



FINANCE COMMITTEE MEETING
Wednesday, January 6, 2021
5:30pm – 7:30pm

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: Telephonic/Electronic Meeting

FINANCE COMMITTEE MEMBERS

Kinkini Banerjee
Jennifer Esteen
Alan E. Fox
Sblend A. Sblendorio

FINANCE COMMITTEE REGULAR MEETING MINUTES

THE MEETING WAS CALLED TO ORDER AT 5:33 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Kinkini Banerjee, Jennifer Esteen, Alan E. Fox, Sblend A. Sblendorio

ABSENT: None

A quorum was established.

OPEN SESSION / ROLL CALL

PUBLIC COMMENT

Daniel Mantuani, MD spoke regarding his concerns about the lack of socially responsible investing options in the retirement accounts.

A. ACTION: Election of Finance Committee Chair
M. D. Moye, General Counsel

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.

Trustee Sblendorio moved and Trustee Banerjee seconded to nominate Trustee Esteen as the Finance Committee Chair.

ACTION: A motion was made and seconded to select Trustee as the Finance Committee Chair. A roll call vote was taken, and the motion passed.

AYES: Trustees Banerjee, Esteen, Fox, and Sblendorio

NAYS: None

ABSTENTION: None

B. ACTION: Approval of the Minutes of the November 12, 2020 Finance Committee Meeting
Finance Committee Chair

ACTION: A motion was made and seconded to approve the minutes of the November 12, 2020 Finance Committee. A roll call vote was taken, and the motion passed.

AYES: Trustees Banerjee, Esteen, and Fox

NAYS: None

ABSTENTION: Sblendorio

C. INFORMATION / DISCUSSION: Operating Reports

C1. Chief Financial Officer Report

Kimberly Miranda, Chief Financial Officer

C1a. November 2020 Financial Report

Ms. Miranda discussed the report beginning on agenda packet page 17.

Trustee Fox asked if the CMS Price Transparency Regulation files identified on agenda packet page 40 were Chargemaster snap shots of the first 300. Ms. Miranda said they had to be shoppable services. There were suggested items in the regulations so if an organization provided those services they had to include them.

Trustee Esteen asked how the prices listed on the website per the CMS Transparency Regulation would be reimbursed if they would have billed private insurance for the services. Ms. Miranda said they had a lot of N/As on the website because they didn't have a contracted price. But the regulation required AHS to provide what their rate would be for the major private insured plans. AHS's managed Medi-Cal rates were low, particularly when compared to AHS's cost or to a commercial payer rate. She suggested a full presentation at a future meeting would be helpful.

Trustee Esteen asked why AHS rates were not comparable to the market. Ms. Miranda said AHS negotiated rates with all contracted payers. The industry was trying to do a better job of getting the Chargemaster to relate more to the cost. AHS still had improvements to make, but the focus was on getting the revenue needed to run the organization.

Trustee Fox said he'd be interested seeing which contract rates were posted on the site at a future meeting. Ms. Miranda said the data was available now on the AHS website.

Trustee Esteen asked if there was a timeline for contracts to be established with private insurers. Ms. Miranda said they had a contract strategy that is part of the budget. They've hired someone to help with negotiations with payers, except for managed Medi-cal. Mr. Finley clarified that they had contracts with commercial payers, but they were per site, rather than for the whole system. It was not the purview of AHS require system wide contracts. It was up to the plan to determine if they wanted that. They may not want certain sites in their network. They did have contracts at most of their sites with many of the commercial plans, but not all plans and not at all sites.

Trustee Banerjee asked if they were able to consolidate some of the commercial plans. Mr. Finley said Kaiser might be system wide, which was a substantial part of the mix. Anthem, who was a major commercial player, did not want to contract with some facilities.

Trustee Fox asked if all hospitals were under the same license. Mr. Finley explained that they recently brought San Leandro and Highland Hospitals under the same license. Alameda Hospital was operated through a JPA and had their own license.

Trustee Sblendorio asked about the Peer Group referred to on agenda packet page 42, the HB Charges by Week. Ms. Miranda said that it was all EPIC Western United States clients who identified themselves as safety net systems. Trustee Sblendorio asked if they could narrow the comparison to California. Ms. Miranda said the report included the best information she had available at the time, but she thought she could bring it back with California only information.

Trustee Esteen asked if she could limit the data to public health facilities. Ms. Miranda said she could ask, but that may narrow the results too much for EPIC to share the data.

Trustee Fox confirmed that they were looking at the peer group having \$64.1M of charges per week. Ms. Miranda said that was AHS from 1/5 to 2/29. Mr. Finley added that the peer group line was an average, it did not mean that all peer groups were at that level.

Trustee Bhuket said that pay parity between in person visits and tele visits was an impact.

Trustee Esteen asked, regarding the BHCS FY 20 prior year settlement listed on agenda packet page 47, if it was typical for the County to disagree with AHS's billing. Ms. Miranda said the Behavioral Health revenue cycle was not on EPIC yet. They had been working closely with the County to improve the process. The County approved or denied days for payment daily during concurrent review. The process took months to complete as the County was the payer of last resort. AHS may need to bill others, get a denial or payment, then provide information and bill the County.

