

SUPPLEMENTAL MATERIALS

AGENDA ITEM:

B. Alameda Health System and Alameda Hospital Updates

- 1) FY 2016-2017 (Q1, July-August-September) AHS Financial Report

PRESENTATION

David Cox, Chief Financial Officer FO

- 2) Hospital CAO Report **ENCLOSURE**

James E.T. Jackson, M.P.H.
Chief Administrative Officer

Alameda Health System

Alameda Healthcare District
Board of Directors
December 12, 2016

David Cox,
Chief Financial Officer

Agenda

- System Financial Performance – October YTD
- Alameda Hospital Performance
 - Income Statement
 - Patient Activity
 - Payer Mix
- Contracting Update

Alameda Health System – October 2016 YTD

- For the four months ended in October, Operating Income is a positive \$16.7 million and Total Income is \$1.8 million.
- Our EBIDA Margin (a measure of cash generation) is 9.1% for the month and 6.8% year to date, slightly above the budget of 6.7%.
- Patient activity, in general, is higher than prior year but less than we budgeted in 2017. That is particularly true in Clinic Visits, where we have a 10.2% negative variance to budget through October. Acute Discharges are 11.1% below budget and below prior year, while patient days are only 4.0% below budget but 1% higher than prior year.
- The Post-Acute Average Daily Census (ADC) is just slightly below budget at 292, but above the prior year of 289.
- Favorable revenues are being offset by an unbudgeted pension expense accrual.

Alameda Hospital – YTD October 2016

- The Acute Care SBU is profitable overall and very close to budget.
- Alameda Acute Discharges and Acute Patient Days are below budget in October by (25%) and (30%) respectively. The number of Surgeries performed is also unfavorable to budget by (16%), primarily due to Gastroenterology, Gynecology, and Ophthalmology. The declines appear to be across all payers.
- Emergency Room Visits exceed budget for the month by 2% and the ED Admission Rate has declined slightly from prior year.
- Total Revenues for the four months were \$31 million, which is below budget and prior year. Total expenses are above budget and prior year and include a retroactive salary adjustment. Registry utilization is quite a bit higher than budget.
- The Commercial Payer Mix, based on Gross Charges, **increased to 14.2% in October** with an offsetting reduction in the Medi-Cal Managed Care payer mix.

Current Situation in Alameda

- ❑ In process of completing two year agreements with Blue Cross, Blue Shield, Aetna, Cigna, and United
- ❑ Tricare will move January, 2018, from United to Health Net Federal Services. We are negotiating a professional and facility agreement that will be in effect, January 2018
- ❑ Affinity is developing a new Full-Service Medicare Advantage product that will include Alameda County



What we can do now.....

- a. Short-Term health plan contracts with Blue Cross Blue Shield, Aetna, United
- b. Begin developing Affinity-IPA partnership
 - I. Affinity has a new Medicare Advantage product. Alameda participation for network adequacy is essential. We are leveraging this to become part of Affinity's narrow network for all products and having Alameda Hospital as the local community hospital option.
 - II. Alameda Community Physicians work closely with AHP to develop an Alameda Hospital aligned network that refers to Alameda Hospital as its Community Hospital preference.



Discussion



2070 Clinton Avenue
Alameda, CA 94501

TO: City of Alameda Health Care District, Board of Directors

FROM: James E.T. Jackson, MPH
Chief Administrative Officer

DATE: December 12, 2016

SUBJECT: November Chief Administrative Officer's Report

It has been an exciting and busy first month, and it is my pleasure to provide this update to the MEC regarding the performance of and activities occurring here at Alameda Hospital:

Access: Be a leader in access to quality, affordable care

The census data for the month of October follows:

ALAMEDA HEALTH SYSTEM										
ALAMEDA CAMPUS - Patient Volumes										
For the Month and Year-to-Date ending October, 2016										
Fiscal 2017										
	ACTUAL	BUDGET	VARIANCE	% Var	YTD	BUDGET	VARIANCE	% Var		PYTD
INPATIENT VOLUMES										
Acute Admissions	156	209	(53)	(25)%	660	829	(169)	(20)%		729
Acute Patient Days (a)	828.0	1,178.0	(350)	(30)%	3,474.0	4,674.0	(1,200.0)	(26)%		3,941.0
Average daily census	26.7	38.0	(11.3)	(30)%	28.2	38.0	(9.8)	(26)%		32.0
Acute Length of Stay	5.3	5.6	0.3	5 %	5.3	5.6	0.3	5 %		5.4
ACUTE PATIENT DAYS										
AHD CRITICAL CARE UNIT (CCU) (a)	170	155	15	10 %	618	615	3	0 %		480
AHD TELEMETRY UNIT (a)	311	527	(216)	(41)%	1,385	2,091	(706)	(34)%		1,837
AHD MED/SURG	347	496	(149)	(30)%	1,471	1,968	(497)	(25)%		1,624
Total Acute Patient Days	828	1,178	(350)	(30)%	3,474	4,674	(1,200)	(26)%		3,941
AHD Observation Days (OBS)	27	62	(35)	(56)%	210	246	(36)	(15)%		10
Average daily census with OBS	27.6	40.0	(12)	(30)%	30.0	40.0	(10)	(25)%		32.1

- Admissions and Average Daily Census (ADC) are below budget and behind prior year volumes

ALAMEDA HEALTH SYSTEM										
ALAMEDA CAMPUS - Patient Volumes										
For the Month and Year-to-Date ending October, 2016										
Fiscal 2017										
		ACTUAL	BUDGET	VARIANCE	% Var	YTD	BUDGET	VARIANCE	% Var	PYTD
EMERGENCY & URGENT CARE										
	ED-AH Admits	147	205	(58)	(28)%	669	813	(144)	(18)%	642
	ED-AH Visits	1,341	1,265	76	6 %	4,930	5,018	(88)	(2)%	5,269
	Left Without Being Seen (LWBS)	31	20	11	55 %	67	81	(14)	(17)%	100
	Total Urgent & Emergent	1,519	1,490	29	2 %	5,666	5,912	(246)	(4)%	6,011
	LWBS % of Total ED - AH	2.0 %	1.3 %	0.7 %		1.2 %	1.4 %	(0.2)%		1.7 %
	ED Admits % of ED Visits	9.7 %	13.8 %	(4.1)%		11.8 %	13.8 %	(2.0)%		10.7 %
	ED Admits % of Total Admits	78.6%	87.2%	(8.6)%		86.1%	87.4%	-1.3%		78.1%
	ED Visits per Day	49	48	1		46	48	(2)		49
SURGERIES										
	Inpatient	51	59	(8)	(14)%	201	214	(13)	(6)%	214
	Outpatient	128	154	(26)	(17)%	521	620	(99)	(16)%	620
	Total Surgeries	179	213	(34)	(16)%	722	834	(112)	(13)%	834

