



BOARD OF TRUSTEES MEETING
THURSDAY, NOVEMBER 29, 2018

Conference Center 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

MEMBERS

Joe DeVries, *President*
Kinkini Banerjee, *Vice President*
Maria G. Hernandez, *Secretary*
Noha Aboelata, MD Louis Chicoine
Taft Bhuket, MD Tracy Jensen
Gary Charland Ross Peterson

Chief of Staff – HGH/FMT/JGH/AMBULATORY Medical Staff: Gene Hern, MD
Chief of Staff - SLH Medical Staff: Joel Chiu, MD
Chief of Staff - AHD Medical Staff: Elpidio Magalong, MD

BOARD OF TRUSTEES REGULAR MEETING MINUTES

THE MEETING WAS CALLED TO ORDER AT 5:07PM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Noha Aboelata, Kinkini Banerjee, Taft Bhuket, MD, Gary Charland Louis Chicoine, Joe DeVries, Maria Hernandez, Tracy Jensen, Ross Peterson

ABSENT: none

A quorum was established.

Public Comment on Non-Agenda Items

Trustee DeVries moved agenda item B to be heard prior to Public Comment.

Cecile Gozum said that the care team was responsible for quality of care for each patient all the way through their discharge. overtime to avoid PIPs.

Ann Geyer spoke regarding the short-staffed nursing staff. She said the PacU unit had no one assigned to it. They did not have time to complete the tasks they were asked to do and they were issued PIPs for not completing their tasks. She invited management to shadow them on their shifts.

Elinor Perez said the year had been a long struggle. Staff wanted dialogue and meaningful conversation with management. She spoke regarding the high turnover of managers in her department. She wanted them to withdraw the PIPs and provide adequate staffing, so they could serve the patients properly.

Andre Spearmaxl said the moral of the department had decreased. She said they felt like they didn't have a voice to speak to management. In the last two years there had been nine managers.

Felix Thomson said they were valued employees and what they were asking for was noble. He wanted to know how they could have a caring hospital when management wasn't responding to their requests.

A. MEDICAL STAFF REPORTS

Gene Hern, MD, HGH/FMT/JGH/Ambulatory Medical Staff

Joel Chiu, MD, San Leandro Hospital Medical Staff

Elpidio Magalong, MD, Alameda Hospital Medical Staff

Dr. Hern recapped the last two years of his service of Chief of Staff. He said AHS was a better place to be a patient and a provider because of the collaborative work done regarding overcrowding at Highland. Two new departments had been created, Orthopedics and Pediatrics, as a result of the revised bylaws. He said the Wellness Task Force was been successful.

Dr. Magalong said the three Medical Staffs had worked to collaborate across the staffs and the executive team to achieve common goals. He added that it was important to strengthen the relationship with the community physicians.

Dr. Chiu felt that at times they could have done more to have better outcomes. More commissioners might help provide a clearer view of the issues. He spoke regarding the San Leandro licensing decision and how it was not being made with adequate time or options. He wanted more questions to be asked.

B. BOARD PRESIDENT REPORT

Joe DeVries, President

Heard prior to Public Comment.

Trustee DeVries said the Board would consider the San Leandro item during the meeting. The staff and administration made some predictions about what the impact of decisions would be. Including union representation of the nurses who serve at San Leandro. He said that he and Supervisor Chan met with the nurses recently. Although staff made these predictions about what might happen, the Board and the administration had no intention of, or interest in, violating the MOUs despite what the letter from the CNA suggested.

C. CEO REPORT

Delvecchio Finley, Chief Executive Officer

Mr. Finley said he would offer a written report to the Board at a later date and not deliver a verbal report in respect to the long agenda.

Mr. Finley discussed his appreciation for the outgoing Chiefs of Staffs.

D. COMMITTEE REPORTS

1. Audit and Compliance Committee: September 13 and November 8, 2018

Kinkini Banerjee, Committee Chair

Trustee Banerjee provided a verbal report on the September 13 and November 8 Audit and Compliance Committee meetings. She said that during the September meeting the committee reviewed the organization wide internal audit. She said the audit found there were instances where there could have been better controls for implementing and tracking travel reimbursements and purchase orders. The HIPAA walkthroughs by the internal audit department auditing patient privacy concerns were completed and corrective measures were underway.

At the November meeting they reviewed the Moss Adams external audit report draft. The audit was clean. The AHP audit was still in process.

