

**PUBLIC NOTICE**  
**CITY OF ALAMEDA HEALTH CARE DISTRICT**  
**BOARD OF DIRECTORS MEETING**  
**AGENDA**

**Monday, September 14, 2009**

**Location:**

Alameda Hospital (Dal Cielo Conference Room)  
2070 Clinton Avenue, Alameda, CA 94501

**Office of the Clerk: (510) 814-4001**

**Regular Meeting**

*Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address and present to the District Clerk. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.*

- |                                                                                                          |                                   |
|----------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>I. Call to Order (6:00 p.m. – 2 East Board Room)</b>                                                  | Jordan Battani                    |
| <b>II. Roll Call</b>                                                                                     | Kristen Thorson                   |
| <b>III. Adjourn into Executive Closed Session</b>                                                        |                                   |
| <b>IV. <u>Closed Session Agenda</u></b>                                                                  |                                   |
| A. Approval of Closed Session Minutes – August 10, 2009                                                  |                                   |
| B. Consultation with Legal Counsel Regarding Pending Litigation                                          | <u>Gov't Code Sec. 54956.9(a)</u> |
| C. Discussion of Pooled Insurance Claims                                                                 | <u>Gov't Code Sec. 54956.95</u>   |
| D. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions | <u>Gov't Code Sec. 54957.6</u>    |
| E. Consideration of Performance Evaluation of District Employees – Chief Executive Officer               | <u>Gov't Code Sec. 54957</u>      |
| F. Discussion of Report Involving Trade Secrets                                                          | <u>H &amp; S Code Sec. 32106</u>  |
| G. Quality Improvement Committee Report (QIC)                                                            | <u>H &amp; S Code Sec. 32155</u>  |



# Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

## Minutes of the Board of Directors August 10, 2009

**Directors Present:**

Jordan Battani  
Robert Bonta  
Robert Deutsch, MD  
J. Michael McCormick

**Management Present:**

Deborah E. Stebbins  
Kerry J. Easthope

**Medical Staff Present:**

Alka Sharma, M.D.

**Legal Counsel Present:**

Thomas Driscoll, Esq.

**Excused:**

Steve Wasson  
David A. Neapolitan

**Submitted by:**

Kristen Thorson

Action	
1. Call to Order	Jordan Battani called the Open Session of the Board of Directors of the City of Alameda Health Care District to order at 6:10 p.m.
2. Roll Call	Kristen Thorson called roll, noting that a quorum of Directors were present. Director Wasson was absent from the meeting.
3. General Public Comments	None at this time.
4. Adjourn into Executive Closed Session	At 6:11 p.m. the meeting adjourned to Executive Closed Session.

<p><b>5.</b> Reconvene to Public Session</p>	<p>Jordan Battani reconvened the meeting into public session at 8:15 p.m. and made the following closed session announcements.</p>	
<p><b>6.</b> Closed Session Announcements</p>	<p>[A] Minutes</p> <p>[B] Medical Executive Committee Report and Approval of Credentialing Recommendations</p> <p>The Quality Improvement Report was not formally accepted in Closed Session and will be put on the agenda for the September 14, 2009 Board Meeting for acceptance.</p>	<p>[A] The Closed Session Minutes for the June 1, 2009 meeting were approved.</p> <p>[B] Medical Executive Committee Report and Approval of Credentialing Recommendations were approved as presented and indicated below.</p>

**Initial Appointment:**

Name	Specialty	Affiliation
? Neesha Dave, MD	Physical and Rehabilitative Medicine / Pain Medicine	IPM Medical Group
? Lam Hoang, MD	Maxillofacial Surgery	Kaiser
? Austin Spitzer, MD	General Surgery	Kaiser

**Reappointments – Medical Staff**

Name	Specialty	Status	Appointment Period
? Robert Bloom, MD	Radiology	Courtesy	08/01/09 – 07/31/11
? Greory Broderick-Villa, MD	General Surgery	Courtesy	09/01/09 – 07/31/11
? Catherine Covey, MD	Nephrology	Courtesy	08/01/09 – 07/31/11
? Robert Deutsch, MD	Pulmonary Medicine	Active	08/01/09 – 07/31/11
Critical Care Medicine	Internal Medicine		
Nephrology		Courtesy	09/01/09 – 07/31/11
? Ole Dierks, MD			

?	Mary Fisher, MD	Family Practice	Active	08/01/09 – 07/31/11
?	Maria Jackson, MD	Emergency Medicine	Active	09/01/09 – 07/31/11
?	James Kong, MD	Internal Medicine	Active	08/01/09 – 07/31/11
		Allergy/Immunology		
?	Stephen Kotler, MD	Ophthalmology	Courtesy	09/01/09 – 07/31/11
?	Bob Narayan, MD	Gastroenterology	Courtesy	08/01/09 – 07/31/11
?	Stephen Raskin, MD	Cardiology	Active	08/01/09 – 07/31/11
?	Robert Shimshak, MD	Radiology	Courtesy	09/01/09 – 07/31/11
?	Steven Stanten, MD	General Surgery	Active	09/01/09 – 07/31/11
?	Clifford Tschetter, MD	Pathology	Courtesy	09/01/09 – 07/31/11
?	Ann Wexler, MD	Oncology	Courtesy	08/01/09 – 07/31/11

**Resignations – Medical Staff**

Name	Specialty
? Margaret Abate, MD	Internal Medicine
? Ian Ahwah, MD	Emergency Medicine
? Carolyn Lobo, MD	General Medicine
? Peter Perez, MD	Family Medicine
? Adriana Ramirez, PA-C	PA/Spine Program
? Sang You, MD	Anesthesiology

<p><b>7. Consent Agenda</b></p>	<p>[A] Approval of July 6, 2009 Minutes</p> <p>[B] Approval to Execute Meditech Advanced Clinicals Contract</p> <p>[C] Approval to Execute Agreement with Advisory Board for RAC Support Services.</p> <p>[D] Acceptance of June 2009 Financial Statements</p> <p>[E] Approval of Revision to Medical Staff Rules and Regulations Article VII Section 7.2.2, <u>History and Physical</u></p> <p>[F] Approval of Revisions to Medical Staff Rules and Regulations Article XI, Section 11.1.2.3, <u>Amendment Adoption</u></p>	<p>Director Deutsch moved to approve Consent Agenda Items [A], [D], [E], and [F]. Director McCormick seconded the motion. The motion carried with one abstention from Director Bonta on Item [A] Approval of Minutes as he was absent from the July 6, 2009 meeting.</p> <p>Director McCormick removed Consent Agenda items [B] and [C] for discussion.</p>
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	<p><b>[B] Approval to Execute Meditech Advanced Clinicals Contract</b>  Director McCormick had questions regarding the execution on the Meditech Advanced Clinicals Contract. Ms. Stebbins and Robert Lundy-Paine answered questions regarding his concerns. Execution of the contract by the organization at this time holds the Hospital's place in line with Meditech for the installation of the clinical applications. The Hospital is committing to the pricing and schedule as outlined. Director McCormick requested that legal counsel review several items with regard to the contract terms. Director McCormick stated that he was not ready to vote on approval to execute the contract.</p> <p>Director Battani suggested that a more detailed conversation regarding the contract take place outside of the Board meeting and with the appropriate people to resolve Director McCormick's questions and concerns. Management will work with legal counsel and Director McCormick to get resolution of questions and concerns. If necessary a follow-up meeting of the Board will be convened within the next week to seek resolution of these items in order to retain our fixed pricing and schedule with Meditech.</p> <p>Director Bonta asked what down side of not approving the contract tonight. Ms. Stebbins stated that if it is not signed, that we risk place in line, pricing and ultimately not meeting the ARRA requirements by June of 2012.</p> <p><b>[C] Approval to Execute Agreement with Advisory Board for RAC Support Services.</b>  Ms. Stebbins explained that the Advisory Board Revenue Integrity Compass was an all inclusive membership that provided support to the Hospital in guiding the Hospital through the RAC process. The Hospital felt that the Advisory Board had extensive knowledge and comparative information that would greatly benefit the Hospital. After further clarification, the Director McCormick was ready to make a motion for approval.</p>	<p>Director Battani made a motion to approve in principal the execution of the Meditech Advanced Clinicals contract contingent upon Director McCormick's resolution of his concerns by Friday, August 14, 2009. If Director McCormick does not receive resolution by then, then the Board of Directors would need to reconvene to discuss further and take appropriate action. Director Deutsch seconded the motion. The motion carried.</p> <p>Director McCormick made a motion to authorize management to execute the agreement with the Advisory Board for RAC support Services. Director Bonta seconded the motion. The motion carried unanimously.</p>
<p><b>8. Regular Agenda</b></p>	<p><b>A. Chief Executive Officer's Report</b></p> <p>Ms. Stebbins reported on the key statistics as indicated below:</p>	

<u>Statistics</u>	July (Prelim)	July Budget	August Actual
Average Daily Census	88.1	85.7	90.9
Acute	35.1	31.4	34
Subacute	31.3	32.8	33.0
South Shore	21.7	21.5	23.1
Patient Days	2,731	2,656	2,727
ER Visits	1,574	1,404	1,527
OP Registration	2,434	2,306	2,553
Total Surgeries	509	459	560

Worthwhile to note, Alameda surgeries exceed budget by 14.6 % in July.

Ms. Stebbins reminded the Board of Directors that the Annual Fall Gala for the Alameda Hospital Foundation will take place on September 12. Robert Deutsch, MD will be honored as the Kate Creedon Award recipient for 2009.

1. Appointment of Board Member(s) to Review Administrative Policies and Procedures.

Ms. Stebbins stated that there is a requirement for Joint Commission that every couple of years that the Board conduct a formal review and approval the Administrative Policies and Procedures. Ms. Stebbins is recommending an approach that would divide up the policies among the Board members for review and recommendation for adoption by the full Board. The suggested distribution is outlined in the memo in the Board packet. If there are question regarding the review process, management will be available to answer questions. Director Battani requested a timeline for when the policies are due and assign a point person for questions. Ms. Stebbins will work with staff to provide the Board with soft and hard copies of the policies and procedures for their review.

Director Bonta asked what the meaningful review by the Board meant. Ms. Stebbins stated that the Board member should review the policy and be comfortable with recommending adoption by the full Board. Board Members should look at content rather than grammatical changes and style. If there are major changes, it may require that the policy be routed through the appropriate hospital committees and medical Staff committees. Ms. Stebbins stated that she will be the point of contact for questions regarding the policies and procedures.

Director Bonta made a motion to approve the process for reviewing the Administrative Policies and Procedures and appointment of the Board Members for such review. Director McCormick seconded the motion. The motion carried unanimously.

	<p><b>B. <u>Strategic Planning and Community Relations Report</u></b></p> <p><u>Committee Report – July 21, 2009 and August 4, 2009</u></p> <p>Director Bonta reported on the last two committee meetings, stating that a lot had been accomplished at the meetings. The July 21 meeting focused on the progress made in FY 2009. Ms. Stebbins reviewed the 2009 goals and their current status at that meeting. Director Bonta stated that there was strong adherence and follow through to the original plan with impressive achievement of the goals that had been set. The document was organized under the six strategic pillars with measures of success under each pillar, specific initiative and goals and the status of those initiatives. Director Bonta highlighted some of the goals as listed in the document. Marketing and Outreach was also discussed on July 21 highlighting the recent and future activities that the hospital has been and will be involved in and also enhanced capabilities of our website.</p> <p>The August 4 meeting focused on the draft goals for FY 2010. The goals and initiatives were organized under the six strategic pillars as well. There were more updated, aggressive and detailed metrics for which to measure success in the FY 2010. A marketing and community outreach plan for FY 2010 was presented with key messaging points regarding the Hospital and its success. Plans call for additional communication outlets such as email blasts and possibly participation in community blogs.</p> <p>Director Bonta also reported that the committee will be tour the medical office building at the next committee meeting as the facility renovation is now complete.</p>	
	<p><b>C. <u>Finance and Management Committee Report</u></b></p> <p>Ms. Stebbins summarized, that the fiscal year ended with a positive \$419,000 compared to a budgeted profit of \$276,000. Net revenue increased by 12.7% over FY 2008. Expenses only increased by 6.3% over the prior fiscal year.</p>	
	<p><b>D. <u>Medical Staff President Report</u></b></p> <p>Dr. Alka Sharma reported that the Medical Staff and Quality Resource Management are implementing a new credentialing and QA software program.</p>	

	Employees are receiving training on the new program.	
<b>9. General Public Comments</b>	None.	
<b>10. Board Comments</b>	None.	
<b>11. Adjournment</b>		A motion was made to adjourn the meeting and being no further business, the meeting was adjourned at 9:52 p.m.

