



Wilma Chan, SUPERVISOR, THIRD DISTRICT

ALAMEDA COUNTY BOARD OF SUPERVISORS

COMMITTEES:
Health and ALL IN, Chair
Personnel & Legislative
Unincorporated Services

October 15, 2020

Honorable Board of Supervisors
County Administration Building
1221 Oak Street
Oakland, CA 94612

Dear Board Members:

SUBJECT: APPROVE LETTER REQUESTING THE RESIGNATION OF THE ALAMEDA HEALTH SYSTEM BOARD OF TRUSTEES

RECOMMENDATION:

- (1) Approve a letter requesting the resignation of the Alameda Health System Board of Trustees.
- (2) Remove from office, effective October 31, 2020, any current member (as of the date of this letter) of the Alameda Health System Board of Trustees who has not tendered by October 30, 2020, their resignation with an effective date not later than October 30, 2020.

DISCUSSION/SUMMARY:

On September 1st, Alameda County began internal discussions to explore reform of Alameda Health System's (AHS) governance structure. We are examining various governance models, as well as the legal and legislative ramifications of any proposed changes. As part of this process, we have a number of goals in mind including: improving the direct accountability of the Chief Executive Officer and Executive Leadership Team to the Board of Trustees for operational and financial progress; implementing a collaborative approach to working with employees and key partners, including labor organizations and the Health Care Services Agency; and full transparency by the AHS administration about problems facing the system. The end goal is improved patient care and the long-term fiscal viability of the system. We expect to meet with stakeholders early in December or January and have a recommendation on governance change no later than March of 2021.

As an interim governance step, we recommend that the Board of Supervisors send the attached letter to the current AHS Board of Trustees requesting their resignation effective October 30th. We will ask current Trustees that wish to reapply to the Board of Trustees to submit their resume to Supervisor Valle, Board President, no later than October 23rd. Current Trustees that choose to reapply to the Board will be considered along with other candidates by the Board of Supervisors.

In order to address the possibility that members of the Board of Trustees may not resign as requested, the Board of Supervisors should also approve the action in paragraph (2), above. Paragraph (2) allows your Board to authorize the removal of every current Trustee, effective October 31, 2020, who does not submit a resignation as requested in the attached letter.

FINANCING:

Approval of this letter will have no impact on the net County cost.

VISION 2026 GOAL:

This action will support the 10X goal of **Healthcare for All** in support of the shared vision of a **Thriving and Resilient Population**.

Respectfully,



Wilma Chan
Supervisor, District 3



Richard Valle, Board President
Supervisor, District 2

October XX, 2020

AHS Board of Trustees
c/o Ronna Jojola Gonsalves
Alameda Health System
1411 East 31st Street
Oakland, CA 94602

Dear Members of the Board of Trustees:

The Alameda County Board of Supervisors thanks you for your service on the Alameda Health System (AHS) Board of Trustees. You have all, individually and collectively, demonstrated yourselves to be committed and hardworking stewards of our County's public hospital system, as well as passionate advocates of its mission: *Caring, Healing, Teaching, and Serving All*.

Unfortunately, over the last two years, the AHS Administration has eroded trust and damaged the system's relationships with its employees and partners, including labor representatives, Medical Staff, and the County. Earlier this month, this resulted in a five-day strike by members of SEIU 1021, California Nurses Association, and International Longshoreman and Warehouse Union 6. This strike was incredibly costly; it was costly to patients who may have forgone or delayed healthcare, workers who went without pay, and to the system itself, which incurred approximately \$10M in unbudgeted expenses. This was hugely disappointing to us because we believe the strike was avoidable and unnecessary.

The Board of Trustees has repeatedly heard from AHS employees and partners that the system's leadership has not made a real effort to listen, collaborate, or to engage in meaningful dialogue about how to address the multi-faceted challenges it faces. It should, therefore, be no surprise that relationships have deteriorated, communication has broken down, and that there is a lack of trust or respect between the System and its partners. At this moment, we believe Alameda Health System needs a Board of Trustees that will listen to AHS's stakeholders and partners, work collaboratively, hold their Administration strictly accountable for financial and operational performance, and make tough decisions.

As the former governing body of the Alameda County Medical Center, we understand how difficult it is to oversee an increasingly complex public hospital system, especially as volunteers. We are enormously appreciative of the many hours of work you have all put into overseeing and leading AHS and ensuring it remains true to its mission, especially in an uncertain economic and policy environment. However, we believe it is our responsibility to ensure the AHS Board of Trustees is ready and able to repair the critical relationships needed to keep the System viable.

As you know, the Board of Supervisors has begun a process toward governance reform. We are currently examining various governance models and the legal and legislative ramifications of any proposed changes. We have a number of concrete goals in mind including: improving the direct accountability of the Chief Executive Officer and Executive Leadership Team to the Board of Trustees for operational and financial progress; implementing a collaborative approach to working with employees

and key partners, including labor organizations and the Health Care Services Agency; and full transparency by the AHS administration about problems facing the system. The end goal, of course, is improved patient care and the long-term fiscal viability of the system. We expect to meet with stakeholders early in December or January and have a recommendation on governance change no later than March of 2021.

As an interim step, the Board of Supervisors is requesting that the current Board of Trustees resign from their positions effective October 30th. Those wishing to reapply to serve as a Trustee should submit their resume to Supervisor Valle, President of our Board, no later than October 23rd. Additionally, at its October 20th Regular Meeting, the Board of Supervisors will have considered amendments to the AHS bylaws, including updates to the qualifications and expectations for AHS Trustees, that you review should you choose to reapply.

Again, thank you, for your on-going commitment to Alameda County's most vulnerable residents and our County Hospital System.

Sincerely,



Richard Valle, President
Board of Supervisors



Wilma Chan, Chair
Health Committee

Cc: Other Members, Board of Supervisors
County Administrator
County Counsel
Alameda Health System CEO
Alameda Health System General Counsel