



**BOARD OF TRUSTEES SPECIAL MEETING (RETREAT)**

**FRIDAY, APRIL 30, 2021**

**9:00am – 5:00pm**

**Conference Center at Highland Care Pavilion**

1411 East 31<sup>st</sup> Street Oakland, CA 94602

Ronna Jojola Gonsalves, Clerk of the Board

(510) 535-7515

**LOCATION:**

Open Session: Telephonic/Electronic Meeting

**MEMBERS**

Taft Bhuket MD, President

Tracy Jensen, Vice President

Jeniffer Esteen, Secretary/Treasurer

Kinkini Banerjee Luisa Blue

Jeanette Dong Alan E. Fox

Sblend A. Sblendorio

**BOARD OF TRUSTEES SPECIAL MEETING (RETREAT) MINUTES**

**THE MEETING WAS CALLED TO ORDER AT 9:10 am**

**ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:** Kinkini Banerjee, Taft Bhuket, MD, Luisa Blue, Jeanette Dong, Jennifer Esteen, Alan E. Fox, Tracy Jensen, Sblend A. Sblendorio

**ABSENT:** None

**PUBLIC COMMENT: Non-Agenda Items**

None

**OPEN SESSION**

**A. Welcome**

*Taft Bhuket, MD, President*

*Tracy Jensen, Vice President*

*Jennifer Esteen, Secretary*

**A1. ARTICLE: Top Boards Do These 4 Things Differently. HBR, Feb 2020.**

Trustee Bhuket discussed the article beginning on agenda packet page five.

Trustee Jensen applauded the new leadership at AHS in light of the effectiveness of the vaccine program and the way staff had come together to reduce the infection rate, improve vaccinations, and monitor the situation.

Trustee Esteen invited everyone to take a moment to appreciate that they were not attempting to dismantle the health system, but rather recreate, they had to have rich debate, could not be stuck in group think, they had to be willing to make something new. She discussed closing open contracts, improving moral and trust, and the successful Joint Commission Survey.

## **B. DISCUSSION: Governance**

### **B1. Status Update on Alameda County's Review of AHS's Governance Model** *Supervisor Wilma Chan, Alameda County Board of Supervisors, District 3*

Supervisor Chan said the Board of Supervisors appreciated the work that had been done, including the settling of union contracts and the hiring the interim CEO. She said HMA had been engaged on December 15 to facilitate a review of the overall governance model. By governance model, she said she meant the County's relationship was to the AHS Board of Trustees and administration. The model had changed in 1998 and since then they had gone through a lot of changes. It was a macro governance model that the Board of Supervisors would be considering. They'd been very happy with HMA's performance they were experts in this area, having worked with other California Counties with public health systems and helping them deal with governance issues. Between January and March of 2021 HMA did a comprehensive review of all the governance models of county hospitals in California since the 1990s. They conducted over 50 stakeholder interviews. The County also engaged an attorney who was an expert in health care governance because whatever model ended up being proposed to the Supervisors they had to ensure that it was legally feasible under the State Health Codes. Beginning in March, HMA started pulling together recommendations to improve accountability, relationships, and transparency between AHS and the County. HMA was working on a framework for potential governance models for their consideration which would include an outline of activities that would be required for each implementation step. She said the two bookends of the options would be making AHS more independent as a nonprofit on one end and bringing AHS back into the County as a department on the other end. They weren't ready to say where they would end up, but it would probably be in the middle of those two. She recognized that in order to proceed with strategic planning AHS needed to understand what the decision would be. The Supervisors did not have a set timeline yet. HMA would inform the Supervisors of the recommendations as a first step. That should take place the following week. After that they would have a presentation at the Supervisors Health Committee meeting and then to the full Board of Supervisors and the recommendations would become public. They would make a presentation to AHS, the labor organizations, as well as any other public meetings that would be needed. She believed the decision process should be complete by August. She recognized that any changes would require legislation. They had introduced a spot bill in Sacramento to accommodate whatever they do. The permanent agreement issue was a separate discussion. This would not solve or change the permanent agreement issue as it was not a governance issue.

