



BOARD OF TRUSTEES MEETING
TUESDAY, December 2, 2014

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

THE MEETING WAS CALLED TO ORDER AT 4:10 PM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Kirk E. Miller, Esq., Patricia Scates, Kinkini Banerjee, Joe DeVries, James Falaschi, Maria Hernandez, Tracy Jensen, Michele Lawrence, James Lugannani, James Potter, Anthony Varni and Barry Zorthian, MD

Excused: Valerie Lewis, Esq.

Non-Voting Members present: Drs. Joe Walker, Steven Rosenthal and Emmons Collins

MINUTES

Wright Lassiter was presented Resolutions from Pamela Calloway from Congresswoman Barbara Lee's office.

TAB #1 UPDATE: CEO Search Committee

Trustee Michele Lawrence, Chair, reported the screening committee will meet one more time in order to review proposals from hiring firms to fill the CEO position. The RFP developed with the Director of Human Resources was sent to hiring firms. We received 10 proposals that will be reviewed and interviews scheduled. The committee has pledged to reach out to its constituents and make certain they are hearing their voices. The committee discussed the cost to the organization for using the search firms and if there would be a budget variance, which they would not know until each proposal from the firms, is reviewed.

TAB #2 UPDATE: Financial Performance Improvement Plan

David Cox, Chief Financial Officer, reported from the last Finance Committee Meeting that there needed to be an \$80 million dollar debt reduction over the next 4 years. A recommendation was presented to the Finance Committee to lower debt through Management Identified Reduction between December and June 30th, 2015 of approximately \$10 million dollars and the Better II Initiative with a target of \$24 million dollars. The final \$26 million dollars would be accomplished through budgetary review. The Finance Committee discussed the long-term plan for increasing finances after reaching their goals. The accounts payable balance had reached a high of \$72 million, but is now \$60 million or below today. Jeanette Loudon-Corbett, Chief Human Resource Officer, reports a savings of \$1.5 million dollars in our self-insured plan.

TAB #3 INFORMATION: Operations Overview

Mark Fratzke, Chief Operations Officer (COO), reports a 92% top box score in patient satisfaction at John George and acknowledged Dr. Joe Walker, MD and Guy Qvistgaard, Associate Hospital Administration. The COO reported that an internal FTE Approval Committee and a Budget Variance Group have been developed. David Cox, Chief Financial Officer (CFO), and the COO have begun structuring the Capital Process and Operating Budget for the year. The Better II Initiative is on target as they met with Med Assets Partners and expect to have sculpted plans for every category where they are trying to lower expenses by the end of December and get them approved at the System Operations meeting in January. The COO addressed the subject of Physician Engagement Planning, Primary Care Planning and Population Health Management with the committee; discussion ensued. The COO shared a goal of creating a habit of nurses checking on patients every hour bringing up the Patient Satisfaction. Wright Lassiter, Chief Executive Officer (CEO), acknowledged John George and that it's seen as a model for mental health facilities in California and across the country. On December 16, 2014, State Senator Beall (District 15) will be visiting John George to understand why John George is doing so well.

TAB #4 COMMITTEE REPORTS

- **Governance Committee Report**

No report.

- **Strategic Planning Committee Report**

Kinkini Banerjee, Chair reported on behalf of the Strategic Planning Committee. Two (2) new managed care contracts have been added from September to November. Blue Shield is delayed with some of the ED contracts. A business plan for Gastro is in development. Project Ortho was discussed as well as developing a Geriatric service line (Project Silver) that looks at the aging population; a business plan is being developed.

- **Finance Committee Report**

Jim Lugannani, Chair, reported on behalf of the Finance Committee. The committee reviewed the Interim County Line of Credit Agreement. The Revenue Cycle Improvement Process showed progress in October. The committee discussed the Financial Improvement Plan and reviewed and recommended four (4) contracts for approval.

