



BOARD OF TRUSTEES MEETING
THURSDAY, JUNE 27, 2019
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*
Noha Aboelata, MD Tracy Jensen
Taft Bhuket, MD Ross Peterson
Louis Chicoine

NON-VOTING MEMBERS

Chief of Staff – AHS Medical Staff: M. Kelley Bullard, MD
Chief of Staff - AH Medical Staff: Joseph Marzouk, MD
Chief of Staff - SLH Medical Staff: Michael Ingegno, MD

BOARD OF TRUSTEES REGULAR MEETING MINUTES

THE MEETING WAS CALLED TO ORDER AT 5:15 PM

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Noha Aboelata, MD, Kinkini Banerjee, Taft Bhuket, MD, Louis Chicoine, Joe DeVries, Maria Hernandez, Tracy Jensen, Ross Peterson

ABSENT:

Trustee DeVries announced that they were not going to adjourn to closed session.

CLOSED SESSION

- 1. Public Employee Performance Evaluation**
[Government Code Section 54957(b)]
Title: Chief Executive Officer

(Reconvene to Open Session)

OPEN SESSION

Public Comment

Ernest Newell, AHS employee for 18 years, spoke regarding the bargaining unit and sacrifices he and his team has made to work for the organization.

Michael Ford, Shop Steward for six years and employee for 17 years, spoke regarding the bargaining unit and how were told their skills were not important to maintain the needs of the hospital.

Obray Van Buren spoke regarding the struggle to get to the negotiation table only to be told they were over budget and were asked to take less money or get laid off.

Trina Sanders spoke regarding cut back in the Business Services Unit and sked that they get reframed to focus on the overstaffed management areas.

John Pearson spoke regarding SEIU layoffs taking place in patient care units where staff was already short.

Shelly Hardy, Eligibility Specialist, spoke regarding cut backs in her unit and said that without financial counselors they would not be able to provide care for the patients.

Monique Young, Patient Access Department, said that they needed to understand how layoffs affected their roles and their lives.

Karen Rothblatt said that Mr. Fonseca told the Alameda City Council that an acute care facility was not needed in Alameda and said that AHS could utilize Alameda Hospital rather than discussing removing the service.

Sarah Kresny spoke of hostile bargaining techniques and asked management to work with them to find appropriate cost cutting measures.

Andre Spearman spoke regarding keeping employees happy, because employees were feeling unappreciated and undervalued.

A. MEDICAL STAFF REPORTS

M. Kelley Bullard, MD - AHS Medical Staff

Joseph Marzouk, MD - AH Medical Staff

Michael Ingegno, MD - SLH Medical Staff

Dr. Ingegno reviewed the report on page 46 of the agenda packet.

Dr. Marzouk reviewed the report on page 44 of the agenda packet.

Dr. Bullard reviewed the report on page 9 of the agenda packet.

B. BOARD PRESIDENT REPORT

Joe DeVries, President

Trustee DeVries discussed the work the Board and Staff had done to that point on the Budget.

Trustee DeVries asked the Board to weigh in on topics for the July Retreat. The Board suggested, in part, discussing budget options and operational plans, budget communications to the staff and public, layoffs already in place, the interface between quality and finance, and opportunities to increase revenue. Trustee DeVries organized an Ad Hoc Committee consisting of Trustees Hernandez and Banerjee to work with staff to create an agenda for the retreat.

C. CEO REPORT

Delvecchio Finley, Chief Executive Officer

Mr. Finley reviewed the presentation available here:

<http://www.alamedahealthsystem.org/2019-meeting-agendas-and-minutes/>

D. COMMITTEE REPORTS

1. Quality Professional Services Committee: May 23, 2019

Taft Bhuket, MD, Committee Chair

Trustee Bhuket discussed the report beginning on page 61 of the agenda packet.

2. Finance Committee: June 13, 2019

Louis Chicoine, Committee Chair

Trustee Chicoine provided a verbal report of the Finance Committee meeting held on June 13, 2019. Documents from that meeting are available beginning on page 211 of this agenda packet.