A new charter for the Audit Committee was approved expanding the oversight and reporting roles. A new code of conduct for the employees was implemented as well. The reporting structure for the internal auditor moved from Legal to the CEO.

2. Finance Committee: July 12, October 11, and November 8, 2018

Louis Chicoine, Committee Chair

Trustee Chicoine provided a verbal report on the November 8 Finance Committee meeting.

The November meeting started with a new chair and an interim CFO. Trustee Chicoine was pleased with how the transition to correcting some methodology had been going with the interim CFO. The Committee considered several action items. Premiere parking carried over from October to November to consider the process of evaluating bids for contracts with a focus on consideration with local contractors. This was an ongoing conversation.

Discussion focused on the operating margin for September, which was 3.8% above budget goal but EBIDA was 3.4% or 1.5% off budget goal for the month due to non-operating capital cost transfer. YTD EBIDA was at 3.2 or a half point off the budgeted amount through September. The year to date shortfall in net patient service revenue was \$6.9M and in line with the CFO predictions of 27 to 29 in annual shortfall.

Trustee Chicoine said the Committee discussed Alameda Hospital finances. The committee affirmed the Alameda Hospital role and value in the system, but there was an incredible challenge around financing certain aspects of the system including Alameda Hospital.

The Committee also discussed concerns about supplemental income during a potential economic downturn.

3. Human Resources Committee: October 10, 2018

Tracie Jensen, Committee Chair

Trustee Jensen provided a verbal report on the October 10, 2018 Human Resources Committee meeting.

She said the focus of the conversation was employee separation, probationary release data trends by ethnicity, and exit interview data. She said that the exit interview data showed that voluntary separations were due to schedule shifts primarily – about 10% of all separations.

No actions were taken other than to approve the minutes.

4. Quality Professional Services Committee: October 25, 2018

Taft Bhuket, MD, Committee Chair

Trustee Bhuket provided a verbal report on the October 25, 2018 QPSC meeting. He said the Committee approved all qualified Medical Staff credentialing and 13 policies and procedures. They discussed the center for Medicaid services partnership for patient's initiative. The Committee also discussed and how a health organization could incorporate the patient voice into the governance structure and whether that voice should have a seat on the Board. Other discussions included improving communication between clinicians and administrators, operational efficiencies, Post-Acute, and Behavioral Health.

E. CONSENT AGENDA: ACTION

- 1. Approval of the Minutes from the October 26 and 27, 2018 Board of Trustees Regular Meeting.**

2. Approval of Contracts and Authorization for the CEO or His Delegate to Execute the Following Operating Contracts:

The Finance Committee recommends approval of the contract listed below.

- a) New agreement with Premier Parking, LLC for provision of comprehensive parking, valet, and shuttle services for Highland Hospital and Alameda Hospital. The term of the proposed agreement shall be from December 1, 2018 through November 30, 2021. The estimated impact of the proposed agreement is \$4,089,261.00.

Luis Fonseca, Chief Operating Officer

Baljeet Sangha, Vice President, Support Services

Trustee Hernandez noted that we needed to be mindful of impacts of small business and minority businesses to compete. She said a supplier diversity training and initiative was a good idea.

- b) Renewal agreement with MModal Services, LTD for provision of manual transcription services, speech recognition software, and Epic testing interface and support. The term of the proposed agreement shall be effective upon signature through November 30, 2023. The estimated impact of the proposed agreement is \$2,766,031.87.

Quinn Cordae, Information Systems Manager, Ancillary Applications

Bernice Zander, Director, Health Information Management

- c) Amendment to extend the agreement with Medline Industries, Inc. for provision of medical supply distribution services to all AHS facilities. The term of the proposed agreement shall be from February 1, 2019 through April 30, 2019. The estimated impact of the proposed agreement is \$3,577,988.29.

Luis Fonseca, Chief Operating Officer

Baljeet Sangha, Vice President, Support Services

- d) Amendment agreement with Siemens Medical Solutions USA, Inc. for provision of additional mammography reading licenses for radiology. The term of the proposed agreement shall be effective upon signature through March 31, 2022. The estimated impact of the proposed agreement is \$42,006.00.

Mark Amey, Chief Information Officer

Quinn Cordae, Information Systems Manager, Ancillary Applications

- e) New agreement with McKesson Pharmaceutical for provision of wholesale pharmaceutical distribution services to all AHS facilities. The term of the proposed agreement shall be effective February 1, 2019 through January 31, 2021. The estimated impact of the proposed agreement is \$55,350,000.00.

