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Board of Trustees Meeting

March 28, 2019

Audio Recording in Progress

ALAMEDA HEALTH SYSTEM
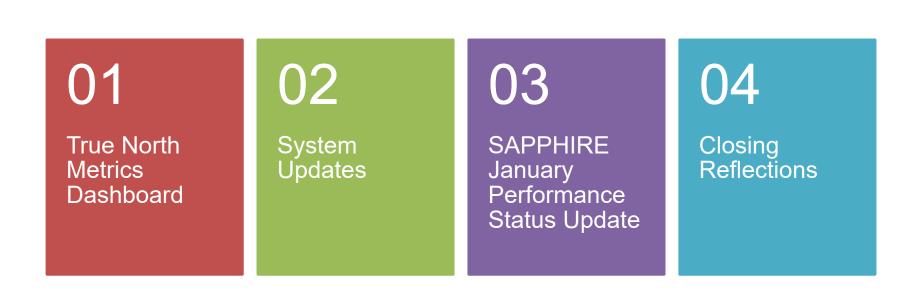
AHS Board of Trustees Meeting

CEO REPORT
MARCH 28, 2019

ALAMEDA
HEALTH SYSTEM

Updates

01 True North Metrics Dashboard

02 System Updates

03 SAPPHIRE January Performance Status Update

04 Closing Reflections

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AHS OPERATIONAL PLAN FY 2018

PERFORMANCE DASHBOARD

ALAMEDA HEALTH SYSTEM

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Pillars	True North	Baseline	FY 19 Target	Current Performance		FY19 YTD Results	Desired Direction	Trend
				Timeframe	Results			
Access *Time measures in Hour:Minute*	Ambulatory Appointment: Check-in to Discharge Time-Primary	1:15	1:09	Feb 2019	1:10	1:11	↓	
	Ambulatory Appointment: Check-in to Discharge Time-Specialty	1:34	1:26	Feb 2019	1:16	1:21	↓	
	Acute Med/Surg Observed to Expected Length of Stay	1.1	1.08	Feb 2019	1.21	1.12	■	
	Median Time from Decision to Admit to Inpatient Bed (HGH ED Admitted Pts)	8:54	7:07	Feb 2019	20:52	13:26	↓	
Sustainability	EBIDA Margin	2.2%	4.6%	Jan 2019	1.3%	3.0%	↑	
	AHS Cash Collections as a Percent of Expected Net Revenue	91.4%	92.4%	Jan 2019		102.1%	↑	
	AHS Gross Days in Accounts Receivable	65.50	67	Jan 2019		72.20	↓	
	Expense Per APD	$2,787	$ 2,846	Jan 2019	$ 2,881	$ 2,723	↓	
	Worked Hours Per APD	21.86	22.36	Jan 2019	20.20	20.50	↓	
Quality	PRIME Metrics on Target	55	54	Jan 2019	43		↑	
	QIP Metrics on Target	N/A	18	Jan 2019	15		↑	
	Acute: All Cause 30 Day Readmits	12.59%	12.23%	Jan 2019	13.07%	12.76%	↓	
	Hospital Acquired Infections Index	10.80	9.72	Jan 2019	4.78	6.44	↓	
	Hospital Acquired Harms Index per 1000 discharges	3.05	2.76	Jan 2019	1.63	1.99	↓	
Experience	HCAHPS - % Rate Hospital 9 or 10	72.1%	72.79%	Jan 2019	74.1%	68.5%	↑	
	HCAHPS- % Rate Care Transitions Domain "Strongly Agree"	46.0%	47.60%	Jan 2019	47.2%	46.4%	↑	
	CG CAHPS-% Rate Provider 9 or 10	73.6%	76.78%	Dec 2018	72.6%	73.2%	↑	
	Inpt Behavioral Health Mean	79.90	80.50	Jan 2019	77.80	79.20	↑	
Network	Rehospitalization during the first 30 days of Home Health	13.64%	14.40%	Feb 2019		4.26%	↓	
	Wellness Center Avoidable Out-of-network referrals for Ortho Back, General Surgery and Hepatitis C	11.46%	10.31%	Feb 2019	1.56%	4.28%	↓	
Workforce	Workplace Injury Reduction	303	288	Feb 2019	21	179	↓	
	Turn Over †	11.40%	11.09%	Feb 2019	9.05%	10.80%	↓	