E. CONSENT AGENDA: ACTION

1. Approval of the Minutes from the May 23, 2019 Board of Trustees Regular Meetings.

2. Approval of Policies and Procedures.

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

System

- Medication Samples
- Medication and Verification Profile Review

Alameda

- 340 B Drug Pricing Program

Highland

- Medication Kits Transport Boxes

Medical Staff, Alameda Health System and Alameda Hospital

- Medical Staff Conflict of Opinion
- Medical Staff Credentialing and Privileging of Practitioners
- Medical Staff Policy for Credentialing Practitioners in the Event of a Disaster
- Introduction of a New Privilege or a New Privilege for a Specific Department or Specialty
- Medical Staff Health Status
- Medical Staff Peer Review
- Medical Staff Professionalism and Conduct
 - Attachment A – Professional Conduct Agreement
 - Attachment B – Professionalism and Conduct Policy Flow Chart
 - Attachment C – Professional Misconduct Memo
- Medical Staff Application Levels
- Medical Staff Temporary Privileges

Medical Staff, Alameda Health System

- Facility with Medical Staff Added to Hospital License
- Medical Staff Routine FPPE/Proctoring
- Medical Staff Moonlighting Practitioners

Medical Staff, Alameda Hospital

- Medical Staff FPPE/Proctoring
- Moonlighting Practitioners

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

The Finance Committee recommends approval of the contract listed below.

- a) Agreement with **UCSF Neurosurgery** for provision of neurosurgery staffing and management at Highland Hospital. The term of this proposed agreement shall be effective 07/01/2019 through 06/30/2021. The estimated impact of the proposed agreement is \$3,728,333.00.
Ghassan Jamaledine, MD, Chief Medical Officer
- b) Agreement with **East Bay Foundation for GME** for management of the resident program at Highland Hospital. The term of this proposed agreement shall be effective 07/01/2019 through 06/30/2020. The estimated impact of the proposed agreement is \$2,919,960.70.
Ghassan Jamaledine, MD, Chief Medical Officer

- c) Agreement with **Alameda County Sheriff's Office** for provision of law enforcement services and security services at Highland Hospital. The term of this proposed agreement shall be effective 07/01/2019 through 06/30/2022. The estimated impact of the proposed agreement is \$11,623,724.55.
Luis Fonseca, Chief Operating Officer
Baljeet Sangha, Vice President, Support Services
- d) Agreement with **American Red Cross** for provision of blood supply and products. The term of this proposed agreement shall be effective 07/01/2019 through 06/30/2023. The estimated impact of the proposed agreement is \$5,932,199.63.
Luis Fonseca, Chief Operating Officer
Feuy Saechao, Operations Manager, Clinical Laboratory
- e) Approval requested for \$5,301,700 in expenditures with **Ellit Groups LLC**, for the provision of full-service consulting, provision of certified trainers, and analysts to support AHS during the transition to the Epic electronic health record. The term of the current agreement is 05/01/2019 through 04/30/2022.
Mark Amey, Chief Information Officer
Katya Osipova, Director, Electronic Health Record Program
- f) Approval requested for \$2,000,000 in expenditures with **Nordic Consulting Partners, Inc.**, for the provision of anticipated and necessary certified trainers, analysts, and consultants to augment AHS staffing as the organization nears electronic health record go-live. The term of the current agreement is 01/25/2019 through 01/24/2022.
Mark Amey, Chief Information Officer
Katya Osipova, Director, Electronic Health Record Program
- g) Approval requested for \$2,000,000 in expenditures with **Oxford Global Resources, LLC**, for the provision of anticipated and necessary certified trainers, analysts, and consultants to augment AHS staffing as the organization nears electronic health record go-live. The term of the current agreement is 02/28/2019 through 02/27/2022.
Mark Amey, Chief Information Officer
Katya Osipova, Director, Electronic Health Record Program

ACTION: A motion was made and seconded to approve the Consent Agenda. The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, Chicoine, DeVries, Hernandez, Jensen, and Peterson

