



BOARD OF TRUSTEES MEETING

THURSDAY, February 22, 2018

5:00PM – 7:00PM

Conference Center at Highland Care Pavilion

1411 East 31st Street Oakland, CA 94602

Ronna Jojola Gonsalves, Clerk of the Board

(510) 535-7515

LOCATION:

Open Session: HCP Conference Center

MEMBERS

Joe DeVries, **President**

Kinkini Banerjee, **Vice President**

Maria G. Hernandez, **Secretary**

Taft Bhuket, MD

Tracy Jensen

Gary Charland

Michele Lawrence

Louis Chicoine

Anthony Thompson

Chief of Staff – HGH/FMT/JGH/AMBULATORY Medical Staff: Gene Hern, MD

Chief of Staff - SLH Medical Staff: Joel Chiu, MD

Chief of Staff - AHD Medical Staff: Elpidio Magalong, MD

MINUTES

THE MEETING WAS CALLED TO ORDER AT 5:05PM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Kinkini Banerjee, Taft Bhuket, MD, Gary Charland, Joe DeVries, Maria Hernandez (Arrived at 5:23), Tracy Jensen, and Michele Lawrence

ABSENT:

A quorum was established.

Employee Recognition

Robert Owens, RN, Clinical Nurse I, Step Down Unit – Highland General Hospital; Joe Porta, LVN, Bed Control Coordinator, Nursing – Highland General Hospital; Ben Romero, Information Systems Specialist, IT – Alameda Hospital; Cecilia Ayala, Certified Nursing Assistant, San Leandro Hospital; Raymond Coleman, Patient Care Assistant, MedSurg – San Leandro Hospital; Maria Torrez, Patient Care Assistant, MedSurg – San Leandro Hospital; Shanika Harris, RN, Clinical Nurse II, Inpatient Unit C – John George Psychiatric Hospital; Daymond Coleman, Certified Nursing Assistant, Fairmont Skilled Nursing Facility; and Murial Han, NHA, Associate Administrator, park Bridge Rehabilitation and Wellness – Alameda.

Open Session Public Comment (1st opportunity) –

Derrick Boutti, Service Employees International Union (SEIU) 1021 member and Environmental Services (EVS) staff member at Highland, spoke regarding SEIU 1021. He said there had been a trend regarding the release of probationary workers, with 27.7% of those released identifying as African American, nearly double the rate of African American employment. He requested updated data and direct actions to address the situation.

Delphine Martin, spoke regarding her termination the day before her probation ended and the emotional and financial toll it has taken on her well-being. She requested Alameda Health System (AHS) act on the issue.

Vanessa Colbert spoke regarding her termination from the Highland Hospital cafeteria which she said was due to her reporting of sexual harassment. She said she was intimidated and made to feel uncomfortable in her workplace and ultimately, she was wrongfully terminated.

Maria Moreno said she was concerned about the disproportionate number of African Americans being marginalized and released while on probation. She asked the Board of Trustees to review all probationary releases and review recent cases for rehiring opportunities.

Allison Austin, FNP, worked at Highland Hospital for the past 17 years. She said she was a patient advocate and was concerned about the current lack of latent Tuberculosis patient care at AHS.

John Pearson, SEIU 1021 Chapter President, spoke regarding the use of the FTE Review Committee to make cuts in patient care and it appears to be freezing hiring. Management was well staffed while patient care departments were under staffed.

Trustee DeVries asked staff to report back to the Human Resources Committee in April regarding the early release issue.

A. MEDICAL STAFF REPORTS

Gene Hern, MD, HGH/FMT/JGH/Ambulatory Medical Staff

Joel Chiu, MD, San Leandro Hospital Medical Staff

Elpidio Magalong, MD, Alameda Hospital Medical Staff

Dr. Hern spoke regarding the HGH/FMT/JGH/Ambulatory Medical Staff report on page 20 of the agenda packet. He then reviewed the presentation beginning on page six of the agenda packet.