- **Human Resources Committee Report**

Joe DeVries, Chair, reported on behalf of the Human Resources Committee. The committee received a report from Jeanette Loudon-Corbett, Chief Human Resources Officer, regarding AHS' strategy for Alameda Hospital pension plans; the committee approved with resolutions as presented. The committee also discussed HR strategy and future plans; new technology being used to create a more cost effective benefit system; employee hiring efforts and getting employees on-board quicker. More employees are choosing AHS as their insurer; the hope is that AHS will eventually be offering our system to County Employees. Wright Lassiter III, CEO, shared that he's had conversation with the County Administrator about that very issue and that she's directed her staff to start working with the CHRO to get an offering in 2016 for County Employees which could make a possible 9000 additions to the system.

- **Quality Professional Service Committee Report**

Barry Zorthian, MD, Chair reported on behalf of the Quality Professional Services Committee. The committee reviewed peer review reports from John George, Highland, Fairmont and Ambulatory; no reports yet from Alameda Hospital and San Leandro Hospital. The credentials and privileges for all three medical staffs and new appointments we're reviewed. In October the committee received a LEAN update from the Director of the Kaiser Promotion Office regarding Ambulatory phone access and the Care Transition Process. The current performance of the abandoned call rate is 23% with a goal of less than 10%, the hold time in queue is 15 minutes with a goal of less than 5 minutes, the clinic no-show rate is 24-48% with a goal of 12%; and the Patient Experience rating of the clinic is the in the first percentile with a goal to get to the 75th percentile. Care Transition Kaizen had a pilot done on one unit of a group of patients. The idea was to have a

overview of the current performance and time in the ED and access to the system. There has been an improvement from 13 hours to 9.5 hours with a goal of 8 hours. The committee continues to be focused on Care Coordination, Discharge Planning, Social Working Utilization Management and the System Patient Engagement and Satisfaction Project.

TAB #5 REPORT: Board President Report

Kirk Miller, President, informed the committee of a meeting with the Board of Supervisors on December 9th, 2014. He addressed the on-going effort to communicate effectively, robustly and constructively with the Supervisors individually and collectively in which a process is being institutionalized by Carladenise and Terry Lightfoot.

TAB #6 UPDATE: Chief Executive Officer Update

Wright Lassiter III, Chief Executive Officer, updated the committee on the System Metrics and the 2014 goals for wait time on the next available and the time it takes to get through the ED into an inpatient bed. Currently its 5.5 hours at San Leandro Hospital, 9.3 hours at Highland Hospital and 4.4 hours at Alameda Hospital with an average of 8.3 for all 3 campuses and a goal of 8. The committee discussed the wait time on the next available appointments commercially, through Medicaid and through Alameda Health System. The committee discussed the same day clinic at Highland and how they are creating the same concept at the Hayward Wellness Center and eventually other Wellness Centers. Mr. Lassiter discussed Quality, Patient Experience and HCAHP scores through the system with the committee. The target for the Market Share on the Network Metric was 5% and our current measure is 7%. Our goal for the Employee Engagement with a survey done once per year was 4.0 and we reached 3.92. The same goal was set again for the upcoming year.

TAB #7 WORKFORCE

Jeanette Loudon-Corbett, Chief Human Resource Officer, reports on the employee engagement survey results. There was an 83% participation rate, the engagement score increased but the percentile almost doubled because other healthcare organizations went down. Our employee satisfaction with pay and benefits is significantly above the National Average. The most improved were involvement with decision making, having a reasonable amount of job stress and the availability of tools and resources to provide the best care. The work units we're divided into 3 tiers with 45% of the work unit tier 3 scoring low with the Engagement. Those organizations have continued to receive additional support from our OLE team. One of the things the survey measures is Action Planning Readiness. A focus for this year has been Employee Safety. Over 50% of the employees participated in the pulse check.

TAB #8 DISCUSSION: Legislative Affairs/Local Government Strategy

No discussion.

TAB #9 NETWORK/COMMUNITY

No discussion.

