Alameda Health System & Alameda County: Organizational History

Work Sessions between Alameda County Board of Supervisors and Alameda Health System Board of Trustees

Session 1, November 2, 2015

Public Hospitals and Care of the Uninsured

- Public Hospitals: historically the place where uninsured seek care
  - 1914: almost every California County runs a hospital
  - 1933: Section 17000 of W and I code clarifies county obligation as last resort for indigent health care and income support
- State and Federal spending on indigent care causes a wave of hospital closures
  - 1966 Medicaid and Medicare cover many prev. uninsured
  - 1971 Medically Indigent Adults program includes coverage for adults 21-64 and not eligible for Medicaid.
  - As a result, 20 California counties close their public hospitals during the 1970's
  - 1983 MIA program is eliminated and care of uninsured reverts to counties.

Public Hospitals Today

- 12 of 58 counties and 5 UCs run a public health care hospital or system
- Health Depts and BOS are involved in governance and financial support of all 12 public hospital systems

Mode of Governance	# of counties
BOS is the governing body	5
BOS appoints system executive	2
BOS appoints governing body	4
Mayor appoints governing body	1

Public Health Financing

- Public Hospital Systems specialize in serving low-income, underserved populations
  - Post health care reform, more people are insured, but there are still an estimated 65,000 low-income Alameda Co residents who are uninsured *(US Census Bureau 2014)*
  - California is 51st in per person Medicaid spending for adults*
- Historically, Public Hospital Systems could not run without local support
  - Without additional State dollars to support Medicaid, counties have needed to help support public hospitals
  - Other Bay Area counties' GF contribution to the public hospital systems range from $30 million to $175 million

**Kaiser Family Foundation 2011*

History of Alameda Health System (formerly Alameda County Medical Center)

- 1864: First patient on Fairmont site
- 1927: Highland Hospital opened
- 1991: Alameda County Medical Center formed from merger of all County run facilities:
  - Highland Hospital
  - Fairmont Hospital
  - Three free-standing health centers

Move to the Hospital Authority

- Nov 1995, Supervisor Mary King led a work group called the ACMC Governance Committee to explore options for a new governance structure for ACMC to "ensure its ability to survive and thrive in a changing, competitive market".
- Criteria considered by Committee were in 4 categories:
  - Preservation of the mission and Sec. 17000 fulfillment
  - Removal of constraints/increase in flexibility
  - Potential for increased revenues or savings
  - Feasibility of implementation