Trustee Esteen asked what the number and author was of the spot bill. Vanessa Cedeno said Assembly Member Wicks was the sponsor of AB924.

Trustee Jensen said there was a successful JPA between AHS and AHCD. She wanted to ensure that the transition to a governance model included AHCD consideration. Supervisor Chan said she did not think the Supervisors would make strategic decisions about the services offered by AHS. Trustee Jensen said that HMA did not recognize Alameda Hospital or SNFs in their materials. Supervisor Chan said their attorney was aware of all the legal agreements.

Trustee Bhuket recapped that HMA had completed their analysis and were poised to make a recommendation. The Supervisors in their entirety had not heard the recommendations. The process would be to introduce the recommendations to the individual Supervisors. Ultimately it would migrate to the Health Committee. There would then be public input opportunities before the recommendation would go to the full Board of Supervisors sometime prior to August.

Trustee Bhuket said that the Trustees were contemplating their strategic plan, which was predicated on this decision. They needed to hire a permanent CEO. Their authority to do so might be determined by this decision. They needed to have discussions about Alameda Hospital, San Leandro Hospital, and East Bay Medical Group, some of those discussions would also be impacted by this decision. He asked for guidance on how to proceed with contemplating their strategic plan when they were missing this piece of the puzzle. Supervisor Chan said they could continue as they had been with decision making. Even after a model is adopted, they will have to pass legislation. She didn't think the implementation would be done until towards the end of the year or even January 31st.

Trustee Blue asked if the unsettled governance structure prohibited them from hiring a permanent CEO. Supervisor Chan said no, they should hire a CEO.

Trustee Blue said it was important for the Supervisors, particularly given that there was a spot bill, form that partnership with the unions so they could lobby for the passage of the bill.

Trustee Banerjee said she was reading the spot bill. She was glad it would be a collaborative process. There were a couple of pathways that looked viable for AHS. She reiterated that it wasn't just the CEO, but they were trying to get a good team around him. It was difficult to recruit good talent when they knew the governance structure was in flux. The partnership between the County and AHS along with other key external partners was critical to ensure the work that needed to be done at AHS was done. She said that although they were decoupling the permanent agreement and the governance arrangements, that fiscal structure drove their operational, clinical, and strategic processes. She said the hope was to continue working on the permanent agreement and the net negative balance while the governance conversations were happening.

Trustee Sblendorio said that perhaps there should be a forum to keep the public, employees, and community informed on the proceedings. If it was going to take into next year, he could see how it would impact the CEO and his team. He was happy to hear they

could establish a permanent CEO because that uncertainty caused people to look for other jobs.

Trustee Fox said that if the expectation was by August they would have direction regarding the governance structure, and then it would take another five or six months to make the legislation changes. Once they knew the structure, would they be able to have a high level of confidence that the legislation would pass. Supervisor Chan thought it would. That's why they hired a health care specialist lawyer. They didn't want to advise something that couldn't happen.

Supervisor Chan said, regarding the uncertainty mentioned by several Trustees, the model would not get into directly changing the administrative team or anything like that.

Trustee Dong asked if Supervisor Chan expected legislation to be effective January 1, 2022. Supervisor Chan said yes, they were adding an urgency.

Trustee Bhuket said it would be important to keep the lines of communication open as they move forward. He said the AHS bylaws indicated they were supposed to have joint meetings three times a year, he thought this could be the medium to do that in.

## **B2. AHS Governance: Current and Future State**

*James E.T. Jackson, Interim Chief Executive Officer*

Mr. Jackson, Dr. Jamaledine, Mr. Fratzke, and Dr. Swift discussed the report beginning on agenda packet page 10.

Trustee Banerjee said, regarding the CEO weekly rounding, meeting with the people who provide the care was very important for rebuilding trust. She hoped that would become a normal and ongoing practice.