Mr. Chicoine asked about stigma with mental health issues. Dr. Hern said messaging can help. The Employee Assistance Program (EAP) allowed for users call and then get follow up with a provider. Unfortunately, due to resident's schedules follow up was often nearly impossible. Onsite and group coaching allowed for better engagement.

Trustee Hernandez spoke regarding tension between coaching, mentoring, and therapy. She said that they needed to encourage staff to still use EAP for access to licensed therapists.

Trustee Banerjee asked about the program timeline. Dr. Hern said the challenge was coming up with funding, but they hope to implement as soon as possible.

Delvecchio Finley, Chief Executive Officer, said they were reviewing EAP resources. This program was intended to complement EAP, but there is evaluation that needs to take place.

Trustee Banerjee asked if this would be a pilot. Dr. Hern confirmed that it would roll out on a pilot basis.

Trustee DeVries said he would be concerned if it was not offered system wide, even in the pilot state. Mr. Finley said there was still a lot of pieces to figure out before it could roll out system wide. The training program was at Highland, there was a structural difference in the relationship with the vendor at Highland and other facilities, and the partnership would be subject to other groups being interested in the program.

Dr. Magalong spoke regarding the Alameda Hospital Medical Staff on page 23 of the agenda packet.

Dr. Chiu spoke regarding the San Leandro Hospital Medical Staff report on page 22 of the agenda packet.

B. BOARD PRESIDENT REPORT

Joe DeVries, President

Trustee DeVries spoke regarding the success of the neighborhood cleanup day. He also discussed the number of Trustees on both the Finance Committee and the Audit Committee and suggested there was a need for some division between the two. He said the April Board of Trustees retreat would be held at San Leandro Hospital and Day two at Fairmont.

Trustee Thompson asked if the cost was worth holding the retreat offsite. Trustee DeVries confirmed that holding it in an AHS facility would save a lot of money.

C. CEO REPORT

Delvecchio Finley, Chief Executive Officer

Mr. Finley discussed the training recently held at Highland as part of the requirements to maintain a Level One Trauma Center rating were coordinated with the Stop the Bleed program, which started after the Sandy Hook tragedy. Another training was scheduled in March 2018.

He discussed the Kaiser Grant Milestones put in place as requirements to receive the \$20M grant for the Electronic Health Record (EHR) project. The first payment of \$10M was scheduled for June 30, 2018. The next two payments would be \$2.5M and the last \$5M.

Mr. Finley reviewed the Dashboard. The Board of Trustees requested the dashboard be added to BoardEffect under the Chief Executive Officer (CEO) Report tab in the agenda, True North Metrics Room, and the Library. Mr. Finley said the Access category was doing well. Sustainability improved a little in December, but was still not at budget. Earnings Before Interest, Depreciation and Amortization (EBIDA) in December was under budget on operating expenses within budget but ahead on the revenue side and thus not on budget.

Falls in the Acute setting had improved with Dr. Hussain and Ms. Richholt's work with the nursing staff.

The True North Metric 90-day readmission rates should have been 30-days. The target as indicated was at 15%, but they wanted to be below that.

Based on a request from Trustee Banerjee, Mr. Finley said the Board of Supervisors (BOS) approved the use the strategic reserves as needed for the EHR project. However, the approval was dependent upon a set of conditions that had not been previously discussed with Alameda Health System (AHS) leadership. He spoke at the BOS meeting and conveyed his appreciation for the approval, but also indicated that clarity regarding these conditions would be needed. The conditions included benchmarks or milestones that were different than those already imposed by Kaiser, an expectation regarding interest and depreciation in buildings, specifically the Acute Care Tower, and some ambiguous language indicating that dollars needed to go back to the County for investment in facilities, but AHS clarified that that money needed to be used on health care facilities the county owned.

Trustee Jensen asked about the conditions related to the (EHR). Mr. Finley said they were still working through them. But, one condition had to do with a status report on the Epic project. There were also discussions around a requirement for AHS to notify the County prior to the use of the county contingency fund.