Luis Fonseca, Chief Operating Officer

Diana Thamrin, System Director of Pharmacy

- f) New agreement with Quest Diagnostics for provision of esoteric lab and diagnostics services to all AHS facilities. The term of the proposed agreement shall be December 1, 2018 through November 30, 2021. The estimated impact of the proposed agreement is \$6,791,044.53.

Luis Fonseca, Chief Operating Officer

Feuy Saechao, Manager, Clinical Lab Operations

3. Approval of the Revised Audit and Compliance Committee Charter to be effective immediately.

The Audit and Compliance Committee recommends approval of the revised Committee Charter.

4. Approval of the Amendment Terminating the Alameda Hospital Pension Plan (“Echo Plan”) to be effective December 31, 2018.

5. Recommendation to the Board of Supervisors to Reappoint Trustee Peterson to a new term with term dates of January 1, 2019 through December 31, 2021. If reappointed this will serve as Trustee Peterson’s first full term.

6. Recommendation to the Board of Trustees to Approve the Alameda Hospital Medical Staff Bylaws and Medical Staff Rules and Regulations.

The Quality Professional Services Committee recommends approval of the Alameda Hospital Medical Staff Bylaws and Medical Staff Rules and Regulations.

Mike Moye, General Counsel noted that article 9.4 (Medical Staff Representative to the Board), agenda packet page 165, was stricken from the Alameda Hospital Medical Staff Bylaws.

Trustee Bhuket said that the MEC discussed wanting to have a representative sit on the Board of Trustees. QPSC was not able to approve without additional discussion and suggested it would be a good topic for a future Board meeting.

ACTION: A motion was made and seconded to approve the Consent Agenda Items E1 through E5 as is, and item E6 as modified to strike article 9.4 from the Alameda Hospital Medical Staff Bylaws. The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, Charland, Chicoine, DeVries, Hernandez, Jensen, and Peterson

NAYS: None

ABSTENTION: None

F. REPORT/DISCUSSION

1. Report on Status of Alameda Health Partners/Oakcare Medical Group Contract

Nick Pirnia, MD, President, Alameda Health Partners

Ghassan Jamaledine, MD, Chair, Alameda Health Partners Board of Directors

Trustee Bhuket recused himself as an employee of Oakcare.

Dr. Pirnia and Dr. Robert Savio, OakCare President, reviewed the presentation beginning on agenda packet page 222.

Trustee Hernandez asked what their best estimate was for the progression of steps to meet the July deadline. Dr. Pirnia said there were many steps including finalizing the negotiations, internal committee structures, and determine core infrastructure. He was confident they would meet the July 2020 goal.

Trustee Jensen asked about the relationships with community providers, UAPD and UCSF. Dr. Pirnia said they intended to continue relationships with community providers as much as possible would like most people to be in the same organization – that path will continue – how this would affect that pace was difficult to say. Dr. Savon said empowering physicians would impact patient care and would be more attractive to physicians. Dr. Hern said that unifying the contracts under one group is supported by MEC.

Based on a question from Trustee Jensen, Dr. Pirnia said their relationship with UCSF was good. The intention would be to build incentives into the pay structure to reward hard work and maximize opportunities.

Dr. Aboelata asked how AMG fell under the Trustee's purview. Dr. Savio said the medical group would have a contractual relationship with AHP and AHP managed that contract. Trustee Aboelata asked why AHP couldn't manage it. Dr. Hern said that in the creation of AHP, the idea was to create a subsidiary with a nonprofit status. With that status it is structured so that the board of directors are not to be more than 50% physicians in that group. AMG would have a 100% physician board of directors.

Trustee Banerjee asked how the relationship would work with the financial model between AHP and AMG. Dr. Pirnia said some of that was still being decided. Both sides agreed that the AHP Board could make the contractual decision. Dr. Hern said it was meant to be a long-term stable relationship.

Trustee Jensen asked for clarification on whether Oakcare would dissolve and become AMG. Dr. Hern confirmed that AMG would be the unification of Oakcare and AHP providers. Dr. Savio said this was the first public comment about the concept. He was confident it would be approved.

Trustee DeVries asked what the Grand Jury would think of the structure. Dr. Baden said the structure accounted for conflict of interest and allowed for more transparency to address previous Grand Jury concerns.

Mike Moye, General Counsel said that the issue for the Grand Jury was that as public employees we had a responsibility to the funds that we are using. Nonpublic employees do not have that same obligation. The question was whether that trust could be placed on them. Trustee Chicoine said the process needed to be tested early to make sure we didn't cross those lines.