Trustee Sblendorio asked who accompanied the CEO when rounding. Mr. Jackson said Mark Fratzke and Dr. Jamaledine had both at times. Trustee Sblendorio asked what they had heard from staff. Mr. Jackson said that at John George he heard about divisiveness between different ethnicities, specifically between African employees and African American employees. They were actively working on that. He said he also had heard about a fear of retaliation. There was a high sense of trepidation about raising their voices. He said that was troubling and had to be addressed. Mr. Fratzke said he'd also heard an abundance of happiness about seeing and being able to speak to leaders. There was also a lot of scarcity thinking. So much of what they were doing was listening and trying to inspire hope that they would address these issues. There had been a lot of follow up to ensure that trust is not only built up but also maintained. Dr. Jamaledine said he'd heard the same. There were positive findings as well. It was important for them to hear first-hand from the front line regularly. They needed to work on actualizing the just culture.

Trustee Sblendorio asked if it would be appropriate for Trustees to attend the rounding. Mr. Jackson said he'd welcome that. The infection prevention protocols needed to be followed.

Trustee Fox asked what was behind the decision to not fill the vacant VP of Strategy and Business Development position. Mr. Jackson said they needed a strategic plan going forward. He said they might fill that position at some point, but they wanted to be mindful about how to move forward. Trustee Fox asked what the horizon was for filling the position and was it in the 2022 budget. Mr. Jackson said it was not in the budget at the time, which did not mean it could not be filled.

Trustee Blue said that the COO discussed a flat leadership structure so they could be nimbler in decision making. There was still a lot of leadership. She asked if they needed a VP for Strategy when they already had a management team and what the position would offer. Mr. Fratzke said they were reserving the right to bring the position back. Some hospitals had VP of Strategy type models others considered strategy the purview of the executive team. There were different ways to do this, they were trying to evaluate the process.

Trustee Banerjee said she was pleased to see how excited the CAOs were to have the connections to leadership. She appreciated seeing a structure that put quality, patient care, finance, strategy at the local level.

Trustee Bhuket asked, regarding the Huron contract, how they differentiated what AHS would have gotten themselves versus what Huron would take credit for getting. Mr. Fratzke said there had to be clarity about what initiatives were born internally and which new initiatives were introduced by them. Members from AHS and Huron will manage the plan. They were putting the structure in to manage it. Mr. Jackson said discussions within the ELT were not unanimous regarding this. Ms. Miranda was very clear about their team being prescribed about where the Huron team would be working. They would not get credit for work that was not theirs.

Trustee Bhuket said the Finance Committee Chair should be appraised of the details so it can be agendized at the Committee as appropriate.

Trustee Sblendorio asked what investment was required to implement the changes or recommendations that might come out of the engagement. Mr. Fratzke said some of the initiatives would be freebies. But, some could have a cost. They would need a clear cost benefit understanding. Trustee Sblendorio said he'd noticed that the technology at AHS was not cutting edge and some money should be spent there and the infrastructure. Mr. Fratzke said the Huron work was more around process than equipment or hard costs. It was more about having an efficient revenue cycle. Mr. Jackson added that the initial part of the engagement was Huron learning what was being done, then recommending what investments could be made.

Trustee Esteen asked where they were in the contract process with Huron. Mr. Fratzke said Huron presented their capabilities to them. AHS had not yet signed non-disclosure agreements. Trustee Esteen asked when the agreement would go to the Finance Committee. Mr. Fratzke said if it needed to go to the Board, it would likely be June. Mr. Jackson said the nature of the agreement was such that the Board would not need to approve the contract. Trustee Esteen said the Finance Committee was charged with reviewing and recommending contracts and grants to the full Board. Mr. Azizi said contracts

over \$1M required Board approval. Huron was commission based so it did not meet that threshold.

Trustee Esteen said that mentioning a performance improvement goal of \$20-\$40M, even a quarter of that would meet the threshold. She wanted to make sure they were being fully transparent and adhering to the charter. Mr. Fratzke said the engagement with Huron was one significant initiative around many they have. Each one had a price tag.

Trustee Dong asked if the Outcomes: Equity slide on agenda packet page 25 was only AHS's results. Dr. Swift said it was only AHS's patient results, not employees. Trustee Dong appreciated that this was one of the only times she'd seen demographic data reflect that the vaccines were getting to the populations that were most affected.