Attest:

\_\_\_\_\_  
**Jordan Battani**  
 President

\_\_\_\_\_  
**Robert Bonta**  
 Secretary



**V. Reconvene to Public Session (Expected to start at 7:30 p.m. – Dal Cielo Conference Room)**

- A. Announcements from Closed Session Jordan Battani

**VI. Consent Agenda**

- A. Approval of August 10, 2009 Minutes **ACTION ITEM** [enclosure]
- B. Acceptance of July 2009 Financial Statements **ACTION ITEM** [enclosure]
- C. Approval to Execute Fugro West Proposal for Seismic Liquefaction Mitigation Services **ACTION ITEM** [enclosure]
- D. Approval to Execute Agreement with Perot Systems for IT Capabilities Assessment **ACTION ITEM** [enclosure]
- E. Approval of Administrative Policies and Procedures **ACTION ITEM** [copies available upon request]

**Policy # Policy Name**

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- 3** Role and Scope of Services
- 9** Administrative Organizational Chart
- 11** Honorary Naming of Facilities, Programs and Equipment
- 12** Administrative Line of Responsibility
- 13** Contracted Services
- 15** Ethics Committee Purpose and Case Consultation Procedure
- 17** Advance Directives
- 18** Informed Consent
- 25** Withholding/Withdrawing Life Sustaining Treatment
- 40** Personal Use of Cell Phones
- 45** Smoking Policy
- 46** Employee Multilingual Roster
- 54** Medical Staff Line of Responsibility
- 66** Monitoring Regulatory Responsibilities
- 70** Use of Hospital Vehicle
- 77** Use of Hospital Facilities
- 78** Procedure for Bidding Contracts
- 91** Governing Body

**VII. Regular Agenda**

- |    |                                                   |                     |
|----|---------------------------------------------------|---------------------|
| A. | Chief Executive Officer's Report                  | Deborah E. Stebbins |
| 1. | October Board Meeting Date Change                 |                     |
|    | • October 12, 2009                                |                     |
| 2. | Annual Health Fair – October 17, 2009             |                     |
| B. | Strategic Planning and Community Relations Report | Robert Bonta        |
| C. | Finance and Management Committee Report           |                     |
| 1. | Overview of July 2009 Financial Statements        | David A. Neapolitan |
| 2. | Committee Report – August 26, 2009                | Steve Wasson        |
| D. | Medical Staff President Report                    | Alka Sharma, MD     |

**VIII. General Public Comments**

**IX. Board Comments**

**X. Adjournment**

**The next regularly scheduled board meeting is scheduled for OCTOBER 12, 2009**

**Closed Session will begin at 6:00 p.m.**

**Open Session will follow at approximately 7:30 p.m.**



CITY OF ALAMEDA HEALTH CARE DISTRICT

# **ALAMEDA HOSPITAL**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE**

**PERIOD ENDING**

**07/31/09**

**ALAMEDA HOSPITAL**  
City of Alameda Health Care District  
July 31, 2009

<b><u>Table of Contents:</u></b>	<b><u>Page</u></b>
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Statement of Revenue and Expenses	14
Statement of Revenue and Expenses - Per Adjusted Patient Day	15
Key Statistics for Current Month and Year-to-Date	16

# ALAMEDA HOSPITAL

**July 31, 2009**

The management of the Alameda Hospital (the "Hospital") has prepared this discussion and analysis in order to provide an overview of the Hospital's performance for the period ending July 31, 2009 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the Hospital's financial performance as a whole.

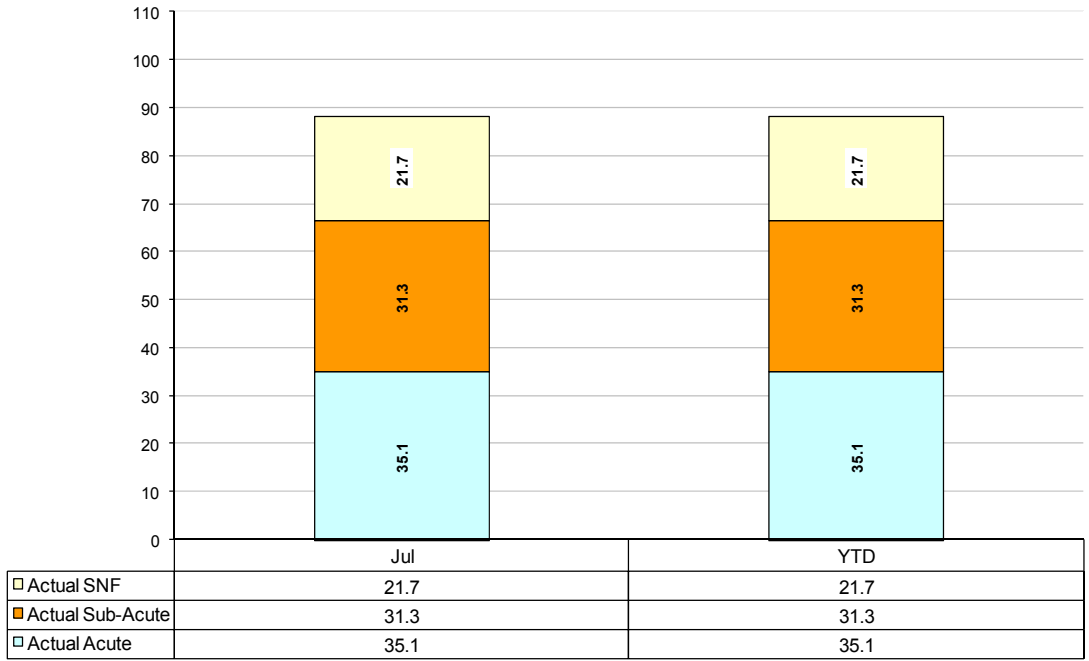
## ***Financial Overview as of July 31, 2009***

- Total assets on decreased by \$397,905 from the prior month as a result of a decrease in current assets of \$339,246 and a decrease in net fixed assets of \$68,635. The following items make up the decrease in current assets:
  - Total cash and cash equivalents for July decreased by \$58,416 which resulted in a decrease in our day's cash on hand from the prior month's 10.3 to 9.0 at July 31, 2009. This slight reduction was the result of the use of one twelfth of our parcel tax funds as planned offset by a very strong collection month that totaled \$6,534,211, including the monthly payment from Kaiser (\$800,800) in accordance with our current contract.
  - Net patient accounts receivable decreased in July by \$589,572 compared to a decrease of \$102,535 in June. Day's in outstanding receivables increased to 55.1 as compared to 53.8 in June.
  - Other assets increased by \$302,938 in July. This increase was the result of the prepayment of insurance premiums for the 2010 fiscal year.
- Total liabilities decreased by \$464,428 compared to an increase of \$4,834,626 in the prior month. This decrease was the result of the following:
  - Accounts payable decreased by \$440,254 from the prior month. As a result of this decrease the average accounts payable payment period decreased to 49.5 from 54.3 as of June 30, 2009.
  - Payroll and benefit related accruals increased by \$522,815 from the prior month. This increase was primarily the result of increased accrued payroll and paid time off of \$409,217 and additional accruals for health insurance claims costs (\$100,000) that have been experienced during FY 2010.
  - Other liabilities decreased by \$509,873 as a result of the amortization of one month's deferred revenue related to the 2009/2010 parcel tax revenues.
- Gross patient revenue was greater than budget by \$1,749,000 or 7.3%. Inpatient revenue was greater than budgeted by 6.6% and outpatient revenue was greater than budgeted by 8.3%. On an adjusted patient day basis gross patient revenue was \$5,422 compared to a budgeted amount of \$5,230 or a 3.7% favorable variance.
- Total patient days were 2,731 compared to the prior month's total patient days of 2,727 and the prior year's 2,018 total patient days. The average daily acute care census was 35.1 compared to a budget of 31.4 and an actual average daily census of 34.8 in the prior month; the average daily Sub-Acute census was 31.3 versus a budget of 32.8 and 33.0 in the prior month and the South Shore unit had an average daily census of 21.7 versus a budget of 21.5 and prior month census of 23.1, respectively.
- ER visits were 1,574 or 12.1% greater than the budgeted 1,404 visits and were slightly greater than the prior year's visits of 1,378.
- Total surgery cases were 10.9% greater than budget, with Kaiser surgical cases making up 69.0% of the 509 total cases. Alameda physician surgical cases were 158 cases as compared to 185 cases in June.
- Combined excess revenues over expense (profit) for July was \$61,000 versus a budgeted excess of revenues over

expense (profit) of \$18,000.

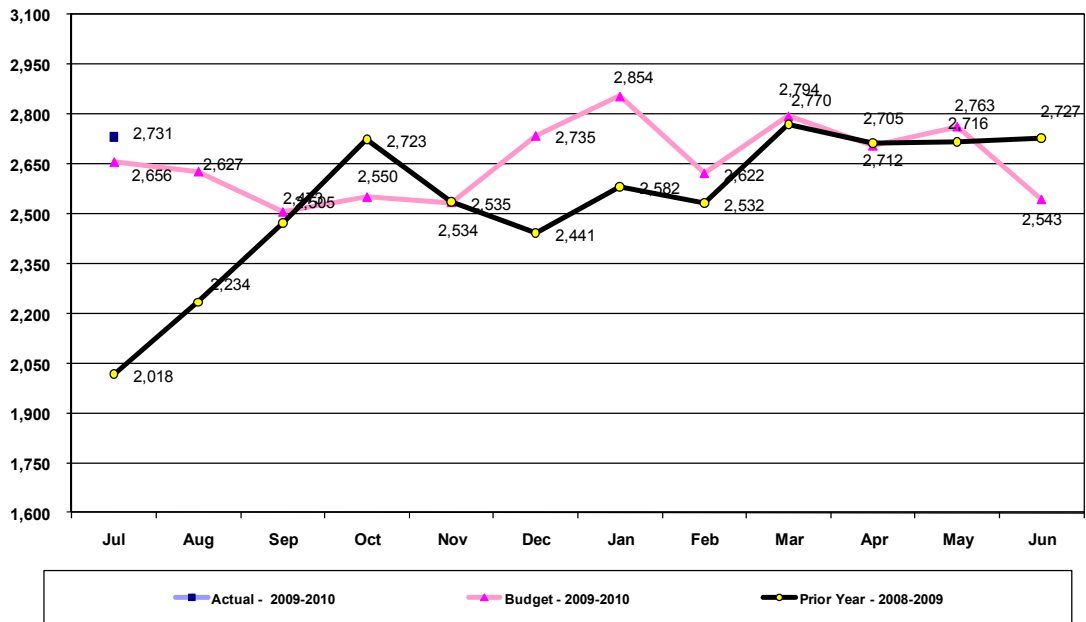
**Volumes**

Overall actual daily census was 88.1 versus a budget of 85.7. This favorable variance was primarily the result of the Acute care average daily census that was 35.1 versus a budget of 31.4. Also, favorably contributing to the variance was the South Shore unit had an average daily census of 21.7 versus a budget of 21.5. The Sub-Acute average daily census was slightly below budget at 31.3 versus the budgeted 32.8.



