



**BOARD OF TRUSTEES MEETING**  
**TUESDAY, September 30, 2014**

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

**THE MEETING WAS CALLED TO ORDER AT 4:32 PM**

**ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:**

Kirk E. Miller, Kinkini Banerjee, Joe DeVries, Michele Lawrence, Valerie Lewis, Esq., Patricia Scates, Maria Hernandez, Dr. Barry Zorthian, Jim Lugannani, Tracy Jensen and Anthony Varni

Excused Board Members: Jim Falaschi and James Potter

Non-Voting Members present: Drs. Taft Bhuket, Emmons Collins and Steven Rosenthal

**MINUTES**

**(General Counsel Announcement as to purpose of Closed Session)**

**TAB #1 CLOSED SESSION**

***Reconvene to Open Session***

**TAB #2 DISCUSSION: Legislative Affairs/Local Government Strategy**

Terri Lightfoot, Director, Legislative and Community Affairs provided an update to the Board. Meetings have been held with the Board of Supervisors; keeping communication open between the Board of Trustees and the Board of Supervisors has been the focus.

**TAB #3 COMMITTEE REPORTS**

- **Strategic Planning Committee Report**  
Kinkini Banerjee, Chair, reported for the Strategic Planning Committee. Alameda Health Partners (AHP) held their first Board meeting on September 5, 2014; officers were selected, Bylaws, Policies and Procedures were approved. It is their intent to appoint a Physician Director within the calendar year. William Peruzzi, MD, Chief Medical Officer, will serve as the Chair, Wright Lassiter III, Chief Executive Officer, will serve as Secretary and David Cox, Chief Financial Officer, as Treasurer. During the meeting the committee discussed creating a strong business plan, the Alameda Health System (AHS) business space tower relocation issue, Access, Population Health Management and Network Development.
- **Finance Committee Report**  
Jim Lugannani, Chair, reported for the Finance Committee. Seimens and MedAssets agreements were approved. A proposal was considered to outsource Rehabilitation Management Services. The Committee Chair expressed that the Board can best help by doing the following:

- Strongly endorsing David Cox, Chief Financial Officer and Mark Fratzke, Chief Operating Officer & Chief Administrative Officer in their efforts
  - Deepening the relationships with the leaders and many other supporters
- David Cox, CFO reported regarding the County debt. It was reduced from 200 million to 135 million in 2013 however in 2014 it increase to 155 million due to accounts receivable issues. He is currently in discussions with the Alameda County Auditor.

- **Audit & Compliance Committee Report**

Kirk Miller, Chair, reported for the Audit & Compliance committee. The committee met and reviewed the internal audit plan for 2015. The committee discussed the regulatory compliance work to be done; and met with the external auditors.

- **Quality Professional Services Committee Report**

Barry Zorthian, MD, Chair reported for the Quality Professional Services committee. The committee reviewed and approved peer review reports from the Highland, John George, Fairmont and Ambulatory Medical Staff. A report for San Leandro and Alameda are in development. The committee approved Policies and Procedures; Credentials and Privileges reports from all 3 medical staff. Kerin Bashaw, VP of Quality, presented an overview of the True North Metrics. The committee looked at the Hospital Consumer Assessment and Health-care Providers Survey (HCAHPS) and the Zero Harm Journey.

*The Board accepted the committee reports as presented.*

#### **TAB #4 REPORT: Board President Report**

Kirk Miller, President, discussed the departure of the CEO and establishing a search committee to see a new successor. The committee consists of Michele Lawrence (Chair), Maria Hernandez (Vice Chair), James Falaschi, Valerie Lewis, Jim Lugannani and Barry Zorthian, MD.

#### **TAB #5 UPDATE: Chief Executive Officer Update**

Wright Lassiter, Chief Executive Officer provided an update to the Board. He discussed the 3 year commitment to operate San Leandro Hospital (SLH) and the funding and support from Sutter Health, City of San Leandro and the County of Alameda and Eden Township during the 2<sup>nd</sup> year of support. Eden Township and Sutter Health are working through legal issues. Eden Township and the Board met and acknowledged that they are at the point of term sheets on the financial and legal settlement with Sutter. SLH is ahead of our financial target for 2015.

Wright Lassiter and Kirk Miller, President, have been engaged in conversation with Atlantic Philanthropy, a very large foundation based in New York which could be a significant funding opportunity for Alameda Health System. AHS Foundation and Carladenise Edwards, CSO and her team put together a fairly comprehensive proposal for a \$10 million dollar grant that would help develop a health-care pipeline to get more people into the health field.

The Delivery System Reform Incentive Program (DSRIP) is a significant funded investment from the centers of Medicare and Medicaid for California Funded Hospitals. They negotiated a few years ago and were able to get a \$150 million dollar opportunity for funding over 5 years. The year 4 request was submitted to the program to receive in the range of \$37 million dollars. Next October the program terminates so we are actively engaged in working on negotiations for a new 4 year program from the Federal Government.

#### **TAB #6 INFORMATION: Operations Overview**

Mark Fratzke, Chief Operating Officer, talks about forecasting with David Cox, Chief Financial Officer (CFO), 3-5 years into the future to have a clear understanding of the expenses. Mark mentions organizing our service lines (Physician Practice Specialties) and figuring out what each site, each hospital and each community should be delivering now that we merged with Alameda Health System. The Medical Executive Committee (MEC) are long standing committees every single hospital has and are hospital based. The committee discussed Population Health.

**TAB #7 WORKFORCE**

No discussion. Written report provided.

**TAB #8 NETWORK/COMMUNITY**

No discussion. Written report provided.

**TAB #9 ACTION: CONSENT AGENDA**

**A.** Approval of the Minutes from the July 29, 2014 Board of Trustees Meeting

***ACTION: Upon motion made and seconded, the July 29, 2014 Minutes were approved.***

**B.** Approval of Contracts and Authorization by the CEO to Execute the Following Operating Contracts:

a) ***ACTION: Upon motion made and seconded, the Contract Amendment with Siemens to provide Revenue Cycle Improvement consulting services Through December 31, 2015, not to exceed \$1,530,000, plus expenses. was approved.***

b) ***ACTION: Upon motion made and seconded, the Contract Agreement with MedAssets for BETTER II Initiative for the period of November 1, 2014 through December 31, 2015, not to exceed \$2,500,000.***

**C.** Approval of Medical Staff / Organizational Policies and Procedures

***ACTION: Upon motion made and seconded, the Medical Staff and Organization Policies and Procedures for June 2014 and September 2014 were approved.***

***ACTION: Upon motion made and seconded, the Board approved the Consent Agenda.***

**TAB #10 Legal Counsel's Report on Action Taken in Closed Session**

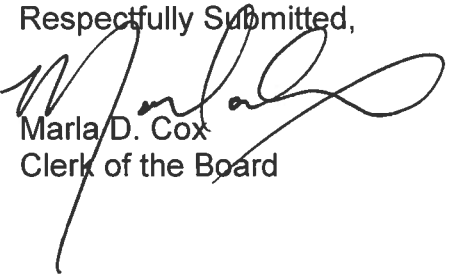
No legal report provided.

**Public Comments - None**

**Board of Trustees Remarks – None**

**ADJOURNMENT 8:59PM**

Respectfully Submitted,

  
Marla D. Cox  
Clerk of the Board