† Results are annualized to allow for comparison

Performance not at Desired Target
Performance Target Met or Exceeded

SYSTEM UPDATES

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Care for the Future

S·A·P·P·H·I·R·E
SYSTEMWIDE ACCESS PROMOTING POPULATION
HEALTH INTEGRATION RESILIENCE & EQUITY

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Linked Learning Award

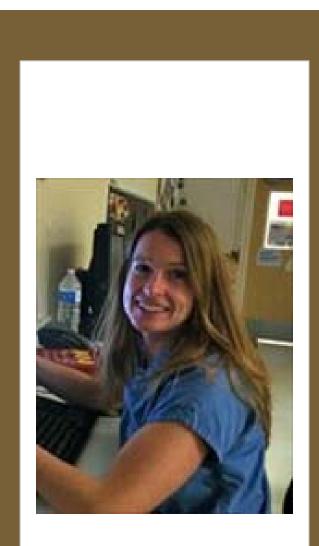*AHS Recruitment Team receives 2019 Diversity Spirit Achievement Award*
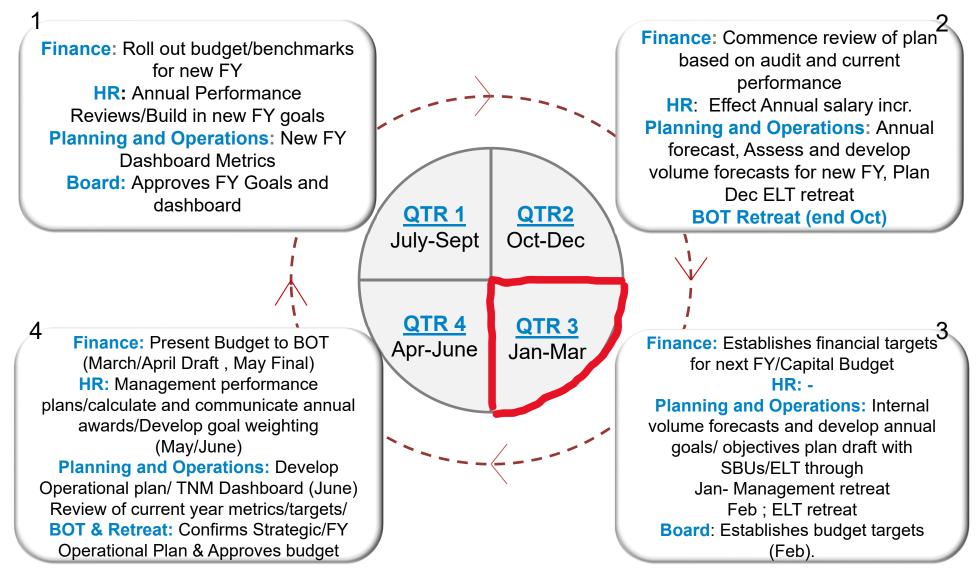
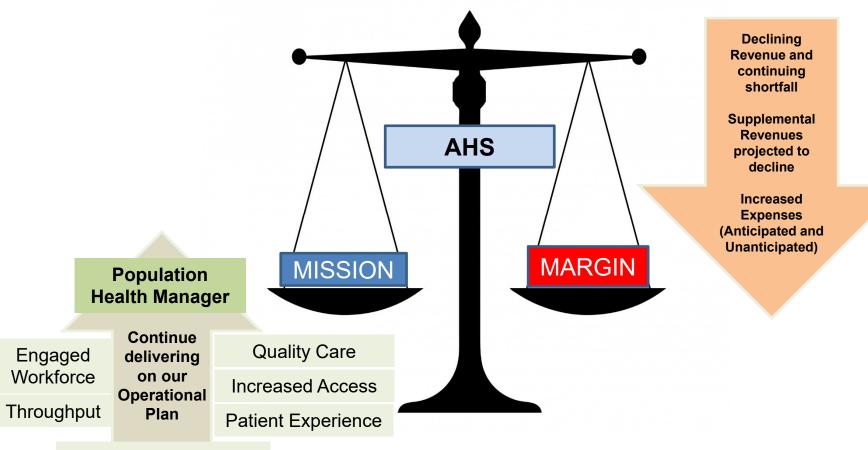# EMRA Residency Director of the Year

