



**GOVERNANCE COMMITTEE MEETING
WEDNESDAY, January 14, 2014**

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

MINUTES

OPEN SESSION / ROLL CALL – 8:31 AM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Valerie D. Lewis, Esq., Joe DeVries and James Potter

Quorum was established.

TAB #1 ACTION: Approval of Minutes

Minutes of the November 12th, 2014 Governance Committee Meeting were reviewed for approval.

ACTION: A motion was made and seconded, and the Committee approved the minutes of the November 12th, 2014 Governance Committee meeting.

TAB #2 DISCUSSION / ACTION: Alameda Health Partners

ACTION: A motion was made and seconded, and the Committee approved the appointment of Dan Boggan to the Alameda Health Partners Board.

TAB #3 DISCUSSION / ACTION: Board of Trustees Bylaws

Valerie D. Lewis, Chair, addressed issues with current language in the Bylaws regarding Medical Staff appointment to the Board of Trustees. The committee submitted recommended changes to the current Bylaws to the Board of Supervisors, however not all were approved from the last fiscal round. The language that was approved did not completely address the intended issues. Mike Moye, Interim General Counsel, presented the Bylaws as approved by the Board of Supervisors on November 26, 2013. This version includes redline changes made with respect to QPSC delegation of membership and language that incorporates Alameda and San Leandro Hospital medical staff representatives to the Committee. There was a discussion regarding the specific intent to ensure the Board standing committees be made up of Trustees only. However, there are opportunities to accommodate other members in current standing committees. Mr. Moye will be working on the changes to the bylaws and submitting these for approval to the Board of Supervisors.

TAB #4 DISCUSSION: Enabling Legislation (H&S 101850)

Valerie D Lewis, Chair, recommended that the enabling legislation be thoroughly explained so that leadership clearly understands the requirements and obligations of the Board, from a legal standpoint. The committee would like to ensure that the duties of the Trustees and Supervisors are understood so that everyone understands what is required of each Board. James Potter, Trustee, suggested that the enabling legislation and any documentation that states the relationship between the Board of Trustees and Board of Supervisors be included in the orientation packet and incorporated in the on-boarding process. The committee agreed to table this conversation as a topic for the retreat.

TAB #5 DISCUSSION: Brown Act Training

The committee addressed the need for Brown Act Training due to a number of new executive staff and new Trustees. Ideally, this training would take place at the retreat. The retraining process has already begun for some of the senior management staff. Mike Moye, Interim General Counsel, stated there will be two phases of training with one for the senior executive staff and the other for the Board. These trainings will cover ethics requirements as well as the Brown Act. The Trustees would like to see an informational piece to be included with the Board Report regarding important information relevant to Brown Act training. Valerie D. Lewis, Chair, requested the inclusion of information with regards to telephonic conferencing, noticing, and signage requirements. Joe DeVries, Trustee, would like to see information regarding serial meetings and email replies included in the report as well. Trustee Lewis added that the Governance Committee report should reflect the addition of five minutes at the end of each meeting to address Brown Act Education.

TAB #6 DISCUSSION: Board Vacancy

Jim Falaschi has resigned from the Board and there is now a vacancy on the Governance Committee. Valerie D. Lewis, Chair, suggested that when a candidate is identified the Trustees request that the Board of Supervisors make the appointment to ensure the terms are clear. The ideal candidate should possess experience in strategic planning, finance, auditing, real estate development, clinical delivery, political acumen, and is potentially from the South or East Bay. Mike Moye, Interim General Counsel, mentioned that under Article 2 of the Bylaws the specific qualifications for Board Members includes understanding goals and issues relating to participating managed care programs, strong business management, finance, program management background and experience managing hospital services.

TAB #7 DISCUSSION: AHS Compliance Program Status

The Committee made a specific request of the Audit committee to ensure that various areas of compliance oversight in the organization have been identified. Some concern was expressed as to whether this has been completed. Mike Moye, Interim General Counsel, reported that during the Audit and Compliance meeting the committee discussed the structures currently in place at staff level for compliance. Interim General Counsel would like to develop, along with the leadership and staff, compliance programs to include what is missing or not currently being done. Interim General Counsel plans to come back to the Board with some updates regarding the status of our programs, a public piece to satisfy the obligation to the community and other pieces that will be put in place for the permanent General Counsel.