Trustee Lawrence said that it was disconcerting that these conditions came up after the joint Board of Trustees (BOT)/BOS meeting and it would have been more professional to communicate them to AHS. Agreements that the BOT needed to hold the CEO responsible for needed to be brought to the BOT.

Trustee Hernandez asked what the BOT response should be and Trustee Lawrence indicated that they should agendize the topic so they can understand the specific conditions and discuss a response.

Trustee DeVries clarified that the Supervisors were not aware that their staff had included the conditions without discussing the them with AHS. He said the BOS approved the request to spend the reserves, which were designed for this purpose. The details of that agreement needed be approved by both boards, not by staff. The expectation was that staff of the BOT and the BOS would work together to bring a mutually beneficial agreement to both boards.

Trustees agreed that clarity was needed quickly, that the BOT needed to understand what they were accountable for, and to confirm that the issues were being worked on.

Mr. Finley said he was working with BOS staff to get clarity on the conditions.

D. CONSENT AGENDA: ACTION

1. Approval of the Minutes from the January 25, 2018 Board of Trustees Meeting.

2. Approval of Contracts and Authorization for the CEO or His Delegate to Execute the Following Operating Contracts:

The Finance Committee recommends approval of the contracts listed below.

- a) New Statement of Work ("SOW") with Colin Construction Company for the provision of construction services to relocate a medical gas valve box in the Acute Care Tower at Highland. The term of the proposed agreement shall be from February 26, 2018 through February 25, 2019. The estimated impact of the proposed agreements is \$45,478.40.
Luis Fonseca, Chief Operating Officer
- b) Replacement agreement with Carefusion Solutions, LLC for the provision and installation of Pyxis drug dispensing equipment throughout the system. The term of the proposed agreement is from March 1, 2018 through September 1, 2024. The estimated impact of the proposed agreement is \$6,852,434.00.
Luis Fonseca, Chief Operating Officer

3. Policies and Procedures

The Quality Professional Services Committee recommends approval of Policies and Procedures listed below.

- Cleaning Sterilization High-Level Disinfection and Storage of Patient Care Devices and Other Items. (System)X
- Discharge Planning for Nutrition Services (System)
- Highland Hospital Rooming-In Policy
- Identifying Malnutrition in Adult Patients (System)
- Management of Pharmaceutical Waste
- MCH Postpartum Hemorrhage
- Medication: Drug Supply Chain Security Act (System)
- Medication: Security (System)
- Neuraxial Blockade and Anticoagulants
- NPO/Liquid Monitoring (System)
- Nutrition Assessment, Diagnosis, Intervention, Monitoring and Evaluation (Acute Care/NICU) (System)
- Patient Controlled Analgesia (PCA) (System)
- Review and Approval of Nutritional Care (System)
- Plan to Eliminate or Substantially Reduce Medication-Related Errors – 2017 Update (SB 1875)

ACTION: A motion was made and seconded to approve the consent agenda, noting minor revisions on the Minutes, the motion passed.

AYES: Trustees Banerjee, Bhuket, Charland, Chicoine, DeVries, Hernandez, Jensen, Lawrence, and Thompson

NAYS: None

ABSTENTION: None

E. ACTION ITEMS

1. New agreement with **Creekside Plaza Partners, LLC** to lease a space of 24,015 square feet in the city of San Leandro. The term of the proposed agreement is from April 15, 2018 through April 14, 2023. The estimated impact of the proposed agreement is \$5,186,848.80.

Luis Fonseca, Chief Operating Officer

Mr. Finley said the lease was required after the Electronic Health Record (EHR) project approval, which came later than planned for. He said they needed project approval before they could secure space for the project team.

Mr. Fonseca reviewed the Creekside Plaza Partners presentation beginning on page 135 of the agenda packet.

Trustee Thompson questioned whether the used furniture included in the contract was worth \$800K. Mr. Fonseca said that was the value given to them by the vendor.

Trustee DeVries asked for confirmation that the Hegenberger site, the Corporate Park in Hayward, and the Bank of America building spaces were shell spaces, developed only for future use and not finished on the interior. Mr. Fonseca said some of the spaces they reviewed were raw space only that would require substantial renovation. The other spaces that were finished, were more expensive than Creekside.

