



FINANCE COMMITTEE MEETING
October 11, 2018
4:00pm – 5:30pm

Conference Center Located 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

FINANCE COMMITTEE MEMBERS

Kinkini Banerjee
Gary Charland
Louis Chicoine, Chair
Joe DeVries

MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:10 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:
Kinkini Banerjee (arrived 4:27pm), Gary Charland, Louis Chicoine, and Joe DeVries.

ABSENT: None

A quorum was established.

A. ACTION: Approval of the Minutes of the September 13, 2018 Finance Committee Meeting

ACTION: A motion was made and seconded to approve the minutes of the September 13, 2018 Finance Committee Meeting, amending them to strike the word "Medical" from agenda packet page seven, page three of the minutes, Item C, paragraph three. The motion passed.

AYES: Trustees Charland, Chicoine, and DeVries

NAYS: None

ABSTENTION: None

NOTE: In the event that a quorum of the Board of Trustees participates on this Committee, the meeting is noticed as a Special Meeting of the Board of Trustees; however, no final Board of Trustees action can be taken.

B. INFORMATION/DISCUSSION: Operating Reports

1) Finance Report

Nancy Kaatz, Interim Chief Financial Officer

a) August 2018 Financial Report

Trustee Banerjee arrived at 4:27pm.

Ms. Kaatz, reviewed the Finance report on page nine of the agenda packet. And the presentation available here:

<http://www.alamedahealthsystem.org/wp-content/uploads/2018/10/2018-10-11-FIN-B1-CFO-Report-REVISED.pdf>

Trustee Charland asked if the clinic visits were down why the work Relative Value Units (RVUs) would be so much higher than budget. Ms. Kaatz said the physician's services included all of the activity not just the clinics.

Trustee Chicoine asked which portion of the supplementals were accrued versus actual. Ms. Kaatz said most were done on an accrual basis. Prior to GPP they didn't know, so they assumed. Same thing for rate ranges, until the end of the year they wouldn't know the amount they'll actually have. Trustee Chicoine asked about the process to project what the supplementals would be. Ms. Kaatz said they budgeted but they didn't budget for the entire amount. They assumed they might not meet the thresholds. Then for the rate range they assumed they would get the same amount as the prior year.

Trustee Charland asked about the timing of the accrual. Ms. Kaatz said they booked it to budget.

2) Chief Operating Officer Report

Luis Fonseca, Chief Operating Officer

a) August 2018 Operations Report

b) Update on AH SB90 Project

Trustee DeVries asked about changes in the community regarding Behavioral Health. Mr. Fonseca said they had seen some changes with one of the providers, Sausal Creek, some patients had transferred to John George as a result.

Trustee Chicoine asked about the material cost inflation in the restructured contract on the AH SB90 project or if the project still at risk from the trade war. Mr. Fonseca said this didn't completely mitigate that issue, but it helped with construction administration overhead and effectiveness.

Trustee Chicoine added that they should retain the value engineering consultant to pull him or her in as materials were being sourced throughout the project.

Trustee Banerjee asked if they had to renegotiate as costs rose. Mr. Fonseca said the vendors might be a little conservative in their pricing as they anticipated rising costs. As contracts were engaged, they assumed some risk and would negotiate a way to value engineer the materials.

C. CONTRACT APPROVAL: ACTION ITEMS/DISCUSSION

- 1.) Extension agreement with **Paragon Pathology Medical Associates, Inc.** for provision of comprehensive clinical laboratory and anatomical pathology services at Highland Hospital and consultative services at John George Psychiatric and Fairmont Hospitals. The term of the proposed agreement shall be from November 1, 2018 through October 31, 2019. The estimated impact of the proposed agreement is \$1,717,482.00.

Ghassan Jamaledine, MD, Chief Medical Officer

Dr. Jamaledine said the contract was for Valerie Ng to deliver pathology services and clinical lab services. She was also on the Alameda Health Partners (AHP) Board. Mr. Finley said the contract was with AHP but the dollar amount required a subsequent approval with the Alameda Health System (AHS) Board.

ACTION: A motion was made and seconded to recommend to the Board of Trustees approval of the extension agreement with Paragon Pathology Medical Associates, Inc. The motion passed.

