



BOARD OF TRUSTEES MEETING
TUESDAY, November 26, 2013

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

LOCATION:

Open Session: HCP Conference Center

MEMBERS

Kirk E. Miller, *President*
Valerie D. Lewis, Esq., *Vice President*
Ronald D. Nelson, *Secretary*
Daniel Boggan, Jr.
Kinkini Banerjee
Joe DeVries
Michele Lawrence
Stanley M. Schiffman
J. Bennett Tate
Anthony B. Varni
Barry Zorthian, MD

Chief of Staff, AHS Medical Staff:
Taft Bhuket, MD

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:38 PM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Kirk E. Miller, Daniel Boggan, Jr., Ronald D. Nelson, J., Bennett Tate, Anthony B. Varni and Barry Zorthian, MD.

Trustees Michele Lawrence, Valerie D. Lewis and Stanley M. Schiffman were excused.

NON-VOTING MEMBER PRESENT:

Taft Bhuket, MD

TAB #2 COMMITTEE REPORTS:

- **Human Resources Committee Report**

Ronald D. Nelson, Committee Chair reported on the SLH transition, 472 job offers were made; 440 accepted; most declinations were employees who opted to retire. The employee engagement process for 2013 had a high response of 74%. The AHS hiring effort; report on critical positions, this effort is continuing to improve with regards to training improvement and our ability to attract the best applicants.

- **Quality Professional Services Committee Report**

Barry Zorthian, MD, Committee Chair reported that peer review and credentials of medical staff were reviewed. First review and recommendation of San Leandro Hospital (SLH) medical staff resolution that was reviewed at the Fall Retreat. We also looked at the SLH medical staff new appointments/re-appointments, credentialing and privileging report and approved. Dr. Steven Rosenthal, SLH Chief of Staff was invited to participate in QPSC. Varsha Chauhan, Executive Director of System Transformation Center presented an overview on the LEAN process, STC, DSRIP. Reviewed HRTs process, there is a second phase; we plan to bring more information regarding HRT process to the full board.

- **Strategic Planning Committee Report**

j. Bennett Tate, Trustee reported on behalf of Stanley M. Schiffman, Committee Chair. Physician Hospital Organization (PHO) plans to integration of physicians within the next six months. It was reported that SLH had a slight increase in census, Alameda Hospital District scheduled to close on February 28, 2014 and the board scheduled to review Joint Powers Agreement on November 21, 2013. The Alameda Alliance and AHS Health Plan strategy is moving forward under Covered California; discussion regarding reserves needed to be involved that process. Benita McClarin reported on Ambulatory Care and expanding service and access points throughout the County.

ACTION: *A motion was made and seconded, and the board unanimously approved each Committee Meeting upon report.*

TAB #3 ACTION: Consent Agenda

A. Approval of the Minutes from the September 24, 2013 Board of Trustees Meeting

B. Approval of Medical Staff / Organizational Policies and Procedures

Recommendation by the Quality Professional Services Committee

SEE ATTACHMENT A

C. Ratify Resolution 2013-10 To establish guidelines for and authorize the use of funds restricted by the Board of Trustees approved by Executive Committee on October 1, 2013 - Recommendation by the Executive Committee

ACTION: *Upon motion made and seconded, the Consent Agenda items were approved with three abstaining.*

TAB #4 UDPATE/DISCUSSION: Chief Executive Officer Update

Wright Lassiter III reported on the Timeline of Affiliation Discussions:

- January 2013 – Meetings of Joint Board – Medical Staff – Management Steering Committee
- June 2013 – Approval of Letter of Intent by AHD and AHS Boards
- June – November 2013
 - Mutual Due Diligence
 - Negotiation of Terms of Definitive (Joint Powers) Agreement
 - Transaction and Transition Planning
- December 2013 – Submission of CHOW application to change licensure
- December 2013 – Referral of OP Surgical Cases begins
- January 2014 – Referral of less complex Medical Inpatients from Highland
- March 2014 – Expected transfer of hospital licensure to AHS

TAB #5 UDPATE/DISCUSSION: FY2013 External Audit

External Auditors, Macias Gini & O’Connell LLP reported on FY2013 Financials.

