



BOARD OF TRUSTEES MEETING

THURSDAY, April 13, 2017

5:00PM – 7:00PM

Conference Center at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Vanessa Nushaiwat, Interim Clerk of the Board
(510) 535-7515

LOCATION:

Open Session: HCP Conference Center

MEMBERS

Michele Lawrence, *President*
Joe DeVries, *Vice President*
Maria G. Hernandez, *Secretary*
Kinkini Banerjee
Gary Charland
Anthony Thompson
Tracy Jensen
Barry Zorthian, M.D.

MINUTES

THE MEETING WAS CALLED TO ORDER AT 5:16 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Michele Lawrence, Joe DeVries, Maria G. Hernandez, Kinkini Banerjee, Gary Charland, Anthony Thompson, Tracy Jensen and Barry Zorthian, M.D.

ABSENT: Trustee Hernandez

A quorum was established.

Open Session

OPEN SESSION PUBLIC COMMENT (1st opportunity) – The Board received public comment from Joe Rose, President of Nami Alameda County South; Felix Thomson, Registered Nurse at Highland Hospital.

A. BOARD PRESIDENT REPORT

Joe DeVries, Vice President

Vice President Joe DeVries encourages everyone to attend the Alameda Health System Gala Event.

B. CEO REPORT

Delvecchio Finley, Chief Executive Officer

The CEO reported that the re-validation survey for the Highland Hospital trauma service was completed by the America College of Surgeons.

The verbal report from the survey team was good and we anticipate designation as a Level 1 trauma service. The CEO noted that a formal report will be forthcoming.

The CEO advised that Medi-Cal Manage Care Rule – related to supplemental payments and the removal of directive payments will take effect July 1, 2017.

An update regarding the budget will be given in the Finance report. A first look at the budget will take place in the beginning of June and the final version and approval will be discussed at the second meeting in June.

C. CONSENT AGENDA: ACTION

A. Approval of the Minutes of the March 9, 2017 and March 23, 2017, Board of Trustees Meetings.

B. Approval of the Following Policies:

The Quality and Professional Services Committee recommends approval of the following policies:

A. Alameda Health System Policies

- 1) IV Therapy, Peripheral (System)
- 2) Medication Renal Dosing
- 3) Medication: Adverse Drug Reaction (ADR) Reporting (System)
- 4) Placentas: Examination, Storage and Release(HH Only)
- 5) Point of Care Testing
- 6) Personnel (System)
- 7) Point of Care Testing (POCT) at AHS (System)
- 8) Preparation and Delivery of Patient Nourishments and Oral Nutritional
- 9) Quality, Safety and Performance Improvement Annual Plan FY 2017
- 10) Risk Management and Patient Safety Plan

B. Alameda Hospital Policies – None

C. San Leandro Hospital – None

The Minutes for the March 9, 2017 Trustees Meeting were removed for correction and changes will be brought back to the next Board Meeting.

Action: A motion was made and seconded to approve the Minutes of the March 23, 2017 Board of Trustees Meeting.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

Action: A motion was made and seconded to approve the Alameda Health System Policies.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

D. COMMITTEE REPORTS:

1. Finance
Anthony Thompson, Chair

No Report.

2. QPSC (Written Report)
Barry Zorthian. M.D., Chair

Trustee Zorthian submitted a written report.

E. ACTION ITEMS

Approval of Contracts and Authorization for the CEO or his/her Delegate to Execute the Following Operating Contracts:

The Finance Committee reviewed the following contracts:

1. SLH Rehab Contractor at Risk Award to Layton Construction Company, LLC.
Luis Fonseca, Chief Operations Officer

The COO reported that this proposed contract reflected the sole qualified response to the Request for Proposals.

Action: A motion was made and seconded to approve SLH Rehab Contractor at Risk Award to Layton Construction Company, LLC.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

2. Extension Agreement with Alameda County Sheriff's Office for the provision of supplemental law enforcement services and security services at Highland Hospital. The term of the proposed extension is July 1, 2017 through June 30, 2019. The estimated impact of the proposed extension is \$7,531,058.09. Inclusive of this contract and prior contractual commitments (July 1, 2016 – June 30, 2019), the overall obligation to this vendor is estimated at \$11,094,965.62.