From the 11/1/95 Report of the ACMC Governance Committee

ACMC Governance Committee 1995

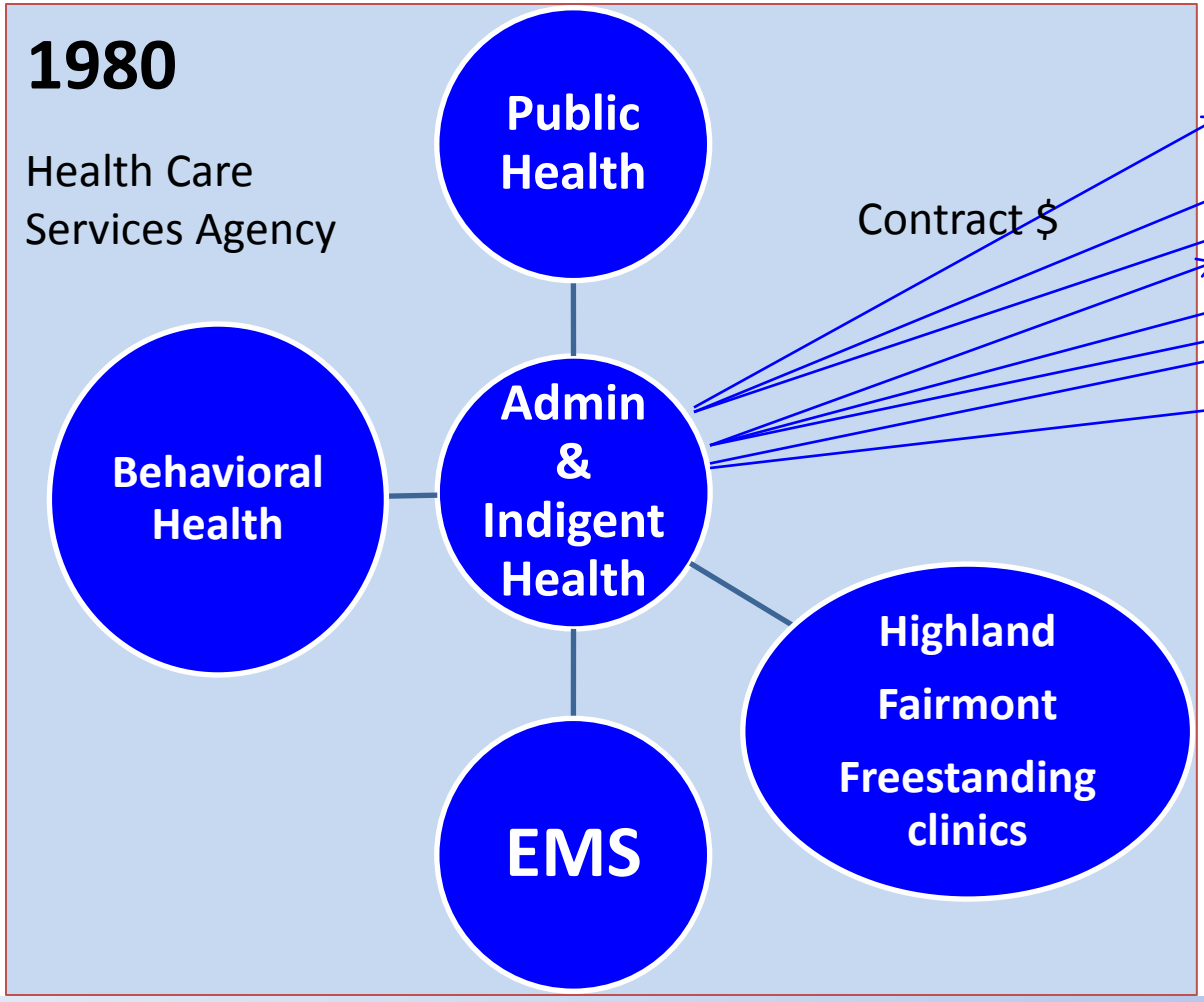
- 6 counties were studied
  - Four with Boards separate from BOS (Sonoma, Monterey, SLO, and SF), Ventura with Commission that reported to BOS and LA, in flux
  - The Committee determined that the factors most closely correlated with success of a separate hospital board were:
    - Clear and detailed delineation of the responsibilities of the BOS and the BOT
    - Appointment of members with health policy expertise
    - Empowering the BOT to make a broad range of decisions itself, within parameters set by the BOS