Trustee Banerjee asked what were some ways AHS was working on addressing vaccine hesitancy among staff. Dr. Swift said the best way to persuade people who were hesitant regarding medical intervention was through a series of small conversations around peer coaching. Engaging in understanding the why. Equality was presenting everyone with information. Equity was respecting the idea that some people needed additional resources. They would have passive invitations to discuss the vaccine. They have stickers they could wear on their badges to show who has been vaccinated and who could answer questions about it. They created a group of trusted messengers for patients and staff. They were exploring ways to partner with the community and public health. They were also working on expanding capacity.

Trustee Jensen asked when the single dose was being used. Dr. Swift said the Johnson and Johnson single dose vaccine was ideal for patients who would have a difficult time returning for the second dose. The Task Force was reviewing the labeling and indications to ensure they had scripting available in a culturally and linguistically appropriate fashion. They hoped to resume use of the Johnson and Johnson vaccine soon.

Trustee Jensen said younger people were often less likely to get the second dose. Five to eight percent of young people were not going back. She asked what were some ways AHS was reaching out to encourage this population to return. Dr. Swift said it was helpful to think of this as a primary care strategy. They would do the same for people not returning for cancer screenings or other therapeutic interventions. They would also use joint strategies with the department of health.

Trustee Bhuket recapped that Supervisor Chan said they were anticipating by the August session to hear what model the supervisors had decided on. Legislation would be required to execute this change being forecasted for quarter one of next year. The CEO discussed the engagement with the organization, anticipated changes to the org chart to create a more agile organization, the contract with Huron to help with collections, and the COVID-19 response.

## **C. DISCUSSION: Strategy**

### **C1. East Bay Medical Group Update: Current State and Future Directions**

*Chitra Akileswaran, MD, President*

Dr. Akileswaran discussed the report beginning on agenda packet page 21.

Trustee Fox requested details regarding physician recruitment. Dr. Akileswaran said that per the PSA, EBMG was responsible for physician recruiting with support from AHS. Regarding exclusivity, some of the community providers were allowed to work and perform services in the OR for example, but she wasn't sure if that was the case from the in-patient side and certainly not from the ambulatory side. She was planning on surfacing issues around recruiting and retention at their EBMG Board meetings and would be happy to report back to the AHS Board if they would like. She said she was working on exit interviews to gather more information. There were natural cadences with physicians leaving organizations impacted by external factors. But it was concerning when they left due to lack of opportunity or lack of feeling like they had a voice.

Trustee Bhuket said EBMG was responsible for recruiting for the specialties for which there was a contract under EBMG. There was a segment of people who were non EBMG including Traditions Behavioral Health and UCSF.

Trustee Esteen asked what Dr. Akileswaran needed to overcome the hurdles that included a lack of specialty care at Alameda and San Leandro Hospitals, and inefficiencies created by not having adequate staff. Dr. Akileswaran said that meeting the needs identified by physician leaders with a vision for how they want to use the huge asset and expense that physicians are for the organization then they could more appropriately staff around that. There was a number of physicians who had active needs because of limitations around capital equipment, staffing, space, or resources. Having a process to surface those needs in a way that allowed quick decisions to be made would be beneficial.

Trustee Esteen asked who was in charge of creating the process to surface the needs. Dr. Akileswaran said probably the ELT would have purview and some ideas. Dr. Jamaledine said they moved into systemizing the service line. They were trying to work with the physician leadership groups to gain as much efficiency as possible. They were currently engaged with the process.

Trustee Jensen asked them to expand on eliminating contracts. Specifically, she was thinking about the contract for emergency services at Alameda Hospital, which was now with EBMG. From the perspective of the medical group and the organization, how that happened and how did they know if the medical group could perform the services and cover the requirements. Dr. Jamaledine said they were trying to focus on quality and patient safety and having standardization wherever possible. The contract mentioned was driven by finances. Some did not want to contract with the organization anymore. Dr. Akileswaran was currently involved with the physician contracts. Trustee Jensen asked Dr. Akileswaran how EBMG could provide the specialty services that were a

struggle for the organization. Dr. Akileswaran said they needed to have open dialogue and process between the physician leadership groups. They need a minimum of six months to recruit and credential so a more proactive process would be better.

