



**BOARD OF TRUSTEE MEETING
WEDNESDAY, July 30, 2013**

**Administration Executive Suite Located at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Marla D. Cox, Clerk of the Board (510) 535-7515**

MINUTES

THE MEETING WAS CALLED TO ORDER AT: 6:06 PM.

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Daniel Boggan, Jr., Michele Lawrence, Kirk E. Miller, Ronald D. Nelson, Stanley M. Schiffman, J. Bennett Tate and Anthony Varni .

Valerie D. Lewis, Esq. and Barry Zorthian, MD were excused.

NON-VOTING MEMBER PRESENT:

Taft Bhuket, MD.

TAB #2 COMMITTEE REPORTS: Strategic Planning Committee Report

Trustee Nelson reported the committee met on July 15, 2013. We welcomed a non-board member as a new committee member, James Lugannani. The meeting had two components, review of items listed as strategic priorities at the last retreat in April 2013 and some discussion with new priorities identified. Major discussion was a presentation by Dr. Clanon of the progress being made in development of a physician organization. This is spurred by the Affordable Care Act and a belief which had been ratified by the BOT early that we have a unified medical staff in order to move forward most effectively. Most of the discussion surrounded possible mergers with San Leandro and Alameda Hospitals, whether we should attempt to bring their medical staffs into the organization. It was the sense of the committee that we should not re-open from the beginning which would delay the process. Goal is to have the new physician organization by the end of the calendar year. Trustee Miller asked if the committee could have a brief presentation for the board in the future.

Finance Committee Report

Trustee Boggan reported on 2 items within the Finance Committee. Results of the quarter ending March 31, 2013 and year end to date. Minutes were approved. Month to date in May 2013 net operating income 4.9 million resulting in a position variance of 4 million. Total operating revenue over budget by 6.3 million; operating expense was over budget by 2.9 million due to labor expense. May total income with DSRIP was 5.5 million with a positive variance of 4.5 over the budget and a positive variance of 4.2 million over prior year actuals. Year to date net operating income was 8.3 resulting in a negative variance of 6.3 million under budget and a negative variance of 2.2 under prior year actuals. Year to date total operating revenue 18.3, total operating expense 25 million, 5% over budget mostly due to labor and purchased services. Year to date income with DSRIP was 13.4 million with a positive variance of 5.0 million over budget and 5.7 under prior year actuals.

Trustee Miller entertained a motion thanking Marion Schales for her service as CFO; all in favor; Aye.

Mr. Lassiter informed the board that Marion will work with us part-time.

Audit and Compliance Committee Report

Trustee Miller reported we met with the external auditors; they are starting their annual audit. We anticipate they will complete their audit by October 2013. We had a complete report from Mr. Kibler on the work he did on last fiscal year's internal audit and reports on each of those and their findings. The Internal Audit plan for this calendar year was also discuss, most importantly the process. Mr. Habig reported to the committee on the compliance report for the system.

Human Resources Committee Report

Trustee Nelson reported; the committee met on July 17, 2013. Received a presentation on Worker's Compensation, which included a comparison on the two vendors being considered. The committee also received a benefits plan presentation as well as a report on the employee engagement survey.

Quality Professional Services Committee Report

Trustee Boggan reported for Dr. Zorthian on two committee meetings; June 20th and July 18th. At both meetings the peer review cases were reviewed and approved by the committee. Credentials; privileges and reappointments were reviewed and approved. All submitted policies and procedures from the April/May meetings were approved. Medical Staff report was received. Highlights from June 2013 meeting, strategic focus was on education session regarding the joint commission and center for Medicare and Medicaid. The commitment to quality was set as a priority at the last retreat, the committee watched a 30 minute video on quality.

ACTION: A motion was made, seconded, and unanimously approved each Committee Meeting report as presented.

TAB #3 ACTION: Consent Agenda

A. Approval of the Minutes from the June 18, 2013 Special Board of Trustees Meeting

B. Approval of the Minutes from the June 25, 2013 Board of Trustees Meeting.

No action was taken. The Minutes of the June 18, 2013 Special Board of Trustees meeting and the minutes of the June 25, 2013 Board of Trustees meeting will be placed on the September 24, 2013 Board of Trustees meeting agenda.