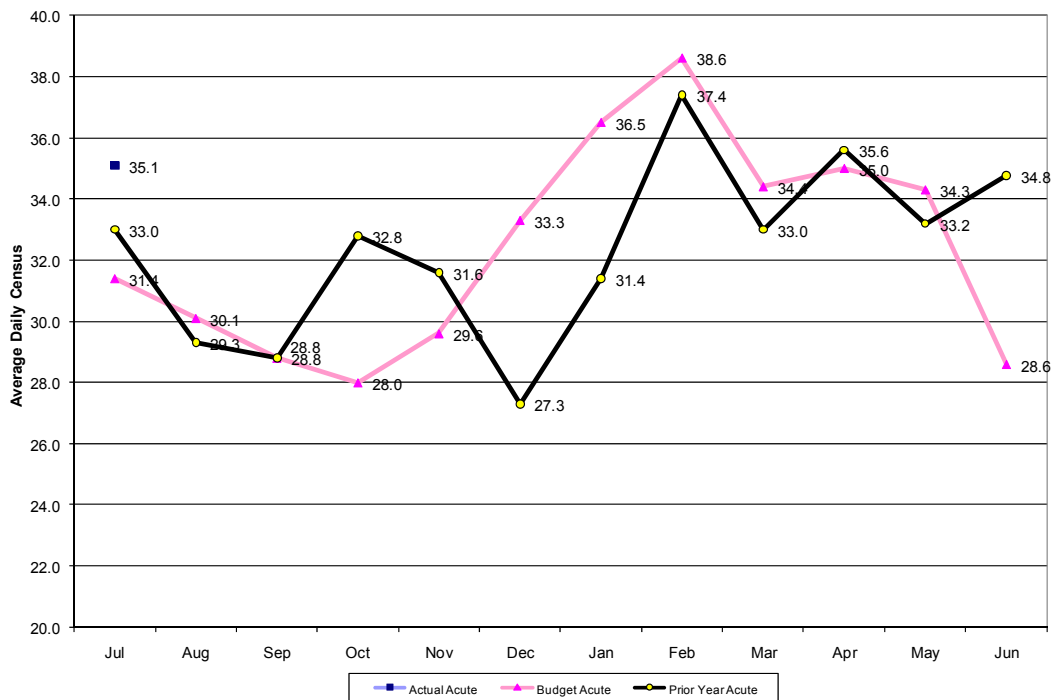
Total patient days in July were 2.8% greater than budgeted and were 2.0% greater than the prior year after removing the South Shore patient days (program began operations August 16, 2008) from the current year total patient day count. The graphs on the following pages show the total patient days by month for fiscal year 2010 including South Shore:

### Total Patient Days



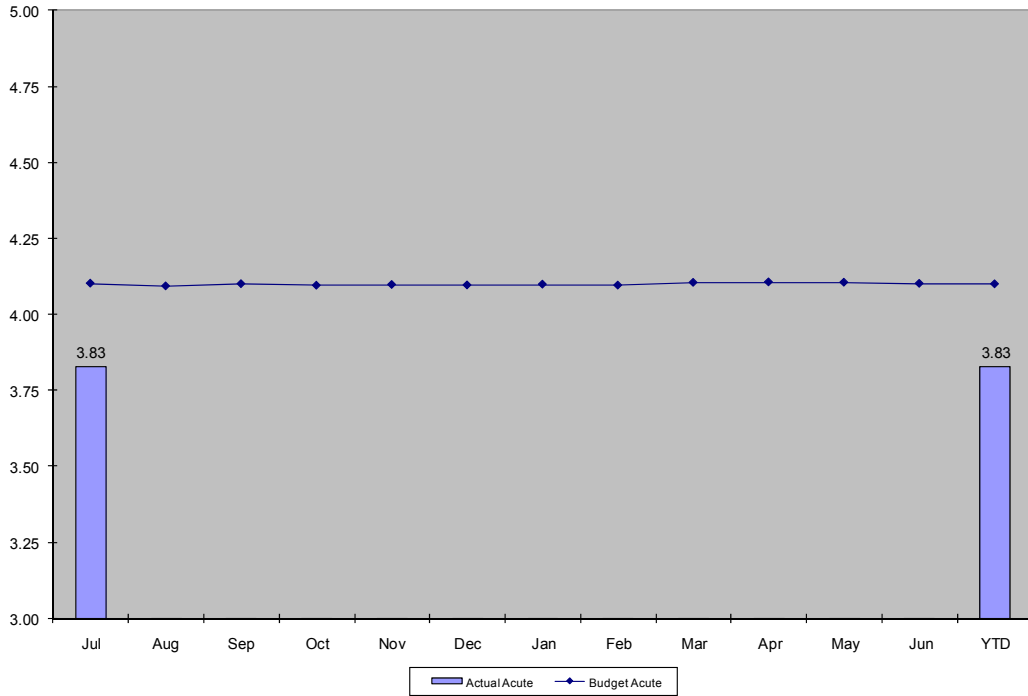
Separating the inpatient components of our volumes for the month of July we see that the acute care patient days were 11.8% (115 days) greater than budgeted and were 6.4% greater than the prior year's average daily census.

### Inpatient Acute Care Average Daily Census



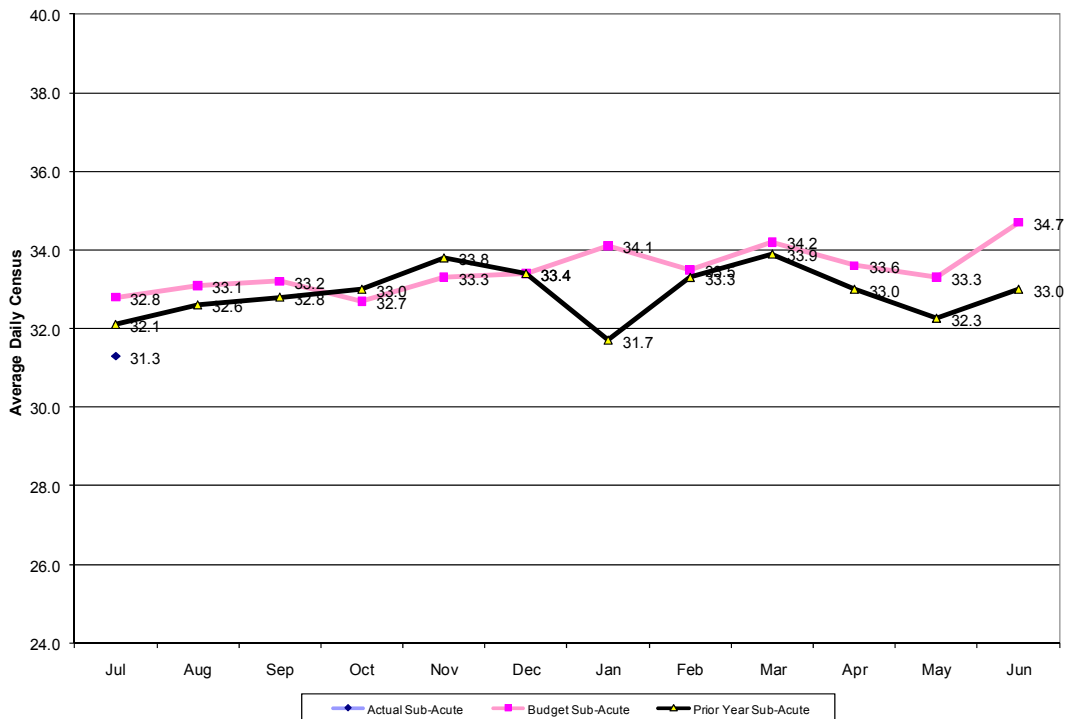
Our average length of stay (ALOS) fell below our projected ALOS of 4.10 to 3.83 for the month of July and is shown in the graph below.

**Average Length of Stay**



The Sub-Acute programs patient days were 4.5% below budget or 46 days. The graph below shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.

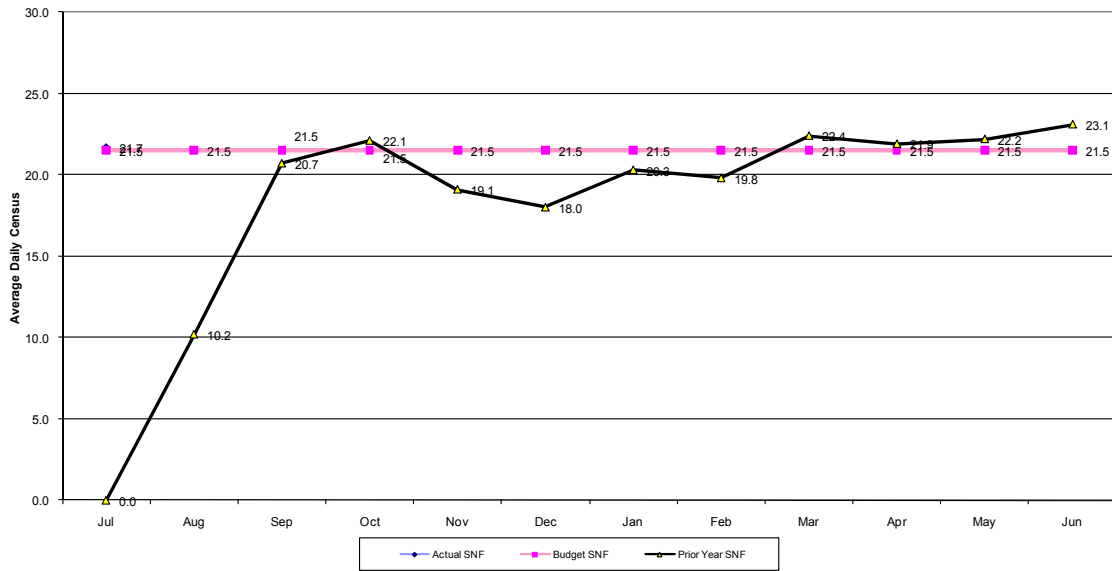
**Sub-Acute Care Average Daily Census**



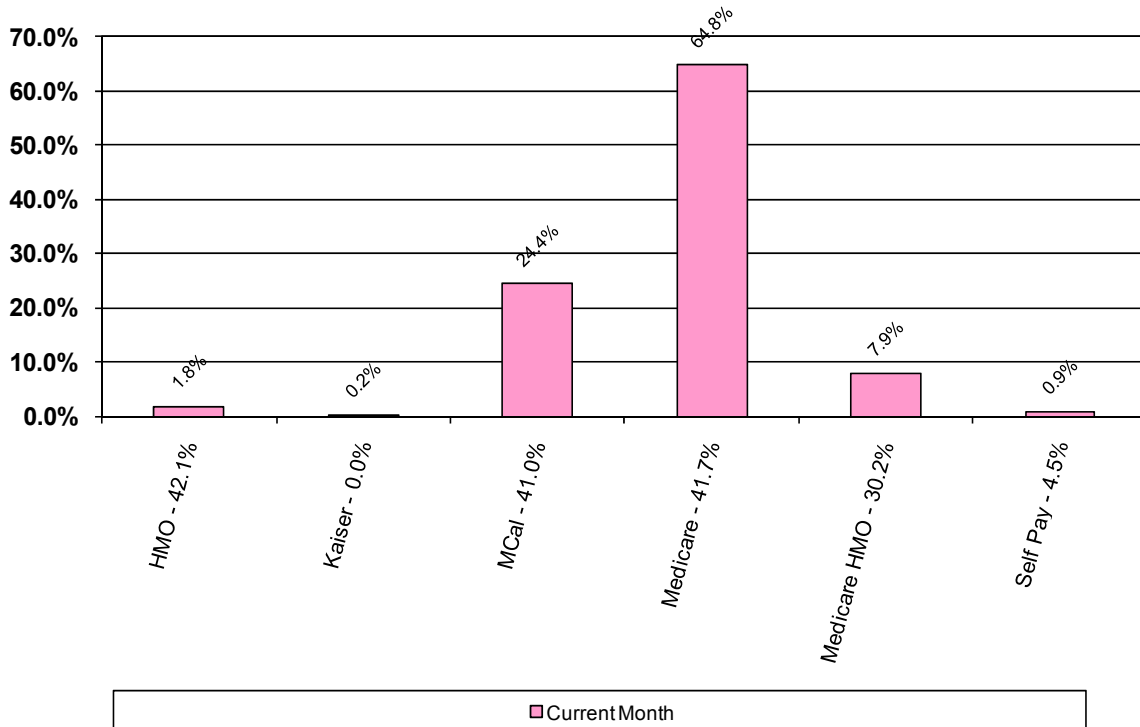


The Skilled Nursing Unit (South Shore) patient days were 0.9% greater than budgeted for the month of July. The following graphs show the Skilled Nursing Unit average daily census as compared to budget by month and the payor mix experienced during the current month.