Trustee Banerjee asked Dr. Jamaledine how all of this was trickling down to robust care for the patient. She asked how they resourced folks and how they removed barriers particularly given the different physician groups. Dr. Jamaledine said it was an open-ended question in terms of his standard work which was to support the physician. He worked closely with the Assistant Chief Medical Officer and they met with the chairs and the dyads on a weekly basis. They encouraged these issues to be escalated to them immediately and they try to connect with the frontline leadership. The structure of governance was governed by the chairs.

Trustee Blue asked if, on the list of specialty coverage needs, there was a priority. She also asked if the relationship with UCSF was with AHS or EBMG and if UCSF conducted any specialties out of AHS. Dr. Akileswaran said there was physicians in the specialties, but they did not exist within EBMG and perhaps not to the extent that they wanted them. She said UCSF was contracted with AHS not EBMG.

Trustee Dong said she hoped that the CMO would bring to the Board a vision about how they would address the larger breadth of the strategy related to physician tension and recruitment.

Trustee Bhuket said the governance structure, in its current iteration, was that the President of EBMG reported to a Board of EBMG. That Board did not report to the CEO. That Board reported to the AHS Board of Trustees. He said Dr. Akileswaran said that she needed help with the clarity of the company vision, she needed viable resources to sustain and create safe and high-quality care, she needed a venue to bear out the discussions about viability and vision.

Break from 12:23 to 1:00pm

## **C2. San Leandro Hospital: Current State and Future Directions**

*Mark Fratzke, Interim Chief Operating Officer*

Mr. Fratzke reviewed a presentation available here:

<http://www.alamedahealthsystem.org/2021-meeting-agendas-and-minutes/>

Trustee Dong said a geriatric psych unit was a good idea. She discussed call data related to geriatric psych unit and offered to review the data.

Trustee Jensen said the possibilities around system synergy and capacity building were particularly important. She said that capacity utilization was reimbursed relatively well. Some of the possibilities regarding the community/patient needs might not fit in with their current community and patient needs, but it was good to look at future needs. Sustainability was important as well. All of the options were in line with what the future held for the community and the patient population. She suggested that this not happen in a vacuum. The discussion of San Leandro Hospital should happen with the



discussion of Alameda Hospital as well. A committee or discussion to come up with recommendations would be ideal.

Trustee Fox said one of their strategic pathways for improving financial performance was to increase the volume of high reimbursed commercial patients. San Leandro and Alameda Hospital had a history of being sole community providers in their cities with a lot of community support might offer a better opportunity to attract commercially insured patients than Highland. Mr. Fratzke said he agreed. One reason the hospitals were brought into the fold was to try to change the payer mix. They had not recognized the totality of that possibility yet.

Trustee Banerjee agreed with Trustee Fox's assessment of why they brought the two hospitals into the system. They discouraged some of the community doctors from doing some of the work that they do through their focus on the system and safety net. She found it interesting that so much post-acute was through referral, she thought that because they were a level one trauma center a lot of that was driven by their own patient volume. They owned the hospital and two other buildings in San Leandro, being able to beef up the referral system would be a good thing. Mr. Fratzke said there were two ways a patient got into the hospital. One was through the ED and the other was referral. Referrals could come internally or externally.

Trustee Esteen said if they created the capacity for providers to come, patients would also come. She said they had to consider the resources to invest in a delayed response from the community and the provider network. It will take vision, patience, and financing. It was a challenge for their aging infrastructure to compete with new facilities like Kaiser. She asked what the community actually needed, and they were tracking where people lived and where they looked for care.

Trustee Dong offered her data from the City of San Leandro Senior Center. She said around 30% of San Leandro residents were insured by Kaiser. There was a lot of room for growth.

Trustee Sblendorio appreciated the options but asked where they came from. Mr. Fratzke said mostly from conversations around the organization. Trustee Sblendorio suggested they not doing anything without a market survey. They had to assess that the need was there and what the investment would be. Mr. Fratzke said they would gather that data.

