



FINANCE COMMITTEE MEETING

February 14, 2019

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

Noha Aboelata, MD

Kinkini Banerjee

Gary Charland

Louis Chicoine, Chair

Joe DeVries

Ross Peterson

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:08 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Noha Aboelata, MD, Louis Chicoine, Joe DeVries, and Ross Peterson.

ABSENT: Kinkini Banerjee (Excused), Gary Charland (Excused)

A quorum was established.

A. ACTION: Approval of the Minutes of the January 10, 2019 Finance Committee Meeting

ACTION: A motion was made and seconded to approve the minutes of the November 8, 2018 Finance Committee Meeting. The motion passed.

AYES: Trustees Aboelata, Chicoine, DeVries, and Peterson

NAYS: None

ABSTENTION: None

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.

B. INFORMATION/DISCUSSION: Operating Reports

- 1) Finance Report
Nancy Kaatz, Interim Chief Financial Officer
December 2018 Financial Report

Ms. Kaatz reviewed the report beginning on agenda packet page nine.

Trustee Chicoine asked about the rate of return on cash collections. Ms. Kaatz said that they were trying to get caught up, so they would be in the best position possible for the transition to S*A*P*P*H*I*R*E*.

Trustee Chicoine asked if there was a relationship between the ability to secure PRIME payments and the inefficiencies that will be experienced during the S*A*P*P*H*I*R*E* go live. Mr. Finley said there was an operational correlation, but they weren't aware if that piece would be substantive.

Trustee DeVries asked if the rolling forecast assumed the corrected projections. Ms. Kaatz said it was based on what they had experienced so far in the year. Mr. Finley added that they were working to recognize that some influences were out of their control.

Trustee Aboelata asked if the outpatient service revenue data was collected on a fee for service basis or through capitation. Mr. Finley said it was both. The specialty services were still fee for service. Ms. Kaatz added that even with capitation, they were still paid by service because they were FQHC. Trustee Aboelata asked where they would see the cash flow improve. Ms. Kaatz said that capitation payments for FQHCs were in the same line with the HPAC capitation, they were there but they were reduced in the net patient service calculation for the FQ. The two added together were based on fee for service.

Trustee DeVries asked about the EBIDA projected for 2020. Ms. Kaatz said it was 2.8. Trustee DeVries asked if they were projecting it to go from 4.6 to zero. Mr. Finley said for six months. Ms. Kaatz said the six months were going to have an additional \$6M from the uncapitalized staff and the trend would give a negative EBIDA. She said they would likely face a significant gap in revenue and expense as the budget was put together. They would continue to look for revenue and expense cutting opportunities to close that gap.

- 2) Chief Operating Officer Report
Luis Fonseca, Chief Operating Officer
December 2018 Operations Report

Mr. Fonseca reviewed the presentation beginning on page 40 of the agenda packet.

- 3) Fiscal 2020 Budget Process and Timeline
Helen Tam, Director Budget Business Planning & Development

Ms. Tam reviewed the presentation beginning on page 54 of the agenda packet.

Trustee DeVries asked when the proposed hard decisions would be discussed in relation to the timeline on agenda packet page 57. He wanted the Board to be prepared to answer the public and the Board of Supervisors. He requested those items be outlined in red. Mr. Finley said the Board would get more detailed information in March regarding some revenue assumptions. He added that staff was intended on letting the Finance Committee Chair report the assumptions to the full Board. The goal was to have a cleaner budget brought forth in mid-April, in context of the balance sheet. That would be the redlined review opportunity for the Board. Trustee Chicoine said they should have the full Board engaged with an agenda item. Mr. Finley said he would work with the Board President and Finance Chair to assist the Chair in communicating the assumptions to the full Board. Trustee Chicoine said they needed to have a good communication plan, even if it was general information. Mr. Finley agreed.

Trustee DeVries added that they needed an external communication plan as well as an internal plan in an effort to find legislative opportunities early. Mr. Finley said they would continue to work on that at local, state, and federal levels.