Trustee Thompson asked what the \$132K in tenant improvements would be spent on. Mr. Fonseca said it was for IT infrastructure, some minor furniture purchases, and some minor patch and paint projects. He expected much of that allocation to go back into the rent.

Trustee Jensen asked if they looked at Harbor Bay or Marina Village in Alameda. Mr. Fonseca said they had not.

Trustee Chicoine expressed concern about renting the Class A plus space at Creekside for back office functions.

Trustee Charland said Hegenberger looked like it was already improved space. Mr. Fonseca said the upper floor, the option they were given, had not been improved.

Trustee Banerjee asked if the Hegenberger property was asked for concessions.

Trustee Lawrence said the timeline was a critical factor and some spaces were not considered because of the risk of missing the project timelines.

Trustee Thompson said the Electronic Health Record (EHR) project presentation was promised in November 2017 but not delivered until January 2018. The financing plan for the project consisted of philanthropy, drawing on county credit, and an intent to make Earnings Before Interest, Depreciation and Amortization (EBIDA), which was not happening. They were spending \$2M more than needed with the Creekside space. If they instead selected a space at \$1.75 a square foot and put half a million dollars into the renovations they would still be ahead by \$2M in years two through four. He said that the need to sign this lease was a symptom of the bigger problem of being behind in the EHR timeline, which was not the Board of Trustees' (BOT) doing. Not managing the timelines forced the BOT to vote on items that were more expensive than needed. He said that the project will not end well if this was going to be the process.

Trustee DeVries said that the Alameda Health System (AHS) team did due diligence to get the cost of the EHR down dramatically. They worked hard to line up a package that the BOT and the County Supervisors could approve, and that process took time and created many unknowns for settling on a lease for the project space.

Trustee Thompson said when they looked for space for the Service Center they ended up with two floors of one of the nicest buildings in the East Bay. He said the Creekside situation seemed the same.

Trustee Lawrence said the project approval delay was in part due to the BOT directing staff on elements of the project and requesting more information. She was concerned that delaying components of the project, such as the workspace, would jeopardize the critical mission of implementing the EHR project. The BOT and staff needed to understand that if they don't meet budget everything else would have to be denied. Salary increases and head count increases would have to be held in order to invest in this project that is critical to the people we serve in this organization.

Trustee Thompson said that if AHS had expressed any control over expenses in the last six months this conversation would be different. The Creekside contract was not a good business decision.

Trustee Charland asked what Class B space was currently available. Mr. Fonseca said the Bank of America and Hegenberger properties were available. Trustee Thompson named some other properties they could view.

Trustee Jensen asked if they had current staff with no space. Mr. Finley said they had offers out.

Trustees Banerjee and Charland said they should not look at Class A space; they should look at less expensive space instead.

Trustee Hernandez said that she was concerned as well. She didn't understand what it would take to get the organization back on track, financially. Overspending on a regular basis would never allow them to catch up. The optics of going to a Class A space was difficult to accept.

Trustee Bhuket, noting that not having a space meant a delay in the training of new team members, asked what the cost of not having the space in March would be, and how long it would take Hegenberger to get up and running. Mr. Fonseca said he was given a timeline of six to eight months to build out the space on Hegenberger.

Mr. Fonseca said he had been evaluating spaces based on specific criteria since March. There was other space available, but it did not fit the requirements.

Trustee Chicoine said the cost of the delays involved with leasing and renovating another space would surpass the cost of Creekside. He requested that they review contract negotiations more carefully going forward.

Trustee Thompson said staff could work without cubicles. He did not agree that it would take eight months to build out the Hegenberger space. He said he was not comfortable with the war-zone appearance of the emergency room at Highland while they spent \$2M to make some back-office staff comfortable.

Trustee Jensen confirmed the cost of Creekside was not part of the general budget, but rather part of the EHR budget.

Trustees Charland, DeVries, and Lawrence were concerned about the overall budget, but not meeting the timeline for this project had larger ramifications.