Trustee Esteen asked about the potential expanded capacity for a gero-psych site and where the through put would be. Mr. Fratzke said that would have to be discussed with the County. Two years ago, he and Mr. Jackson opened a new gero-psych unit at Seaton. Most of those patients went home or to a nursing home. Trustee Esteen said the AHS patient population did not necessarily have a home to go to. She asked what John George did with this population. Mr. Fratzke said many of them used the IOP and some transition into County or AHS outpatient.

Trustee Dong said that San Leandro had the second highest 5150 transport rate in the entire County, with the second highest repeat hold. That was a documented gap within

San Leandro. The County Behavioral Health Services would likely look into more community-based settings for severe mental health cases. They were focused on stabilizing patients and getting into community-based services rather than AHS institutions.

Trustee Bhuket asked if there was a place to make this a contemplation of strategy with San Leandro and Alameda Hospitals or would they be separate. Mr. Fratzke said they should run separate but parallel. But there should be communication between the groups having the conversations. They needed to be focused and nimble while still sharing ideas and preventing redundancies and double work.

Trustee Bhuket asked if there were seismic concerns related to San Leandro Hospital. Mr. Fratzke said he would get back to them with detailed information, but he thought there were some.

Trustee Bhuket asked if there were any critical timeline decisions that needed to be made that the Board needed to know regarding San Leandro Hospital. Mr. Fratzke said not at this time.

Trustee Bhuket said that the 2011-2013 Strategic Plan set a goal of being the third system of choice. He did not think they fulfilled that yet. The larger strategic discussion should be about their approach to these hospitals. They should discuss if they would be a closed operation like Kaiser, or if there was still room for the community physicians. They never had a clear message about that. He asked who should be on point for the San Leandro strategic conversation. Mr. Fratzke said a Trustee or two, himself, site physician leaders, community member or two or an ex patient. Trustee Bhuket said they would bring something back around September.

### **C3. Alameda Hospital and the JPA**

*James E.T. Jackson, Interim Chief Executive Officer*

*Debi Stebbins, Executive Director, City of Alameda Health Care District*

Trustee Jensen introduced Michael Williams, the Board Chair for the City of Alameda Health Care District, Dr. Robert Gage, former member of the City of Alameda Health Care District and practicing physician in Alameda, Gayle Godfrey Codiga, member of the City of Alameda Health Care District, and Debi Stebbins, the Executive Director.

Ms. Stebbins, Mr. Williams, Dr. Deutsch, and Mr. Jackson reviewed the report beginning on agenda packet page 61.

Trustee Bhuket asked what the critical timeline was for building a new hospital. Mr. Jackson said it would be at a minimum of six years for all the planning, permitting and actual constructions. Critical decisions including identifying funding needed to be completed no later than 2023 given the 2030 deadline. Ms. Stebbins agreed and added that finding the financing would be a challenge. The district would be advocating for changes.

Trustee Bhuket asked what the appetite of the residents in Alameda was for building a new hospital. Trustee Jensen said the Board was establishing a community advisory board. She said that in the past when services were cut the community was very unhappy. Ms. Stebbins said that given the potential price tag of \$200M she wasn't sure there would be much of one.

Trustee Bhuket asked what would happen if they didn't get help regarding the requirements. Mr. Fratzke wondered what the appetite for the community would be in terms of a reconfiguration of the hospital as it existed. Trustee Jensen said the parcel tax would have to be changed. She also said that they needed to work with SEIU and CNA as they had done some work on the issue.

Trustee Bhuket discussed agenda packet page 97, "Where Do We Go From Here? District Thoughts." He agreed that they needed to reconstitute the Joint Planning Committee and expand it to deal with issues beyond just the seismic.

Trustee Bhuket said another listed opportunity was to development of primary care clinical practice. There was an unsuccessful attempt at that at Marina Wellness. Mr. Jackson proposed that they study what happened at Marina Wellness. It could be that it would be more successful with changes.

Trustee Bhuket asked about the idea of re-marketing the ED to the Alameda community. Mr. Jackson said they had contracts today that they did not have a few years ago in Alameda. That would lend itself to the remarketing. They provided great care in the ED at Alameda Hospital and people could be seen promptly. They could use that to leverage. Part of the prior success was to work with the paramedics to make sure they understood the benefits of bringing patients to that ED.