TAB #8 DISCUSSION: CEO's obligation to report to the Board

Trustee Lewis addressed the CEO's obligation to report to the Board and what is reported on behalf of the Board. Trustee Lewis reminded the CEO and staff of the Committee's expectation to receive timely and complete information in order to make informed decisions, to the extent that rapid changes as well as Board requests also be communicated and forwarded as they occur. Trustee Lewis also reminded leadership that communication with the Board of Supervisor's needs to be formalized so that Trustees can identify the time and topic of each communication.

Dan Boggan, Interim CEO, would like to maintain effective and open communication with the Board of Trustees, the staff and the Board of Supervisors. Trustee Potter addressed the general tendency of management (CEO on down) to understate problems and overstate solutions, which is not as helpful

to a director as a clear statement of the problem and a clear sense of progress or possible solutions. Mr. Boggan, along with management staff is working on creating a standard format for presenting solutions to the committee, dealing specifically with the issue of primary recommendations and contingencies. AHS management is focusing on providing relevant information to Trustees so they can make informed decisions. They are also ensuring consistency in presentation. The Committee clarified that while they don't always need alternatives presented, leadership must always be prepared in the event they are requested. The Trustees wants to know that management has come in with a plan and has all of the information necessary to support their decisions. Trustee DeVries would like to see a better explanation of the logic behind recommendations or options coming from AHS leaders.

TAB #9 DISCUSSION: Board Minutes

The committee expressed concern with the timely posting of meeting minutes as well as issues with content. Trustee Lewis asked the committee if the minutes were sufficient to understand the intent or the action taken at each meeting. Trustee Potter suggested the need to work on developing good form and content, as these are key elements to good minutes. Trustee Potter feels it takes experience with the organization to understand the right level of content, one way to get there is to actively review the minutes and comment both on form and content to address too little detail or too much. Trustee Potter, suggested the need for lengthy discussions between the Trustee and person drafting the minutes to make sure we get the right level of content into the minutes. Dan Boggan, Interim CEO, addressed the importance of consistency in how issues are framed and the need for a flexible template. It is important to have the staff liaisons and the chairs work together. The chair of each committee should sign off prior to submission. Trustee DeVries addressed an instance where he requested a report and his request was not noted in the minutes. Trustee DeVries reported this omission, it was added to the minutes, and he received the report. Trustee Lewis confirmed that it is one of the obligations and administrative responsibilities of the chair of a committee to review and send out minutes to committee members. Trustee Lewis asked if it would be appropriate to communicate with the President of the Board prior to the approval of the upcoming minutes to share the requirements of approval and the Committee agreed. Mike Moye, Interim General Counsel, agrees that there needs to be consistency across the committees and suggests reviewing minutes across committees. In terms of the Brown Act, Valerie Lewis, Trustee feels that business needs to be transparent to the public. James Potter, Trustee, stated that as Board members they must keep in mind the audiences for the minutes. Trustee Potter suggested that counsel keep in mind the various audiences reviewing the minutes and make sure they are easy to understand by the public.

TAB #10 DISCUSSION: Spring 2015 Retreat Planning

The Spring 2015 retreat has been scheduled for April. Dan Boggan, Interim CEO, expressed the importance of on-boarding and suggested that the Board orientation be held prior to the retreat so new members have the information they need to function in their role. The committee agreed with this suggestion.

After some discussion, the committee agreed to include time for Board education, to enable the Board to contemplate the work of organization and the ultimate goals of patient care, quality, and access. William Peruzzi, MD, CMO emphasized Quality and Safety as key items to the population health discussion and will bring together meaningful topics around these issues for the agenda. The retreat agenda will allow for team building exercises, to allow the Board to understand their individual leadership and management styles. Additional agenda items will include Brown Act training and a discussion of the Enabling Legislation (H&S Code 101850) and Bylaws. The committee requested time to discuss the AHS Strategic Plan, with a focus on the specific changes that affect the plan and the direction we are heading in. The Trustees requested a document of the impacts of the integration of San Leandro and Alameda Hospitals. This report shall include lessons learned, impacts to the delivery of medical care and patient care, and financial impacts. Dan Boggan, Interim CEO suggested the inclusion of a financial presentation at the retreat. Trustee Lewis stressed the importance of continuing to provide the Board with financial reports that address the financial impact, affects to the strategic plan, and how patient care is impacted.