From the 11/1/95 Report of the ACMC Governance Committee

BOS Decision and Implementation

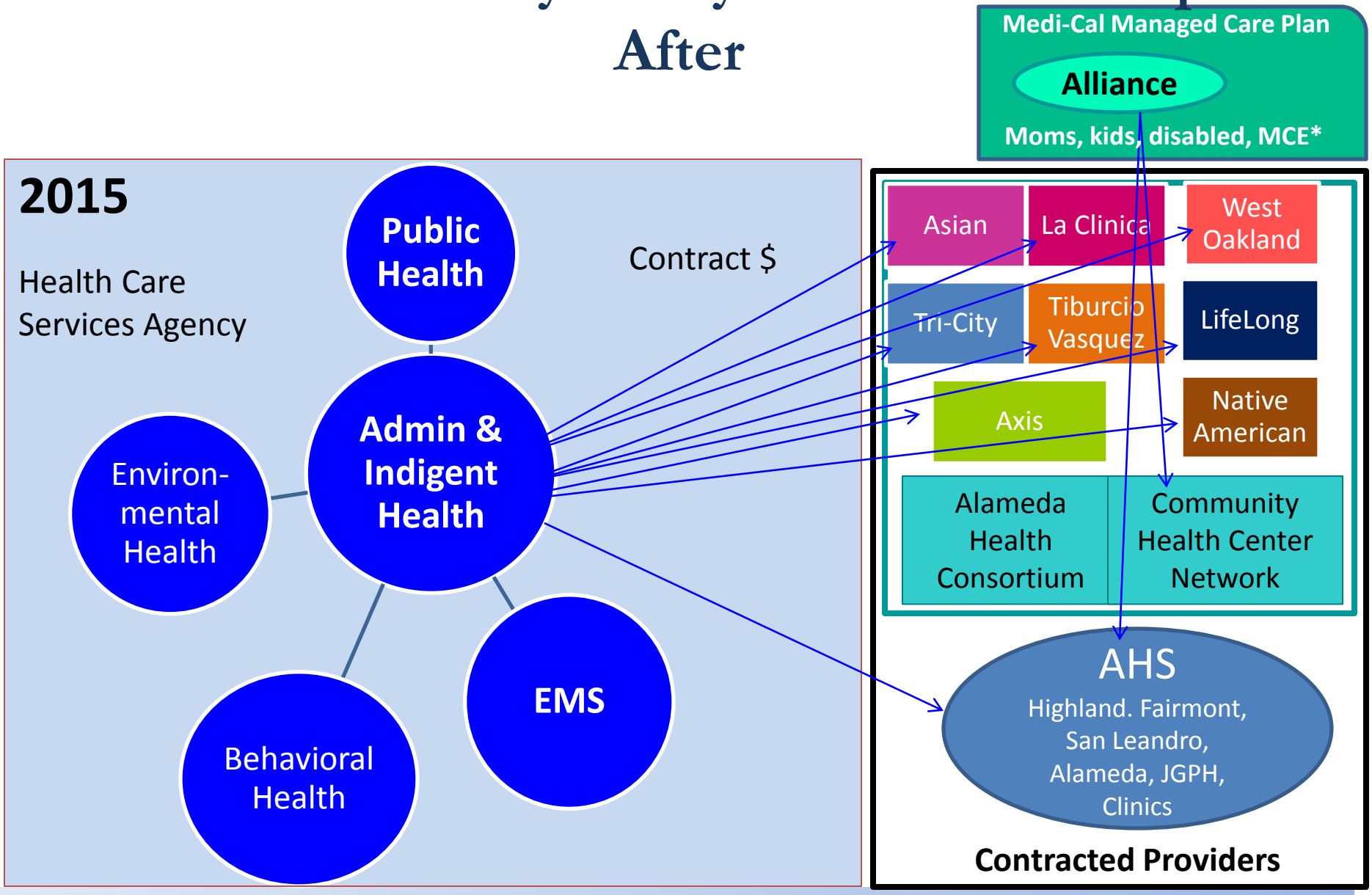
- Three models were considered, top two were recommended by the Committee to the full BOS:
  - County chartered hospital commission,
  - hospital authority,
  - contracting/leasing out.
- Feb 1996 BOS selected Hospital Authority as the new model.
- Sept 1996 Enabling legislation was signed into law.
- May 1998 the first BOT, which had 9 seats, was appointed.

How did the Hospital Authority Change Alameda County Safety Net Relationships? Before



* AHC is a membership organization of the clinics that does policy and advocacy work

Alameda County Safety Net Relationships After



*Expansion Medi-Cal

Unintended Consequence: Institutionalized Fragmentation

- Separate entities, separate governing boards, separate strategic planning processes.
- Each organization tends to respond to individual entity needs instead of system as a whole
- Data systems are separate, which makes system planning difficult
- There is no established structure for managing clinical, operational or financial issues in a collaborative way

Vision for the Future

- Re-invigorated partnership characterized by:
  - Orientation toward solutions
  - Clear and consistent communication
  - Accountability
  - Stewardship of public resources
  - And in particular, a focus on our shared mission: the best possible care for the most vulnerable in our community

QUESTIONS?