Trustee Bhuket asked if they were to create a joint planning committee for this who should be on it. Ms. Stebbins said that her and Mark, Trustee Jensen, Gail Codiga, and at least one other member of the AHS Board.

Trustee Banerjee said that continued strong joint advocacy was important. She said that it would make sense for someone, other than her, to serve on the seismic board, but that she would support it in any way that she could.

Trustee Dong said that she would be happy to follow up with Senator Skinner's office. Every year, every session, there was legislation to extend deadlines for hospitals that were in the same situation AHS was in and to extend timelines. There might be other hospitals in the same boat. She also suggested that someone might work with them to issue a County wide bond. She wasn't aware of any other hospital that privately paid for seismic retrofits.

Trustee Bhuket asked Mr. Fratzke for a timeline to hear back from the Alameda Hospital Joint Planning Committee (formerly the Joint Seismic Committee). Mr. Fratzke said maybe a report out in July to report status and ideas, then maybe again in October.

Trustee Bhuket confirmed that Mr. Fratzke and Ms. Stebbins would determine who they wanted on the Alameda Hospital Joint Planning Committee. He asked Trustee Jensen to find another Trustee to serve. He said the goal was for the Committee to return to the Board with an update in July.

## **D. DISCUSSION: Finance**

### **D1. Supplemental Funding Update**

*John Minot, Director of Policy for the California Association of Public Hospitals*

Mr. Minot discussed the report beginning on agenda packet page 80.

Trustee Fox asked, regarding realignment, if that meant that when the hospital added up all of the Medi-Cal reimbursement from direct contract payments and all the other supplemental sources, that if it was receiving more money than it did before, whatever before meant, 82% of that went back to the State. Mr. Minot said that was a good start. He said he was speaking loosely when he said that it was compared to what was received before. He said the comparison took the costs, recognizing if costs had increased, and all the Medi-Cal payments from all sources, and also estimates of normally available local funds. Then it determines if the total revenue was greater than the cost. The trouble was that revenue included things like Measure B. So, it could and often did, appear as more than costs. Then if revenues over costs were found, 80% of the gains was shared up to the cap. For AHS the cap was 82%.

Trustee Fox asked about the length of time it took to settle all of the things. Mr. Minot said they worked it out to keep to an AB85 timeline. For example, 2021 should be finalized in June of 2023.

Trustee Blue asked if the supplementals were band aid solutions. Mr. Minot said a lot times it was an attempt to find new sources of revenue. They had gone to the well of self-financing when the State wasn't adding money to the program. It was a short to medium term solution that compounded the long-term issues. Trustee Blue asked what he would do to fix the issues. He said if it wasn't single payer it would be a greater investment of State and Federal funding. Trustee Blue said the Board and leadership needed to be visionary because the system did not work. Trying to fix what was wrong with public hospital funding would lead them back to this place every few years.

Trustee Blue said that the State had a surplus and asked if there might be a chance to tap into that. Mr. Minot said requests were being made, but he wasn't sure what the odds were of being successful.

Break 3:52 to 4:52pm

## D2. WIPFLI Final Report

*Jennifer Esteen, Finance Committee Chair*  
*Kim Miranda, Chief Financial Officer*

Jane Jerzak reviewed the presentation available here:

<http://www.alamedahealthsystem.org/wp-content/uploads/2021/05/2021-04-30-BOT-Retreat-D2-WIPFLI-Final-PRESENTATION-LATE-SUBMITTAL.pdf>

Trustee Fox asked if AHS would have an app to allow them to mind this type of information on their own going forward, once WIPFLI was done. Ms. Jerzak said it would be a heavy lift, starting with the claims data from EPIC. It was not part of the WIPFLI work, but it would be good for AHS to initiate service line modeling.