Dr. Charlotte Wills

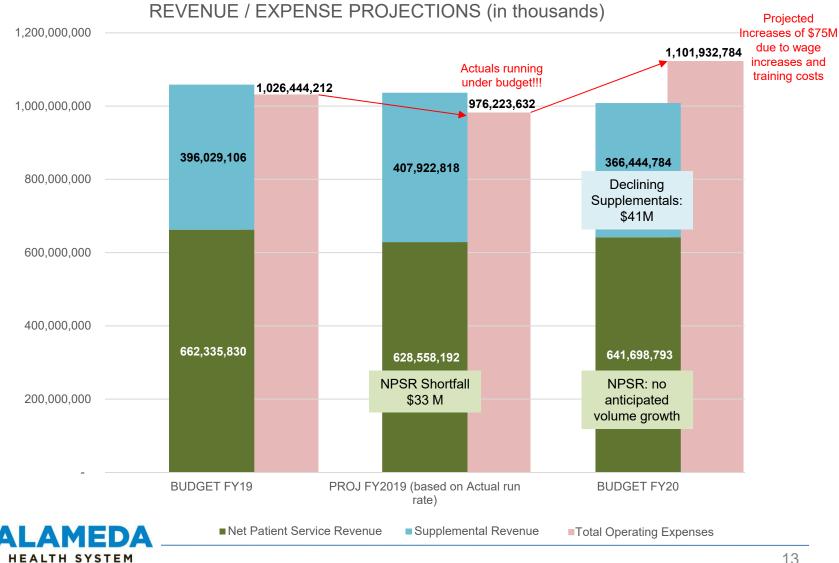# Detailed Annual Strategic & Financial Planning and Reporting Cycle

1

Finance: Roll out budget/benchmarks for new FY
HR: Annual Performance Reviews/Build in new FY goals
Planning and Operations: New FY Dashboard Metrics
Board: Approves FY Goals and dashboard

2

Finance: Commence review of plan based on audit and current performance
HR: Effect Annual salary incr.
Planning and Operations: Annual forecast, Assess and develop volume forecasts for new FY, Plan Dec ELT retreat
BOT Retreat (end Oct)

QTR 1 July-Sept
QTR2 Oct-Dec
QTR 4 Apr-June
QTR 3 Jan-Mar

4

Finance: Present Budget to BOT (March/April Draft , May Final)
HR: Management performance plans/calculate and communicate annual awards/Develop goal weighting (May/June)
Planning and Operations: Develop Operational plan/ TNM Dashboard (June) Review of current year metrics/targets/
BOT & Retreat: Confirms Strategic/FY Operational Plan & Approves budget

3

Finance: Establishes financial targets for next FY/Capital Budget
HR: -
Planning and Operations: Internal volume forecasts and develop annual goals/ objectives plan draft with SBUs/ELT through
Jan- Management retreat
Feb ; ELT retreat
Board: Establishes budget targets (Feb).

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Our Challenge
Balancing Mission and Margin

AHS

MISSION

MARGIN

Declining Revenue and continuing shortfall

Supplemental Revenues projected to decline

Increased Expenses (Anticipated and Unanticipated)

Population Health Manager

Continue delivering on our Operational Plan

Engaged Workforce

Throughput

Quality Care

Increased Access

Patient Experience

Build the Foundation

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Our Fiscal Challenge

REVENUE / EXPENSE PROJECTIONS (in thousands)

Chart data:

BUDGET FY19
- Net Patient Service Revenue: 662,335,830
- Supplemental Revenue: 396,029,106
- Total Operating Expenses: 1,026,444,212

PROJ FY2019 (based on Actual run rate)
- Net Patient Service Revenue: 628,558,192
- Supplemental Revenue: 407,922,818
- Total Operating Expenses: 976,223,632
- NPSR Shortfall $33 M

BUDGET FY20
- Net Patient Service Revenue: 641,698,793
- Supplemental Revenue: 366,444,784
- Total Operating Expenses: 1,101,932,784
- Declining Supplementals: $41M
- NPSR: no anticipated volume growth

Actuals running under budget!!!