A. **Approval of Contracts and Authorization by the CEO to Execute the Following Operating Contracts:**
Recommendation by the Finance Committee

1. Contract Renewal with **Alameda County Sheriff's Department** for the period of July 1, 2013 through June 30, 2014, not to exceed amount of: **\$2,700,826.**
Bill Manns, Chief Operating Officer
2. Contract Renewal with **Otis Elevator** for the period of February 1, 2013 through January 31, 2018, not to exceed amount of: **\$1,383,213.**
Bill Manns, Chief Operating Officer
3. Contract Renewal with **Quest Diagnostics** for the period of April 1, 2013 through March 31, 2016, not to exceed amount of: **\$7,500,000.**
Bill Manns, Chief Operating Officer
4. Contract Amendment with **Atul Patel, MD** for the period of April 1, 2011 through March 31, 2014, not to exceed amount of: **\$2,241,056.**
Kathleen Clanon, MD, Interim Chief Medical Officer
5. Contract Amendment with **Federico Castro-Moure, MD** for the period of April 1, 2011 through March 31, 2014, not to exceed amount of: **\$2,241,056.**
Kathleen Clanon, MD, interim Chief Medical Officer
6. New Agreement with **Athens Administrators** for the period of August 1, 2013 through July 31, 2016, not to exceed amount of: **\$1,247,187.**
Jeannette Louden-Corbett, Chief Human Resources Officer
7. Contract Amendment with **Robert Half International** for the period of July 1, 2012 through June 30, 2013, not to exceed amount of: **\$1,350,785.**
Jeannette Louden-Corbett, Chief Human Resources Officer

C. **Approval of Medical Staff / Organizational Policies and Procedures**
Recommendation by the Quality Professional Services Committee

1. July 30, 2013 Meeting
 - 64 Policies (See attached Exhibit A)

ACTION: A motion was made, seconded, and unanimously approved the Consent Agenda as presented.

TAB #4 UDPATE/DISCUSSION: Chief Executive Officer Update

Wright Lassiter, III, Chief Executive Officer, acknowledged Marion Schales service and Bill Manns for 8 years of service. Mr. Lassiter introduced Dr. William Peruzzi, Interim CMO; Jim Strong, Interim CFO; Carladenise Edwards, CSO and Joel Ginsberg, Director of Legislative and Community Affairs.

Mr. Lassiter reported the following:

- Employee Forums are being held at each AHS location and for each shift. Focusing this quarter on 3 big issues; potential affiliations; employee engagement and patient satisfaction.
- Engaged in formal conversation with the Board of Supervisors, sharing the AHS strategic plan. The BOS requested we spend more time presenting the details of our strategy in the future.
- The rebranding creative portion will be presented to the Strategic Planning Committee in September 2013.

- Two discussion that I will be having within the next weeks; 1) Grand Jury regarding health services and financial performance 2) Measure A oversight committee. In accordance with your direction related to the Alameda Hospital potential partnership, we executed the loan agreements that were contemplated in the letter of intent that the board authorized me to sign last month; we have proceed with the line of credit arrangement and processed a 1.5 million transaction as discussed last month. Trustee Miller asked a presentation be made to both Marion Schales and Bill Manns for their service.

TAB #5 DISCUSSION: Highland Acute Tower Replacement Project

Mr. Manns reported we are continuing work on the new acute tower. We have poured over 6,000 cubic yards of concrete. The Board of Supervisors approved 7.8 million scope change agreement for the ATR; today the Board of Supervisors amended the contract to say that the contractor will procure furniture, fixtures and equipment and install it, so there won't be delay. Specialty care clinics moved into HCP Tuesday, June 12th. The surveyor said "It's perfect".

TAB #6 DISCUSSION/ACTION: San Leandro Hospital Transaction

a. Donation Agreement Resolution

ACTION: A motion was made, seconded, and unanimously approved Resolution 2013-004 as presented.

b. Resolution – Change of Ownership Application – San Leandro Hospital (Resolution 2013-003)

ACTION: A motion was made, seconded, and unanimously approved Resolution 2013-003 as presented.

Public Comments:

Speaker #1 – Susan Stofan, SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #2 – Vanetta Winn SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #3 – Dr. Cathy McDonald, Alameda County ATOD Provider Network. Addressed the Board regarding proposed layoffs and its impact on the tobacco cessation program.

Speaker #4 – Derrick Boutte SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #5 – Albert Gray SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #6 – B.J. Wilson SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #7 – Kuwaza Imara SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #8 – Dalys Wright, Health Educator I / SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #9 – Gena Burns SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #10 – Larry Barden SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #11 – Nisha Thapa SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #12 – Lynde Rouche SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #13 – Lisa Mills SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #14 – Ramona Slay SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Speaker #15 – Peter Kay APMC. Addressed the Board regarding proposed layoffs.

Speaker #16 – Sherry Dunkley SEIU Local 1021. Addressed the Board regarding proposed layoffs.

Letter Received - Sweena Burroughs, FNP, MPH submitted a letter to the Board regarding the termination of the cessation coordinators.

Letter Received – Antonio Sardenia, LVN, Fairmont Hospital submitted a letter to the Board regarding proposed staffing changes.

ADJOURNMENT: THE MEETING WAS ADJOURNED AT 7:52 PM.

Respectfully Submitted by:

Marla Cox
Clerk of the Board

APPROVED AS TO FORM:


Douglas Habig, Esq.
General Counsel