



BOARD OF TRUSTEES SPECIAL MEETING

WEDNESDAY, OCTOBER 29, 2021

9:00am to 5:00pm

Conference Center at Highland Care Pavilion

1411 East 31st Street Oakland, CA 94602

Ronna Jojola Gonsalves, Clerk of the Board

(510) 535-7515

MEMBERS

Taft Bhuket MD, President

Tracy Jensen, Vice President

Jennifer Esteen, Secretary/Treasurer

Kinkini Banerjee Luisa Blue

Jeanette Dong Alan E. Fox

Mark Friedman Sblend A. Sblendorio

THE MEETING WAS CALLED TO ORDER AT 9:07am

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Luisa Blue, Taft Bhuket, MD, Jennifer Esteen, Alan E. Fox, Mark Friedman, Tracy Jensen, and Sblend A. Sblendorio (arrived at 9:18am)

ABSENT: Kinkini Banerjee and Jeanette Dong

PUBLIC COMMENT: Non-Agenda Items

None

OPEN SESSION

A. Welcome/Opening Remarks

Taft Bhuket, MD, President

James E.T. Jackson, Chief Executive Officer

Trustee Bhuket said 2020 was one of the most tumultuous years in the organization's history. Their accreditation was at risk, finances were strained under Covid, the relationships with both the County and staff were strained. They had the largest strike in the organization's history. In 2021 they had a newly seated Board of Trustees, a new Executive Leadership Team, and the organization had been working hard to put itself back together. Today was about contemplating who they were, how they did things, who they wanted to be, and how to get there.

B. Session One. Strategic Thinking: Revisiting the AHS Pillars

James E.T. Jackson, Chief Executive Officer

Mr. Jackson reviewed the presentation here:

B1. Our Current Six Pillar Construct Presentation

James E.T. Jackson, Chief Executive Officer

Mr. Jackson reviewed the presentation here: <http://www.alamedahealthsystem.org/board-of-trustees-meetings/>

B2. Quality Care as a Pillar Presentation

Taft Bhuket, MD, President

Trustee Bhuket discussed the report on agenda packet page 17.

B3. Trustee Discussion of Agenda Items B1 and B2

Taft Bhuket, MD, President

Trustee Blue asked how the safety construct included staff. Trustee Bhuket said many of these things could co-exist. The CHRO would do the same contemplation in the next agenda item. Perhaps it existed here and in the workforce pillar.

Trustee Blue said keeping the vision and pillars simple was important to allow leadership and staff to easily cite them.

Trustee Sblendorio asked what the goal was. Trustee Bhuket said that if he could put the STEEEP vernacular into the language of the organization he was doing well. He also hoped to simplify the pillars and make sure the governance of them was understandable.

Trustee Sblendorio asked if it was aspirational. Trustee Bhuket said it was, and it was also achievable. Trustee Sblendorio said that from a management perspective, all of those items in STEEEP meant competent. He didn't think that was aspirational. He said equity was important. But he would turn it around and say it was not about STEEEP, it was about providing excellent care for the community. Trustee Bhuket said they could conceive of themselves as being good, but they needed the data to back that up. Trustee Bhuket said, as an example for the patient centered concept, they often heard, regardless of how good the doctor visit was, about parking. If the parking was not easy, the entire patient experience suffered.

Mr. Jackson said he was grateful for Trustee Sblendorio's challenge. His objective was for AHS to be the best safety net organization in the country, bar none. They could not be the best if they did not have each of those six elements as part of their core curriculum.

Mr. Fratzke said that he appreciated having their thinking pushed around. The goal for the day was to discuss the pillars but not make decisions until they go through the strategic planning process. Their vision should be open for discussion as they go through the

process. That included asking if the pillars were aspirational statements or if they were words to categorize tactics.

Dr. Tornabene said if one goal was to provide excellent quality, they had to measure that excellence. The STEEEP framework helped her know that if she could provide care that was safe, timely, effective, efficient, equitable, and patient centered then she knew she hit the mark for that patient.

Trustee Blue said she liked the STEEEP framework, but as she walked through the sites, she was shocked that there were not EKGs. They had received them since, but at the time, it was shocking. Someone needed to pay attention to things like that to make sure the facilities had the equipment they needed.

Mr. Espinoza said in the post-acute setting they follow Quality Assurance Performance Improvement model. Given the foundation of STEEEP it would be wise to define where things such as education, improvement, and measurability fit into them.

Trustee Bhuket said earlier he answered Trustee Sblendorio that STEEEP was aspirational. He revised his answer to say it was foundational. Aspirational would go to the vision statement. If they were not providing high quality care, what were they doing?

