018 meeting as approved on July 12, 2018:


Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 
M.D. Moye
General Counsel