NAYS: None

ABSTENTION: None

END OF CONSENT AGENDA

F. ACTION

1. Approval of a Resolution Approving 401(h) Account Pursuant to Section 31592.

M. D. Moye, General Counsel

Tony Redmond, Chief Human Resources Officer

ACTION: A motion was made and seconded to adopt Resolution No. 2019-009, approving 401(h) account pursuant to Section 31592. The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, Chicoine, DeVries, Hernandez, Jensen, and Peterson

NAYS: None

ABSTENTION: None

2. Approval of Changes to Alameda Health Partners Bylaws

M. D. Moye, General Counsel

Trustee Bhuket recused himself from the discussion as an employee of OakCare and left the room.

Bob Savio spoke regarding the process that was taken to find agreement.

Mr. Moye said the vote before the Board of Trustees was to amend the AHP bylaws per the unification discussions. Mr. Moye said that the bylaws were determined by the Board of Trustees. He said that part of his function during the process was to warn of areas that might be contrary to the original intent or to Board of Trustees policies. OMG and AHP came to an agreement on the recommended changes. He said the Board of Trustees was not bound by that agreement and their obligation was to discharge their duties on behalf of the Board of Trustees. He said there were two areas that required the specific consideration of the Board of Trustees, in his opinion. The proposed bylaws included adding the word "only" to Article XIII, providing that changes to the articles or incorporation or the bylaws of the new organization would only be originated with in the new organization's board of directors. He recommended the Board not approve that change.

Dr. Savio said changes to the bylaws would originate with the new organization's board of directors, which the Board of Trustees had oversight over and power to approve the changes. Mr. Moye said the way it was written it provided that the Board of Trustees oversaw changes to the bylaws and articles of incorporation it does not limit or restrict where those changes might arise. The proposal was that the changes only come from the Board of Directors. He reiterated that he recommended against that change from the standpoint that it infringed upon their authority as the parent organization and the approver of the bylaws.

Dr. Savio said they agreed that the board of the new organization would originate changes that only the Board of Trustees could approve or deny. Mr. Moye reiterated that his objection was his job was to make sure the Board of Trustees members understood their authority. His concern was that restrictions placed upon that were inconsistent and should be carefully considered. He said that if the Board of Trustees wanted a change they would

have to go to the new organization's board and request the change. The new organization's board may choose not to accept the suggestion. The language did not preclude a recommendation from the new organization's board to the Board of Trustees to change the bylaws or articles of incorporation. It wouldn't require or restrict the manner the new board interacts with the Board of Trustees to affect a change.

Trustee Chicoine said the intent didn't seem to be to prohibit collaboration but rather it was about the lines of communication. He asked if there a way to add language that would require the new organization to notify the Trustees prior to a change.

Dr. Baden said the members of OakCare and the AHP Board voted on the proposed bylaws so if they change them at this time they will have to go back to vote again.

Trustee Hernandez said that it would be disingenuous to ask them to vote on a document then go back on it. Mr. Moye said that the principle behind every objection was outlined fully all the way through the last session. Trustee Hernandez agreed that he did bring those concerns up. She believed there had been such an effort to create good faith and respect she would be concerned about the optics of not approving the document at this stage. She said they would need to be on watch regarding the important issues the General Counsel stated.

Trustee DeVries asked what the other point of concern was for the General Counsel. Mr. Moye said that it was in Article 4, the Trustees provided language that was not accepted by the working group. He said he objected to the proposed reporting structure between the AHS CEO and the new organization. Trustee DeVries said they placed the COO on the new organization's board to address that concern. Mr. Finley said the way the regular reporting from the subsidiary to the Board of Trustees would occur, was still left to interpretation. He said it was not clear if it would occur through the CEO or directly from the subsidiary to the Board of Trustees. This was not completely resolved. How would the Board of Trustees one employee factor into the facilitation of reporting and updating a subsidiary to the full Board of Trustees. Trustee DeVries said they needed to figure that out.

ACTION: A motion was made and seconded to adopt Resolution No. 2019-011, approving changes to Alameda Health Partners Bylaws as submitted.