**Skilled Nursing Unit Average Daily Census**

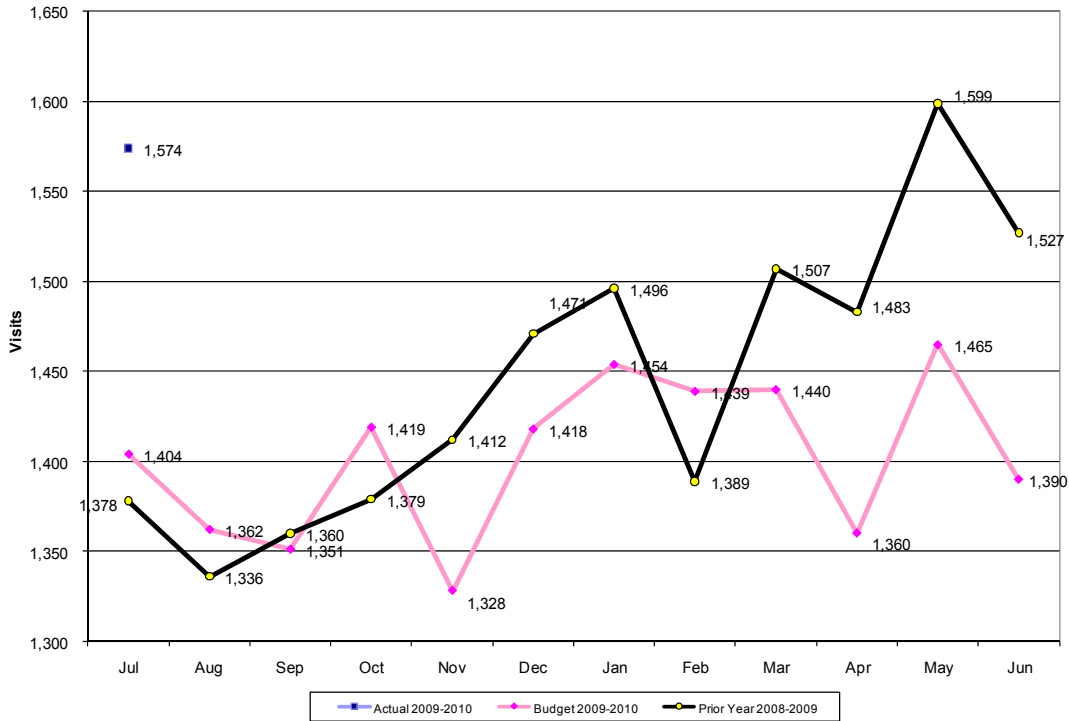


**Skilled Nursing Unit Payor Mix**



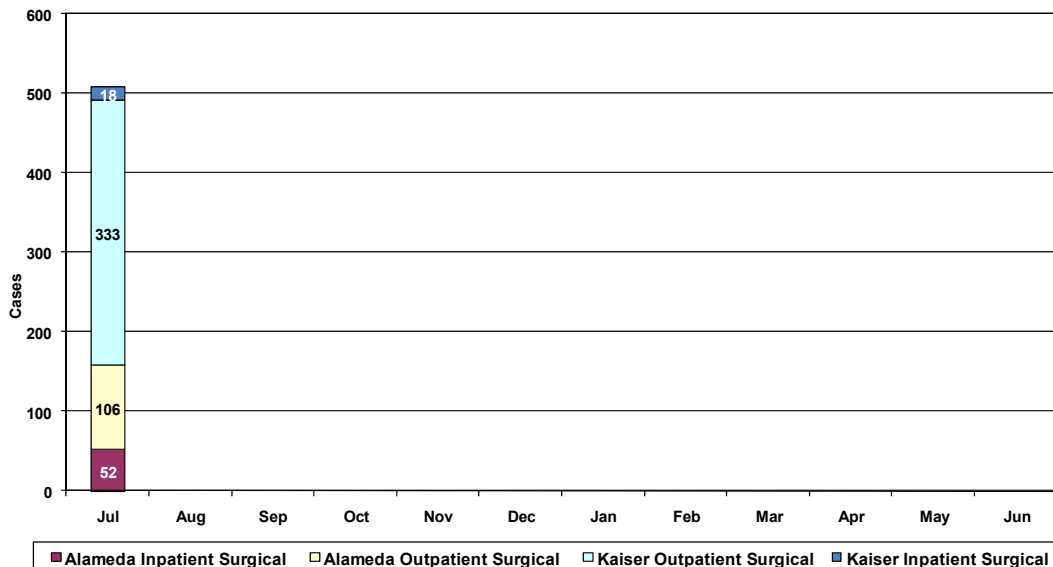
July ER visits were 12.1% greater than budgeted for the month.

### Emergency Care Center Visits



Surgery cases were 509 versus the 459 budgeted and 548 in the prior year. In July, Alameda physician cases decreased to 158 cases versus 185 in the prior month. Kaiser related cases in July decreased to 351 as compared to the 375 cases performed in June. This decrease in cases also resulted in a decrease in Kaiser Same Day Surgery revenue of \$569,281 from the prior month. As a result of this month's activity, our reimbursement for Kaiser Outpatient cases in July increased to 21.0% as compared to 18.2% of gross charges in June.

### Surgical Cases

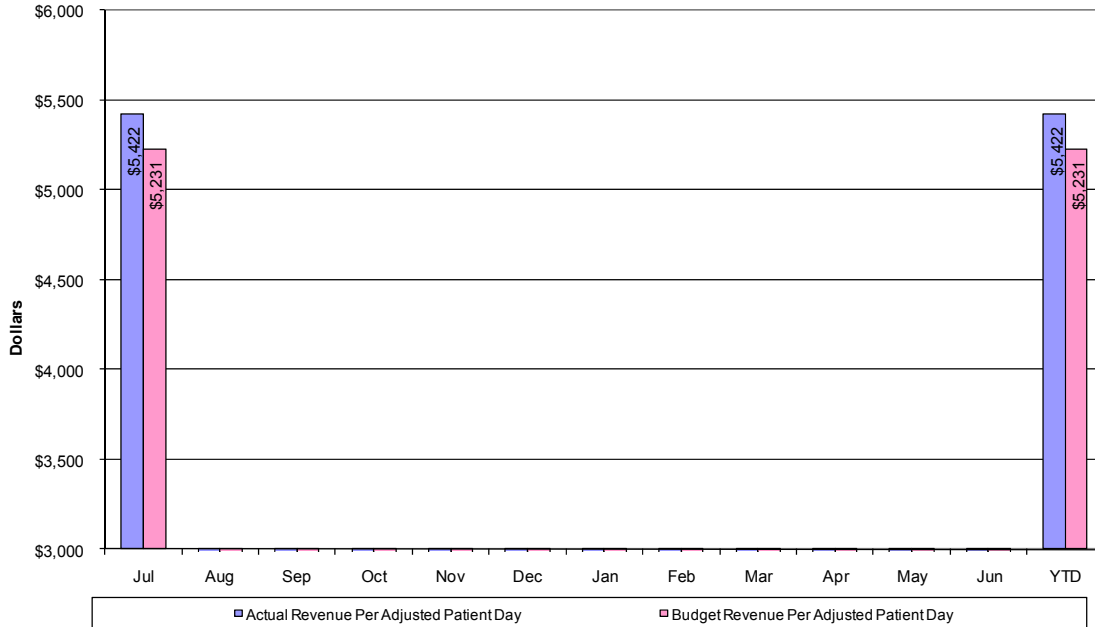


***Income Statement – Hospital Only***

***Gross Patient Charges***

Gross patient charges in July were greater than budgeted by \$1,749,000. This favorable variance was comprised of favorable variances of \$916,000 and \$833,000 in inpatient and outpatient revenues respectively. On an adjusted patient day basis total patient revenue was \$5,422 versus the budgeted \$5,230 or a 3.7% favorable variance from budget for the month of July.

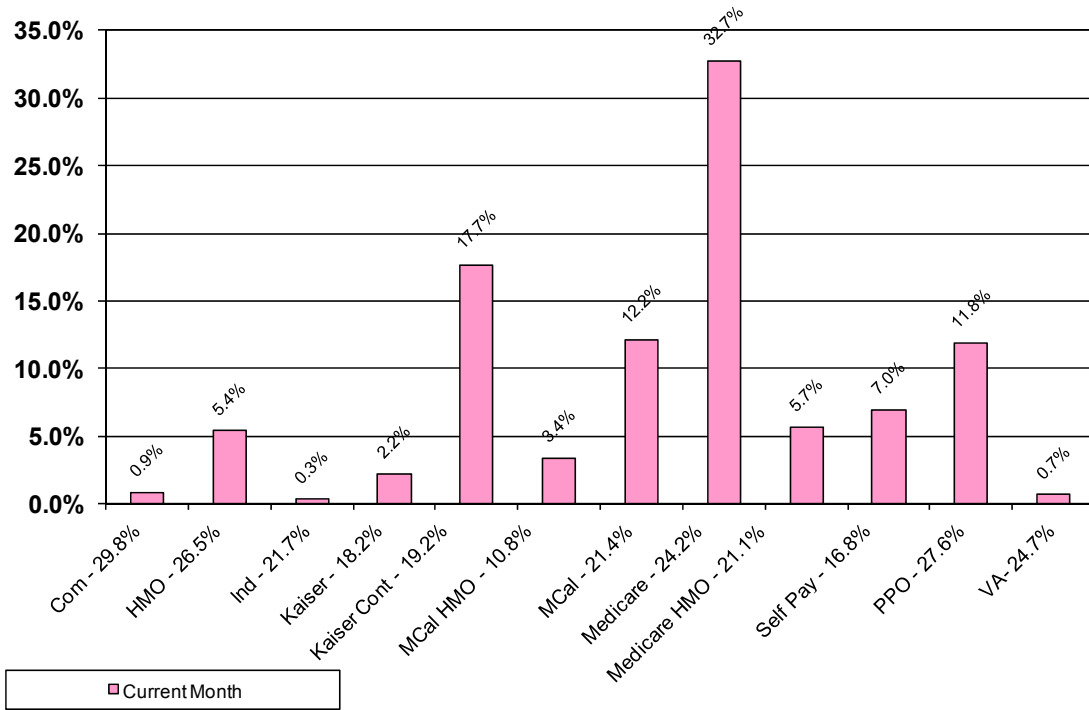
**Gross Charges per Adjusted Patient Day**