Projected Increases of $75M due to wage increases and training costs

Legend: Net Patient Service Revenue · Supplemental Revenue · Total Operating Expenses

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Closing thoughts

- **Efforts to bend the healthcare cost curve are continuing**

- **These risks threaten the sustainability of the value-based delivery model that AHS and similarly motivated organizations**

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Care for the Future

System Transformation

AHS Strategic Plan

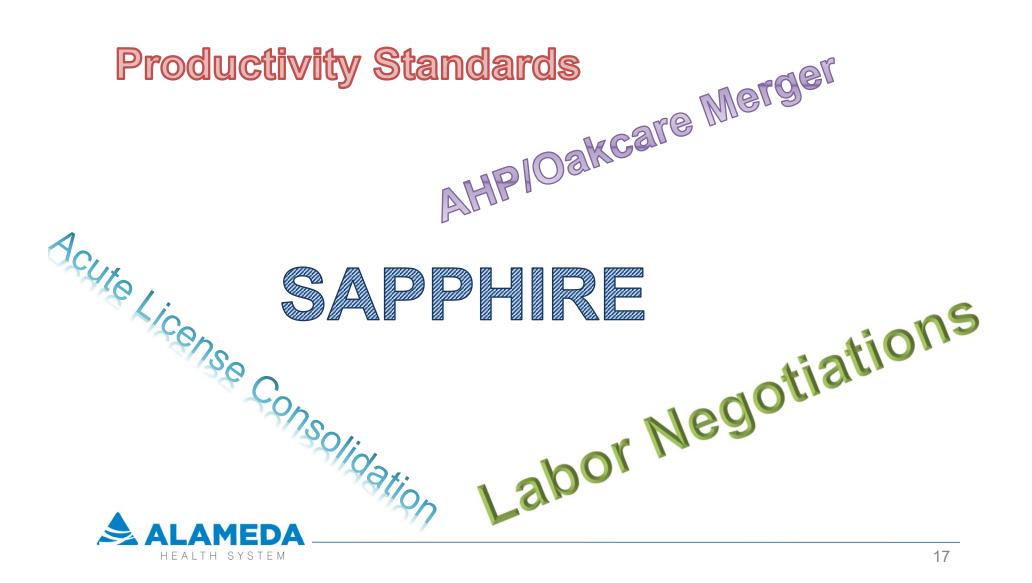In 3-5 years, AHS will transition to becoming a population health manager.

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AHS Policy Priorities

- DSH Cut Delays
- Protecting 340B
- Waiver Renewal

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Further efforts to achieve "systemness"

Productivity Standards

AHP/Oakcare Merger

SAPPHIRE

Acute License Consolidation

Labor Negotiations

ALAMEDA HEALTH SYSTEM

Capital Planning Process - GSA

- Meeting held with GSA Director on January 14th
  - Working to have a finalized process by end of February
- Re-use plan of FMT Bldg. H
  - Options for County use
  - Flex space for SNF improvement
- Considerations for available County Space on Zhone Way

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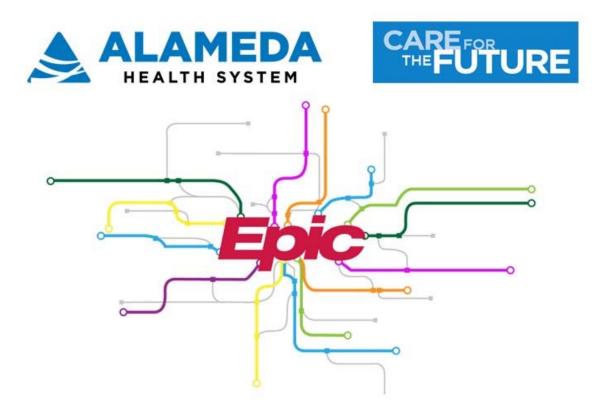
Kitchen Relocation and Seismic Planning