Trustee Chicoine said he was not comfortable passing a motion bypassing the CEO in a subsidiary relationship. He said bylaws bind the organization and were important. When they are left for interpretation it would cause problems down the road.

Trustee Hernandez said that the intent and how the document was used was important. There were some perils in assuming it would work out, but she believed in what they were doing.

Trustee DeVries said they appoint the new organization's board, which resulted in direct authority.

Trustee Aboelata expressed concerns about having only two people on the new organization's board who reported through to the Board of Trustees. She said that

either way they exercised their authority over the new organization's board through the CEO. Mr. Finley said that was correct, but there was room for interpretation regarding how the process was exercised. He said it was important that the structure be explicit to everyone involved because. The new organization was only part of the medical staff and should have the same reporting relationship through the CEO who was accountable for the entirety of the organization.

Trustee Peterson suggested they go forward with the recommendation as presented in good faith and identify these items as possible amendments to be negotiated between the parties after.

Dr. Jamaledine said that as AHS exists now, if the CEO had an amendment he wanted, the new organization's board could vote against his request, which has happened. With the proposed amendment if there was an initiation of change that the Board of Trustees wanted they could still request it through the CEO to the CMO or COO, or through the community physicians.

Trustee Jensen asked if having the word "only" in the bylaws increased oversight by the Board. Mr. Finley said no. She asked if not putting the word in would reduce the oversight. Mr. Finley said it reduced the Board of Trustees' authority to initiate changes. Trustee Jensen recommended they move forward as a matter of trust. She said that OakCare trusted the process and she trusted that the new organization would continue to be the asset they have been.

Trustee Banerjee said that so much work has been done to facilitate trust and bringing this back at this point would look like the collaboration was suspect and that seemed a bad way to begin the relationship.

Mr. Finley said the group of collaborators were in the room. He suggested that if the Board of Trustees needed confirmation and agreement from the collaborators that the oversight for the entirety of the organization including the new company was through the CEO, they should ask. Then that agreement could become the mantra by which the work is done.

Trustee Hernandez said it was important to the new board that the people providing the clinical care had a place where their voice was heard. The nature of the structure was to protect that. Mr. Finley said there was an implicit expectation that his leadership still governed what happened in the entire organization including the subsidiary. That was true. However, by putting him on the Board of the new organization that would have created an imbalance of the perception of the position. Placing the CMO and COO on the new organization's board gave the CEO that direct influence without the perception of imbalance.

Trustee Chicoine suggested an amendment to the motion, to "recognize that the Board of Trustees still recognize the authority put in the CEO to manage the operations of this system."

Mr. Moyer suggested two separate motions one to the bylaws as presented. Then they could take a separate action stating that, in conjunction to whatever action was taken previously, the Board also made the following statement about the structure.

The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, DeVries, Hernandez, Jensen, and Peterson

NAYS: Chicoine

ABSTENTION: None

ACTION: A motion was made and seconded to adopt a statement that approval of the bylaws did not alter the relationship between the Board of Trustees and the CEO nor his authority over the entire organization. The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, Chicoine, DeVries, Hernandez, Jensen, and Peterson

NAYS:

ABSTENTION: None

3. **CONTRACT APPROVAL: Approval requested for \$3,543,750 in expenditures with McKesson (through the West Coast Purchasing Coalition), for the provision of pharmaceuticals. The action extends the term of the current approved agreement from 02-01-2021 through 03-15-2021**

Luis Fonseca, Chief Operating Officer

ACTION: A motion was made and seconded to approve of the new expenditures with McKesson through the West Coast Purchasing Coalition. The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, Chicoine, DeVries, Hernandez, Jensen, and Peterson

NAYS: None

ABSTENTION: None

G. DISCUSSION/ACTION: Fiscal Year 2020 Operating and Capital Budgets

1. **DISCUSSION: Status of the Fiscal Year 2020 Operating and Capital Budgets**

Joe DeVries, Chair

Louis Chicoine, Chair, Finance Committee

Trustee DeVries spoke regarding the County looking into the finances of AHS. They have asked that AHS hire their own consultant. The County Auditor has also hired a consultant. He said they may need to call a special meeting in August to adopt the budget within the 60 days they asked from the County. He said the County was dedicated to health care and they had a good opportunity here to build a stronger relationship with the Board of Supervisors.