TAB #6 UPDATE: San Leandro Hospital

James Jackson, Chief Administrative Officer, San Leandro and Fairmont Hospitals gave an update on San Leandro Hospital. As reported at the Board of Trustees retreat earlier this month, AHS successfully closed on the acquisition of San Leandro Hospital on October 30, 2013. We welcomed 450 employees, 100 physicians and 40 auxiliary-volunteer workers to the AHS family.

The first month has been focused on re-establishing San Leandro Hospital’s presence in the community, bringing community-based physicians back to the hospital, and improving capacity to manage the current service lines, including emergency, outpatient surgery, and inpatient services.

AHS has retained the services of the Renoir Group to work with staff to perform a rapid assessment of the opportunities to enhance the Emergency Department, Operating Department, and ancillary services, such as lab and radiology. The assessment will be followed by the development and implementation of a Management Control System (MCS) and a market framework for increasing volume while maintaining a diverse payor mix.

TAB #7 ACTION: Definitive Agreement – Joint Powers Agreement with Alameda Hospital

Doug Habig, General Counsel presented the definitive agreement with Alameda Hospital.

ACTION: Upon motion made and seconded, the Definitive Agreement was approved with one opposition.

TAB #8 UPDATE/DISCUSSION: AHS Rebranding Campaign

AMF presented an update on the current media campaign, as well as a preview of the upcoming campaigns for Highland and The Wellness Centers.

The current campaign focuses on cardiology, maternal and child health, senior health, and gastrointestinal health. The feedback received from staff and the community has been very positive. The ads are currently running in the following locations: Network TV, Cable TV, Radio, Digital, BART, AC Transit and Outdoor.

TAB #9 DISCUSSION: Fall Retreat Follow-up

Wright Lassiter, III, Chief Executive Officer, gave an update on the Fall Retreat held November 1-2, 2013, on the following issues:

- Health System Governance
 - AHS BOT Governance
- Health System Strategy
 - AHS Strategic Plan
- AHS Integration Strategy
 - Things to remember about San Leandro Hospital
 - Things to remember about Alameda Hospital
- Long-Range Integrated Financial Plan
- Cost Reduction Strategies
- Revenue Enhancement Strategies
- Health System Governance – Part 2
 - Local Advocacy
- Community Advisory Council

TAB #10 INFORMATION: Chief of Staff Report

Taft Bhuket, MD, Chief of Staff, AHS Medical Staff presented the Chief of Staff report as follows:

People

Dr. Bhuket thanked Dr. Kim Horton for tireless work here at AHS. Congratulations went out to Dr. Mini Swift for her promotion as Assistant Chief Medical Officer at the Highland Campus. John Chapman, Associate Vice President for Support Services and Reshea Holman, Associate Vice President for Patient Services have formed a newly created Highland Operations Team (H.O.T.).

Process

The Highland Operations Team is a new change in our leadership structure for Highland operations.

Opportunity

Nurse/Resident Survey

- Nurses rated Residents
- Residents rated Nurses
 - Step down unit
 - ICU
 - Nurses rated residents marginally on 5-East
 - Residents rated the nurses poorly on 7-East and 7-West

Patient Experience Interface

- With Employee Health Plan
- Self-funded – No cost plan

TAB #11 INFORMATION: 2014 Annual Board of Trustee Calendar

Trustee Miller presented the updated proposed 2014 BOT Calendar and asked Trustees to review and provide feedback.

TAB #12 INFORMATION: AHS Media Report

The AHS Media report for September 11, 2013 – November 8, 2013 was provided to the Board in memorandum form.

TAB #13 REPORT: Legal Counsel's Report on Action Taken in Closed Session

Doug Habig, General Counsel reported in closed session the Board considered matters related to substantial litigation and met with labor negotiator, no action was taken.

Public Comments - Mr. Lassiter read a note from a San Leandro employee, thanking AHS for their help in the acquisition.

Board of Trustees Remarks - Trustees thanked the Board and management staff for a rigorous year in which a lot of material was covered.

ADJOURNMENT – 7:47 pm

Respectfully Submitted by:

Marla D. Cox
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:



Douglas Habig, Esq.
General Counsel