***Payor Mix***

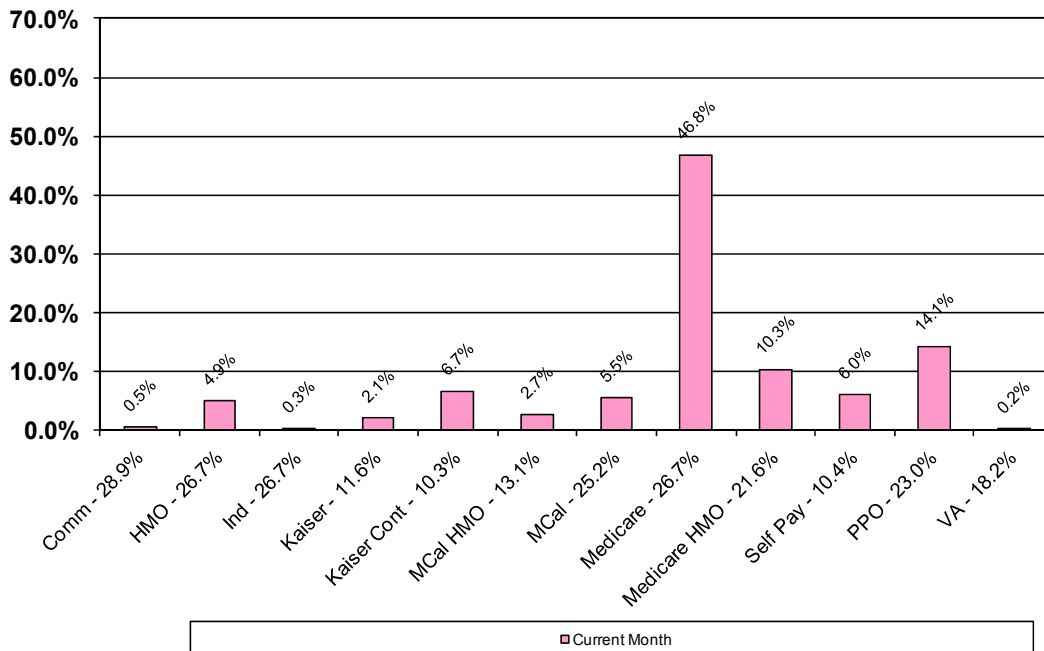
Medicare total gross revenue in July made up 32.7% our total gross patient charges up from 27.5% in the prior month. Kaiser was again the second largest source of gross patient revenues at 19.9%. Also, helping the bottom line performance in July was HMO / PPO volume of 17.2%. The graph on the following page shows the percentage of revenues generated by each of the major payors for the current month as well as the current months expected reimbursement for each payor.

### Combined Payor Mix



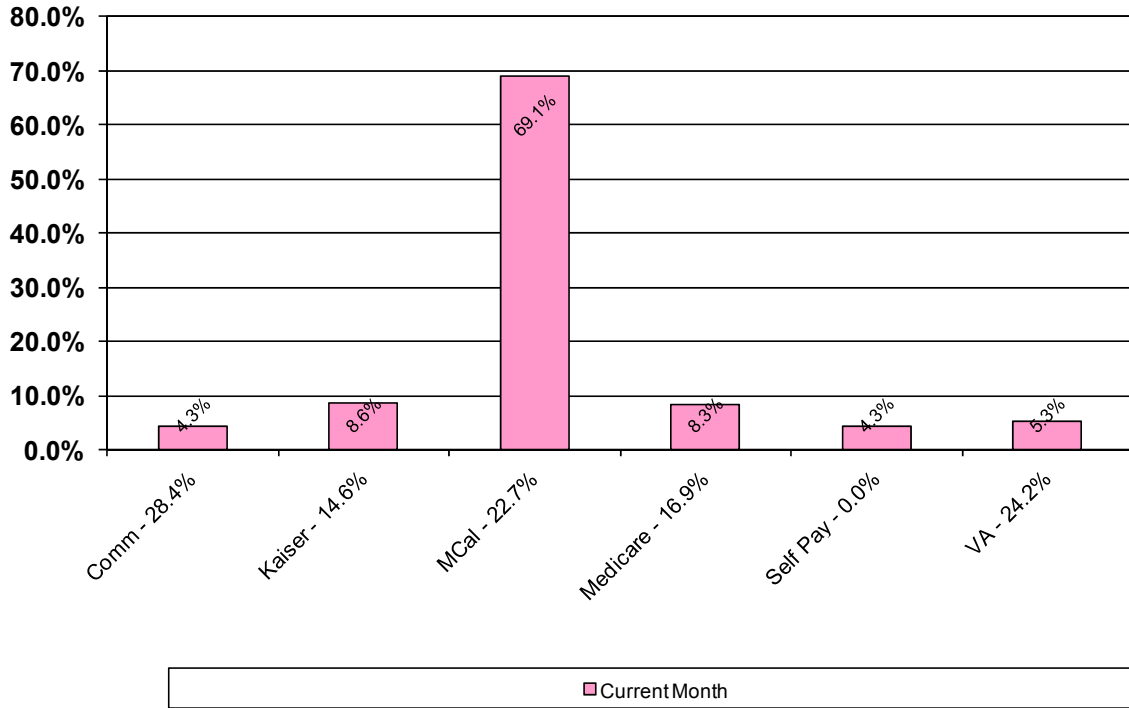
On the Hospital’s inpatient acute care business, current month gross Medicare charges were 46.8% of our total inpatient acute care gross revenues. In July there were three cases that hit outlier thresholds which favorably impacted net patient revenues in July. Additionally, the Medicare Case Mix Index (CMI) climbed to 1.3749 from 1.2010 in June. These changes to the acuity level of Medicare patients treated during the month of July and the number of outlier cases resulted in our expected reimbursement for Medicare inpatient cases to increase from June’s estimate of 24.5% to 26.7% in July.

### Inpatient Acute Care Payor Mix



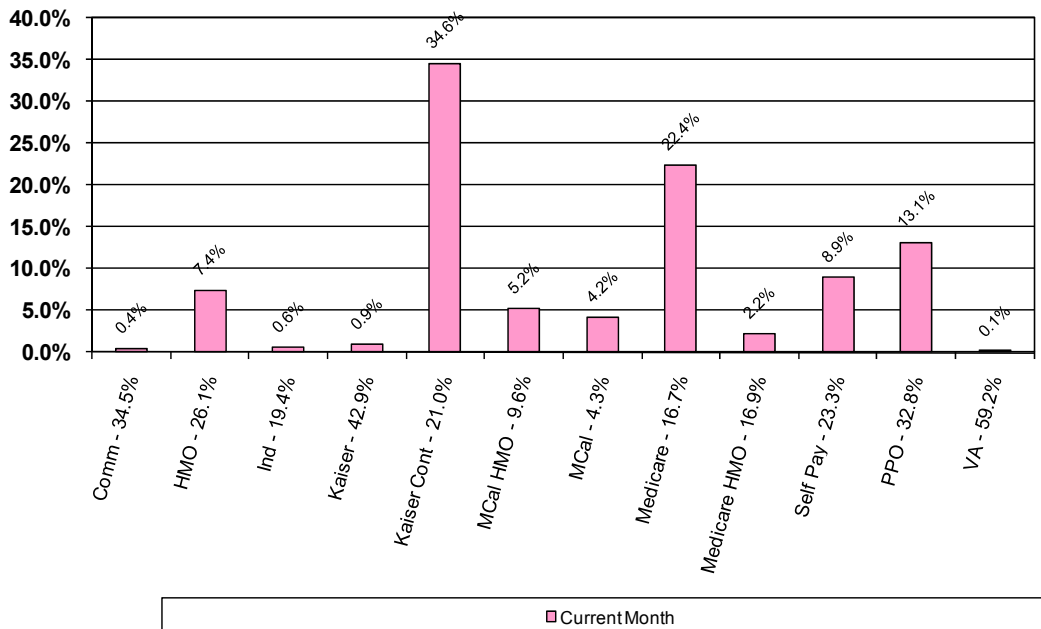
In July the Sub-Acute care program was again dominated by Medi-Cal utilization of 69.1%. The following graph shows the payor mix for July and the expected reimbursement rate for each payor.

### Inpatient Sub-Acute Care Payor Mix



The outpatient gross revenue payor mix for July was comprised of 35.50% Kaiser, 22.4% Medicare, 13.1% PPO and 7.4% HMO. The graph below shows the current month outpatient payor mix and expected level of reimbursement for each payor.

### Outpatient Services Payor Mix

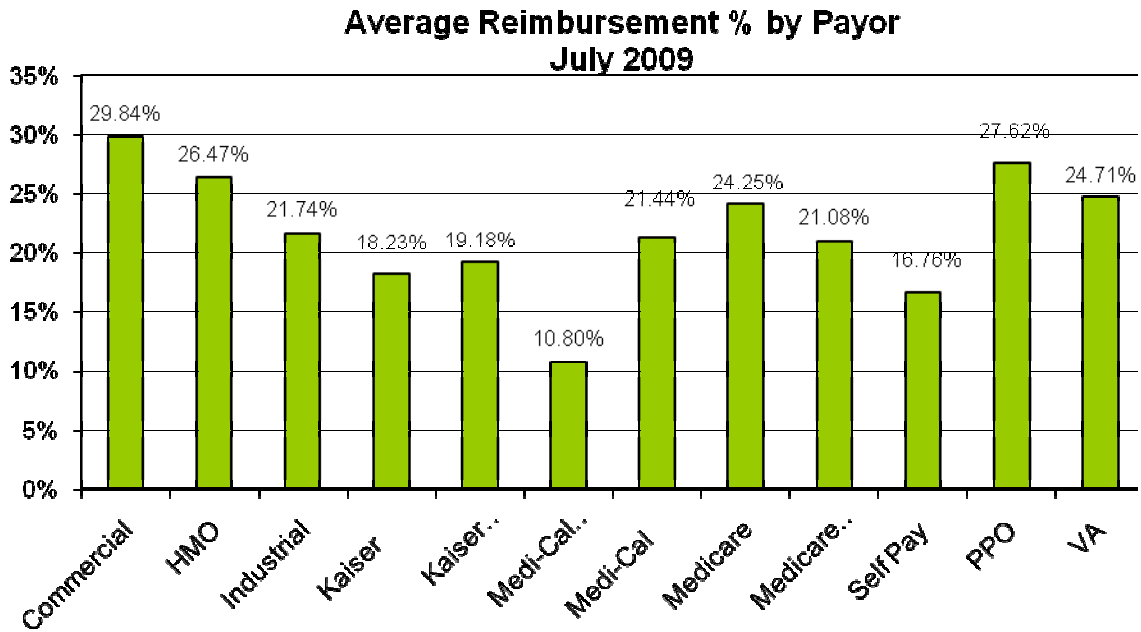


***Deductions from Revenue***

Contractual allowances are computed as deductions from gross patient revenues based on the difference between gross patient charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare, Medi-Cal and other third party payors such as Blue Cross. In the month of July contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 76.7% versus the budgeted 76.5%.

***Net Patient Service Revenue***

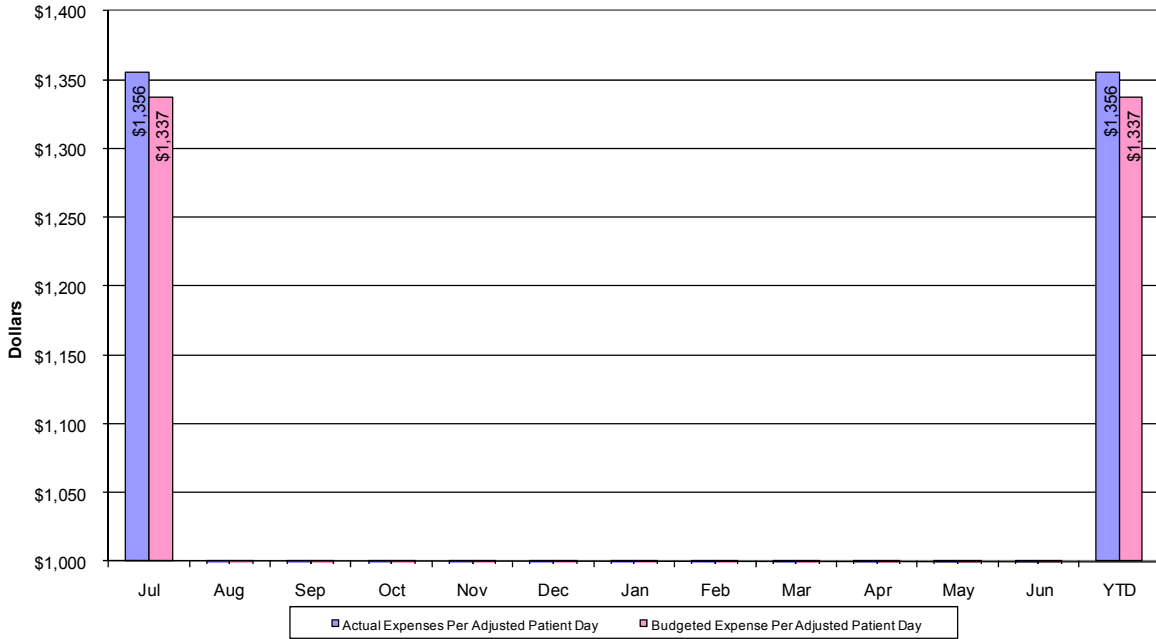
Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. This difference reflects what the anticipated cash payments the Hospital is expecting to receive for the services provided. The graph on the following page shows the level of reimbursement that the Hospital has estimated for the current month of fiscal year 2010 by major payor category.