- ED Volume is below budget and well off of the prior year volumes
- Surgical volumes are flat from an inpatient perspective and behind from an outpatient perspective for overall performance that is below budget and lower than prior year volumes
- Given these concerns it was requested and approved at the most recent budget oversight committee that there be a reduction in the number of acute patient days budgeted for AH which was approved and will be reflected in subsequent budgetary information.

Sustainability: be an organization with an investment grade credit rating

AHS total revenues are strong through the 1st quarter of the fiscal year. There is a 3.2% positive variance in patient service revenue and a 3.8 positive variance in supplemental revenues. Gross charges are positive to budget through September and the collection ratio is well above budget at 20.7%.

Operating expenses for the 1st quarter are 11.6 million, or 5.2% unfavorable. The majority of this is a non-cash variance related to a system pension issue, and the remaining variance (approx. 4.5 million) is a little over 2% of budget and appears to be primarily related to labor and benefit costs as well as physician services. Paid FTEs were 0.6% over budget.

Overall AHS is profitable, performing better than last year at this time but below budget. Earnings Before Interest, Taxes, Depreciation and Amortization (EBIDA) is 2.7% compared to the budget of 4.7% and prior year of 2.2%

Integration: Achieve zero preventable harm & produce the best achievable outcomes

At Alameda Hospital readmission rates (8.70) continue to be below benchmark (9.10). There were no HAPUs in September in the acute care units. Falls and hand hygiene continue to be opportunities for improvement, and managers are implementing action plans to improve performance in both of these areas. Overall, Alameda Hospital achieved 100% perfect care compliance in July (the last complete reporting period), with all 7 qualifying cases in the stroke measure set.

Experience: Be the best place to stay well, heal and receive care

As reported in the Quality Dashboard, Alameda Hospital’s “Rate the Hospital 9-10” for Q1 of the fiscal year is as follows. YTD was 67.5, slightly below the goal.

QUALITY INDICATORS	AH BASELINE FY16	YTD FY17	AH CURRENT PERFORMANCE						BENCHMARK /GOAL	COMPARISON ORG.
			Jul-16	n	Aug-16	n	Sep-16	n		
VII. HCAHPS (Top Box Percent):										
Rate the Hospital 9 or 10	58.9	67.5	81.4	19	52.8	18	TBD		68.3	Press Ganey

However, Alameda Hospital’s “Rate the Hospital 9-10” rose to 69.4 in September and 74.1 in October, both above goal. October results are strong in the Watch Metrics / Key drivers of Nurse Communication, Staff Responsiveness, Pain Management and Communication about Medications.

We are actively working to repair rain-related damage to the hospital roof and in affected areas, and the replacement of the waiting area furniture continues.

HCAHPS/ Inpatient	TRUE NORTH METRIC						Watch Metrics (Drivers)											
	"Rate the Hospital 9 or 10"						Nurse Communication			Staff Responsiveness			Pain Management			Communication About Meds		
FY17 YTD TB%	66.5						76.9			57.2			68.4			56.2		
FY17 Goal TB%	61.4						76.8			58.4			70.2			58.6		
FY16 Baseline TB%	58.9						69.8			53.1			63.8			53.3		
Month Metric Status Closing Date	Sep-16 Top Box % Closed 11/15/16	Oct-16 Top Box % Prelim 12/15/16	Nov-16 Top Box % Prelim 01/15/17	Sep-16 TB% Closed 11/15/16	Oct-16 TB% Prelim 12/15/16	Nov-16 TB% Prelim 01/15/17	Sep-16 TB% Closed 11/15/16	Oct-16 TB% Prelim 12/15/16	Nov-16 TB% Prelim 01/15/17	Sep-16 TB% Closed 11/15/16	Oct-16 TB% Prelim 12/15/16	Nov-16 TB% Prelim 01/15/17	Sep-16 TB% Closed 11/15/16	Oct-16 TB% Prelim 12/15/16	Nov-16 TB% Prelim 01/15/17			
INPATIENT (All Units)	69.4	74.1	40.1	70.4	87.0	72.2	54.4	76.1	45.3	65.3	56.4	95.3	54.4	51.7	29.4			
MEDSURG	63.9	63.9	63.9	70.8	86.5	73.8	57.2	70.3	53.6	64.1	45.3	95.3	62.8	36.1	46.1			
TELE	75.0	80.5	22.2	70.1	86.5	71.0	50.3	81.0	37.0	70.3	57.8	NR	46.1	62.8	0.0			

Less Than Baseline
 Greater than or Equal to Baseline and Less Than Goal
 Above Goal
 NR = No Responses

Network: Provide the highest rated community health programs

On the 9th of November staff from Alameda Hospital provided vaccinations for the staff of Group Delphi, a business located at Alameda Point; 35 individuals were vaccinated. Also, Alameda Hospital received a 2016 CALNOC Performance Excellence Award for Preventing Moderate + Injury Falls.

Alameda Hospital sponsored a health fair at the hospital on the 22nd of October; there was significant community involvement at this event, and it was very well received by those who attended.

Workforce: Be the best place to learn and work

The 2nd quarter Employee forums are coming soon! The theme for this round of forums is: ‘Engaging our People’, and our series will be led by Chief Operating Officer Luis Fonseca and Chief Human Resource Officer Jeanette Loudon-Corbett. We’re also using a Town Hall format for this series in order to provide staff with more time for discussion of topics that are important to them. The AH employee engagement committee continues to meet, and has developed a peer to peer recognition program based on the AHS mission statement of Caring, Healing Teaching and Serving All. Lastly, the AHS Holiday meal at Alameda Hospital will be served on all three shifts spanning December 12th & 13th; the Medical Staff is encouraged to come and join the festivities.

