Summary/Action Minutes

I. Proposal for Support on Behalf of the Alameda Health System

David Cox, Chief Financial Officer, Alameda Health System, presented a PowerPoint presentation on the hospitals Debt Restructure Plan. The AHS Board of Trustees has a meeting scheduled with the Auditor-Controller’s Office on September 29, 2014 to discuss the restructure plan.

Debt Restructure Plan

The Alameda Health System is requesting support for a restructure of the Agreement to achieve a level of total debt service that can be carried by operations:

- The $195 million “negative balance” to be restructured as Term Debt, and to be repaid by 2034
- The Pension Obligation Bond payment scheduled to be restructured
- The plan allows AHS to make $7 million annual hospital replacement building debt service payments starting in 2019
- The Flexible Maximum Policy to be maintained, allowing AHS to go above the annual targets during the year.

Purpose:

☐ Report progress
☐ Advocacy or Education
☒ Request Health Committee Recommendation or Position
☐ Other:

Recommendation from Health Committee: Supervisor Chan stated that this item is informational only and there will be no action on this item today.

II. Status Report on the Alameda Health System’s Operations and Financial Stability

Alex Briscoe, Director, Health Care Services Agency, and Rebecca Gebhart, Finance Director, Health Care Services Agency, presented a PowerPoint presentation on the Alameda Health Systems’ (AHS) Operations and Financial Stability.

The County has an existing debt agreement with AHS and the debt was due to be paid down by 2017. There have been fiscal and operational challenges and the debt has not been paid down per the agreement. AHS is requesting that the County extend and restructure the debt agreement.

A consultant will be hired to complete an independent assessment of AHS with the recommend scope of work as follows:

- Assess current financial and operating condition of AHS
• Make projections about future financial health of AHS
• Make specific recommendations on how to improve AHS financial and operational structure
• Develop metrics and benchmarks for AHS to report on monthly

The Health Care Services Agency recommends the next steps as follows:
• More information and clear benchmarks and metrics will be reported to the Board of Supervisors and Board of Trustees monthly
• Greater accountability; progress will be tracked and used to make future funding decisions
• Recommended investment: hire a new senior level Health Care Services Agency employee to liaise with AHS
• Health Care Services Agency finance representatives to attend Board of Trustees Finance meeting

Speaker

Supervisor Richard Valle, District 2, Board of Supervisors, commented on the status of Alameda Health System. Supervisor Valle stated that he would like to know the AHS plan to recover the $60 million dollar investment in the malfunctioned computer system and a collection plan for damages for the company who installed the system. In addition Supervisor Valley requested: 1) accountability measures in the form of a memorandum of understanding (MOU); 2) authority role for the County; 3) clear benchmarks; 4) regular reporting to the Board of Supervisors and 5) a plan of action for failure to meet benchmarks.

Purpose:
☐ Report progress
☒ Advocacy or Education
☐ Request Health Committee Recommendation or Position
☐ Other:

Recommendation from Health Committee: This item was informational only and required no Committee action.

III. Update on the Alameda Alliance for Health

Alex Briscoe, Director, Health Care Services Agency, and Jane Garcia, CEO, La Clinica de La Raza and Alameda Alliance board member, presented an oral presentation on the status of Alameda Alliance for Health.

The Alameda Alliance is making progress to reach compliance. The Board of Governors has resumed meetings, as interested parties and the Alliance now has a full report of the conservator at the Berkeley Research Group.

From the report, the number one problem with the Alliance was the failure of the IT system and the issues trying to convert to a different system. The decision was made to use the previous system, HealthSuite and the Alliance continues to use that system and has received technical assistance from San Mateo County.

Ms. Garcia reported the following:

• The Alliance is still approximately $6 million short of what is need for Tangible Net Equity (TNE).
• If the backlog of Medi-Cal applications were current, the Alliance would meet the TNE
• Reimbursements from the State for default (Medi-Cal) patients in has not been resolved
• is pursuing other loans and working with other partners to get to TNE compliance
• Will begin the recruitment process for leadership soon
Ms. Garcia stated the Alliance is very close to being in compliance with all the requirements from the State.

Purpose:
- Report progress
- Advocacy or Education
- Request Health Committee Recommendation or Position
- Other:

Recommendation from Health Committee: This item is informational only and required no Committee action.

IV. Proposal for Support on Behalf of the Unaccompanied Minors from Central America

Noel Gallo, Councilmember, City of Oakland, District 5, presented introductory comments to request support for unaccompanied minors from Central America as a result of fleeing their home country due to wars, gang violence and sex trafficking. The City of Oakland approved funds to assist unaccompanied minors and requests County support for mental health and housing services for this population.

Bianca Sierra Wolfe, Executive Director, Centro Legal de la Raza, reported that a group of East Bay organizations have collaborated to provide services for newly arriving unaccompanied minors from Central America, Guatemala, Honduras and El Salvador. The Immigrations and Customs Enforcement (ICE) estimates that approximately 62,000 unaccompanied minors have entered the United States from October 2013 through June 2014.

Speakers

Melissa Vargas, Mayor Jean Quan’s Office, City of Oakland, stated that the City of Oakland has provided over $600,000 for legal support and requests Alameda County to support this population also.

Edwin Rene Pérez Gomez, 14 years old, from Guatemala, stated that he left 4 months ago to escape violence; he crossed the border and was imprisoned for 45 days in inhumane conditions and he would like to be free in the United States.

Rosa Lopez, Oakland Community Organizations, state that Oakland schools have registered 83 students and have a waiting list of 23 students. Ms. Lopez asked the County to support the request for funds to assist unaccompanied minors.

Pablo Mortagna supports the proposal for financial support of unaccompanied minors.

Lester Valladares, 14 years old from Honduras, stated that he left because of problems with gangs there and would like to live in the United States and needs help with a lawyer.

Lauren Markham, Community School Manager, Oakland International High School, supports funding for unaccompanied minors, stating that this population has increased and need legal services.

Manuel de Paz, East Bay Sanctuary, supports the proposal to fund legal services for unaccompanied minors.

Manuel Arias, Oakland Community Organizations, supports the proposal to fund legal services at Centro Legal de la Raza for unaccompanied minors.
Sister Anne Carrbino, East Oakland Youth Alliance, supports the proposal to fund legal services for unaccompanied minors.

**Purpose:**
- [ ] Report progress
- [ ] Advocacy or Education
- [x] Request Health Committee Recommendation or Position
- [ ] Other:

**Recommendation from Health Committee:** The Health Committee recommends supporting the unaccompanied minors, however, County staff will return to this Committee to determine the level of support for this population.

**PUBLIC COMMENT:** None.