***Total Operating Expenses***

Total operating expenses were greater than the fixed budget by \$303,000 or 4.9%. However, on an adjusted patient day basis, our cost per adjusted patient day was \$1,356 which is only \$19 per adjusted patient day or approximately \$90,000 greater than budgeted. The graph on the following page shows the hospital operating expenses on an adjusted patient day basis for the 2010 fiscal year by month and is followed by explanations of the significant areas of variance that were experienced in the current month.

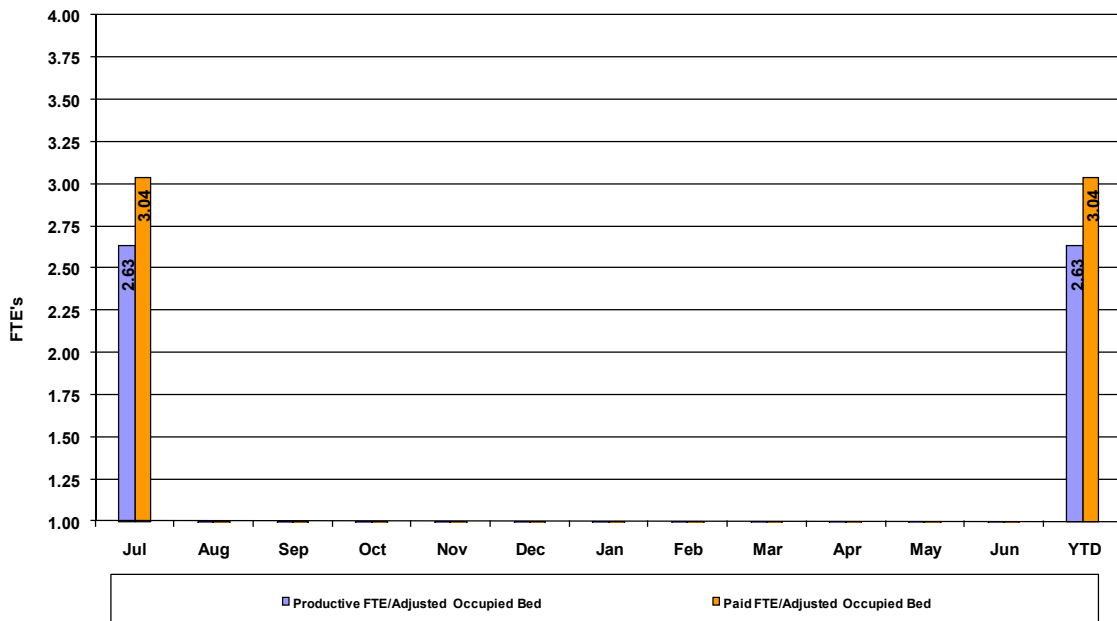
### Expenses per Adjusted Patient Day



### Salary and Registry Expenses

Salary and registry costs combined were unfavorable to the fixed budget by \$174,000 and were \$13 per adjusted patient day unfavorable to budget in July. This variance was primarily attributable to the use of registry staffing that was required in order to meet the staffing needs resulting from the higher than projected patient volumes experienced during the month of July. On an adjusted occupied bed basis productive FTE's were 2.63 in July versus the budgeted 2.59. The graph below shows the productive and paid FTE's per adjusted occupied bed for FY 2010 by month and year to date.

### FTE's per Adjusted Occupied Bed

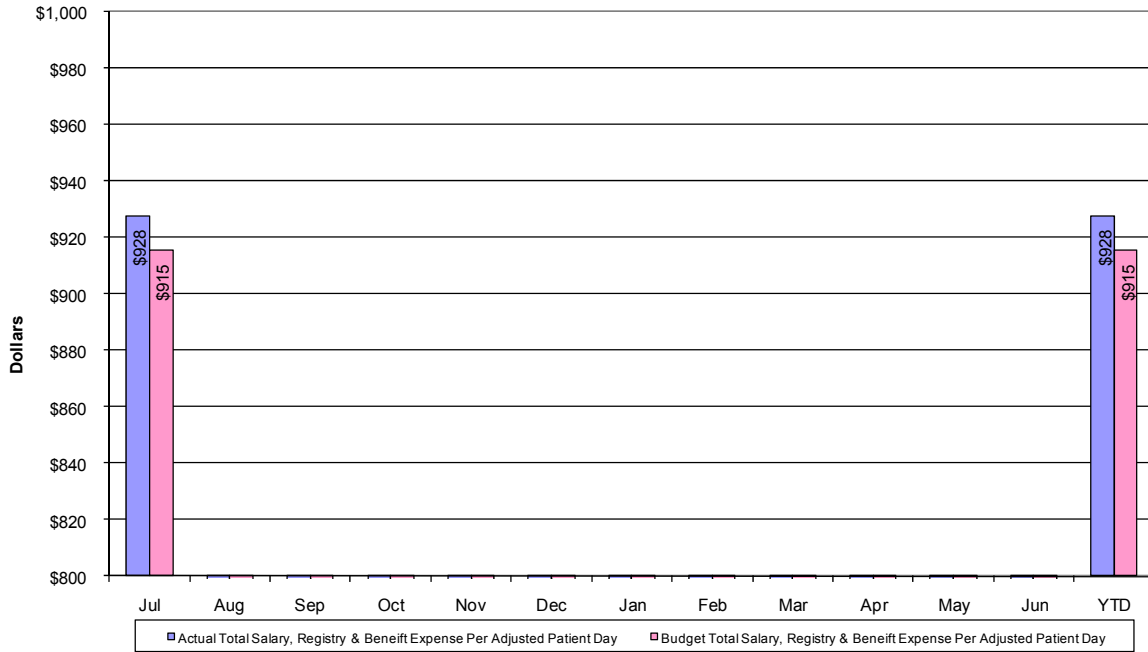


**Benefits**

Benefit costs were \$32,000 unfavorable to the fixed budget in July. However, on an adjusted patient day basis were equal to the volume adjusted budget.

The following graph shows the combined salary, registry and benefit costs on an adjusted patient basis for FY 2010 by month.

**Salary, Registry and Benefit Cost per APD**



**Supplies**

The supplies expense category was unfavorable to budget by \$37,000. This unfavorable variance from the fixed budget was primarily the result of increased prosthetic, pharmacy and other medical supply costs in July that were the result of the higher than anticipated patient census levels.

**Depreciation and Amortization**

Depreciation and amortization expense was \$32,000 less than budgeted in July as a result of various pieces of equipment that were purchased in 2004 which became fully depreciated in June 2009.

The following pages include the detailed financial statements for the first month of fiscal year 2010.



**ALAMEDA HOSPITAL**  
**Balance Sheet**  
**July 31, 2009**

	<b>July 31, 2009</b>	<b>June 30, 2009</b>	<b>Audited June 30, 2008</b>
<b>Assets</b>			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 1,816,210	\$ 1,874,626	\$ 4,520,157
Net Accounts Receivable	9,818,379	10,407,951	7,944,523
Net Accounts Receivable %	21.11%	22.92%	20.17%
Inventories	1,019,383	1,023,664	1,048,503
Est.Third-party payer settlement receivable	215,425	205,340	245,115
Other assets	7,578,624	7,275,686	7,270,116
Total Current Assets	20,448,021	20,787,267	21,028,414
Restricted by contributors and grantors for capital acquisitions and research-Jaber Estate	478,185	468,209	602,817
Total Non-Current Assets	478,185	468,209	602,817
<i>Fixed Assets:</i>			
Land	877,945	877,945	877,945
Depreciable capital assets, net of accumulated depreciation	5,961,176	6,029,811	6,572,299
Total fixed assets, net of accumulated depreciation	6,839,121	6,907,756	7,450,244
Total Assets	\$ 27,765,327	\$ 28,163,232	\$ 29,081,475
<b>Liabilities and Net Assets</b>			
<i>Current Liabilities:</i>			
Current portion of long term debt	\$ 433,400	\$ 436,733	\$ 2,744,870
Accounts payable and accrued expenses	5,810,758	6,251,012	7,057,075
Payroll and benefit related accruals	4,298,493	3,775,678	3,133,574
Est.Third-party payer settlement payable	502,229	502,229	441,409
Other liabilities	6,872,229	7,382,102	8,190,529
Total Current Liabilities	17,917,109	18,347,754	21,567,457
<i>Long-Term Liabilities:</i>			
Debt borrowings net of current maturities	1,699,848	1,733,631	80,992
Total Long-Term Liabilities	1,699,848	1,733,631	80,992
Total Liabilities	19,616,957	20,081,385	21,648,449
<i>Net Assets</i>			
Unrestricted Funds	7,489,771	7,459,899	6,830,209
Restricted Funds	658,599	621,948	602,817
Net Assets	8,148,370	8,081,847	7,433,026
Total Liabilities and Net Assets	\$ 27,765,327	\$ 28,163,232	\$ 29,081,475

**City of Alameda Health Care District**  
**Statements of Operations**  
 July 31, 2009  
 \$'s in thousands

	Current Month				Year-to-Date					
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
<b>Revenues</b>										
Gross Inpatient Revenues	\$ 14,807	\$ 13,891	\$ 916	6.6%	\$ 13,719	\$ 14,807	\$ 13,891	\$ 916	6.6%	\$ 13,719
Gross Outpatient Revenues	10,898	10,065	833	8.3%	10,419	10,898	10,065	833	8.3%	10,419
Total Gross Revenues	25,705	23,956	1,749	7.3%	24,138	25,705	23,956	1,749	7.3%	24,138
Contractual Deductions	18,894	17,805	(1,090)	-6.1%	17,899	18,894	17,805	(1,090)	-6.1%	17,899
Bad Debts	686	446	(240)	-53.9%	822	686	446	(240)	-53.9%	822
Charity and Other Adjustments	148	86	(62)	-71.8%	97	148	86	(62)	-71.8%	97
Net Patient Revenues	5,977	5,620	357	6.4%	5,321	5,977	5,620	357	6.4%	5,321
Net Patient Revenue %	23.3%	23.5%			22.0%	23.3%				22.0%
Other Operating Revenue	21	15	6	37.7%	11	21	15	6	37.7%	11
<b>Total Revenues</b>	<b>5,998</b>	<b>5,635</b>	<b>363</b>	<b>6.4%</b>	<b>5,332</b>	<b>5,998</b>	<b>5,635</b>	<b>363</b>	<b>6.4%</b>	<b>5,332</b>
<b>Expenses</b>										
Salaries	3,218	3,114	(104)	-3.3%	2,774	3,218	3,114	(104)	-3.3%	2,774
Registry	242	172	(70)	-40.8%	204	242	172	(70)	-40.8%	204
Benefits	939	907	(32)	-3.5%	912	939	907	(32)	-3.5%	912
Professional Fees	353	349	(4)	-1.2%	352	353	349	(4)	-1.2%	352
Supplies	909	771	(137)	-17.8%	809	909	771	(137)	-17.8%	809
Purchased Services	387	394	7	1.9%	344	387	394	7	1.9%	344
Rents and Leases	65	71	6	8.5%	63	65	71	6	8.5%	63
Utilities and Telephone	76	79	3	4.0%	73	76	79	3	4.0%	73
Insurance	46	46	0	1.0%	44	46	46	0	1.0%	44
Depreciation and amortization	100	133	32	24.4%	123	100	133	32	24.4%	123
Other Operating Expenses	92	87	(5)	-5.3%	64	92	87	(5)	-5.3%	64
<b>Total Expenses</b>	<b>6,427</b>	<b>6,124</b>	<b>(303)</b>	<b>-4.9%</b>	<b>5,763</b>	<b>6,427</b>	<b>6,124</b>	<b>(303)</b>	<b>-4.9%</b>	<b>5,763</b>
<b>Operating gain (loss)</b>	<b>(429)</b>	<b>(489)</b>	<b>60</b>	<b>12.3%</b>	<b>(431)</b>	<b>(429)</b>	<b>(489)</b>	<b>60</b>	<b>-12.3%</b>	<b>(431)</b>
<b>Net Non-Operating Income / (Expense)</b>	<b>490</b>	<b>507</b>	<b>(17)</b>	<b>-3.3%</b>	<b>488</b>	<b>490</b>	<b>507</b>	<b>(17)</b>	<b>-3.3%</b>	<b>488</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$ 61</b>	<b>\$ 18</b>	<b>\$ 43</b>	<b>241.1%</b>	<b>\$ 57</b>	<b>\$ 61</b>	<b>\$ 18</b>	<b>\$ 43</b>	<b>241.1%</b>	<b>\$ 57</b>