Thank you for your time and attention.

SUPPLEMENTAL MATERIALS

AGENDA ITEM:

C. District Updates & Operational Updates

2) Follow-Up from October 3, 2016 Meeting

Thomas L. Driscoll

PRESENTATION

- a. Responsibilities of the District under California Law
- b. Role of District under the JPA pertaining to operations of Alameda Hospital
- c. Overview of Seismic and Capital Investments under the JPA

City of Alameda Health Care District

Board Meeting – December 12, 2016

Powers of the District Board (from the California Health & Safety Code)

- 32000. This division shall be known and may be cited as "The Local Health Care District Law."
- 32121. Each local district shall have and may exercise the following [selected] powers:
 - (c) To purchase, receive, have, take, hold, lease, use, and enjoy property ...
 - (f) To employ legal counsel
 - (g) To employ any officers and employees
 - (h) To prescribe the duties and powers [and] to establish offices as may be appropriate and to appoint board members or employees to those offices, and to determine the number of, and appoint, all officers and employees and to fix their compensation. The officers and employees shall hold their offices or positions at the pleasure of the boards of directors.

Powers of the District Board (from the California Health & Safety Code)

- (j) To establish, maintain, and operate, or provide assistance in the operation of, ... health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.
- (k) To do any and all other acts and things necessary to carry out this division.
- (m) To establish, maintain, and operate, or provide assistance in the operation of, ... health education programs, wellness and prevention programs, ...and any other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the district.
- (o) To establish, maintain, and carry on its activities through one or more corporations, joint ventures, or partnerships for the benefit of the health care district.

Powers of the District Board (from the California Health & Safety Code)

- 32121.9. A district that leases or transfers its assets to a corporation pursuant to this division, including, but not limited to, subdivision (p) of Section 32121 or Section 32126, shall act as an advocate for the community to the operating corporation. The district shall annually report to the community on the progress made in meeting the community's health needs.
- **[NOTE: While a District MAY advocate for the community and annually report to the community on the progress made in meeting the community's health needs, COAHCD is not required to. The JPA with AHS was not established 'pursuant to this division', but pursuant to the provisions of (i) Chapter 5 (beginning with Section 6500) of Division 7 of Title 1 of the Government Code, authorizing local healthcare districts and counties, to exercise their common powers through joint powers agreements, and (ii) Section 14000.2 of the California Welfare and Institutions Code, authorizing the integration of county hospitals with other hospitals into a system of community service.]**

Powers of the District Board (from the California Health & Safety Code)

- 32126.5. (a) The board of directors of a hospital district...may do any of the following when it determines that the action is necessary for the provision of adequate health services to communities served by the district:
 - (1) Enter into contracts with health provider groups, community service groups, independent physicians and surgeons, and independent podiatrists, for the provision of health services.
 - (2) Provide assistance or make grants to nonprofit provider groups and clinics already functioning in the community.
 - (3) Finance experiments with new methods of providing adequate health care.
- 32131. The board of directors may maintain membership in any group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of hospital administration, and in connection therewith pay dues and fees thereto.

LAFCO and the 2002 Ballot

- On December 11, 2001, the Local Agency Formation Commission (LAFCo) of Alameda County adopted Resolution No. 2001-15, approving the creation of the City of Alameda Health Care District.
- On January 10, 2002, LAFCo adopted Resolution No. 2002-02 certifying completion of proceedings, ordering formation of the City of Alameda Health Care District and calling for a special election upon the question of approving formation of the district and authorizing the district to impose and levy a special tax.
- LAFCo found that the formation of the proposed District and imposition of the associated special tax would be for the purpose of ensuring continued operation of Alameda Hospital. Retention of Alameda Hospital in the City of Alameda would help ensure acceptable levels of emergency, acute care and other medical services for the residents and visitors of the proposed District.

LAFCO and the 2002 Ballot

- The voters were asked: “So that the Alameda Hospital may remain open and continue to provide emergency and other healthcare services, shall LAFCo's January 10, 2002 resolution, ordering the formation of the City of Alameda Health Care District..., including adding a \$13,000,000 appropriations limit, and authorizing the District to levy an annual special tax of up to \$298 per parcel or per possessory interest, to defray operating expenses and capital needs, all as more particularly described in the resolution, be approved?”
- The Resolution provided:
 - The purpose for the formation of the proposed district, as set forth in Resolution No. 01-15, is to ensure local access to emergency, acute care and other healthcare services for residents and visitors of the proposed district.
 - Formation of the proposed district shall be contingent upon voter approval, at the same election as formation, of a special tax to assist the proposed district in meeting the costs of providing emergency, acute care, and other medical services, and operating and improving property of the proposed district.

LAFCO and the 2002 Ballot

Conclusions:

- The only restriction on the District's general powers was that: "The proposed District shall not provide ambulance service to the territory without coordination and the consent of other ambulance services providers in the area."
- The District was somewhat restricted by the Parcel Tax:
 - "The revenues generated by the special tax will be used only for the specific purposes of repaying outstanding hospital indebtedness and defraying ongoing hospital general operating and capital improvement expenses."

Joint Powers Agreement

- The Joint Powers Agreement (“JPA”) is, first and foremost, a contract between two parties, AHS and the District. As such, each party has both rights and responsibilities and it is up to each party to perform their respective responsibilities and to monitor the performance of the other party.
- A failure to live up to a particular responsibility could well be viewed as a breach of contract, but in order to know if or when a breach has occurred, each party must understand what the JPA requires well enough so that a failure to perform can be identified and brought to the attention of the other party.

Joint Powers Agreement

- AHS made commitments in the JPA both as to how it will operate Alameda Hospital on a day to day basis, and how it will relate to the District. For example:
 - AHS committed to paying off existing (pre-JPA) hospital liabilities;
 - maintaining at least 50 acute care beds;
 - ensuring continued licensure of the hospital (with all that requires);
 - maintaining the name of Alameda Hospital; and
 - ensuring compliance with 2013 seismic standards.
- AHS also committed to District representation on the AHS board and committees, and to making periodic financial reports to the district.
- However, “AHS shall not be required to undertake any financial obligations with respect to any upgrades or any related matters with respect to the seismic requirements established by the State of California for the year 2030 (the "2030 Seismic Requirements").”