David Cox, Chief Financial Officer

Action: A motion was made and seconded to approve Extension Agreement with Alameda County Sheriff's Office for the provision of supplemental law enforcement services and security services at Highland Hospital.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

3. Extension Agreement with Aditazz, Inc. for the provision of project design and permitting services in support of the Health Professionals Training & Education Center located at Highland Hospital. The term of the proposed extension is April 1, 2017 through December 31, 2017. The estimated impact of the proposed extension is \$45,000. Inclusive of this contract and prior contractual commitments (July 1, 2016 – December 31, 2017), the overall obligation to this vendor is estimated at \$1,319,766.14.

David Cox, Chief Financial Officer

Action: A motion was made and seconded to approve Aditazz, Inc., for the provision of project design and permitting services in support of the Health Professional Training & Education Center located at Highland Hospital.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

4. New Master Service Agreement (“MSA”) and two (2) Statements of Work (“SOWs”) with Colin Construction Company for the provision of design and construction services for the MRI Suite located at Highland Hospital. The aggregate term of the proposed agreements is May 1, 2017 through April 30, 2019. The estimated impact of the proposed SOW’s is \$2,038,461.00. There are no prior obligations to this vendor.

David Cox, Chief Financial Officer

Action: A motion was made and seconded to approve New Master Service Agreement (“MSA”) and two (2) Statements of Work (“SOWs”) with Colin Construction Company for the provision of design and construction services for the MRI Suite located at Highland Hospital.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

5. New Agreement with Royal Ambulance, Inc. for the provision of ambulance transportation services across the Alameda Health System. The term of the proposed agreement is May 1, 2017 through April 30, 2020. The estimated impact of the proposed agreement is \$4,360,533.60. There are no prior obligations to this vendor.

David Cox, Chief Financial Officer

The new Royal Ambulance Agreement is proposed to replace the WestMed agreement to provide patient transportation from one facility to another facility and for non-acute transportation services. The replacement agreement was necessary to address concerns with WestMed regarding timeliness for patient transports and WestMed’s determination that it could not provide services on the agreed upon terms. This proposed agreement was the result of a competitive bidding process and resulted in 40 percent increase in the contract cost.

Action: A motion was made and seconded to approve New Agreement with Royal Ambulance, Inc., for the provision of ambulance transportation services across the Alameda Health System.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

6. New Agreement with GE Healthcare to purchase Healthcare IT professional services and software support. The term of the proposed agreements is May 1, 2017 through July 31, 2017. The estimated impact of the proposed service and support agreements is \$32,000.00. Inclusive of these contracts and prior contractual commitments (July 1, 2016 – July 31, 2017), the overall obligation to this vendor is estimated at \$5,458,045.50.

David Cox, Chief Financial Officer

Action: A motion was made and seconded to approve New Agreement with GE Healthcare to purchase Healthcare IT professional services and software support.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

7. Replacement Purchase Agreement with Organogenesis, Inc. for the provision of wound healing medical products. The term of the proposed replacement agreement is April 20, 2017 through April 19, 2019. The estimated impact of the proposed purchase agreement is \$1,244,620.00. Inclusive of this contract and prior contractual commitments (July 1, 2016 – April 19, 2019), the overall obligation to this vendor is estimated at \$1,627,327.00.

David Cox, Chief Financial Officer

Action: A motion was made and seconded to approve Replacement Purchase Agreement with Organogenesis, Inc. for the provision of wound healing medical products.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

8. New Service Agreement with Uber Technologies, Inc. for the provision of AHS patient transportation services (taxi services) within Alameda County. The term of the proposed agreement is May 1, 2017 through April 30, 2019. The estimated impact of the proposed agreement is \$1,200,000.00. There are no prior obligations to this vendor.

David Cox, Chief Financial Officer

There were three entities invited to submit proposals for this contract, but only Friendly Cab and Uber responded. As reflected in the summary report, staff was aware of concerns that have been expressed about high level leadership issues regarding Uber. However, the impact of the availability of an unlimited fleet of vehicles and highly competitive pricing and services resulted in their selection. The proposed agreement provides for a 90-day time period to cancel the agreement if the organization is not satisfied with the services provided by Uber.

Action: A motion was made and seconded to approve New service Agreement with Uber Technologies, Inc. for the provision of AHS patient transportation services (taxi services) within Alameda County.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence,

Thompson, and Zorthian.

