



ALAMEDA COUNTY MEDICAL CENTER

Highland Campus • Fairmont Campus

John George Psychiatric Pavilion • Ambulatory Healthcare Services

STRATEGIC PLANNING COMMITTEE MEETING

Monday, January 14, 2013

Central Administration Offices Located at Highland Hospital

1411 East 31st Street Oakland, CA 94602

Barbara L. McElroy, Clerk of the Board

(510) 437-8468

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:44 P.M.

ROLL CALL WAS TAKEN; THE FOLLOWING TRUSTEES WERE PRESENT:

Floyd Huen, MD, Stanley M. Schiffman, J. Bennett Tate, and Barry Zorthian, MD.

Ilene Weinreb was excused.

TAB #2 ACTION: Approval of Minutes

ACTION: A motion was made, seconded, and approved the Minutes from the November 19, 2012 Strategic Planning Committee Meeting as presented.

MOTION: Trustee Tate

SECOND: Trustee Zorthian

***AYES:* Trustees Huen, Tate, and Zorthian**

***NAYS:* None**

***ABSTAIN:* Trustee Schiffman**

***ABSENT:* Trustee Weinreb**

TAB #3 REPORT: Chief Strategy and Integration Officer Report

Warren Lyons, Chief Strategy and Integration Officer, provided an overview of his report.

The reelection of President Obama and continued implementation of the Affordable Care Act does not mean that no further changes to health care policy nationally and in Alameda County will occur.

The recent interim fix to the Federal Budget will likely result in additional Medi-care and Medi-cal funding reductions. Concurrently, the special health reform legislative

session in California and final decisions by the California Health Benefit Exchange will impact ACMC's assumptions on HPAC conversion in 2014 and the possible expansion of our Medi-cal program.

The issue of possible changes to County Re-alignment funding and advanced planning for Measure A Re-authorization will impact our strategic assumptions and projections over the next 18 months.

Our concurrent work to re-brand ACMC, enhance our community engagement and advocacy outreach, and implement key components of the three year strategic plan, including the physician organization, ambulatory expansion and multiple clinical institutes/service line all of connected as to intent and impact.

TAB #4 INFORMATION: Strategic Planning Committee 2013 Annual Calendar

Mr. Lyons presented the Strategic Planning Committee 2013 Annual calendar.

TAB #5 REPORT: Healthcare Reform/Legislative-Regulatory Update

Mr. Lyons presented an update to key Healthcare policy and legislative issues.

COUNTY

Health Care Reform Hearings: The Health Committee of the Board of Supervisors (BOS) has completed hearings on health care reform. ACMC was well represented in many of the hearings. BOS Health Committee staff is currently drafting a report on the findings and recommendations of these hearings. The report will be used to illustrate that Alameda County is well prepared for healthcare reform and will be a leader in the state.

Measure A Report: We will be working on our annual Measure A funding report to the Measure A Oversight Committee and will be presenting our report to the committee in early 2013.

HealthPAC – Eligibility and Enrollment: The ACHCSA enrollment report through November, 2012 indicates total enrollment of 84,703 with 39,184 or 46.7% assigned to ACMC four medical homes. ACHCSA staff is currently working to map out all of the eligibility and enrollment systems in Alameda County to prepare for an expected Statewide revision to eligibility and enrollment processes for Medi-cal and other social welfare programs.

St. Rose Hospital: The California Attorney General issued a Health Impact Report and conducted a public meeting on December 17, 2012 to receive comments on the

proposed management and sale of St. Rose Hospital to Alecto Healthcare Services Hayward, LLC. A decision is expected in February, 2013.

STATE

Legislative Session

Regular Session: The legislature reconvenes on January 7th. One of the first items of business is the California Budget. Governor Brown must submit his budget by January 10th. The proposed budget is never accepted as is and goes through various legislative processes throughout the session until its reintroduction by the Governor in May. However, the January proposed budget is a good indicator of proposed budget cuts in various areas.

Special Session: The Governor has called for a special session to begin in January to address health care reform issues including further implementation of the California Health Benefit Exchange. This session will not be separate but rather work in tandem with the general legislative session. As such, health care reform implementation issues will be discussed and acted upon throughout the session. Two hot issues that will be discussed during this session are: 1) legislation that will implement the Medi-Cal expansion under the Affordable Care Act and 2) the Basic Health Plan. We expect intense health care legislative activity in these two priority areas throughout the session.

California Health Benefit Exchange – Covered California: On January 3rd, the Obama administration through Health and Human Services (HHS) granted conditional approval to California's plan to build and operate a statewide health insurance exchange – recently named Covered California. The approval is conditional upon California demonstrating that it can meet exchange requirements, comply with deadlines and regulations and be ready to provide affordable, quality coverage for consumers and small businesses in 2014. One of the key goals of the exchange is that it will function similar to websites like Amazon and Expedia so that users will be able to choose between various health plans through an easily navigable online store. The exchange plans to serve millions of uninsured residents, who will be eligible for federal subsidies to obtain coverage in 2014. *The exchange is expected to open for registration in October 2013.* With this approval, the exchange now will negotiate contracts with health plans and move forward with outreach and marketing efforts.

Additional Information on Covered California:

- Findings were presented from more than 400 interviews conducted in October and November, 2012, to guide the development of Covered California's statewide marketing and outreach campaign. Interviews were conducted statewide in 12 languages. Study results were very positive, with 78% of

respondents indicating they would likely purchase a plan through Covered California when they become available in 2014.