4) AHS Market Share Analysis
Ishwari Venkataraman, Vice President Strategy and Business Planning

Ms. Venkataraman reviewed the presentation beginning on page 60 of the agenda packet.

5) South County Behavioral Health Partnership
Karyn Tribble, Chief Administrative Officer, BHA

Dr. Tribble reviewed the presentation beginning on page 76 of the agenda packet.

Trustee Peterson asked how 2400 clients end up being 50,000 visits. Ms. Venkataraman said that they would need to be seen by a psychiatrist, then a licensed therapist with several visits. Dr. Tribble said that this model provided a lot of services to get patients linked to the ongoing services they will need.

Trustee Peterson asked if the medical population would be funded by the county. Dr. Tribble said they would expect a small number of them to be.

Trustee Aboelata asked about the capacity of primary care to handle the population in the area around Washington Hospital because there needed to be a link. Dr. Tribble said that one of the things they were talking about was packaging clinical needs. Trustee Aboelata said if there was a demand for it to be an integrated primary care behavioral health care model the staffing model could be more effective. Mr. Finley said that the Newark site had become geographically challenging for patients to go to. Part of the long-term analysis was to review location alternatives. He said it was helpful for

Washington to reach out as they did, and AHS would appreciate the opportunity to partner with them but must continue to think of creative solutions.

Trustee Chicoine said this was a bridge that was half way and would only work with a total presence in the area. They needed to work with partners to better serve the community to provide more care and coverage.

Trustee Aboelata asked about the need for a crisis stabilization unit. Dr. Tribble said she asked Washington Hospital if a CSU would be appropriate, they said no. Dr. Tribble said there was a growing need for those services, so the model would eventually have a higher level of utilization on the crisis side. Trustee Chicoine said other community voices needed to be in that conversation. Trustee Aboelata said they needed to look at that for the whole county.

Trustee DeVries asked that AHS take this information to Supervisor Haggerty for review. Trustee Chicoine offered to participate in the conversation. It was also suggested that Trustee Aboelata participate.

C. CONTRACT APPROVAL: ACTION ITEMS/DISCUSSION

- 1) Approval requested to increase the Not-to-Exceed amount of the existing **Alameda Inpatient Medical Group** agreement by \$907,971.42, to cover necessary costs expended for unforeseen increases in patient volume during prior contract years and to increase the number of providers required to cover projected future volume. If approved, the amended total of the agreement will be \$4,047,296.42 and the term of the current agreement will remain 12/01/2016 through 11/30/2019.
Ghassan Jamaledine, MD

ACTION: A motion was made and seconded to recommend to the Board of Trustees approval of the increase to the Not-to-Exceed amount of the existing Alameda Inpatient Medical Group agreement. The motion passed.

AYES: Trustees Aboelata, Chicoine, DeVries, and Peterson

NAYS: None

ABSTENTION: None

D. DISCUSSION: Committee Planning

- 1) Issues Tracking
- 2) Long range planning for space and major capital investments or improvements

Trustee Chicoine said the operating lease review came out of a previous report on a damaged roof, and the committee would like more information. He said that they felt this was fundamentally important to the system and was looking forward to having more context and planning in that area. Mr. Finley said they would probably provide a list of leases and

provide a status of the leases and information on any issues. Mr. Fonseca said it was a good opportunity to explore other space options.

Mr. Fonseca said that next month he would provide a list of current leases and where staff had concerns. He would discuss a long-range plan and how to leverage options. Trustee Chicoine suggested they include Fairmont. Mr. Fonseca said also Zhone way in relation to Fairmont specifically.

TRUSTEE COMMENTS


ADJOURNMENT: 5:59 pm

This is to certify that the foregoing is a true and correct copy of the minutes of the Finance Committee February 14, 2019 meeting as approved on March 14, 2019:



Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 
M.D. Moyer
General Counsel