- Completing contract with Webcor Construction for project assessment

- GMP scheduled to be complete March – April

- Completion Target date – June 2020

- Seismic Compliance Committee

- Kaufman Hall Assessment Status

Epic ALAMEDA HEALTH SYSTEM EXECUTIVE SUMMARY

February 2019

ALAMEDA HEALTH SYSTEM

OVERALL PROJECT STATUS	OVERALL SCORE: **4.0/5.0**	
Satisfactory	AVERAGE EPIC CUSTOMER SCORE FOR PHASE 1: **4.0/5.0**	GO-LIVE DATE: September 28, 2019

RECIPIENTS

To: Delvecchio Finley, Luis Fonseca, Ghassan Jamaleddine, MD, Mark Amey, David English, MD, Katya Osipova, Bernadette Jensen, Nick Volosin, Palav B Babaria, MD, Tanvir Hussain, MD, Tangerine Brigham, Sylvia Lozano, Mike Moye, Nancy Kaatz, Terry Lightfoot, Craig Carlson

From: Trina Johnson, Implementation Director

cc: Elaine Kavvadias, Stewart Traiman, Quinn Cordae, Krish Doppalapudi, Gerrie Teo, Sid Patwardhan, Sukhpal Cheema, Donna Warfield

OVERVIEW

The overall project status remains at *Satisfactory* this month because application teams completed application testing on time and are on track with interfaces and integrated area work. In addition, experienced Epic staff not assigned to the Alameda Health System team completed an independent review of the Alameda Health System build and identified that build is on track for this point in the install. Most teams remain on track for the next build deadline due March 22.

This month, your Training Manager went on leave, and Raluca Ciocan took over as the interim training lead. Raluca is working closely with Principal Trainers and the Epic training team to identify gaps with the course schedule and curriculum. We worked together to establish a detailed plan to resolve issues in preparation for training registration opening March 25.

Although you filled outstanding principal trainer roles this month, there are still staffing gaps on the Ambulatory, Clin Doc and Tapestry teams as well as an outstanding ASAP Principal Trainer role. Katya Osipova is working with AHS managers to fill these gaps next month to not impact future build and testing milestones.

ISSUES NEEDING EXECUTIVE INTERVENTION

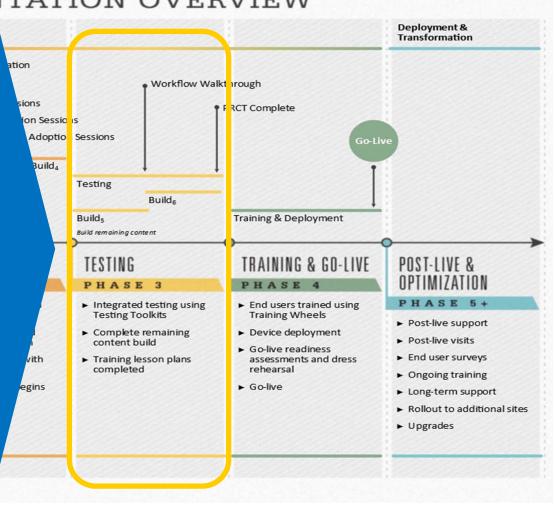There are no issues needing executive intervention at this time.

ISSUES NEEDING EXECUTIVE OVERSIGHT

We previously planned for Credentialed Trainer and Super User recruitment to occur during February and March prior to training registration opening. Due to an additional job description review by the unions, this activity was delayed and started approximately a month later than planned. You are now aiming to finalize credentialed trainers and super users by April 30. This area needs to be closely monitored because further delays could impact upcoming milestones to train credentialed trainers and finalize super user support schedules in June.

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TESTING (January 2019 – July 2019)

- Complete robust testing
- Begin go-live preparations
- Complete preparations for training
- Demonstrate final workflows during Workflow Walkthrough and other change management activities

NTATION OVERVIEW

Deployment & Transformation

Workflow Walkthrough

PRCT Complete

Go-Live

Testing

Build₆

Build₅

Build remaining content

Training & Deployment

TESTING
PHASE 3
▶ Integrated testing using Testing Toolkits
▶ Complete remaining content build
▶ Training lesson plans completed

TRAINING & GO-LIVE
PHASE 4
▶ End users trained using Training Wheels
▶ Device deployment
▶ Go-live readiness assessments and dress rehearsal
▶ Go-live