Trustee Peterson said the physicians could take the risk and the reward and that model worked well. He asked if we could go with that model and negotiated the contracts on a modified fee for service basis. Mr. Moye said the question of what incentive would be acceptable in a Medicare medical setting and that would not violate their rules. The compensation we pay to everyone is subject to the fair market value for the services being provided.

Trustee Hernandez asked what needed to happen by the deadline. Mr. Finley said there was no agreement yet. There are a lot of people who need to be on board with the direction we want to move in.

Trustee Chicoine said he would like to have stakeholders work with executive staff on the possibility of a high-level report at Finance Committee that addressed the threshold questions regarding finance and compliance with public money in relationship to the structure, might be helpful to keep the Board informed during the process.

Dr. Hern said the last thing anyone wanted to do was to preserve the status quo. Many Oakcare members are willing to leave Oakcare to be part of a new organization so they can continue their careers at this organization. They know they will have to share risk and he was confident they were on board.

G. ACTION ITEMS

1. Approval of Proposal to Transfer San Leandro Hospital to the "CORE" Hospital License

Delvecchio Finley, Chief Executive Officer

Luis Fonseca, Chief Operating Officer

Tony Redmond, Chief Human Resources Officer

Ghassan Jamaledine, MD, Chief Medical Officer

Mr. Finley reviewed the report and presentation beginning on agenda packet page 246.

Trustee Jensen asked if they were asking the Board to approve what was presented as scenario B. Mr. Finley said that was just the model they used to show what could happen. They were asking to approve part of B which was the over arching merger of the license under one entity. Not everything described under that model would happen. Having everyone under one license would have no implications on the labor side.

Trustee DeVries said it never was in AHS's power to decide representation of the employees under this license change. It would be the decision of the employees. He asked if San Leandro became part of the core license, resulting in a reduction in labor force, would the nurses who were part of the core have seniority over the San Leandro nurses. Mr. Redmond said that the unions would have to decide the seniority process.

Trustee DeVries asked about the timeline. If they vote to change the licensing, it wouldn't change for some time. At what point would the labor groups start making these decisions. Mr. Finley said that the Medical Staffs would need to negotiate bylaws in about a six-month period. Once the merger was effective and OSHPD approved, they would submit the license application to CDPH.

Trustee DeVries asked Dr. Chiu about the Medical Staff meetings. Dr. Chiu said they discussed what could happen. They were under different licensing and needed majority approval, but they should get Medical Staff approval before they approved the revised bylaws. The process was to come out with a decision in November then it was discussed by Medical Staffs and different versions were negotiated. It took 2.5 years. He said they could work diligently and try to deliver combined bylaws. Dr. Chiu reviewed a document that he gave to the board. Dr. Michael Ingegno repeated that the board needed to get approval from the Medical Staff who hadn't had enough time to consider the options. He said there was a perception that the system didn't want to engage with the community physicians.

Trustee DeVries said the lack of clarity was surprising. The system had been clear about preserving the San Leandro mission and place in the community. It was the AHS mission to serve everyone.

Trustee Banerjee asked if they could anticipate indigent patients not having access to San Leandro changing with the license change. Dr. Jamaledine said they have access to the hospital, but access to the private clinics was a problem. We contract with the physicians to provide this care.

Raychel Cooke, Charge Nurse at SLH ER, discussed the changes that had taken place at the hospital recently including the closing of the third floor and staffing issues resulting in a layoff of nurses causing backups in the ER. Schedule and shift changes were a challenge. ER physicians recently changed to Oakcare and now they are going to change again. There had been too many changes too quickly.

Carol Barazi had worked in the operating room for over 30 years. She said, based on the conversation this evening, much of her opinion has changed. She said the San Leandro nurses want CNA to represent them. They want to take care of San Leandro patients. People believed that the hospital is going to become nothing but rehab.

Linda Strack said Alameda Hospital supported their San Leandro Nursing Team and she appreciated the engaging conversation. She encouraged them to not rush into decisions.

Katha Henderson said that the discussion was encouraging because they were clearly not making these decisions lightly. They want to take care of the SLH nurses, so they can continue to care for the community.

Ann Sharpe, SEIU 1021, said she was there to say that they appreciate the continued respect of the current bargaining agreements and short staffing does not help the mission of service.

Trustee DeVries said that option B would bring in more revenue. If the nurses at San Leandro stay with CNA and the SEIU stay with SEIU we have a more favorable revenue projection. Mr. Finley said they would not have to pay the \$5.3M fee for exiting out of the SLH retirement plan.