Trustee Sblendorio said this was important because the 39 people on the call had the desire to be the best at what they did. If they didn't want that, then perhaps they should work elsewhere. They wanted to attract people who would create a culture of achievement.

B4. Our People/Our Culture as a Pillar

James E.T. Jackson, Chief Executive Officer

Lorna Jones, Chief Human Resources Officer

Ms. Jones. reviewed the presentation here: <http://www.alamedahealthsystem.org/board-of-trustees-meetings/>

B5. Trustee Discussion of Agenda Item B4

Taft Bhuket, MD, President

Trustee Blue said they were going to keep working and get more feedback from staff. It was about building the trust that had been lost.

Trustee Bhuket asked how they would measure Our People Our Culture. Perhaps they could apply STEEEP to this as well, as it related to staff. Safety could relate to the number of workplace injuries. Timeliness could be how long it took to fill a position. Effectiveness could be how good they were at retaining people. Equity spoke for itself. And P could be for employee centeredness.

Ms. Jones said they measured, through the employee satisfaction survey, which had elements of the culture of safety survey and measured employee engagement and safety within their existing culture and management structure. A diversity dashboard was published that week. Exit interviews went to retention.

Trustee Bhuket asked when the last employee satisfaction survey was completed. Ms. Jones said she believed it was 2018. They planned to run it in 2022.

Trustee Esteen said hearing the emphasis on not just recruiting talent but making sure people felt that their retention was important. The development of people to move into vacant management positions was important.

Mr. Fratzke said as they contemplate the pillars, the people are the most important asset.

Trustee Jensen said that the way they were looking at improving employee satisfaction was important. She said telecommuting or remote work was an option that this organization could invest more in. Clinical positions could not be remote, clearly. But there were many positions that could be done remotely, at least some of the time. It helped with retention and satisfaction. It also addressed STEEEP. In terms of safety for staff not being on the road and having to drop their kids off and stuff. At Highland sometimes people felt unsafe coming and going. Timeliness, if you were there and plug in your computer you are on time. Effectiveness could be improved with people working at home. It could also save money for space.

Trustee Fox said that in a hospital there were hundreds of employees that a patient might have a face-to-face encounter with during a stay. Each one could make it an excellent experience or a negative one. That pointed out the importance of developing skilled, tactful, sensitive employees.

Trustee Bhuket said he agreed that this should be a standalone pillar. He discussed a book called Patients Come Second which asserted that if they did not take care of their people they could not take care of their patients.

B6. Sustainability as a Pillar

*Mark Fratzke, Chief Operating Officer
Kim Miranda, Chief Financial Officer*

Mr. Fratzke and Ms. Miranda reviewed the report on agenda packet page 28.

B7. Trustee Discussion of Agenda Item B6

Taft Bhuket, MD, President

Trustee Esteen said this was important as they considered financial independence of the permanent agreement and the building of reserves which wasn't in the model at this point. She asked if profitability was a potential for a public institution.

Trustee Fox said it was a basic thing, sustainability. On the other hand, he wasn't sure how significant it was to the market or to the employees. Maybe the employees should worry more about their relationships with the patients and the quality of the work they did.

Mr. Fratzke said he was hopeful as they went through the process that the right words would come to light. Trustee Bhuket agreed. The messaging had to be on point so the rank and file could get on board.

Ms. Miranda said she'd like to see something people could understand. They would be fine if they created a reliable organization. Trustee Bhuket suggested they call it, "Keeping the lights on."

Mr. Jackson said he liked that name. It was good to explore this now. He thought the profitability comments were interesting. As a not-for-profit organization they did not make a profit. But they did need a margin. They needed positive outcomes, which were then plowed back into the organization.

Trustee Sblendorio said they had a backstop in the County. They were there because the County was required to provide these services. They wanted a margin because they needed to invest in the people. They could not operate in the negative all the time because at some point it would affect the mission. Their job was to explain how AHS did that. They needed to explain the how.

Trustee Freidman said the concept of sustainability was to get it going good, and keep it going good. They had a mission, a charge from the County, and they did not have an option to not do that.

Mr. Amey said, regarding technology, there was much they could do. It took resources. They could have aspirational goals, but they needed the funding to do it.

Break: 10:35 to 10:45.

