



BOARD OF TRUSTEES MEETING

THURSDAY, November 12, 2015

4:00PM – 6:00PM

Conference Center at Highland Care Pavilion

1411 East 31st Street Oakland, CA 94602

Susana Flores, Interim Clerk of the Board

(510) 535-7515

LOCATION

Open Session: HCP Conference Center

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:02PM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Michele Lawrence, Kinkini Banerjee, Joe DeVries, Tracy Jensen, and James Lugannani.

OPEN SESSION PUBLIC COMMENT (1st opportunity) – None Received.

A. BOARD EDUCATION

- 1. Transition from Fee-for-Service to Value Based Care (*AHS Pillar: Sustainability*)**
The CFO and VP of Quality presented an overview of how the transition from Fee-for-Service (FFS) to Value Based Care impacts Alameda Health System.

AHS is primarily impacted by Medicare programs, but MediCal and uninsured programs will also see an increase in performance incentives to earn the full compensation available. Per CMS, the percent of Medicare payments tied to risk models is expected to reach 50% by 2018, while FFS Medicare payments are expected to be increasingly tied to quality of care (90% by 2018). AHS currently participates in the following Medicare payment programs: Hospital Value-Based Purchasing (VBP), Hospital Readmissions Reduction Program, Hospital-Acquired Condition Reduction Program, and soon the soon to be mandatory Merit-Based Incentive Payment System. These programs impact Medicare patients only, which make up an estimated 4-5% of AHS reimbursements. The percentage of incentives and penalties related to Medicare value based payments is a small part of the organization's overall budget.

The CFO reviewed the AHS pay for performance results for the federal fiscal year (FFY) 2016. The total estimated loss was \$614,281 across the organization.

The Medicare Value-Based Purchasing program creates value-based incentive payments each year to hospitals that meet the performance standards for that year. The VP of Quality presented the estimated FFY 2016 VBP percentage score for each campus. The weighted scores were 13.79% for Highland, 24.76% for San Leandro Hospital, and 34.66% for Alameda Hospital. These values are the result of performance measures that

include comparisons to peers and competitors. VBP incentives are funded through a deduction in Medicare payments by a pre-established percentage each year (1.75% for FFY 2016). Improvement initiatives around clinical documentation and coding at this time position the organization for system-wide improvements to patient care while improving performance for Medicare measures.

The Medicare Hospital Acquired Conditions Reduction program will penalize hospitals with the greatest amount of harm at 1% of their total payments. The bottom performing 25% of hospitals are penalized. The VP of Quality presented the composite harm rates for AHS from FY 11 to FY 15, which reflected a 40.13% reduction in harms.

The Medicare Readmission Reduction program reviews hospital readmission rates for specific measures, implementing a penalty of up to 3% for FY 2016. This program tracks readmissions for patients who present at any hospital within 30 days of discharge for the same condition. Nationwide, 73% of hospitals received a penalty for FY 2016. AHS received penalties no larger than 0.5% at each hospital.

Staff reviewed key initiatives around improvements to patient experience, outcomes, safety, and efficiency. Trustees discussed possible improvements to patient experience while taking into account that there are some things, such as the state of facilities, that the organization is unable to prioritize at this time.

In light of the Veteran's Day Holiday, the CEO took a moment to thank the servicemen and servicewomen of Alameda Health System.

OPEN SESSION PUBLIC COMMENT (2nd opportunity) – None

Trustee Comments - None

Adjournment – 5:53pm

Respectfully submitted by:




Susana Flores

Interim Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____



Mike Moyer

Interim General Counsel