Joint Powers Agreement

- Provisions delineating District rights and responsibilities include the following:
 - 1.2(b) District shall retain title to and ownership of the real property ... currently ...used in the operation of Alameda Hospital.
 - 1.9. District remains responsible for the general operations of District that are unrelated to the administration and operation of Alameda Hospital as a health care facility. Such general powers include:
 - the organization or any reorganization of District or its governing body,
 - the sale or disposition of surplus District property,
 - conducting elections, and assessment and collection of the Parcel Tax and similar general powers of District.

Joint Powers Agreement

- 2.1 ...The parties have made no estimate of the financial and capital needs of Alameda Hospital after 2020.
- 2.2 District shall:
 - support the ongoing operation and capital needs of Alameda Hospital through the annual assessment and collection of its duly authorized parcel tax.
 - use its best efforts to assess and collect its parcel tax, and... promptly pay all amounts that it collects from the parcel tax after the date of this Agreement... to AHS...
 - And...

Joint Powers Agreement

- be permitted to withhold and retain from the Parcel Tax Revenue an amount equal to the reasonable out-of-pocket costs and expenses actually incurred by District for its statutorily required operations, including without limitation expenses of administrative, legal and accounting services, cost of elections, meetings, strategic planning, insurance, administration and collection of the parcel tax, and payment of legal obligations, if any (known or unknown), unrelated to the administration and operation of Alameda Hospital ("District Expenses");
- provided, however, that in no event shall the amounts withheld and retained by District in accordance with the foregoing exceed what is reasonably required for such District Expenses during any fiscal year without the prior written approval of AHS.

Joint Powers Agreement

- 2.3. Parcel Tax Budget. At least sixty (60) days before the end of each fiscal year, AHS shall
 - prepare and submit to District for its approval, a proposed spending plan for the Parcel Tax Revenue for the next fiscal year,
 - which shall set forth generally the anticipated Hospital Financial Requirements for which the Parcel Tax Revenue shall be allocated (the "Parcel Tax Budget").
 - The Parcel Tax Budget shall (i) make specific allocation for capital and operating costs of Alameda Hospital and (ii) cover the reasonably anticipated costs of ongoing District operations including, without limitation, the District Expenses.
 - AHS shall, on an on-going basis, propose appropriate revisions to the Parcel Tax Budget to reflect material changes during the course of each fiscal year.

Joint Powers Agreement

- 2.4. AHS Capital Contributions.
 - AHS agrees to make such capital commitments as AHS shall deem necessary, to supplement the Parcel tax Revenue described in Section 2.2 for the funding of the Hospital Financial Requirements on an annual basis (the "AHS Capital Contributions").
 - The amount of AHS Capital Contributions shall be determined after giving consideration to, and in a manner consistent with, AHS' obligations hereunder and the overall capital requirements and planned expenditures for the comprehensive health system operated by AHS. Notwithstanding anything in this Agreement to the contrary, AHS shall not be required to construct, or make any capital commitments for the construction of, a new acute care facility in compliance with the 2030 Seismic Requirements. The manner and funding of such a facility shall be the subject of further negotiations between the Parties beginning in the year 2020.

Joint Powers Agreement

- 2.5. Capital Reserve Fund.
 - The parties shall establish a long-term capital reserve fund for meeting the ongoing capital needs of Alameda Hospital, including compliance with the 2030 Seismic Requirements (the "Capital Reserve Fund"), which shall be funded solely by any Parcel Tax Revenue that exceeds the applicable Hospital Financial Requirements in a given year. AHS shall be entitled to draw from the Capital Reserve Fund to fund any Hospital Financial Requirements that exceed the Parcel Tax Revenue from time to time.

Joint Powers Agreement

- 4.1. District Reserved Rights. AHS hereby agrees that, throughout the term of this Agreement, District shall have the following rights and privileges (collectively, the "Reserved Rights"), which shall be binding contractual obligations of AHS:
 - (a) AHS shall not change the name of Alameda Hospital without the consent of the District.
 - (b) AHS shall not reduce the number of Alameda Hospital's licensed beds for acute inpatient services to less than fifty (50) or close Alameda Hospital's Basic Level Emergency Department, in either case, without the prior written consent of District.
 - (c) The District Designee shall be appointed to the AHS Board in accordance with Section 3.2.

Joint Powers Agreement

- (d) District shall have the rights set forth in Section 3.4 (re AHS BOD & Committees).
- (e) AHS shall develop and submit to District for approval the Parcel Tax Budget within the time period set forth in Section 2.3.
- (f) AHS shall make the AHS Capital Contributions for planned expenditures for the financial and capital needs of Alameda Hospital as contemplated in Section 2.4.
- (g) AHS shall make available on a regular and mutually agreeable basis meeting rooms and support personnel (including, without limitation, an individual to serve as "Clerk of the District") required for the conduct of District business.

SEISMIC ISSUES

- 1.1(n) Seismic Upgrades at Alameda Hospital.
 - AHS shall initiate and thereafter oversee and implement, out of funds made available for the payment of Hospital Financial Requirements (including the Parcel Tax Revenue), the process of completing seismic upgrades required at Alameda Hospital for compliance with the seismic requirements established by the State of California for the year 2013 (as the same have been and may be extended with respect to Alameda Hospital) (the "2013 Seismic Requirements"); provided, however, that AHS shall not be required to undertake any financial obligations with respect to any upgrades or any related matters with respect to the seismic requirements established by the State of California for the year 2030 (the "2030 Seismic Requirements").

SEISMIC ISSUES

- 2.4 Notwithstanding anything in this Agreement to the contrary, AHS shall not be required to construct, or make any capital commitments for the construction of, a new acute care facility in compliance with the 2030 Seismic Requirements. The manner and funding of such a facility shall be the subject of further negotiations between the Parties beginning in the year 2020.