C. Session Two. Developing Our Strategic Plan

James E.T. Jackson, Chief Executive Officer

Mark Fratzke, Chief Operating Officer

Huron Consultants

Leslie Grimmer reviewed the presentation available here:

<http://www.alamedahealthsystem.org/board-of-trustees-meetings/>

Trustee Fox asked if this would include charting the course toward enhancing their relationship with physicians. Ms. Grimmer said it would include everything AHS considered important

Trustee Jensen asked who the team was on agenda packet page 34, bullet number two. Ms. Grimmer said one of the steps was identifying who they should connect with, but it would include all layers of the organization. Trustee Jensen asked if they could say something about the partners. Alignment between the Board, Leadership, and all partners including the work force. Trustee Fox added that should include physicians. Trustee Bhuket added that it should include the County Supervisors and Administrator. Trustee Sblendorio suggested changing it to say all stakeholders.

Mr. Walton said a lot of this looked like foresight tools informing the approach. Mr. Waldeck said that would be part of it. A lot of it was getting alignment around how they were performing today, what were the assets, the gaps they had. And to foster discussion about the limited set of things they would invest their scarce resources behind. Ultimately it had to be driven back to what the

priorities were, how they would measure them, and how they sequenced the moves over the next 36 months.

Trustee Friedman said the challenge for AHS was to reflect their community. He asked where the grassroots integration of the community came into the strategic plans. He also spoke to the challenge that the Huron team did not reflect the community AHS served. Ms. Griffin said the stakeholder involvement was important. They had a discussion with Mr. Jackson about how to get the community involved. One of the early steps in the project would be to identify the constituents they needed to work with. Mr. Walton added that part of the upfront process was market evaluation.

Trustee Jensen said about a couple of years prior there was a similar outreach to partners. There was much information given and changes took place. She asked how that was fitting into the current project. Some of this work was already done. Mr. Jackson said there was a recurring theme. In the mock survey they were told they had a lot of data, but it wasn't clear what they were doing with it. He said it was imperative they operationalize the learnings. They would hear about the plan to revisit all of this work regularly to course correct as needed and to ensure they were following through.

Trustee Sblendorio said they had another study that had to do with the function of the Board. They should also include that the Board spent an inordinate amount of time on operational issues. They should be more strategic. He would like to see that woven into the discussion. They needed to discuss the function of the Board. Mr. Walton said it would be helpful to spend time discussing where they were focused today and how they could evolve.

Trustee Friedman said the key was getting to the simplicity, the essence of what they needed to do and would be doing. Some plans ended up so complicated it was difficult to get to the level of accountability needed. He would like to see the plan come about as simply presented as possible so they could measure themselves and have the accountability going that didn't get too lost in details that were not essential to what the core was.

Trustee Fox said the transition between the completion of the plan and how it was implemented and who was responsibility for that. Healthcare people had a tendency to go back to operations. The challenge would be to determine who would have this at the top of their job description to make sure it happens. Trustee Bhuket said it was the CEO's job to make sure it happened.

Trustee Freidman said they needed a Chief Strategy Officer, or it needed to be a significant component to someone's job description. Trustee Bhuket said quality care was a pillar. They had a strategy around it. Imagine a strategy around culture and around sustainability. Then it became easier to understand the governance of that. Perhaps the CMO had responsibility for quality, the CHRO had responsibility for culture, the CFO had sustainability. It became a simpler message.

Trustee Esteen said she considered implementation. They could spend all the time developing a plan, saying the words, but how did they become integrated into the daily work.

Mr. Fratzke said the conversation around how the operationalized it was important. They needed to consider how it would be actualized. They already discussed with Huron the need to determine best practices. It would not sit on the shelf.

Trustee Bhuket said they had a lot on their plate they needed to plan around. They needed to understand strategy around EBMG, the Alameda Health Care District and the seismic concerns. Highland was always in Code Red. And they needed to consider if they needed to exit certain service lines.

Trustee Bhuket asked how they did the engagement with the public board. Mr. Waldeck said they engaged in one-on-one conversations. It was an option around board participation in some strategic dialogue.

Trustee Bhuket said that perhaps parking a retreat for a future date to have these conversations.

Mr. Jackson said 2021 was about fixing what was broken. Now they needed to start visiting the future. He was excited to be working with this team. They had fine tuning to do, and he was excited for the next steps.

Trustee Bhuket said this should be a standing item at future Board meetings so they could continue the work.

Trustee Sblendorio said strategic planning should be by itself, not on a regular agenda. Same thing with the evaluation of the CEO. It was fine to have strategic planning on the agendas to give the public a status. In terms of the process, they needed to spend the dedicated time on it. When they were done with the process, the Board meetings will be quarterly, last about an hour, and all they do is look at the strategic plan to see what they needed to do and what they needed to change.