AYES: Trustees Banerjee, Charland, Chicoine, and DeVries

NAYS: None

ABSTENTION: None

- 2.) Amendment agreement with **Siemens Medical Solutions USA, Inc.** to increase Image Sharing Archive (“ISA”) cloud storage capacity and ongoing support for radiology and cardiology. The term of the proposed agreement shall be effective upon signature through March 31, 2022. The estimated impact of the proposed agreement is \$318,673.00.

Ed Babakanian, Interim Chief Information Officer

Quinn Cordae, Information Systems Manager, Ancillary Applications

Ira Holley, Vice President Contracting Services, said the amendment was to expand the current data storage already under contract for digital medical imaging which was needed to accommodate the large and long term archival system.

ACTION: A motion was made and seconded to recommend to the Board of Trustees approval of the Amendment agreement with Siemens Medical Solutions USA, Inc. The motion passed.

AYES: Trustees Banerjee, Charland, Chicoine, and DeVries

NAYS: None

ABSTENTION: None

- 3.) New agreement with **Premier Parking, LLC** for provision of comprehensive parking, valet, and shuttle services for Highland Hospital and Alameda Hospital. The term of the proposed agreement shall be from December 1, 2018 through November 30, 2021. The estimated impact of the proposed agreement is \$4,089,260.00.

Luis Fonseca, Chief Operating Officer

Baljeet Sangha, Vice President, Support Services

ACTION: A motion was made and seconded instructing staff to bring the parking services agreement and detailed information on the vendor selection process, including how Premier Parking, LLC was selected, back to the Finance Committee in November. The motion passed.

AYES: Trustees Banerjee, Charland, Chicoine, and DeVries

NAYS: None

ABSTENTION: None

David Douglass, owner of Douglass Parking, spoke regarding the RFP process. He said the process as overseen by Vizient was not appropriate and was haphazard. He read the RFP, which was less than a few sentences. The RFP should have shown staffing levels, bus schedules, and more. He said that as the local, incumbent vendor they should be able to adjust the bid based on the needs of the client.

Baljeet Sangha, Vice President of Support Services discussed the presentation on page 51 of the agenda packet.

Trustee DeVries asked if they were comparing apples to apples with the different proposals regarding what equipment was being replaced. Mr. Sangha said yes.

Trustee Banerjee said that all respondents were out of state other than Douglass, because of the GPO relationship. Mr. Sangha said the fear was that it could become a pay to play for the vendors – they must join the GPO to be considered. Every member of the GPO had to ask that question. Vizient had a team working on connecting with the smaller vendors for future contracts.

Trustee DeVries asked if the communication to the current vendor was adequate and comparable to the communications received by the Vizient members. Mr. Sangha said that the email described by Mr. Douglass was not the only communication.

Trustee Banerjee asked how Douglass performed over the life of their contract. Mr. Sangha said they'd been great. The attendants were great. He said one of the concerns AHS had during the process was how they would keep the current staff.

Trustee Charland said he was not comfortable with the process.

Mr. Moye said the Committee was making a recommendation to the Board, not making the decision. The Board still would make the decision. The options before them were to defer a decision pending additional information or go directly to the Board with those issues being addressed at that point. Going to the Board without a recommendation allows for some of these concerns to be addressed.

Mr. Finley said they extended current contract to terminate at the end of November. Bringing this contract back to Finance would require the extension to be renegotiated as the contract would expire prior to the next Finance Committee meeting

Trustee Charland said he wanted to see more detail behind the process that was used for the RFP. Mr. Finley said that he wanted to review the process as well, but his concern was that they didn't just return to the Committee with clarification of the process but if there was more they needed to do to change the process that they had the latitude to do that. Trustee Charland said they had not in any way limited any improvements staff needed to make.

ACTION: A motion was made and seconded instructing staff to bring the parking services agreement and detailed information on the vendor selection process, including how Premier Parking, LLC was selected, back to the Finance Committee in November. The motion passed.

D. DISCUSSION: Committee Planning

1) Issues Tracking

TRUSTEE COMMENTS: None

ADJOURNMENT: 5:55 pm

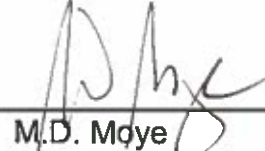
This is to certify that the foregoing is a true and correct copy of the minutes of the Finance Committee October 11, 2018 meeting as approved on November 8, 2018:



Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:



M.D. Moye
General Counsel