CONCLUSIONS

- District Law provides broad power, narrowed slightly by LAFCO's formation resolution (no ambulance operations).
- LAFCO's tax resolution restricts parcel tax uses to "repaying outstanding hospital indebtedness and defraying ongoing hospital general operating and capital improvement expenses."
- The JPA requires all parcel tax money to go to support Alameda Hospital (now a part of the Alameda Health System) except for what is necessary to "cover the reasonably anticipated costs of ongoing District operations including, without limitation, the District Expenses."

CONCLUSIONS

- AHS' Mission: Caring, Healing, Teaching, Serving All
- AHS' Vision: Alameda Health System will be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes the health of our diverse communities.
- The Parcel Tax Budget process is where the District & AHS come to agreement on what funding of District activities (beyond required "District Expenses") fit within the AHS "system of care" and "support the ongoing operation and capital needs of Alameda Hospital" by serving all, and promoting wellness, eliminating disparities and optimizing the health of our diverse communities.

SUPPLEMENTAL MATERIALS

AGENDA ITEM:

E. Action Items

ACTION ITEMS

- 1) Acceptance of October 3, 2016 Meeting Minutes **ENCLOSURE**

Includes input from Director Meyers and Director Deutsch (redline)

Board Members Present		Legal Counsel Present	Excused / Absent
Robert Deutsch, MD Tracy Jensen Jim Meyers, DrPH	Kathryn Sáenz Duke	Thomas Driscoll, Esq.	Michael Williams
Submitted by: Kristen Thorson, District Clerk			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:35 p.m.	
II. Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present with Director Williams being absent from the meeting.	
III. Regular Agenda		
A. Community Health, Safety and Wellness Focus Presentation <ul style="list-style-type: none"> • Alameda Family Services <ul style="list-style-type: none"> - Lynne Moore-Kerr, Head Start/Early Head Start Director - Daniel Javes, Health and Family Services Manager <p>Alameda Family Services provided an overview of their organization and services provided in the community. Director Jensen inquired how the organizations could better partner in the future as it was her desire to do more with AFS in the future. Ms. Moore-Kerr expressed a desire to partner with the District, Alameda Hospital and AHS outside of special events such as the annual health fair. Director Meyers was impressed and most interested in adverse childhood events and the impact on kids and how it relates to veterans and PTSD. He continued to state that most recently there was a event in Oakland that discussed the connection with adverse childhood events and recognizing symptoms children early on in the school system. He asked if AFS worked closely with the school district. Ms. Moore-Kerr stated that they do not work as closely as they would like to but have a close association with the kindergarten teachers when they are transitioning children from Head Start to the school system. A copy of the presentation can be found on the website.</p>	No action taken.	
President Duke, Director Deutsch, Director Meyers, Director Jensen and the District Clerk, Kristen Thorson, all recognized and thanked Bonnie Panlasigui for her work, leadership she has provided to the Alameda Hospital and commented on her caring nature and connections to employees, visitors, patients and families over the past 2 years. Ms. Panlasigui would be leaving the organization in October and this was her last Board		

Topic	Discussion	Action / Follow-Up
meeting.		
B. Alameda Health System and Alameda Hospital Updates		
	<p>FY 2015-2016 (Q4, April-May-June) AHS Quality Dashboard</p> <p>Eileen Pummer, Director of Quality Programs from Alameda Health System reviewed the quality dashboard as presented in the packet. Director Meyers noted that every indicator has improved since 2015 and thanked Bonnie and the staff for the work being done.</p>	No action taken.
	<p>FY 2015-2016 (Q4, April-May-June) AHS Financial Report</p> <ul style="list-style-type: none"> • Patient Utilization Data FY Comparison • Alameda Hospital's EBIDA, Operating Margin and AHS Overhead Allocation Analysis • Insurance Contracting Update <p>David Cox, Chief Financial Officer reviewed the following items in a presentation that is available on the website.</p> <ul style="list-style-type: none"> • System Financial Performance – August 2016 YTD • Alameda Hospital Performance – FY 2016 – Unaudited <ul style="list-style-type: none"> ○ Income Statement ○ Patient Activity ○ Payer Mix • Contracting Status (verbal) <p>The following was noted as updates to the contracting issue for Alameda Hospital. AHS is now in discussions with all major plans with the objective to obtain fair market rates. Timing remains uncertain. A dedicated primary care network to support Alameda Hospital continues to be a major issue brought up by the insurance plans which is being discussed with the Alameda Health Partners (AHP) Board. AHP is the physician organization for AHS. Mr. Cox assured the Board and community that their voices have been heard and AHS understands the importance of this issue. Director Deutsch expressed the importance of this issue to the community and to the hospital. Director Deutsch stated that the prompt pay policy was not working well and Mr. Cox asked Director Deutsch to send him examples to look into.</p> <p>Alameda Hospital's EBIDA, Operating Margin and AHS Overhead Allocation Analysis was reviewed with Director Meyers noting the three data points over time since the affiliation in May 2014. Director Meyers noted that he and Director Williams have discussed in previous meetings the types of reports from AHS that are relevant to this type of Board and the role of the Board. The analysis provides a clearer picture and important for the Board to track. He had no further comments but stated that it may influence discussion on agenda items later on in the meeting. Understanding these metrics will help the Board in communicating with the community about how the parcel tax</p>	No action taken.