Trustee Esteen said public accountability required more than one hour once a quarter. Trustee Sblendorio said their job was leadership. Trustee Bhuket said their six jobs were quality oversight, financial oversight, strategic direction, Board development, management oversight, and community health and advocacy. Trustee Esteen said that felt like more than one hour every three months. Trustee Bhuket said he agreed that this should be a standalone item and he was more than happy to call special meetings to discuss it.

Trustee Friedman said they needed to integrate it into all of their meetings, but they needed dedicated, significant time as needed. Tacking it on and making their long meetings longer, wasn't a good idea. The meetings needed to be restructured. If they've already had a written report, they might not need to also have a verbal report.

Trustee Bhuket said they would break for a 45-minute lunch then hear Mr. Walton's report when they returned. Trustee Esteen would return at 1:00pm and Trustee Friedman would be back at 1:30pm.

Break: 12:15 pm to 12:45 pm

D. Session Three. Strategic Partnerships: Alameda Health System Foundation

Preston Walton, Alameda Health System Foundation President

Mr. Walton reviewed the presentation available here:

<http://www.alamedahealthsystem.org/board-of-trustees-meetings/>

Trustee Bhuket reminded the Board that their six responsibilities were quality oversight, financial oversight, strategic direction, Board development, management oversight, and community health and advocacy. He asked Mr. Walton what he needed from the Board. Mr. Walton said he needed engagement. Advocacy was also happening in public meetings. It had an impact on funder's perceptions of the system.

Trustee Fox asked if the Foundation was raising money on behalf of all the hospitals and clinics in the system. He also asked for information on how the hospitals would request funding for projects. Mr. Walton said they represent the entire system. Alameda Hospital had their own foundation, but they could still partner with them. Funding requests were historically sort of an ad hoc system. They were working on creating a more strategic plan and have an executive sponsor process to ensure requests were aligned with the direction the system was going in. Trustee Fox asked if they could share the total assets of the Foundation. If a hospital needed a new piece of equipment was that available without having to do a specific campaign. Mr. Walton said the total assets were a little over \$4M. The money that they raised typically was for specific projects. One of the plans going forward was to start to look at the capital budget and look at things that they might be able to fund.

Trustee Fox asked if the Foundation was independent of AHS. Mr. Walton said they were a separate 501(c)(3). They did receive a subsidy for operations.

Trustee Bhuket asked for the status of employee giving. Mr. Walton said they paused doing a full-fledged employee giving campaign this year, given the changes taking place in the organization. They were going to re-launch, but they wanted to be respectful given the last year.

E. Session Four. Strategic Thinking: How we Identify and Solve Operational Problems at AHS

Mark Fratzke, Chief Operating Officer

Mr. Fratzke reviewed the presentation available here:

<http://www.alamedahealthsystem.org/board-of-trustees-meetings/>

Trustee Blue said she appreciated the CAO spots being filled. That was a lot of people reporting up to the COO. Mr. Fratzke said that org structures were dynamic. It was important for him to have that flat structure for now to get to know the leadership team.

Mr. Jackson said the reality was they knew the job would be big when they came on board. But they also knew the bones of the organization were good. They were looking at balancing internal and external talent.

Trustee Blue asked what they expected from the Board. Mr. Jackson said they still had opportunities to clarify the differences between oversight and operational. That was an ongoing

process. The Board had provided the grace they needed to work, and the trust in the hard decisions they've been making. Engaging Huron for the BEST initiative was a bit of a leap of faith and it was already paying off. Mr. Fratzke said as public Board members they heard from constituents and they needed to push issues down to them as needed. They valued that.

Trustee Fox said the symptoms listed had been present in every hospital system he'd worked in. There was much to do, but it was not as if AHS was culturally bankrupt. They had a good staff.

Trustee Bhuket said they were incrementally showing successes to the team. He asked about venues the conversation would happen in. Mr. Fratzke said when the leadership team met they talked about the concepts. It was valuable to talk with leaders and staff individually while rounding. He was willing to go anywhere any time and talk about the good work being done.

Trustee Bhuket said as the team moves toward clarity they will learn to navigate problems. It less became the default to solve their problems through public comment at Board meetings.

Dr. Boesch said the work was appreciated. It was nice to be aligned. The org structure was great, but he wanted to know how the Medical Staff fit into it.

Dr. Bullard said she was interested in keeping a record of the brokenness so they could see, in a tangible way, how they had progressed, that was key to building the vital trust.

Ms. Espeseth said she appreciated the trust focus and she felt empowered to do what needed to be done because she felt like leadership had her back.