POST-LIVE & OPTIMIZATION
PHASE 5+
▶ Post-live support
▶ Post-live visits
▶ End user surveys
▶ Ongoing training
▶ Long-term support
▶ Rollout to additional sites
▶ Upgrades

Project Major Accomplishments

- Testing efforts:
  - Application testing complete on February 22
  - Integrated testing scripts review began on March 5
  - Charge testing is in progress
  - Large scale data conversion validation complete
  - Interface functional testing for major 3rd party systems complete
- Project is on track and favorable to budget
- Delivery of Epic February 2019 Quarterly upgrade
- Great progress continued in Medical Device Integration testing – more integration as part of go-live than originally expected
- Training efforts:
  - Training Curriculum Review Boards (CRBs) reviews 95% complete
  - Course Catalog complete and posted online on March 1
  - Learning Management Training (LMS) initiated on March 18
  - Class registration opened on March 25

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Focus for April

- Integrated Testing (Round 1) begins on April 16

    – Scale out End User Device Lab equipment to support integrated testing

- Continue Charge Testing

- Full Scale Validation (Round 1) begins on April 2

- Technical Dress Rehearsal (TDR) work effort kickoff on April 10

- Complete last Curriculum Review Boards (CRBs) reviews

- Continue with Credentialed Trainers, Super Users and Specialists Training Specialists recruitment efforts

- Continue Order Sets build and review

- Medical device integration validation and testing

- Continue with Go Live Readiness Assessment (GLRA) and Go Live planning

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EHR PROJECT BUDGET

Capital Budget Category	Budget	Beginning To Date Spent	Beginning To Date Variance
C-01 - Epic Software License	750,000	750,000	0
C-16 - Epic Hosting	1,115,136	805,625	309,511
C-20 - Epic Passthrough 3rdParty Software	62,000	37,194	24,806
C-03 - Conversions	375,000	86,853	288,147
C-04 - 3rd Party Software & Interfaces	7,962,580	2,230,706	5,731,874
Total Capital Software	10,639,716	3,910,378	6,729,338
C-05 - Hardware: Infrastructure, Network	2,956,652	1,011,810	1,944,842
C-06 - Hardware: End User Devices	2,335,500	218,042	2,117,458
Total Capital Hardware	5,292,152	1,229,852	4,062,300
C-07 - Labor - AHS FTE Implementation Team	15,407,268	13,340,217	2,067,050
C-17 - Labor - AHS SME Compensation	447,152	126,921	320,231
C-26 - Labor - AHS Physician Compensation	651,894	116,415	535,479
C-08 - Labor - AHS FTE Implementation Team Training and Education	1,001,250	349,521	651,729
Subtotal Capital AHS Labor	17,507,563	13,933,074	3,574,490
C-09 - Labor - Epic Implementation Fees	2,481,000	2,481,000	0
C-10 - Labor - Epic Travel Expenses	2,550,000	745,580	1,804,420
Subtotal Capital Epic Labor	5,031,000	3,226,580	1,804,420
C-11 - Labor - 3rd Party Consulting	3,050,380	379,049	2,671,331
C-13 - Labor - Pre-Implementation Planning	500,000	428,536	71,464
Subtotal Capital Consulting Labor	3,550,380	807,585	2,742,795
Total Capital Labor	26,088,944	17,967,239	8,121,705
C-24 - Project Team Space Lease	750,000	604,197	145,803
C-22 - AHS Project Miscellaneous Expenses (Room Rent, Parking etc.)	200,000	197,434	2,566
C-21 - AHS Project Food Expenses	143,585	37,996	105,589
C-14 - Contingency	6,309,209	-	6,309,209
C-18 - Epic Project Transfer Funds	-	-	0
C-19 - FQHC Grant	-	-	0
C-15 - CEO Scope Contingency	1,875,000	-	1,875,000
Total Capital Other	9,277,794	839,628	8,438,166
Total Capital	51,298,605	23,947,097	27,351,509

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*Some invoices have not been received yet
*Feb payroll hasn't been finalized in EPSi yet
*Payroll now includes 34% benefits (Jul '18-Feb '19)

You have truly made a difference Nancy Katz!!

Closing Thoughts

AHS Board of Trustees Meeting

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MARCH 28, 2019

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