Topic	Discussion	Action / Follow-Up
	dollars are being used and the overall performance of the hospital.	
	<p>Hospital CAO Report</p> <p>Ms. Panlasigui thanked the Board for their support and stated that the frontline staff is responsible to improvements in quality indicators and commended the team at Alameda Hospital. Ms. Panlasigui reviewed her CAO report as presented in the board materials.</p>	No action taken
C.	District Updates & Operational Updates	
	<p>1) District Liaison Reports</p> <p>The order of the agenda was changed to the following order, AHS liaison Report, Community Health Liaison Report, Presidents Report and Hospital Liaison Report.</p>	
	<p>Alameda Health System Liaison Report</p> <p>Director Jensen reported on her written report in the board packet. Including new AHS Board appointments, Waters Edge name change, legislation and the Hospital Council Summit. The Pending appointments have been approved and will go to the Alameda County Board of Supervisors for appointment. The District Clerk will forward the new AHS organization chart to the Board of Directors as it was not included in the materials and noted in the memo. She introduced James E.T. Jackson who will be the new Chief Administrative Officer (CAO) for Alameda Hospital. He also is the CAO for San Leandro Hospital. Mr. Jackson provided a brief background and informed the Board that he would be on campus every day. Ms. Jensen echoed Bonnie's comments relating to the promotion of Richard Espinoza to CAO of Post Acute Care. He will oversee all of the system's post acute care service line, including Alameda Hospital's post acute care units (South Shore, Park Bridge and the subacute unit) and Fairmont Hospital.</p>	No action taken.
	<p>Community Health Liaison Report</p> <p>Director Meyers noted from his report that he is eager to move forward as required by healthcare district law. Stakeholder meetings are on hold until a full time clerk and part time Executive Director are on Board. He informed the Board that he had a great conversation with Jim Franz, the City of Alameda Community Development & Resiliency Coordinator regarding a community health needs assessment that will be implemented in 2017. Director Jensen suggested that Mr. Franz come and share information with the District regarding the survey and other work being done through his department and the City of Alameda.</p>	No action taken.
	<p>President's Report</p> <p>President Saenz Duke reviewed her written report. President Saenz Duke provided an election update noting that with only two candidates filing for the two open positions, incumbents Director Williams and Director Saenz Duke, will not appear on the ballot in November, 2016.</p> <p>She noted that there would be a roundtable discussion organized by the Little Hoover Commission</p>	No action taken.

Topic	Discussion	Action / Follow-Up
	<p>who is reviewing special districts in California. The District submitted a response to an inquiry by the Association of California Healthcare Districts which is included in the materials. The roundtable discussion will be held on November 16, 2016. Prior to moving on to updates on the Executive Director Search in her report and as agendized, Director Deutsch provided the Hospital Liaison Report.</p>	
	<p>a. Review and Approval of Community Survey Discussion occurred below in Section 2).</p>	<p>No action taken.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg); border: 1px solid red; padding: 2px;">Thorson Proposed Edit</p>	<p>Alameda Hospital Liaison Report Director Deutsch provided a verbal report noting that that an agreement had been reached with Californian Nurses Association which will increase salaries, increase morale and assist with recruitment and retention in Nursing. The infusion center expansion is moving forward. Progress is being made by AHP on a primary care clinic potentially designated as a FQHC clinic. He reported that the Chief Medical Officer is looking at issues with transfers from Alameda Hospital to Highland when a higher level of care is needed. Urology coverage has been a issue at Alameda Hospital and AHP is looking at possible solutions sand has a commitment to cover these types of specialties. On the contracting issue, Director Deutsch noted that he was pleased with the progress on many of these issues made over a short period of time.</p>	<p>No action taken.</p>
	<p>b. Other District Outreach Reports and Member Updates President Saenz Duke added that she has been on communication with the League of Women Voters and a potential joint presentation. Due to scheduling, the next available time slot will be summer, 2017.</p>	<p>No action taken.</p>
	<p>2) Review and Discussion of Decision Points for Vision and District Staffing President Saenz Duke noted that this agenda item ties into the last portion of the President's report. President Duke requested a discussion of the Board regarding the next steps in the Executive Director search and the proposed draft community survey included in the materials. She also noted that the annual community health fair was scheduled for October 16, 2016 and there is an opportunity for the Board to have a presence at the health fair and possible distribution of the survey at the same time. She asked the Board if they wished to discuss the survey or move to discuss Review and Discussion of Decision Points for Vision and District Staffing.</p> <p>Director Meyers commented on the collection of data as presented and thanked staff for the work done in gathering the information. He commented on the length of time it has taken in regards to the Vision and district Staffing and that without the additional support, the District cannot do the things the Board has approved moving forward with. Director Meyers stated that he was in favor of getting community input but now feels that the Board needs to take action on what California State law requires healthcare district to do and what has been agreed through the Vision and Mission statement. He feels strongly that the Board should move forward and take action in regards to</p>	

Topic	Discussion	Action / Follow-Up
	<p>personnel. The point of collecting the data was to show that work and discussion that has occurred. He noted that he has received positive feedback about the Vision and staffing model. Director Meyers referenced the health and safety code and the ballot measure that has declared what the District should be doing along with what the district has approved in the Vision and mission statement. He continued to say that City leaders such as Jim Franz and Mayor Trish Spencer want to see the District get the stakeholders together to begin to address issues in the community and to find the voice of the underserved through stakeholder meetings. He stated that there is nothing in the Vision about programs; it only references being the lead agent and bring stakeholders together in the community. In regards to the survey, he is involved with the transportation Commission and has learned that the Commission has a process for distributing surveys to the broader community as opposed to list-serves and suggested working with the Commission on what their process is for the District's survey.</p> <p>Director Saenz Duke noted that HFS Consultant, Don Whiteside was present and the report given at a previous meeting has been included on the Board packet for reference. She asked Mr. Whiteside to comment on some of the comments made by Director Meyers and the process to date.</p> <p>Mr. Whiteside agreed with the summary provided by Director Meyers and agreed the Board in concept of should moving forward with the search and hiring of personnel. He further stated that the more feedback from the community is essential. He suggested that the Board move concurrently with survey and talent acquisition of an Executive Director and district support staff. He stated that it would take an executive action by the Board on what the employment model for the executive director would be and recommended (as stated in the handout) either a management agreement or interim agreement with someone. He stated that the Board is in a position to move forward as the November election has been determined (no change in directors) and the mission has been approved.</p> <p>Director Deutsch stated that he had a very different view from Director Meyers. He stated that he has seen no evidence that the community wants to embark on this new vision and that the citizens of Alameda did not agree to it even though the Board approved the new Vision. He stated that he understands that the Board has agreed to the Vision. He continued to say that the Board has a responsibility to the electorate and the role of the Board under the JPA which includes receiving reports from AHS and to remind AHS and the community of the need for the hospital. He did not want to underestimate what the community voted for in 2002. Public health programs in Alameda would be very valuable to the community but the community has not agreed to tax itself for such programs. He expressed concern over use of district resources for projects and programs in the community outside of the hospital operations without significant input or vote from the community or a real objective survey. Director Deutsch stated that the proposed survey was misleading. He proposed the question of "Do you want district funds, which are currently obtained through the</p>	

