



FINANCE COMMITTEE MEETING
October 10, 2019
4:00pm – 6:00pm

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

Noha Aboelata, MD
Kinkini Banerjee
Louis Chicoine, Chair
Joe DeVries
Ross Peterson

FINANCE COMMITTEE REGULAR MEETING MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:04 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Noha Aboelata, MD, Kinkini Banerjee, Louis Chicoine, Joe DeVries, and Ross Peterson.

ABSENT:

A quorum was established.

A. ACTION: Approval of the Minutes of the September 12, 2019 Finance Committee Meeting

Trustee Banerjee said that the minutes indicated she was absent, but she was there.

ACTION: A motion was made and seconded to approve the minutes of the September 12, 2019 Finance Committee Meeting. The motion passed.

AYES: Trustees Aboelata, Banerjee, Chicoine, and Peterson

NAYS: None

ABSTENTION: Trustee DeVries

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

B1. Chief Financial Officer Report

Kimberly Miranda, Chief Financial Officer

B1a. August 2019 Financial Report

Ms. Miranda reviewed the report beginning on agenda packet page 13.

Trustee Chicoine asked if the outside vendor collection work would be brought back in house. Ms. Miranda said probably not as they wanted to avoid working in multiple systems. Trustee Chicoine said it should work through in time. Mr. Finley said within a year. Looking at the AR days it was usually a 90 to 120-day cycle. He said they were working with the accounts and trying to work through the process.

Trustee DeVries asked if the forecast on the line of credit balance included the anticipated \$23M from the County. Mr. Finley said it did. He added that the data points were end of month. During the period of the month, the reimbursement cycle was at risk of going over the limit. They got some reimbursements, which helped. They had started conversations with the Auditor to determine how big of an issue it was. Ms. Metzger explained the expected payments. Trustee Chicoine summarized that according to the chart, the assumption was there would be no recoupments and in that reality, they were day to day having difficulty complying with the net negative balance. Mr. Finley confirmed that he was correct. Trustee Chicoine said they needed to clearly communicate that with their partners at the County and other stakeholders. Ms. Metzger said they were processing a payment of \$26M that had been assumed. Trustee Chicoine confirmed that the \$304.795M shown on agenda packet page 37 would be the amount they were against the net negative balance. Mr. Finley confirmed. He explained that this was the calculation of the worst-case scenarios of the recoupments they might be up against over the next 12-18 months. They had as was their normal practice taken a conservative approach regarding supplementals.

Trustee Banerjee asked about the cash collected in August 2019. Ms. Miranda said the best way to reflect it would be two lines, the net revenue and the cash collected. It would be expected to see cash equal to net revenue so if over time you were always getting to the net revenue number you know the estimates are good.

Trustee DeVries asked if collections would get better with S*A*P*P*H*I*R*E*. Ms. Miranda said there were opportunities.

B2. Chief Operating Officer Report

Luis Fonseca, Chief Operating Officer

B2a. August 2019 Operations Report

Trustee Fonseca reviewed the presentation beginning on agenda packet page 39.

Mr. Fonseca explained that the BHS Contract one-time payment listed at the bottom of agenda packet page 41 was inaccurate.

Trustee Banerjee asked that if we were increasing the surgical procedures at San Leandro Hospital and if they anticipated the same coverage. Mr. Fonseca said they were still working on it, but for the time being the MRI contract later in the agenda packet had the appropriate number of days allocated. The vendor was open to increasing the volume.

Trustee DeVries asked if patients were lost to the THCN. Mr. Finley said they had been looking at it. Medi-Cal enrollment was down. He thought they hadn't been able to conclude loss of volume yet.

Trustee Banerjee said they had thought the primary care estimates would be easy to achieve at the specialty care would be hard, but primary care was where the variances were more difficult. Mr. Fonseca said that primary care had been going up, but specialty care had challenges. Trustee Aboelata said that since they'd moved into capitation for primary care the volume and revenue were no longer lineal.

Trustee Peterson asked if they were getting any negative feedback from other hospitals because they were having to hold PE patients longer. Mr. Fonseca said they've been working on it, but the largest impact was in their own facilities. Trustee Peterson asked if the issue was just a lack of beds or something else. Mr. Fonseca said the census was at 100% but there were many factors.

Trustee Chicoine suggested that it would be good to have a more in-depth conversation about the area of services at the full board.

Trustee DeVries asked how the S*A*P*P*H*I*R*E* implementation had been going. Mr. Fonseca said there were some issues, of course, and it was a tremendous amount of work, but they had strong support and it had overall gone very well and they are already starting to see some efficiencies. Ms. Miranda said that the team members were taking great ownership. Mr. Finley said that 486 profiles had been set up already, 7098 profiles were pending, 22 users had scheduled appointments through the portal, there had been 159 mobile logins, and there had been 500 shares of the portal.