The Interim CEO suggested that the Governance Committee receive regular Quality presentations

with status updates for accreditation requirements. The Trustees agreed this would be a useful presentation.

TAB #11 UPDATE: Community Advisory Council Strategy

Carladenise Edwards, Chief Strategy Officer reported overall positive feedback from the Board of Supervisors, but did caution that we must be cognizant of the language being used and how we engage them and keep them involved during the process. Terry Lightfoot, Director of Community and Government Relations, provided an update on the progress of the Community Advisory Council strategy. In December, communications went out to approximately 200 stake holders and we have received a number of responses from nominated individuals and those who would like to participate in the Community Advisory Council. However, given the understanding they need to sharpen communication of the process with the Board they have not moved forward with sending out applications. Trustee Lewis advised the strategy team to be sensitive in how the Community Advisory Council is rolled out, there should be a clear understanding that this is an Advisory group to the Board of Trustees and that the Chair resides with the Chair of the Governance committee. In order to move the project forward, the strategy team will coordinate a meeting with Supervisor Chan to discuss the Council goals and hold save the dates to community meetings until after the CEO search meetings.

TAB #12 UPDATE: 2015 Community Events

The committee requested a calendar hold or email with the proposed roll out plan for the community meetings. The Board would like to have a presence at these meetings, especially the districts they live in.

TAB #13 INFORMATION: 2015 Legislative/Advocacy Program

Terry Lightfoot, Director of Community and Government Relations, provided a brief summary of the Legislative program. The program focuses its efforts on engaging and leveraging our associations and partnerships at state and local levels. Carladenise Edwards, CSO, would like to make the Board aware of several key issues: The first is the renewal of district funding, a substantial amount currently being reauthorized by the Federal Government to the State. If these funds are authorized, they may not be the amount that was previously allowed. The second item is obtaining Public Hospital Designation for San Leandro and Alameda Hospital, which would enable us to secure additional funding for those hospitals. The third key item is pension legislation, which holds potential for a positive financial impact. Jeanette Loudon-Corbett, Chief Human Resources Officer, will be taking the lead to ensure there is a strategy and approach to changes in pension legislation.

Mr. Lightfoot also addressed concerns by the committee regarding challenges to federal issue #4, the 333 program that pharmaceutical companies are creating discussion around to reduce public hospital drug discounts. Mr. Lightfoot assured the Board that the strategy team had been assuring members of the congressional delegation that these discounts are being used appropriately at Alameda Health System. Trustee Lewis suggested the strategy team provide the Board an outline or bullet sheet of thoughts and ideas for better utilizing Board members in these efforts.

TAB #14 DISCUSSION: Board & Executive Succession Planning

Trustees Lewis and Kirk Miller term off in December and the Board needs to start thinking about succession planning and leadership. The Governance Committee discussed the need to begin making recommendations for upcoming roles that will be left vacant.

TAB #15 DISCUSSION: Officer Elections

In an effort to maintain transparency, Valerie D. Lewis, Chair, shared the list of names she and Kirk Miller, Trustee, had developed as recommendations for positions that will be left vacant. These were Michele Lawrence, Jim Lugannani, Jim Potter and Patricia Scates, most of which have management, legal, governance, healthcare group experience and political acumen. Trustee DeVries was unable to participate in this discussion due to a prior engagement and the group was unable to discuss further.

TAB #16 INFORMATION: Annual Governance Committee Work Plan & Issue Tracking

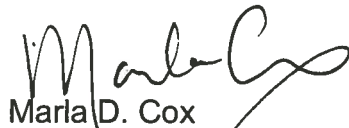
Trustee Lewis would like several items included in the Governance Committee work plan. These include ongoing Governance reports to Board, Brown Act issues, Governance review and on-boarding and orientation updates. Trustee Lewis expressed the need for a committee tracking document, to be used to keep track items that are in-progress, completed or on-going. This should be created as part of the work plan.

Public Comments – No Comment

Board of Trustees Remarks – No Comment

ADJOURNMENT – 10:43am

Respectfully Submitted by:


Maria D. Cox
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 
Mike Moyer
Interim General Counsel