**City of Alameda Health Care District**  
**Statements of Operations - Per Adjusted Patient Day**  
 July 31, 2009

	Current Month				Year-to-Date					
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
<b>Revenues</b>										
Gross Inpatient Revenues	\$ 3,123	\$ 3,033	\$ 90	3.0%	\$ 3,864	\$ 3,123	\$ 3,033	\$ 90	3.0%	\$ 3,864
Gross Outpatient Revenues	2,299	2,197	101	4.6%	2,934	2,299	2,197	101	4.6%	2,934
Total Gross Revenues	5,422	5,230	192	3.7%	6,798	5,422	5,230	192	3.7%	6,798
Contractual Deductions	3,985	3,887	(98)	-2.5%	5,041	3,985	3,887	(98)	-2.5%	5,041
Bad Debts	145	97	(47)	-48.7%	231	145	97	(47)	-48.7%	231
Charity and Other Adjustments	31	19	(12)	-66.0%	27	31	19	(12)	-66.0%	27
Net Patient Revenues	1,261	1,227	34	2.8%	1,499	1,261	1,227	34	2.8%	1,499
Net Patient Revenue %	23.3%	23.5%			22.0%	23.3%	23.5%			22.0%
Other Operating Revenue	4	3	1	33.1%	3	4	3	1	33.1%	3
<b>Total Revenues</b>	<b>1,265</b>	<b>1,230</b>	<b>35</b>	<b>2.8%</b>	<b>1,502</b>	<b>1,265</b>	<b>1,230</b>	<b>35</b>	<b>2.8%</b>	<b>1,502</b>
<b>Expenses</b>										
Salaries	679	680	1	0.2%	781	679	680	1	0.2%	781
Registry	51	38	(14)	-36.0%	58	51	38	(14)	-36.0%	58
Benefits	198	198	(0)	0.0%	257	198	198	(0)	0.0%	257
Professional Fees	74	76	2	2.3%	99	74	76	2	2.3%	99
Supplies	192	168	(23)	-13.8%	228	192	168	(23)	-13.8%	228
Purchased Services	82	86	4	5.2%	97	82	86	4	5.2%	97
Rents and Leases	14	16	2	11.6%	18	14	16	2	11.6%	18
Utilities and Telephone	16	17	1	7.2%	21	16	17	1	7.2%	21
Insurance	10	10	0	4.3%	12	10	10	0	4.3%	12
Depreciation and Amortization	21	29	8	26.9%	35	21	29	8	26.9%	35
Other Operating Expenses	19	19	(0)	-1.8%	18	19	19	(0)	-1.8%	18
<b>Total Expenses</b>	<b>1,356</b>	<b>1,337</b>	<b>(19)</b>	<b>-1.4%</b>	<b>1,623</b>	<b>1,356</b>	<b>1,337</b>	<b>(19)</b>	<b>-1.4%</b>	<b>1,623</b>
<b>Operating Gain / (Loss)</b>	<b>(90)</b>	<b>(107)</b>	<b>16</b>	<b>15.3%</b>	<b>(121)</b>	<b>(90)</b>	<b>(107)</b>	<b>16</b>	<b>-15.3%</b>	<b>(121)</b>
<b>Net Non-Operating Income / (Expense)</b>	<b>103</b>	<b>111</b>	<b>(7)</b>	<b>-6.6%</b>	<b>138</b>	<b>103</b>	<b>111</b>	<b>(7)</b>	<b>-6.6%</b>	<b>138</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$ 13</b>	<b>\$ 4</b>	<b>\$ 9</b>	<b>219.3%</b>	<b>\$ 16</b>	<b>\$ 13</b>	<b>\$ 4</b>	<b>\$ 9</b>	<b>219.3%</b>	<b>\$ 16</b>

**ALAMEDA HOSPITAL**  
KEY STATISTICS  
JULY 2009

	ACTUAL JULY 2009	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	JULY 2008	YTD JULY 2009	YTD FIXED BUDGET	VARIANCE	%	YTD JULY 2008
<b>Discharges:</b>										
Total Acute	284	237	47	19.8%	237	284	237	47	19.8%	237
Total Sub-Acute	3	4	(1)	-25.0%	2	3	4	(1)	-25.0%	2
Total Skilled Nursing	10	13	(3)	-23.1%	-	10	13	(3)	-23.1%	-
	<u>297</u>	<u>254</u>	<u>43</u>	<u>16.9%</u>	<u>239</u>	<u>297</u>	<u>254</u>	<u>43</u>	<u>16.9%</u>	<u>239</u>
<b>Patient Days:</b>										
Total Acute	1,087	972	115	11.8%	1,022	1,087	972	115	11.8%	1,022
Total Sub-Acute	971	1,017	(46)	-4.5%	996	971	1,017	(46)	-4.5%	996
Total Skilled Nursing	673	667	6	0.9%	-	673	667	6	0.9%	-
	<u>2,731</u>	<u>2,656</u>	<u>75</u>	<u>2.8%</u>	<u>2,018</u>	<u>2,731</u>	<u>2,656</u>	<u>75</u>	<u>2.8%</u>	<u>2,018</u>
<b>Average Length of Stay</b>										
Total Acute	3.83	4.10	(0.27)	-6.7%	4.31	3.83	4.10	(0.27)	-6.7%	4.31
<b>Average Daily Census</b>										
Total Acute	35.06	31.35	3.83	12.2%	3.30	35.06	31.35	3.71	11.8%	32.97
Total Sub-Acute	31.32	32.81	(1.53)	-4.7%	32.13	31.32	32.81	(1.48)	-4.5%	32.13
Total Skilled Nursing	21.71	21.52	0.20	0.9%	-	21.71	21.52	0.19	0.9%	-
	<u>88.10</u>	<u>85.68</u>	<u>2.50</u>	<u>2.9%</u>	<u>65.10</u>	<u>88.10</u>	<u>85.68</u>	<u>2.23</u>	<u>2.6%</u>	<u>65.10</u>
<b>Emergency Room Visits</b>	1,574	1,404	170	12.1%	1,378	1,574	1,404	170	12.1%	1,378
<b>Outpatient Registrations</b>	2,461	2,306	155	6.7%	2,554	2,461	2,306	155	6.7%	2,554
<b>Surgery Cases:</b>										
Inpatient	70	62	8	12.9%	75	70	62	8	12.9%	75
Outpatient	439	397	42	10.6%	473	439	397	42	10.6%	473
	<u>509</u>	<u>459</u>	<u>50</u>	<u>10.9%</u>	<u>548</u>	<u>509</u>	<u>459</u>	<u>50</u>	<u>10.9%</u>	<u>548</u>
Kaiser Inpatient Cases	18	10	8	-	15	18	10	8	-	15
Kaiser Eye Cases	149	133	16	12.0%	184	149	133	16	12.0%	184
Kaiser Outpatient Cases	184	159	25	15.7%	164	184	159	25	15.7%	164
<b>Total Kaiser Cases</b>	<u>351</u>	<u>302</u>	<u>49</u>	<u>16.2%</u>	<u>363</u>	<u>351</u>	<u>302</u>	<u>49</u>	<u>16.2%</u>	<u>363</u>
<b>% Kaiser Cases</b>	69.0%	65.8%			66.2%	69.0%	65.8%			66.2%
<b>Adjusted Occupied Bed</b>	152.94	147.75	(5.19)	-3.5%	114.53	152.94	147.75	5.19	3.5%	114.53
<b>Productive FTE</b>	402.35	382.87	(19.48)	-5.1%	350.92	402.35	382.87	(19.48)	-5.1%	350.92
<b>Total FTE</b>	464.68	442.04	(22.64)	-5.1%	402.86	464.68	442.04	(22.64)	-5.1%	402.86
<b>Productive FTE/Adj. Occ. Bed</b>	2.63	2.59	(0.04)	-1.5%	3.06	2.63	2.59	(0.04)	-1.5%	3.06
<b>Total FTE/Adj. Occ. Bed</b>	3.04	2.99	(0.05)	-1.6%	3.52	3.04	2.99	(0.05)	-1.6%	3.52

DATE: September 14, 2009

TO: Board of Directors, City of Alameda Health Care District

FROM: Deborah E. Stebbins, CEO

SUBJECT: Fugro West Proposal for Seismic Liquefaction Mitigation Services

---

**Background:**

Under the direction of the Strategic Planning Committee, management has been working with outside consultants to understand the scope of work and options available to comply with the 2013 California seismic retrofit requirements (SB 1953). As a matter of review and update, there are two main components of this legislation: Nonstructural Performance Criteria (NPC) and Structural Performance Criteria (SPC).

**NPC Status**

The hospital has engaged the services of the structural engineering firm – Thornton Tomasetti, and is working with structural engineer – Bill Dasher. Thornton has prepared updated and current plans to address the work required to comply with the 2013 NPC standards. The required OSHPD plan review and permit documents have been signed and are being sent to the OSHPD for review and approval.

**SPC Status:**

The hospital is also working with Thornton Tomasetti on the structural components of this project. There are several major components that are being worked on that are moving forward simultaneously. These components include: relocation of essential services currently located in the 1925 building (kitchen, medical records, morgue and the Administrators office), external strapping and removal of the bridge, decommissioning of the 1925 building **and potential liquefaction issues with the West and Stephens buildings**. It is necessary to perform additional exploratory review and analysis of some of these components in order to more clearly understand the scope of work and subsequently, to estimate the cost of Architectural & Engineering (A&E) fees, as well as, construction costs. The following recommendation relates only to additional exploratory work associated with the liquefaction concern. This recommendation is one of several other seismic related recommendations that will be forthcoming to the District Board, in order for management and its consultants to understand and define the scope of work required and subsequently, develop final plans and cost estimates that will be required to address the hospital seismic retrofit issues.

**Recommendation:**

**Management is requesting that the Board of Director authorize management to enter into an agreement with Fugro West, Inc. (proposal attached), to perform the necessary geotechnical investigation required to gain a more definitive understanding of the potential liquefaction concerns at Alameda Hospital. The proposal is not to exceed \$71,000 as outlined in the proposal on page 3 (attached).**

The approach in this proposal has been discussed with our structural engineer, Bill Dasher, as well as with the California Geological Surveyor. They feel that this approach will be most effective in our attempt to determine whether liquefaction is an issue. If the results of this testing are favorable (i.e. demonstrating minimal risk of liquefaction), it could save the hospital several hundred thousand dollars in additional engineering and construction costs. If the results are unfavorable, the goal would be to use the data gathered to incorporate into construction plans for OSHPD approval.