Trustee Hernandez asked if they approved option B, how they could empower the staff and be responsive. Mr. Finley said that they've been talking with stakeholders and will continue to do so. He agreed that there were opportunities at San Leandro Hospital. He also agreed that change was difficult, but he believed they could come through the other side. Trustee Hernandez reaffirmed that she wanted to hear more from staff.

Trustee Aboelata said the main thing that concerned her was some of the physicians at San Leandro not qualifying to be Medical Staff under the new license. Could there be a grandfathering in. Dr. Chiu said they still had to have the discussion, but no one should lose their job. Dr. Hem said the MEC discussed the potential that certain insurance companies do not reimburse if doctors aren't board certified. As a Medical Staff their bylaws allow for pre-2008 doctors who are not board certified to stay. They discussed an extension of that rule to the San Leandro folks.

ACTION: A motion was made and seconded to approve Agenda Item G1, Approval of Proposal to Transfer San Leandro Hospital to the "CORE" Hospital License. The motion passed.

AYES: Trustees Aboelata, Bhuket, Charland, Chicoine, DeVries, Hernandez, and Peterson

NAYS: Banerjee and Jensen

ABSTENTION: None

The Board requested the executive staff to provide a monthly update at Board meetings.

2. Approval of Pre-Construction Evaluation for Alameda Hospital Seismic Upgrades

New agreement with Webcor Builders, Inc. for provision of a comprehensive pre-construction evaluation at Alameda Hospital in preparation for seismic compliance construction upgrades. The term of the proposed agreement shall be upon signature through December 21, 2020. The estimated impact of the proposed agreement is \$3,516,448.00.

Luis Fonseca, Chief Operating Officer

Baljeet Sangha, Vice President, Support Services

ACTION: A motion was made and seconded to approve Agenda Item G2, Approval of Pre-Construction Evaluation for Alameda Hospital Seismic Upgrades. The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, Charland, Chicoine, DeVries, Hernandez, Jensen, and Peterson

NAYS: None

ABSTENTION: None

3. Approval of Corrective Plan of Action Related to HRSA On Site Visit

M.D. Moye, General Counsel

Mr. Moye reviewed the presentation beginning on agenda packet page 291.

Dr. Jeffrey Seal, Interim Director and Medical Director said the new Board would have to be 50% consumers. He said they didn't anticipate any issues. He was looking forward to a cohesive partnership with AHS.

ACTION: A motion was made and seconded to approve Agenda Item G3, Approval of Corrective Plan of Action Related to HRSA On Site Visit. The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, Charland, Chicoine, DeVries, Hernandez, Jensen, and Peterson

NAYS: None

ABSTENTION: None

H. STAFF REPORTS (Written)

1. Finance Report

Nancy Kaatz, Interim Chief Financial Officer

- a) September 2018 Financial Report
- b) Deeper dive in Alameda Hospital's Finances

2. Chief Operating Officer Report

Luis Fonseca, Chief Operating Officer

- a) September 2018 Operations Report
- b) Benchmarking of Labor and Non-Labor

I. INFORMATION REPORTS (Written)

- 1. AHS Community Engagement Report**
Terry Lightfoot, Director, Public Affairs and Community Engagement
- 2. Legislative Affairs/Local Government Strategy**
Terry Lightfoot, Director, Public Affairs and Community Engagement
- 3. Media Relations Report**
Terry Lightfoot, Director, Public Affairs and Community Engagement

(General Counsel Announcement as to Purpose of Closed Session)

CLOSED SESSION

- 1. Labor Negotiation Updates [2 matters]**
Tony Redmond, Chief Human Resources Officer
[Government Code Section 54957(b)]
- 2. Potential Litigation [1 matter]**
M. D. Moye, General Counsel
Significant Exposure to Litigation
[Government Code Section 54957.9(d)(4)]
- 3. Public Employee Performance Evaluation**
[Government Code Section 54957(b)]
Title: Chief Executive Officer

(Reconvene to Open Session)

OPEN SESSION

J. REPORT ON ACTION TAKEN IN CLOSED SESSION

PUBLIC COMMENT: None

TRUSTEE REMARKS: None

ADJOURNMENT: 9:50PM

This is to certify that the foregoing is a true and correct copy of the minutes of the regular meeting of November 29 as approved by the Board of Trustees on January 24, 2019.


Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 
M.D. Moye
General Counsel