Trustee Chicoine said that it had been a challenge to communicate information to staff. It was not easy work, but at the end of the day they had to balance the budget.

Trustee Hernandez asked the Board to look at the Financial Plan, it gave her anxiety to look at what the actuals were and where they were now. She wanted to know the back ground behind the changes over the last year. Mr. Finley said the Net Revenue actuals versus proposed from 2018 for example, the further out you go the more speculative and less reliable the information became. Since the last waiver was put in place was look at our revenue as more of a continuation from any type of substantive changes to either funding or programmatic changing. He said that as they moved closer to the end of the current waiver they felt it would be irresponsible to assume that when this waiver ends something was going to fill its void. What they were saying now was as they moved closer to the end of the waiver they didn't know what was going to replace it. The waiver was about \$100M.

Trustee Chicoine said that they found last year a revenue projection issue related to how they were assuming net patient revenue was coming in. That was a \$24-\$28M error in assumption. Looking at projections for revenue out then look at expenses out we were at about 3-4% inflation rate on the expense side and flat on the revenue side.

Trustee Hernandez asked where the biggest opportunity for finding revenue without eliminating jobs was. Mr. Finley said for this type of organization jobs always change and evolve and some jobs always may be eliminated. They were looking at, on the revenue side specifically, PES and in-patient psychiatric. Those were the major services they contracted with the county for. He said they were looking at other smaller opportunities as well.

Trustee DeVries said that the County has stated that AHS should still consider implementing some cuts that were proposed in the draft budget, that were not service reductions such as an executive wage freeze and a consolidation of some services. Mr. Finley said that the service consolidation suggestions were still being discussed. They were not off the table but were not being considered tonight.

Dr. Fried, Outpatient Behavioral Health Services, said there was a way to balance the budget by increasing revenue and making some adjustments to staff.

Shannon Hendon, a patient of the outpatient clinic at Fairmont Hospital, spoke regarding importance of the program to her and other patients.

Craig Kleinman said the budget process has been chaotic and disconnected and they needed to include the front-line staff in the process.

Martha Bader, social worker at Fairmont, said that the deficit was not true, the program makes money.

Jonathan Ramsden, Clinical Coordinator, spoke in favor of keeping the Highland program open as a cost saving measure.

Dr. Ronald Seff spoke regarding the outstanding results and discussed schizophrenia and the results obtained in the clinics

Michael McAdoo spoke regarding the outpatient services at Highland, and the populations they treat.

Jane Bond spoke regarding the outpatient services and her opposition to combining the services. Leaving their home base was challenging for the vulnerable population.

Timothy C Dreby spoke regarding the self determination and love that clients received at the services and how important that was to healing.

Liberty S. Velez read letters from her clients and they understood what was happening and provided access to the vulnerable.

Dale Bunce said he was a patient and discussed the views of mental health in this society and the role of religion in the process.

Deborah Stinson, speaking through another person, said that Highland OPS program was a beacon for the population. It was uniquely structured and filled a critical need.

Mary Dodge, a client, said she had PTSD and the program felt like a home and the program being in her community was important.

Amy Tomczake spoke regarding the approach the clinic uses. Patients learned and practiced everything. The clinic was a critical piece of the safety net.

Lucy Colvin said the Fairmont space and program was small and they would not be able to accommodate all the patients from the other clinics.

Tamta Green, a patient at Highland, said that the program welcomes her with open arms and the services were critical to her.

Angela Vilce spoke of her support for the program.

Trustee Jensen spoke regarding the collaboration between the Board of Supervisors (BOS) and the Board of Trustees (BOT). She asked if they would respond to Supervisor Valle's suggestion that the BOT should engage outside health care consultants, even though the BOS consultants would share their findings. She supported the idea.

Trustee Aboelata asked what it was they needed BOT consultants to do if the BOS already had consultants. She thought they should see the findings from the BOS consultant first, then hire a consultant of their own to dig deeper.