ACTION: A motion was made and seconded to approve the agreement with Creekside Plaza Partners, LLC. The motion passed.

AYES: Trustees Banerjee, Bhuket, Charland, Chicoine, DeVries, Jensen, and Lawrence

NAYS: Hernandez, Thompson

ABSTENTION: None

2. New Amendment to the agreement with **The Chartis Group, LLC** for the provision of additional project management services and CMIO (Chief Medical Information Officer) coaching services. The term of the proposed agreement is from August 22, 2017 through February 24, 2018. The estimated impact of the proposed agreement is \$207,600.00. Inclusive of this contract and prior contractual commitments (August 22, 2017 – February 24, 2018), the overall obligation to this vendor is estimated at \$1,202,600.00.

Luis Fonseca, Chief Operating Officer

ACTION: A motion was made and seconded to approve the agreement with The Chartis Group, LLC. The motion passed.

AYES: Trustees Banerjee, Bhuket, Charland, Chicoine, DeVries, Lawrence, and Thompson

NAYS: Hernandez

ABSTENTION: Jensen

Trustee Hernandez expressed concern about the lack of discussion prior to approving the Chartis Group contract. She requested that if staff brought new contracts worth more than \$1.5M to the Board, they should have at least three months to consider the item.

Trustee Lawrence said the Finance Committee vetted all contracts prior to the Board of Trustees hearing of the item. It was the Committee's job to complete the due diligence for the Board of Trustees, who never saw contracts denied by the Finance Committee.

F. DISCUSSION/REPORT

1. Chief Financial Officer Report

David Cox, CFO

- a) December 2017 Financial Report
- b) Reimbursement Reserves Review

Mr. Cox reviewed the report on page 215 of the agenda packet.

Trustee Lawrence asked for a state of the organization in context of the conversation held earlier. Mr. Cox said staff was working on a 12-month rolling forecast to review with the Finance Committee on March 8th and asked to reserve comments until that time.

Trustee Thompson asked about the Reimbursement Reserves Review. Mr. Cox said it that would also go to the Finance Committee on March 8th. Trustee Thompson, said that drawing on reserves during a financial crisis was not appropriate. Mr. Cox said that there were some recent favorable developments that improved the reserves. They would hold that discussion in March.

Trustee DeVries confirmed that the organization was earning a profit, just not a large enough profit to cover the Electronic Health Record project. He said that using terms like "financial crisis" were inappropriate. They should be discussing how they were "not meeting the mark", "not getting where they need to go", and "needed an expense reduction plan" instead. Trustee Thompson disagreed and cited how Alameda Health System was tracking 70% below plan over seven months. He said that should be considered a crisis.

Trustee Chicoine said it was an important discussion, and he hoped they would allocate enough time at the next meeting.

2. Chief Operating Officer Report

Luis Fonseca, COO

- a) Performance Improvement Plan
- b) Budget Oversight Committee Review and Charter
- c) FTE Committee Process/Review

Mr. Fonseca reviewed the presentation on page 225 of the agenda packet.

Trustees Thompson and Charland said the reports were well designed and included the information the board needed to make good decisions.

3. Proposed agreement between Alameda Health Partners and OakCare Medical Group to provide emergency department coverage at San Leandro and Alameda Hospitals.

Delvecchio Finley, Chief Executive Officer
Ghassan Jamaledine, Chief Medical Officer

Mr. Finley and Dr. Jamaledine reviewed the information included in the report on page 240 of the agenda packet.

Trustee Bhuket recused himself as an employee of OakCare Medical Group.

Trustee DeVries asked if the emergency department doctors would be able to continue to work. Dr. Jamaledine said they would be able to continue to work under OakCare and Alameda Health Partners (AHP). Mr. Finley said AHP contracted with OakCare who contracted with existing providers.

Dr. Hern said many doctors were with California Emergency Physicians (CEP), and left with them for benefits and retirement continuation. Sound Physician Partners (Sound) did not have contracts for emergency in California, which was part of the challenge.