- Staff released a model health plan contract for public review on January 4, 2013. Staff also presented a fee assessment proposal for health plans that will be certified by Covered California in 2014.
- Covered California staff presented an options paper for selectively contracting with Medi-Cal managed care plans to promote affordability for lowest income Californians eligible for subsidies.

FEDERAL

Fiscal Cliff Deal: On Jan. 2, 2013, President Obama signed legislation to avert the fiscal cliff that had been looming over the country. The measure was approved by Congress on Jan 1, with the House voting 257-167 and the Senate voting 89-8 in favor of the bill. The legislation includes:

- A permanent extension of Bush-era tax cuts to individuals with incomes below \$400,000 and to families with incomes below \$450,000.
- A one-year extension of the Medicare sustainable growth rate (SGR) "doc fix."
- A one-year extension of unemployment insurance benefits.
- A two-month delay of the budget sequestration.
- The bill also includes extensions of lesser known Medicaid provisions.

The legislation does not cut Medicaid provider taxes or Medicare outpatient evaluation and management (E&M) payments, Medicare graduate medical education (GME) payments and payments for bad debt. However the legislation does target hospitals in other ways. In particular, it includes a hospital coding offset, cutting payments by \$11 billion over the next four years. It also "rebases" Medicaid disproportionate share hospital (DSH) payments in fiscal year 2022, cutting \$4.2 billion out of Medicaid. These cuts are being used to partially pay for the "doc fix."

Congressional Focus: The 113th Congress convened on Jan 3rd. Congress likely will begin work immediately on legislation to avert sequestration, now scheduled to begin in March. Lawmakers also must act on the federal government's debt ceiling, a borrowing limit reached Dec. 31 that, by as early as late February, could leave the government unable to cover expenditures. Both these issues - which might be merged into one piece of legislation - continue to threaten the safety net, as Congress likely will look to Medicaid provider taxes, Medicare E&M payments, GME and other hospital funding for savings.

TAB #6 DISCUSSION: Community Engagement and Advocacy 2013
Workplan

Mr. Lyons presented an overview of the plan.

Community Affairs Engagement Plan

As discussed at the most recent Board of Trustees retreat and previous Trustee meetings, board members agree that community engagement is a key strategy to advocate for ACMC's mission, vision and new brand. As such, we have devised a Community Affairs Engagement Plan that will guide us in community engagement efforts. The implementation documents we have provided for you are a two page summary of the Community Affairs Engagement Plan and the full Community Affairs Engagement Plan.

The Community Engagement Plan (CEP) strategically targets diverse sectors of the Alameda County community for a variety of purposes including enhancing ACMC's reputation as a high quality provider in our county, growing and developing relationships with diverse communities and repositioning ACMC to serve a broader patient base, while at the same time maintaining our current base. Ultimately, these efforts will reflect our organizational culture that values the communities we serve and engage diverse communities in meaningful dialogue and community advocacy throughout Alameda County.

The goals and objectives in the CEP compliment our re-branding, marketing and public relations efforts. The focus of the CEP is to get out into the community, understand community issues, support and participate in community events, host ACMC events out in the community, identify ACMC ambassadors and pull in community members to advise ACMC as we move forward with our mission and strategic goals. Many of these efforts are currently underway.

A key component of our Community Affairs Engagement Plan is the establishment of a Community Advisory Council that is under consideration by the Governance Committee.

TAB #7 UPDATE: Strategic Plan Implementation

Mr. Lyons presented an update to the Strategic Plan implementation.

The implementation phase for the Three Year Strategic Plan was discussed at the November Strategic Planning Committee with several key steps and a draft metric scorecard.

The key components that are tracked in the attached Strategic Plan Implementation Grid include

- Communication and Education
- Strategy Work Group and Funding
- Strategy Status and Scorecard Oversight

Many of the strategic goals and tactics will be prioritized and proposed for funding in the FY 14 budget and in DSRIP funded business plans throughout the remainder of this Fiscal Year and into FY 14.

Business Plan development priorities include the physician organization, network development with other hospitals and providers and work with our physician leadership to define the institutes models [Elder Care, Orthopedics, G.I./General Surgery, Eye Care], agree on the three-year sequence of implementation, and fund the clinical business plans.

TAB #8 INFORMATIONAL READING

Mr. Lyons highlighted the informational reading list:

- A. HHS Announces School Based Clinic Grants
- B. Birth Rate in California – Record Low
- C. Silva Clinic – Tiburcio Vasquez Announcement
- D. Covered California CMS Approval

TAB #9 INFORMATION: Issue Tracking & Follow-up

There were no outstanding issues to discuss.

TAB #10 REPORT: Legal Counsel's Report on Action taken in Closed Session

Douglas B. Habig, General Counsel, reported there was no Closed Session.

Public Comments: None.

Board of Trustees Remarks: None.

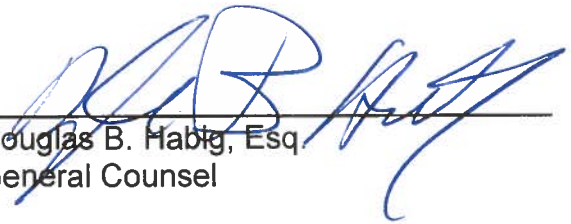
ADJOURNMENT: The meeting was adjourned at 6:06 p.m.

Respectfully Submitted by:

Barbara L. McElroy,
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____


Douglas B. Habig, Esq.
General Counsel