Trustee Aboelata asked about provider burn out around expectations for responding to the messages through the portal. Mr. Finley said they were watching the process closely and would evaluate as needed.

Trustee Banerjee asked how long the elbow support continued. Mr. Fonseca said probably 4-6 weeks though it would vary per area.

C. ACTION ITEMS/DICUSSION: Contract Approval

C1. Agreement with Island Anesthesia Associates, Inc. for provision of anesthesia services coverage at Alameda Hospital. The term of this proposed agreement shall be effective 12/01/2019 through 11/30/2021. The estimated impact of the proposed agreement is \$3,709,200.00.

Ghassan Jamaledine, MD, Chief Medical Officer

Mr. Holly reviewed the contract summary beginning on agenda packet page 57.

Trustee Chicoine asked what the method for reconciliation at the end of the year was. Mr. Holly said that through the contract year in question they would look back at the 12 months prior invoices, which would include the stipend the vendor was paid, they would then reach out to the vendor to get the collections for the time in question.

The Committee discussed the income guarantee provision of the contract and the collections. This was standard in anesthesia contracts. Trustee Aboelata asked if the percentage collected compared to net revenue was based on a flat charge or per payer. Mr. Finley said it wasn't anything they've collected. It was what was paid to them as the flat payment and what that looks like relative to the maximum and reconciling that with what they actually collected.

ACTION: A motion was made and seconded to recommend to the Board of Trustees approval of the agreement with Island Anesthesia Associates, Inc. The motion passed.

AYES: Trustees Aboelata, Banerjee, Chicoine, DeVries, and Peterson

NAYS: None

ABSTENTION: None

C2. Agreement with Mission Linen Supply for provision of laundry and linen services system-wide. The term of this proposed agreement shall be effective 11/01/2019 through 21/31/2022. The estimated impact of the proposed agreement is \$8,300,054.00.

Luis Fonseca, Chief Operating Officer

Mr. Fonseca reviewed the contract summary beginning on agenda packet page 61.

The Committee agreed that they were pleased to contact with an Alameda County business.

ACTION: A motion was made and seconded to recommend to the Board of Trustees approval of the agreement with Mission Linen Supply effective 11/1/2019 through 12/31/2022 as stated on the contract summary. The motion passed.

AYES: Trustees Aboelata, Banerjee, Chicoine, DeVries, and Peterson

NAYS: None

ABSTENTION: None

C3. Agreement with Alliance Healthcare Services, Inc. for provision of mobile MRI services for Alameda and San Leandro Hospitals. The term of this proposed agreement shall be effective 11/01/2019 through 10/31/2024. The estimated impact of the proposed agreement is \$2,958,000.00.

Luis Fonseca, Chief Operating Officer

Mr. Fonseca reviewed the contract summary beginning on agenda packet page 64.

ACTION: A motion was made and seconded to recommend to the Board of Trustees approval of the agreement with Alliance Healthcare Services, Inc. The motion passed.

AYES: Trustees Aboelata, Banerjee, Chicoine, DeVries, and Peterson

NAYS: None

ABSTENTION: None

D. DISCUSSION: Committee Planning

D1. Issues Tracking

Contract Signature authority

Foundation update here and full board

Vizient update TBD

AH seismic work update

Trustee Chicoine said the contract for the outside consultant to look at the organizational finances was completed. This Committee probably was a good place for them to report back to. Trustee DeVries said they need to create a shared information synergy with the County to help with the process and the Committee would be a good place for that to start. Mr. Finley said they were currently cooperating with the process. It was a bit concerning to tie the \$23M with the NGO. Trustee DeVries also discussed the Capital Revenue that was overdue from the County. It should be on the upcoming Board agenda and on the next BOS/BOT meeting agenda.

Mr. Moye said that the contract signature authority policy needed to be revisited. He would determine a timeline. Trustee Chicoine said they would add it to the tracking list.

Trustee Banerjee asked about the Foundation contract. Mr. Finley said they could provide an update, they were not yet accomplishing the required goals for the EHR fund raising. Mr. Finley said they would add it to a Board agenda soon.

Trustee DeVries asked about a Vizient update. Mr. Fonseca said they could look at something toward the latter part of the fiscal year to allow for some data collection once everything was up and running on S*A*P*P*H*I*R*E*. They agreed to add it to the tracking list and identify the best date.

Trustee DeVries asked about the ad hoc group meeting with the City of Alameda Health Care District. He asked if it should become a standing item. Trustee Chicoine said they would put it on the list.

PUBLIC COMMENT NON-AGENDA ITEMS: None

TRUSTEE COMMENTS: None

ADJOURNMENT: 5:46pm

This is to certify that the foregoing is a true and correct copy of the minutes of the Finance Committee October 10, 2019 meeting as approved on November 14, 2019:



Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____



M.D. Moye
General Counsel