Trustee Sblendorio said that data was vitally important. He asked if there was provider resistance to doing what the data suggested. Ms. Miranda said AHS was a mission-based organization. They don't typically talk about payer mix at the provider level. They didn't want to get too caught up in potentially losing money on an individual. Trustee Sblendorio asked why then gather the information at all. Ms. Miranda said there was still opportunities to improve performance. If they knew that in a particular program, for example the dental clinic, it was losing money but if they knew that they could potentially make the decision to bring it into an FQ. If other FQs are losing money they might need to go back to the State to get a new rate. They needed to see it to act on it.

Trustee Bhuket asked if leadership was surprised by WIPFLI's findings. Mr. Fratzke said he was pleased with allocation methodology that WIPFLI used. Mr. Jackson said moving from service line buckets to facility provided a clarity about how facilities were performing that the organization was blind to previously. Ms. Miranda agreed. It created opportunities to decide where they could improve performance.

Trustee Jensen asked how some of the allocations listed on presentation page four were allocated. Ms. Miranda said the detailed schedules could be provided, there was a wide range of methodologies all consistent with standard principles.

Trustee Jensen asked if the depreciation was based on only equipment or if it was also facilities. Ms. Miranda said it was depreciation based on where the asset resides. Trustee Jensen said that San Leandro Hospital was an asset. But Alameda was not. She thought the County would claim depreciation on the Highland facility itself. Ms. Miranda said it was owned assets.

Trustee Jensen asked where the SNFs were on the list. Ms. Miranda said it was based on the entity they were a part of, either Fairmont or Alameda.

Trustee Banerjee discussed how finance and governance were tied together. That conversation needed to continue. The needed to think about how to better understand their structural foundation and how to meet the needs, the priorities, and the obligations to the community while paying back the debt. She asked that this go back to the Finance Committee so they could understand the underlying structural issues.

Trustee Esteen said she was excited for the improved readability of the financial statement. It'll give them the opportunity to make long term plans.

### **D3. FY21-22 Budget Projections**

*Kim Miranda, Chief Financial Officer*

Ms. Miranda discussed the presentation beginning on agenda packet page 100.

Trustee Esteen asked where the tele health reimbursements were accounted for. Ms. Miranda said they were not in the current budget. Trustee Esteen said she thought the State had already indicated that telephone visits would not be reimbursed, and video visits would be partially reimbursed. Ms. Miranda said that was not built in. Trustee Esteen said that it should be built in.

Trustee Dong asked if there were other things, besides the dental clinic, that could be moved to FQHC. Ms. Miranda said most primary care was in the FQ environment, and some specialty services could be moved. They were starting with the dental. They were limited by how many could be seen in an FQ environment.

Trustee Bhuket asked about the ambulatory conversation regarding tele and video health. When DHCS indicated reimbursement would be shifting, they started talking about how templates would change. They were looking at doing it based off of patient demand. They were considering two patient visits via phone or video then the rest would be in person. For specialty they were taking it based off of reimbursement rate. She said there was a lot of advocacy to keep these visits at the current rates. But they needed to plan for all scenarios.

Trustee Esteen asked what the percentage of use was for video over telephone. Mr. Amey said the largest number had been phone calls as they were easier than Zoom for the patients, but once Doximity was up and running that would be easier.

## **E. DISCUSSION: Board Performance**

### **E1. Bylaws – Discussion of Update Process (Estimated 10 minutes)**

*Taft Bhuket, MD, President*

### **E2. Policies and Procedures / Committee Charters– Discussion of Update Process (Estimated 10 minutes)**

*Taft Bhuket, MD, President*

### **E3. Board Membership, Internal Expectations (Estimated 10 Minutes)**

*Taft Bhuket, MD, President*

### **E4. How to Self-Measure Board Performance (Estimated 10 Minutes)**

*Taft Bhuket, MD, President*

## **TRUSTEE COMMENTS**

**ADJOURNMENT 5:27**

This is to certify that the foregoing is a true and correct copy of the minutes of the meeting of April 30, 2021 as approved by the Board of Trustees on June 9, 2021.

Ronna Jojola Gonsalves  
Ronna Jojola Gonsalves (Jun 25, 2021 16:01 PDT)

Ronna Jojola Gonsalves  
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: Ahmad azizi  
Ahmad Azizi (Jun 25, 2021 15:35 PDT)  
Ahmad Azizi  
Interim General Counsel