Trustee DeVries agreed that the BOT should hire a consultant but wanted to see the BOS consultant findings as well. He spoke regarding letters from Supervisor Valle and Auditor Wilk, available here: <http://www.alamedahealthsystem.org/2019-meeting-agendas-and-minutes/>.

Trustee Chicoine said it made sense to take a phased approach. They already had a plan for a deeper dive on the revenue side. But now they needed to retain a firm to do a high-level analysis of the finance and come up with options for closing the 2020 budget gap.

Trustee Aboelata requested a consultant who understood the landscape as it was unique to AHS.

Trustee DeVries said that they should interview the consultant suggested by Supervisor Valle and a candidate recommended by Trustee Bhuket. There was no time for a more formal process.

Trustee Hernandez took issue with rushing the process. She said if they were going to hire an entity to see them through the crisis, they needed to be prepared to work with them for a while.

Trustee Chicoine said they were up against a wall and wanted a good product. This had to be done in 60 days, with three different firms doing the work. They were placing a huge burden on staff.

Trustee Aboelata said she was grateful they were having the conversation. She wondered if it was overkill to have three consultants when they had limited resources and she wanted to know exactly what questions they needed answered.

Trustee Chicoine said they had trustable numbers, but the real story was below that.

Trustee DeVries said he'd like two trustees to interview consultants for the high-level look and how fast they could do it. They should discuss, in the interviews, a phase two approach for a longer term. They can interview for both phases but only hire for phase one. He said the Supervisors have asked for regular meetings with the Trustees who met with them recently. He said they could discuss rotating participants to avoid a two-tier Board.

Trustee Hernandez and Trustee Aboelata discussed inclusion in the meetings and the importance of following the requirements they put forth for staff in filling contracts.

Trustee Peterson said there was some high-level information that a consultant could provide useful data for such as the matching funds.

Trustee DeVries selected Trustee Jensen and Chicoine to interview consultants.

2. ACTION: Approval of Continuing Fiscal Authority for the Period July 1, 2019-September 30, 2019

Joe DeVries, Chair

Delvecchio Finley, Chief Executive Officer

ACTION: A motion was made and seconded to adopt Resolution No. 2019-010, continuing fiscal authority for the period July 1, 2019-September 30, 2019. The motion passed.

AYES: Trustees Aboelata, Banerjee, Bhuket, Chicoine, DeVries, Hernandez, Jensen, and Peterson

NAYS: None

ABSTENTION: None

H. STAFF REPORTS (Written)

1. Finance Report
Ann Metzger, Interim Chief Financial Officer
April 2019 Financial Report
2. Chief Operating Officer Report
Luis Fonseca, Chief Operating Officer
April 2019 Operations Report
3. Status of the Acute Rehabilitation Unit Relocation and Licensing of San Leandro Hospital
M. D. Moye, General Counsel
4. First Meeting of the Health Care for the Homeless Center Co-Applicant Board
Alexander Pena, Associate General Counsel

I. INFORMATION REPORTS (Written)

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

Mr. Moye announced that the Board of Trustees were adjourning into Closed Session to discuss the agenda items per the applicable Government Codes.

CLOSED SESSION

1. **Potential Litigation [discussion of response to AHCD]**
[Government Code Section 54957(d)(4)]
2. **Public Employee Performance Evaluation**
[Government Code Section 54957(b)]
Title: Chief Executive Officer

(*Reconvene to Open Session*)

OPEN SESSION

J. REPORT ON ACTION TAKEN IN CLOSED SESSION

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

PUBLIC COMMENT: None

TRUSTEE REMARKS: None

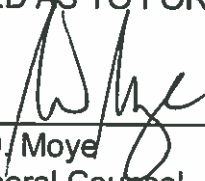
ADJOURNMENT: 11:15 PM

This is to certify that the foregoing is a true and correct copy of the minutes of the regular meeting of June 27, 2019 as approved by the Board of Trustees on July 25, 2019.



Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 

M.D. Moyer
General Counsel