F. Session Five. Board Performance

Taft Bhuket, MD, President

Ms. Laug reviewed the presentation available here:

<http://www.alamedahealthsystem.org/board-of-trustees-meetings/>

F1. BOT Self-Assessment: Results and Discussions

James E.T. Jackson, Chief Executive Officer

Trustee Sblendorio asked about any impact on a Board that had only met virtually versus a Board that has met in person. Ms. Laug said this was a challenge over the last few years. There were some things that could help, such as building smaller groups to meet or having a mentor/mentee dynamic. A board could still be very effective. She said, in her experience, most boards were still meeting virtually.

Trustee Bhuket asked what she would recommend for their number one focus. Ms. Laug said it would be to build upon the culture. While meeting via Zoom it was simple things like using the hand and the chat functions, encouraging everyone to provide input. Specifically carving out time on the agenda for a 10/10/10: A ten-minute presentation, ten slides, and ten minutes for discussion.

Trustee Friedman said he attended a Governance Institute conference recently. He made the comment that their Board packets were typically 150 – 200 pages. He said the audience was

shocked that they were wading through that much material. The presenter at the conference said staff needed to vet the materials into a more manageable form.

Trustee Bhuket suggested they could have a one-to-two-page summary with supporting documents in the back of the agenda in case the Trustee wanted to review it. Mr. Jackson said he did encourage the team to minimize their presentations. He liked the appendix idea, it would not change the size of the packet, but it would perhaps make it easier to digest.

Trustee Esteen said she liked the idea of mentor/mentee. She asked if that would be Board members mentoring each other. Ms. Laug said usually it would be Board members, but as this was a new Board there was an opportunity to lean on the executive team.

Trustee Bhuket asked for some additional suggestions. Ms. Laug said there was an eagerness for the Board to move in a strategic direction. Setting clear boundaries on role definition was very important. It might be a good time to discuss the committee charters as they embark on the strategic plan. Trustees should know their job descriptions. Trustee Bhuket asked staff if they had that. Mr. Azizi said they could put something together.

Trustee Bhuket asked how other Boards fit in education sessions. Ms. Laug said they did a biannual study of both Governance Institute Members and non-members across the country. Year over year it trended that board education took place in the board room. Best practice was that 15% of a Board meeting should be spent on education. It could be an article or a webinar. She recommended building out that education calendar to go along with the education they were already doing.

Trustee Esteen said he understood it was possible for the Trustees to meet in person at a Governance Institute Retreat. Trustee Bhuket agreed and said the Executive Officer team would discuss.

F2. 2022 Calendar Planning *Taft Bhuket, MD, President*

Trustee Blue said they did not have time to dive deep into certain topics at HR. Meeting once a quarter was not enough. Trustee Blue suggested they could schedule as needed. Mr. Azizi said they could schedule it as needed and call it a regular meeting as long as it was posted 72 hours in advance. They should try to set the agenda rather than as needed.

Trustee Bhuket asked where a Board retreat would best serve the organization. Mr. Jackson said given the Huron timeline, February might be too early. March might be better. Trustee Bhuket asked if they met earlier if it would help guide them.

Trustee Sblendorio would prefer to hold the strategic planning retreat in person.

Trustee Bhuket said they were dark in August and December. But they could potentially have a Finance committee meeting and a full Board meeting in December. Ms. Miranda said staff was in the routine to take time off during those months. She knew that sometimes it was a problem to approve contracts that needed Board approval. He said she should check with her team to see if there was any benefit to meeting the first week of December 2022.

Trustee Bhuket asked the Clerk of the Board to email the calendar to the Trustees. Ms. Miranda said they might be able to get the audit earlier next year.

F3. Stark Law: What Trustees Should Know (15 Min)

Ahmad Azizi, Interim General Counsel

Not heard

F4. Brown Act: What Trustees Should Know (15 Min)

Ahmad Azizi, Interim General Counsel

Not heard

Mr. Azizi said the Board would go into Closed Session to discuss the items as listed on the agenda.

CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation

[Government Code Section 54957.9]

Ahmad Azizi, Interim General Counsel

AHS v. ACERA et al.

(Reconvene to Open Session)

General Counsel Report on Action Taken in Closed Session

Trustee Bhuket announced that no reportable action was taken in Closed Session.

TRUSTEE COMMENTS

None

ADJOURNMENT: 3:13 pm

This is to certify that the foregoing is a true and correct copy of the minutes of the meeting of October 29, 2021 as approved by the Board of Trustees on November 10, 2021.

Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____
Ahmad Azizi
Interim General Counsel