NAYS: None

Abstention: None

9. Statement of Work ("SOW") with MModal Services, LTD for implementation of MModal's Fluency for Imaging Reporting Solution. The term of the proposed agreement is April 15, 2017 through March 31, 2021. The estimated impact of the proposed SOW is \$44,244.00. Inclusive of this contract and prior contractual commitments (July 1, 2016 – March 31, 2021), the overall obligation to this vendor is estimated at \$1,870, 349.55.

David Cox, Chief Financial Officer

Action: A motion was made and seconded to approve Statement of Work ("SOW") with MModal Services, LTD for implementation of MModal's Fluency for Imaging Reporting Solution.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

10. Statement of Work 1 ("SOW 1") with Freed Associates for the provision of consulting and management support to the ongoing revenue cycle improvement efforts for the Professional Billing Department. The term of the proposed SOW 1 is April 13, 2017 through September 30, 2017. The estimated impact of the proposed SOW 1 is \$300,000.00. Inclusive of this statement of work and prior contractual commitments (July 1, 2016 – June 30, 2017) the overall obligation to this vendor is estimated at \$1,700,000.00.

David Cox, Chief Financial Officer

Action: A motion was made and seconded to approve Statement of Work 1 ("SOW 1") with Freed Associates for the provision of consulting and management support to the ongoing revenue cycle improvement efforts for the Professional Billing Department.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

11. Statement of Work 2 ("SOW 2") with Freed Associates to continue to provide consulting services in support of the Medical Staff Services Department. The term of the proposed SOW 2 is April 13, 2017 through July 31, 2017. The estimated impact of the proposed SOW 2 is \$188,000.00. Inclusive of this statement of work and prior contractual commitments (July 1, 2016 – June 2017) the overall obligation to this vendor is estimated at \$1,888,000.00.

David Cox, Chief Financial Officer

Action: A motion was made and seconded to approve Statement of Work 2 ("SOW 2") with Freed Associates to continue to provide consulting services in support of the Medical Staff Services Department.

The motion passed.

AYES: Trustees Banerjee, Charland, Devries, Jensen, Lawrence, Thompson, and Zorthian.

NAYS: None

Abstention: None

F. REPORTS

1. Chief Financial Officer Report

David Cox, Chief Financial Officer

The CFO reported that revenue and expenses are close to budget. Revenue exceeds budget by approximately 4.5%. Notable expense variances occurred with registry, contracted positions, and supply maintenance. The Finance Committee has addressed issues related to increase in the average length of stay. The resulting smaller number of discharges for this year compared to last year and the lack of discharge planning coverage for the weekends resulted in longer hospital stays for patients. Clinic visits continue to increase and the Benchmarking productivity assessment will be available for review next month.

The physician charge capture assessment is completed. The Soarian Financial rebuild is ongoing and is to be completed by July 1, 2017.

With respect to local contracting, a contract with Aetna is close to completion.

The Health Pac Agreement will add an additional \$23 million for this year. AHS is expecting to receive \$15 to \$20 million before June 30th, 2017, which will result in compliance with the Permanent Agreement with the County.

The issue of MCE Cost payments under the new Manage Care Rule continues to be addressed by the leadership team. If resolved favorably, we expect an additional \$36 million in this fiscal year.

The CFO also highlighted items in his written report regarding the status of the preparation of the FY17/18 budget, professional revenue cycle improvements, and ongoing review of the use of registry.

2. FY2017-2018 Draft Budget Review

David Cox, Chief Financial Officer

The CFO submitted a written report.

3. Chief Information Officer Report

Dave Gravender, Chief Information Officer

The CIO reported on the current status of the electronic health record selection process:

- RFP was sent out on March 8, 2017. Responses were received from the two target vendors – Cerner and Epic – on April 6, 2017.
- The responses will be reviewed and scored by a team of thirty individuals.
- Cerner will perform onsite demonstrations later in the month with 350 individuals scheduled to participate in the scoring process. Epic demonstrations will be conducted in May.
- Executive site visits to the two vendors are scheduled for after the vendor demonstrations.
- Selection of a leading vendor is expected to be made by June 2017.

OPEN SESSION PUBLIC COMMENT (2nd opportunity) - None

Trustee Comments - None

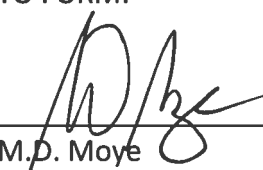
Adjournment – 6:33pm

Respectfully submitted by:

Vikki Brown
Interim, Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____


M.D. Moye
General Counsel