Thorson Proposed Edit at request of Director Meyers

Deutsch Proposed Edit

Topic	Discussion	Action / Follow-Up
	<p>parcel tax, to be spent on community programs other than for the exclusive use for Alameda hospital through Alameda health System?" Director Deutsch stated that the survey was misleading. As for secretarial support, the JPA calls for AHS to provide that support. As far as a Executive Director (ED), he feels that the citizens have not voiced their input on hiring of an ED. He said that he has voiced his opinion in regards to this at prior meetings and does not feel that the board should move forward.</p> <p>Director Jensen stated that she agreed with a lot of the comments made by Director Deutsch and expressed some concerns about the Vision 2015 and direction. She that she looked forward to discussion on the proposed survey. She stated that she has spent time reviewing healthcare districts and district that have been the focus of review for potentially not following what they are supposed to be doing under the law. She commented on similarities and differences with some Districts such as Petaluma and Sequoia. She wants to see the Board develop relationships with other community organizations. She stated that she was unsure of the role for the Executive Director. She continued to state that the community needs to support the role of the Executive Director She noted that the Board should spend time to identify the role of the current District Clerk, Ms. Thorson. She wants to ensure that there is an expectation to fill the role of liaison between Alameda Health System and the District either by the role of Ms. Thorson or a similar position.</p> <p>Director Meyers noted that Alameda County LAFCo approved the formation of the health Care District in 2002 by the levy of \$298 per parcel tax. In the LAFCo document and in the ballot measure, it states that we were to follow the Health and Safety Code as defined under healthcare district law by doing the following: A district that transfers its assets to another corporation shall act as an advocate for the community and the district shall annually report to the community on the progress made in identifying the gaps in health and well being in the community. He restated that despite hearing from Director Deutsch and others about using parcel tax dollars to fund public health programs, nothing has been said or approved in the Vision about programs; it only references being the lead agent and bring stakeholders together in the community. Director Meyers noted that the District has the sole responsibility of the overall health of the community. He continued to state that we are local, we are responsive, we were started by residents, voted by residents, serve upon the election of residents; we operate in service of resident's. all of our residents who don't use this facility and who don't have a voice. We are who we serve. We are uniquely positioned to know those who are suffering n our community. Community members entrust the District with the parcel tax dollars. He stated that when the board discussed Vision there were two bubbles and we are not losing the first bubble (hospital), what we are doing is our job which is the responsibility of the health and well being of the community, which has not been done since 2002. We don't need a large staff, but we need staff. He felt that the community supports having the District own staff that does not report to AHS. The other bubble is community health and well being of the community which the District will work collaboratively with AHS to address. Mr. Meyers referenced his support of 10,000 around 7,500 votes from the community when he was</p>	

Meyers Proposed Edit

Topic	Discussion	Action / Follow-Up
	<p>elected on the basis that he would address these areas while he served on the Board.</p> <p>Director Jensen stated that she agreed that it was important to address the items noted by Director Meyers including the overall health needs of the community as well as oversight of the JPA with AHS. Director Jensen stated that she is not ready to hire an Executive Director at this time. She did feel that the District needed to understand the overall health of the community and this survey or report could be accomplished through the use of a consultant instead of an Executive Director and before hiring an Executive Director. We are equipped and can make decisions but propose an alternative to seek more input and understand the overall health of the community and what the gaps in coverage are before hiring an Executive Director. The report she is referring to is the saem report that Director Meyers has been referencing from healthcare district law.</p> <p>Director Meyers noted that he was happy to vote again on the Vision that was approved 5-0. He wants to move forward. If someone wants to make a motion to do something else, make a motion to do something else.</p> <p>Director Deutsch stated that he did not believe that we needed another layer of an Executive Director to be the “hub” in the community to do these activities. AHS should be and is addressing the community health needs and public health of the community. He agreed that we need secretarial support. The parcel tax was voted on to support the hospital and using it in other ways such as an Executive Director that does not directly support Alameda Hospital is a misuse of funds. He stated that he believes that there is enough to do with informing AHS and the public about issues with the Hospital. He suggested that the Board not move forward without public input and would be happy to make a motion.</p> <p>President Saenz Duke asked about moving forward with the survey in the next few months and the draft that was presented in the materials. She wanted to find common ground and understand how we could move forward and agreement on the path laid out by the consultant with a survey.</p> <p>Director Deutsch stated that he was not asked for input and felt that the survey was misleading. He did not believe the proposed survey would provide the feedback the Board is looking for. There has been a lot of discussion and doubts raised in meetings regarding the direction under the Vision 2015, despite a 5-0 vote. Director Deutsch said that the survey should be ask one question: Do you want the District to continue to do what the it has been doing or do you want the District to hire staff begin to do something very different relating to community health independent of Alameda Health System and independent of the hospital?</p> <p>President Saenz Duke asked for the motion. After further thought and several iterations, Director Deutsch made a motion..</p>	<p>Director Deutsch made a motion to not proceed with the hiring of an Executive Director unless the Board has evidence that a significant portion of the taxpaying Alameda community wants the District to spend their fund on projects and programs other than those that are directly related to Alameda Hospital.</p> <p>Director Jensen seconded the motion.</p> <p>Discussion occurred as noted to the left. After discussion ended, Director Meyers called the question.</p>