Trustee Fox asked about the Statewide Medi-Cal true up. Ms. Miranda said that the County billed the State for the Short Doyle patients and a final cost report is submitted by the County. Trustee Fox said a description of the various long-term true ups that were on AHS books would be helpful for the Trustees.

Trustee Banerjee asked if the end of year PTO was lower than expected, as shown on agenda packet page 50, due to PTO staff took due to COVID-19. Ms. Miranda said the COVID related LOAs were up to 12 weeks of paid leave. Employees did not use PTO for the leave. Between having the COVID paid time off, plus not being able to travel during the pandemic, there was less PTO taken around the holidays.

Trustee Fox asked about the 12 weeks of paid time off that Ms. Miranda discussed. She said they were consistent with the COVID leave law. As an essential organization, AHS did not have to provide that full level of benefit, but they opted to do so anyway. Trustee Fox asked if they sought the approval of the Board of Supervisors to take that cost on. Mr. Finley said they did not. As a matter of practice AHS had not, as a separate entity, taken their budget matters to the County. He said that due to the urgency and assumed impact to the budget due to COVID he made the decision then discussed it with the Trustees.

Trustee Fox asked if the payer mix for COVID patients was different than the typical payer mix. Ms. Miranda said she could look into that. Trustee Fox asked if commercially insured patients went to AHS emergency rooms. Ms. Miranda said they did, particularly trauma related. AHS's commercial payer mix was small.

C2. Chief Operating Officer Report

Luis Fonseca, Chief Operating Officer

Janet McInnes, Chief Administrative Officer & CNE

C2a. Operations Report for Acute Care and JGP

C2b. October 2020 Operations Dashboards

Ms. McInnis discussed the report beginning on agenda packet page 59.

Trustee Sblendorio asked what was meant by "Labor Productivity" on agenda packet page 60, as it didn't match with traditional labor productivity standards. Ms. McInnis said for the purposes of the report it was referring to the financial impact of labor.

Trustee Banerjee asked if having a lot of temps impacted patient satisfaction scores. Ms. McInnis said they were tracking that. They saw a drop in the percentage, and they were working on trying to analyze if that was due to temporary staff usages or other issues.

D. ACTION ITEMS/DICUSSION: Contract Approval

D1a. Amendment to the agreement with Fulgent Therapeutics, LLC for provision of laboratory services for processing Covid-19 tests. The term of the proposed amendment shall be from February 1, 2021 through August 31, 2021. The estimated impact of the proposed amendment is \$1,001,000.

Tony Redmond, Chief Human Resource Officer

Mr. Moye stated, for the new Committee members, that typically the Committee reviewed contracts and recommended approval to the full Board. The Board itself actually approved contracts at the following meeting. It was an option to send contracts directly to the full Board for approval if needed and this could be done with the contract on the agenda. He said the policy was that contracts over a million dollars, or if the spend with one vendor would top one million dollars, they needed to go to the Board for approval. Once the contract was approved, subsequent contracts for that vendor for less than one million would be reported to the Board in the Lifetime Spend Report included in the packet.

Mr. Redmond spoke regarding the contract summary on agenda packet page 75.

Trustee Sblendorio asked if the contract was in the approved budget. Mr. Redmond said it was not, as none of the COVID specific items were budgeted for. Trustee Sblendorio asked if they anticipated any funding sources to cover it. Mr. Redmond said that they could consider it COVID specific. But he was not sure if they would see any support from the State or Federal resources. Trustee Sblendorio asked what other public entities were spending for similar services. Mr. Redmond was not sure. Dr. Jamaledine said all facilities were supposed to provide a plan last month to test older employees per the Governor. It was an unfunded mandate.

Trustee Esteen said it seemed the budget did not anticipate COVID. She asked how they would make adjustments to that. Ms. Miranda said she would include material items not in the budget as part of the forecast to be included in future Finance packets. She said when the budget was developed, AHS had received about \$28M from the CARES Act and no one had any idea of the ultimate scope of the pandemic. The Budget Oversight Committee didn't know how much more funding they might get or how long the pandemic would last, so they made the decision to not guess. This approach allowed AHS to report more meaningful variances to historical trends.

ACTION: A motion was made and seconded to defer action of the Amendment to the agreement with Fulgent Therapeutics to the full Board of Trustees. A roll call vote was taken, and the motion passed.

AYES: Trustees Banerjee, Esteen, Fox, and Sblendorio

NAYS: None

ABSTENTION: None

E. DISCUSSION: Committee Planning, Issues Tracking

No discussion.

TRUSTEE COMMENTS

ADJOURNMENT: 7:35pm

This is to certify that the foregoing is a true and correct copy of the minutes of the Finance Committee January 6, 2021 meeting as approved on February 3, 2021:

Ronna Jojola-Gonsalves
Ronna Jojola-Gonsalves (Mar 11, 2021 10:08 PST)

Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: M. D. Moye
M. D. Moye (Mar 11, 2021 09:51 PST)
M.D. Moye
General Counsel

2021-01-06 FIN Agenda Minutes FINAL









Approved

Final Audit Report

2021-03-11

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