TAB #10 ACTION: CONSENT AGENDA

A. Approval of the Minutes from the September 30, 2014 Board of Trustees Meeting

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

- A. Agreement with **RehabCare Group of California** to provide Acute Rehabilitation Management Services and relocation of Acute Rehab for the period of July 1, 2014 through October 30, 2019, not to exceed **\$10,800,000**.
- B. Agreement with **General Electric** to provide Biomedical Services, for the period of for the period of December 1, 2014 through September 30, 2019, not to exceed **\$12,274,791**

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- C. Agreement with **Xerox** to provide AHS System Wide Printer Multifunctional Device Management Solution, for the period of December 1, 2014 through November 30, 2018, not to exceed **\$3,600,000**.
 - D. Agreement with **Innovative Consulting Group (ICG)** to provide Contract to Hire Resources as requested by Alameda Health System Leadership, for the period of December 4, 2014 through October 31, 2015, not to exceed **\$2,365,000**.
- C. Approval of Medical Staff / Organizational Policies and Procedures**
Recommendation by the Quality Professional Services Committee
See Agenda Attachment A
- D. Alameda Health Partners**
- **Bylaws**
 - **Appointment of Physician Director**
- E. Alameda Health System Board of Trustees**
- **AHS BOT Bylaws Proposed Amendment**
 - **Resolution 2014-026** (Resolution regarding AHS Board of Trustees Bylaws Amendment – QPSC Membership & Function)
- F. AHS Strategy for Alameda Hospital Pension Plans**
- **Resolution 2014-020** (Resolution regarding City of Alameda Health Care District 457(b) Deferred Compensation Plan for Governmental Entities)
 - **Resolution 2014-021** (Resolution regarding City of Alameda Health Care District 401(a) Retirement Plan and the Alameda Health System Defined Contribution Plan)
 - **Resolution 2014-023** (Amendment No. 2 to the City of Alameda Health Care District 401(a) Retirement Plan – Restated effective as of January 1, 2008)
 - **Resolution 2012-024** (2014-2 Amendment to Alameda Health System Defined Contribution Plan)
 - **(Alameda Health System Strategy for Alameda Hospital Pension Plan to that effect)**

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

TAB #11 Legal Counsel's Report on Action Taken in Closed Session

No closed session or legal counsel report.

Public Comment:

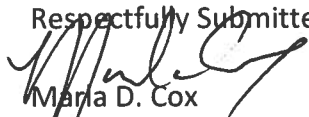
Topic: Awareness of Radiology Management. The issue is wrongful termination. Been in a career for 30 years and a year and a half to reach retirement eligibility, put on administrative leave with pay, pending an HR investigation based on false allegations. Before the skelly results, an HR analyst tried to settle with a demotion and if refused they would be fired without a termination date. The senior labor analyst is put on the case and attempts to negotiate leveraging terms which he on behalf of Alameda Health System has no jurisdiction, such as unemployment benefits and paid time off. According to the Department of Industrial Relations Labor Standards Enforcements they stipulate that is unlawful practice. The primary issue is the awareness of management and the HR department costing the Alameda County and the Hospital unnecessary lawsuits and the loss of qualified professionals. Since 2014, 85% of the radiology department workforce over the age of 50 has been discharged. According to the Older Workers Benefit Protection Act and the Age of Discrimination in Employment Act, employers cannot target older workers when downsizing or reduce health insurance benefits. The requested action is awareness of the debt restructuring proposal, investigation and to the Human Resource department as to the manner of operations provided by the Director of Radiology, Heather Duke, in conjunction with the HR Labors and Relations Department should take place. There appears to be a pattern of age discrimination going on. The proposed

resolution would consist of progressive disciplinary action to be implemented prior to employees being sent directly. Also management improvement needs to be adhered too. Some have been deposed and await settlement others are waiting to undergo "third step" procedures. In conclusion, aware of the current debt situation she quotes, CFO, David Cox, "AHS' current situation is largely the result of accounts receivable increase due to system conversion in July of 2013. These funds can be recovered..." The key word is "largely" and the key question is at what cost? At what cost are those funds to be recovered, is the missing component. The recovery of debt is at the likelihood of its employees and cuts off the damages and marketability of season workers that this service has done to the Hospital and the community at large.

Board of Trustees Remarks – None

ADJOURNMENT 6:47pm

Respectfully Submitted by:


Maria D. Cox
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 
Mike Moyer
Interim General Counsel