Deutsch Proposed Edit

Deutsch Proposed Edit

Topic	Discussion	Action / Follow-Up
	<p><u>DISCUSSION ON MOTION</u></p> <p>Director Meyers stated that he did not know what projects or programs were being discussed. He did not agree with the motion. He continued to state that he needs staff support to do his work and all of the functions of the Board. We are being asked to be a District without staff. The role of the District goes beyond the four walls of the hospital. He stated again that there is no plan to do projects and programs.</p> <p>President Saenz Duke stated prior to the affiliation the District has a team of support and now has no staff support of our own. She felt it is necessary to have support for the District. She also pointed out the two articles she has written relating to the changes happening in healthcare and that healthcare extends beyond the four walls of the hospital. She feels that it is the Board responsibility of the Board to look at these issues.</p> <p>Director Deutsch suggested that AHS fund the staff support in concept and per the JPA. The focus of the Board should be support district clerk support from AHS. He suggested that the Board move forward with a 0.5 FTE clerk dedicated to the District operations which would be non-controversial.</p> <p>Director Saenz Duke Requested legal counsel to site the section in the JPA refers to the support of the District Clerk by Alameda Health System.</p>	<p>The Clerk re-read the motion to which Director Deutsch revised the motion:</p> <p>Director Deutsch made a motion to go forward with the hiring an Executive Director unless and until the Board has evidence from the electorship/voters of that they want the District to proceed with programs other than what has been done up until now which is to use all fund for the operations of Alameda hospital.</p> <p>No further discussion.</p> <p>The vote was a tie 2 in favor (Deutsch/Jensen) – 2 against (Saenz Duke/Meyers).</p>
<p>The meeting paused for a break at 7:57 PM. The meeting reconvened at 8:06 PM.</p>		
	<p>Discussion continued. Director Deutsch agreed that population health is beyond the 4 walls of a hospital and that it is AHS is committed to population health. He reiterated that he feels that staff support in the form of a 0.5 FTE clerk is needed.</p> <p>Director Jensen noted that the insurance contracting issues remains an important issue for the Board and community. She is confident that the meeting with community input moved AHS to make it more of a priority. She feels that progress and input can be obtained without the support of an Executive Director.</p> <p>The District Clerk read the section of the JPA: Article 4, District Reserved Rights; Remedies, Section 4.1. Reserved Rights, g) AHS shall make available on a regular and mutually agreeable basis meeting rooms and support personnel (including, without limitation, an individual to serve as "Clerk of the District") required for the conduct of District business.</p> <p>Discussion on the funding of a 05. FTE clerk ensued and Director Meyers stopped the discussion and noted that the funding has already been approved under the District's operating budget for the</p>	

Topic	Discussion	Action / Follow-Up
	<p>current fiscal year. He stated that the District has already had that discussion and a decision has been made.</p> <p>Director Jensen noted that there was a 2-2 vote and that we should move forward with hiring an executive director based on prior decisions by the Board.</p> <p>Director Saenz Duke commented and referred back to the survey, timeline and plan identified by HFS Consultants. She asked if the survey should be revisited when Director Williams is present and look at what would need to be in a community survey</p> <p>Director Deutsch proposed the following question for the survey. Would you support using parcel tax funds in order to hire staff to enable such a broadening of the District mission or do you believe that parcel tax funds should be used exclusively for the projects and programs at Alameda Hospital? Yes, I believe the District should hire staff to enable a broadening of the District Mission to include public health projects in Alameda. No, I believe that parcel tax funds should be used exclusively for the projects and programs at Alameda Hospital.</p> <p>President Saenz Duke asked the Board again if they wanted to continue discussion on what type of questions to put in a community Survey</p> <p>Director Meyers noted that the question was whether the Board supports the expanded vision as approved or the board does not now support this vision. He stated that there is a democratic process and the Board is not following the approved decision or timeline. Director Meyers stated that we have a responsibility under California law. There was disagreement between Director Deutsch and Director Meyers regarding whether the District was doing its job under healthcare law. Director Meyers noted that he felt that Director Williams would agree that the Board's oversight is not as important as the focus has been for the Board. Director Meyers stated that he feels that the District needs its own staff that does not report to AHS.</p> <p>Director Jensen did not agree that we are mandated to have staff and that we can carry out our mission in different ways. Director Meyers stated he is tired of waiting to move forward. He wants an Executive Director that works independently, for the Board and who will go out and gather data for the board to fulfill its responsibilities.</p>	<p>Director Jensen made a motion to defer hiring an Executive Director until 2017 and then discuss the issue in 2017. Director Deutsch seconded the motion.</p> <p>Director Meyers called the question.</p> <p>The vote was a tie 2 in favor (Deutsch/Jensen) – 2 against (Saenz Duke/Meyers).</p>

Topic	Discussion	Action / Follow-Up
	<p><u>DISCUSSION ON THE MOTION</u></p> <p>Director Jensen stated she would like the input of Director Williams but is not comfortable moving forward with hiring of an Executive Director until 2017 and defer discussion of hiring a ED until 2017.</p> <p>President Saenz Duke noted that she would like to have Director Williams in on the discussion of next steps of hiring an Executive Director. As head of the search committee, President Saenz Duke will move forward with the process and involve Director Williams.</p>	
E.	Consent Agenda	A motion was made to approve the consent calendar as approved. The motion was seconded and the motion carried with one abstention (Meyers).
	Acceptance of June 6, 2016 Meeting Minutes	
	Acceptance of June 28, 2016 Special Meeting Minutes	
	Acceptance of August 1, 2016 Meeting Minutes	
	Acceptance of Financial Statements: July/August 2016	
F.	Action Items	
	<p>1) Adoption of Meeting Schedule for Calendar Year 2017</p> <p>Ms. Thorson reviewed the proposed calendar as included in the board materials. The meetings were moved to the second Monday of the month and the Board will meet every other month.</p>	Director Jensen made a motion to approve the meeting schedule and Director Deutsch seconded. The motion carried.
	<p>2) Review and Approval of FYE June 30, 2016 Audit</p> <p>Ms. Thorson reviewed the annual audit as presented in the board materials.</p>	Director Jensen made a motion to accept the FYE June 30, 2016 Financial Audit and Director Deutsch seconded. The motion carried.
	<p>3) Review and Approval of Creating an Ad Hoc Committee and Charter on Alameda Hospital Facilities & Seismic Planning</p>	Action item was deferred until the December, 2016 meeting due to the absence of Director Williams.
G.	December 12, 2016 Agenda Preview	
	1) Executive Director Search / District Staffing Update	
IV.	General Public Comments	
	None	

Topic	Discussion	Action / Follow-Up
V. Board Comments None		
VI. Adjournment	Being no further business the meeting was adjourned at 8:42 p.m.	

Attest:

Michael Williams
Secretary

DRAFT