Dr. Magalong said there was concern over how the transition was taking place. They were notified there would be a contract with Sound. Some physicians at Alameda decided to stay to assist with the transition as independent contractors with Sound. He said the concern was regarding the ability to staff the emergency room with qualified physicians during the transition to another medical group. Then in February the announcement was made regarding the transition from Sound to OakCare, which raised more concerns in the emergency department. Morale was low and there was a lack of trust because of these changes, though the physicians would respect the decision.

Trustee Jensen said there was a lack of transparency. She read the memo announcing the contract with Sound. She voiced her frustration that there was no contract with Sound even though it was announced.

Trustee Banerjee said that the process had not been good for the doctors. The San Leandro Hospital Medical Association held a holiday party recently and many doctors at the event indicated they'd been there for decades and felt cast off. She said that not one Alameda Health System (AHS) executive attended the event, which sent a negative message to the association.

Mr. Finley said that it was a difficult time and the medical staff structure was complex. The Board approved AHP to be the conduit by which they organize the

process. There would continue to be tough decisions that had to be made, and when contracts did not work out they would need to make changes. He said that the general practice, and definitely in this case, they worked all the way to the end to negotiate a mutually beneficial contract and in this case, it wasn't until the very end of that process they realized the contractor could not make some the needed concessions. Both OakCare and Sound were considered. Sound made an offer that seemed to be the best available both operationally and fiscally. Then late in the process, Sound announced they would use a higher number of locums than was preferable for continuation of care. He said it was not for lack of trying to honor partnerships but they had to negotiate in good faith that required some confidentiality.

Trustee Jensen asked if there was liability with breaking the contract with Sound. Mr. Finley said it was a letter of intent, not a contract.

Trustee Charland asked how many physicians OakCare had. Dr. Hern said they had about 100 physicians in multi-specialties, about 17 FTEs in ED at Highland.

Trustee DeVries said the expectation was they would make every effort to keep existing doctors on board. He said they wanted to be a network and have providers under one umbrella. He wanted to know what the BOT could do to assist the doctors at Alameda and San Leandro. Mr. Finley said they would work with the AHP leadership to create a forum where this dialogue could occur.

G. COMMITTEE REPORTS

- 1. Finance Committee Report**
Anthony Thompson, Chair
- 2. Ad Hoc Committee Report (new trustee recruitment/nomination)**
Kinkini Banerjee, Chair
- 3. Quality Professional Services Committee Report**
Maria Hernandez, Committee Chair

H. INFORMATION

- 1. AHS Community Engagement Report**
Terry Lightfoot, Director, Public Affairs and Community Engagement
- 2. Legislative Affairs/Local Government Strategy**
Terry Lightfoot, Director, Public Affairs and Community Engagement
- 3. Media Relations Report**
Terry Lightfoot, Director, Public Affairs and Community Engagement

(General Counsel Announcement as to Purpose of Closed Session)

CLOSED SESSION

A. Pending Litigation

M. D. Moye, General Counsel

1. Claim to Alameda County Employees Retirement Association
[Government Code Section 54957.9(d)(4)]
2. Lassiter v. Alameda Health System (Alameda Superior Court; Case No. 15763641)
[Government Code Section 54957.9(d)(1)]

B. Labor Negotiations and Relations Update

[Government Code Section 54957(b)]

Tony Redmond, Chief Human Resources Officer

C. Public Employee Performance Evaluation

[Government Code Section 54957(b)]

Title: Chief Executive Officer

(Reconvene to Open Session)

OPEN SESSION

I. Report on Action Taken in Closed Session

Trustee DeVries announced that there was no reportable action taken in the Closed Session.

OPEN SESSION PUBLIC COMMENT (2nd opportunity) – None

TRUSTEE COMMENTS – None

ADJOURNMENT: 9:31PM

This is to certify that the foregoing is a true and correct copy of the minutes of the regular meeting of February 22, 2018 as approved by the Board of Trustees on March 22, 2018:



Ronna Jojola Gonsalves

Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____



M.D. Moye
General Counsel