This additional testing is necessary to move this component of the seismic planning forward and am recommend this approach. Please let me know if you have additional questions.



1000 Broadway, Suite 440  
Oakland, California 94607  
Tel: (510) 268-0461  
Fax: (510) 268-0545

August 4, 2009  
Proposal No. 09.234

Thornton Thomasetti, Inc.  
555 12<sup>th</sup> Street, Suite 600  
Oakland, California 94607

Attention: Mr. Bill Dasher

Subject: Proposal for Geotechnical Investigation Services, Alameda Hospital, Alameda, California

Dear Mr. Dasher:

Fugro West, Inc., (Fugro) is pleased to present this proposal to Thornton Thomasetti and Dasse for geotechnical services at the Alameda Hospital. Alameda Hospital is developing plans for seismic retrofit of two existing portions of its facilities to comply with Senate Bill 1953 stipulations for seismic safety. The work is focused on the Steven's Wing and the West Wing of the hospital, constructed in 1954 and 1966, respectively. Previous work by Fugro has indicated that shallow footings supporting these wings might bear on potentially liquefiable, loose, fill sands.

However, those investigations were unable to state unequivocally that the loose sands present at the site are definitely beneath the footings. Instead, those reports state that because there was no reported damage in the Loma Prieta Earthquake of 1989, and because it would have been difficult to construct footings on loose fill materials, the material directly underlying the footings should be considered non-liquefiable. The California Geological Survey (CGS) considered this logic tenuous and, in a letter dated September 8, 2004, indicated that the hospital would be non-compliant with SB 1953 until it could be shown to be supported on non-liquefiable materials, either by careful field study or by ground improvement techniques. Previous reports that have been reviewed in the preparation of this proposal are:

- Woodward-Clyde-Sherard & Associates, 1966. Report S10344 for Alameda Hospital
- Harza, 2000. *Geologic Hazards Review and Update, Alameda Hospital*, Harza Project No. 18559-CA.
- Fugro, 2004. *Liquefaction Potential for Steven's Wing, Alameda Hospital*, Fugro Project No. 1414.002.
- Fugro, 2006. *Conceptual Design for Liquefaction Mitigation, West Wing and Steven's Wing, Alameda Hospital*. Fugro Project No. 1414.003, Dasse Design, Inc. Project No. 06B189.

These reports indicate the near-surface strata consist of a layer of loose sandy fill material (placed in the early 1950s) underlain by dense sands of the Merritt Formation. The fill material





was placed to extend Alameda Island to the southwest forming an area of the city known as South Shore.

We have conducted two site visits to examine feasible locations for additional geotechnical study. The purpose of our work will be to conduct a field investigation using cone penetration tests (CPTs) to characterize the soils at locations around the hospital wings, subsequently excavate to expose the footings at those locations, survey CPT locations and exterior and interior foundation bearing depths to assess accurately the conditions of the soils directly beneath the footings.

### **PROPOSED SCOPE OF SERVICES**

The proposed scope of work includes four CPTs and the excavation and logging soil conditions at a minimum of 4 test pits completed on the outside of the structures (Test Pits TP-1 through TP-4 shown on the attached proposed exploration plan). Based on our preliminary reconnaissance, these test pits are located at three columns around the outside of the structures and one location inside. Two additional test pits would be conducted inside the structure if additional data were needed to establish a contour of loose fill/dense sand.

Fugro will subcontract Cahill Contractors to coordinate the excavation activities. Cahill will also provide the horizontal and vertical survey. Separately, Fugro will subcontract a private utility locator to identify conflicts in the proposed exploration locations with underground utilities. We will also contact the Underground Service Alert utility clearinghouse. Fugro will subcontract a CPT operator to conduct the CPT explorations. Fugro will coordinate the activities of these subcontractors with the hospital staff to minimize the impacts of our activities on daily hospital functions.

### **Subsurface Study**

Based on our review of the previous work and the response from the CGS, our subsurface investigation will aim to evaluate more precisely the strata beneath the footings of the Stevens Wing and West Wing structures. Fugro will first clear the proposed exploration locations for underground utility conflicts using a private utility locator service. Next, Fugro will conduct four CPTs at footing locations using a 20-ton truck-mounted CPT rig, to maximum depths of 25 feet each. The CPTs will characterize the soils immediately adjacent to each footing. The four footings will then be exposed by excavation to survey the depth of the bottom of the footings. The proposed locations have been selected for minimal impacts to landscaping, concrete, and asphalt paving. Paved locations will be restored with cold-patch asphalt. Excavations through concrete slabs (ambulance entry and inside the building) will be restored with concrete patching. While the explorations do not anticipate removal of the mature trees, particularly near proposed Test Pit 1, removed trees will not be restored. Otherwise, where possible, the site of each exploration location will be restored to its original condition and left with a clean and neat appearance.

Pending the results of the first four test pits, a further two test pits could be excavated within the building on interior column footings to verify the depth of the bottom of the footings by





survey. These locations will not have the advantage of adjacent CPTs, but strata will be determined by interpolation and geologic cross section from existing data and the CPT results.

### Liquefaction Analyses

The results of the CPTs will be analyzed for liquefaction potential using the correlations of Idriss and Boulanger (EERI, 2008). Input ground motions for liquefaction analysis will be derived from a site-specific analysis in accordance with the rehabilitation standards of ASCE/SEI 41 Seismic Rehabilitation of Existing Structures and the 2007 CBC. Based on our discussions with CGS, we will calculate the BSE-1 and BSE-2 level ground motions using the 1997 NEHRP provisions. The ground motions will be calculated using the attenuation relationships from 1997 through 2003, not the Next Generation Attenuation relationships (NGAs). Currently, the Office of Statewide Health Planning and Development (OSHPD) does not accept NGAs for use in SB1953 rehabilitation projects.

### Report

Fugro will present the findings of the subsurface investigation in a geotechnical study report that will include a vicinity map and site plan, Logs of CPTs, Logs of Test Pits, results of the survey, results of the site-specific analyses, and the liquefaction analyses. The report will also include conclusions regarding the potential for liquefaction beneath the footings.

### FEE ESTIMATE AND SCHEDULE

We will perform our services on a time-and-materials basis for a not-to-exceed amount of **\$71,000**, based on the specific work scope outlined above. Our work will be performed in accordance with the attached Northern California 2009 Fee Schedule for Consulting Services. A breakdown of our fee calculation is presented on the table below. Our fee estimate for performing our field exploration program assumes the field work will be conducted during normal business hours. We estimate that the work described herein will be completed within 4 to 6 weeks of your authorization to proceed.

Task	Estimated Task Cost
Pre-field Activities / Coordination	\$4,000
Utility Markout	\$2,000
CPTs	\$4,500
Test Pit Exploration and Survey, 4 Pits	\$35,000
Optional, 2 Interior Test Pits	\$17,500
Site-specific Seismic Analysis	\$2,500
Liquefaction Analyses	\$1,500
Graphics and Geologic Cross Section	\$2,000
Final Report	\$2,000
<b>Total fee estimate</b>	<b>\$71,000</b>



Actual individual task costs may be more or less than the individual costs outlined above, but the total budget estimate will not be exceeded per the proposed scope of work. Additional services beyond the scope of work as outlined above, such as encountering unforeseeable site conditions (e.g., buried obstructions or utilities that would require moving) are beyond the scope of this proposal. Additional scope items such as structural seismic retrofit or ground improvement services are beyond the scope of this proposal. Items outside our scope of work will only be conducted per your subsequent authorization on a time-and-expenses basis in accordance with our standard fee schedule (attached).

### CLOSING

If you approve of the scope of work outlined above and the attached Professional Service Agreement, 2009 Fee Schedule for Consulting Services, and 2009 Fee Schedule for Laboratory and Materials Testing, please sign the two copies of the attached Professional Services Agreement, and return one copy to our office at your earliest convenience. The second copy is for your records.

Fugro appreciates the opportunity to continue to provide geotechnical services to Thornton Thomasetti, Inc. and the Alameda Hospital. If you have any questions or require additional information, please contact Martin Walker directly at (510) 267-4493.

Sincerely,

FUGRO WEST, INC.

A handwritten signature in blue ink, appearing to read "Martin J. Walker".

Martin J. Walker, P.E., LEED AP  
Project Engineer

A handwritten signature in black ink, appearing to read "Ron L. Bajuniemi".

Ron L. Bajuniemi, P.E., G.E.  
Principal Consultant

MJW:RLB

Attachments: Professional Services Agreement  
Fee Schedule for Consulting Services 2009  
Plate 1, Proposed Test Pit Locations

Copies Submitted: (1 PDF) Addressee



## PROFESSIONAL SERVICE AGREEMENT FOR CONSULTING SERVICES

**THIS AGREEMENT**, effective as of this **4th** day of **August 2009**, is by and between **Thornton Thomasetti, Inc.** ("Client"), and **FUGRO WEST, INC.**, ("Fugro"). The Project is described in Fugro's attached Proposal, dated the 4<sup>th</sup> day of August, which is hereby incorporated into and made a part of this Agreement.

- 1. Services.** Fugro will perform the Services described in the Proposal in accordance with the standards of competent geotechnical engineers providing similar services under similar conditions. No warranty or guarantee, either express or implied, applies to the Services.
- 2. Independent Contractor.** Fugro will perform Services under this Agreement as an independent contractor.
- 3. Payments to Fugro.** Client will pay Fugro's invoices within 30 days following the invoice date, along with a late payment charge at the rate of 1% per month after that date. Fugro may, at its sole option, suspend or terminate this Agreement if Client does not make payments when due. Unless otherwise agreed in writing, Fugro will bill its Services on a time-and-materials basis using its current schedule of fees and costs. Limitations stated in the Proposal on the amount to be billed are estimates only, and are not an agreement by Fugro that it will complete the Services for the estimated amount. Client will reimburse Fugro for any costs, including legal fees, associated with the collection of past due unpaid amounts.
- 4. Site Access.** Client agrees to provide access and/or obtain permission for Fugro to enter upon all property as necessary to perform the Services. Fugro will exercise reasonable care to reduce damage, but Client recognizes that Fugro's operations and investigative equipment may unavoidably alter or affect the Project site. The cost of repairing such damage will be borne by Client and is not included in the fee unless otherwise stated in the Proposal.
- 5. Relevant Information.** Client will provide Fugro with all information Client has, or can reasonably obtain, concerning the Project site, including subsurface conditions and the location of subsurface or hidden pipes, utilities or structures. Fugro will endeavor to avoid damage to such pipes, utilities and structures, but is not responsible for any damage to such items not properly identified in the information provided to it by Client. Fugro may reasonably rely on the accuracy and completeness of any information supplied by Client, without independently verifying its accuracy. Prior to the commencement of Services, Client will notify Fugro of any known potential health or safety hazard existing on or near the Project site, with particular reference to Hazardous Materials or conditions.
- 6. Hazardous Materials.** The term Hazardous Materials means any toxic substances, chemicals, radioactivity, pollutants or other materials, in whatever form or state, known or suspected to impair the environment in any way whatsoever, including but are not limited to, those substances defined, designated or listed in any federal, state or local law, regulation or ordinance concerning hazardous wastes, toxic substances or pollution. Fugro's Services under this Agreement are limited to geotechnical engineering and Fugro has no responsibility to locate, identify, evaluate, treat or otherwise address Hazardous Materials. Client is solely responsible for notifying all appropriate federal, state, municipal or other governmental agencies and potentially affected public of the existence of any Hazardous Materials located at the Project site during performance of this Agreement. If hazardous materials are discovered at the Project site, Fugro can terminate this Agreement.
- 7. Limitation of Liability.** The total cumulative liability of Fugro and its subcontractors, employees and agents to Client arising from Services under this Agreement will not exceed the gross compensation received by Fugro under this Agreement or \$50,000, whichever is greater. This limitation applies to all lawsuits, claims or actions that allege errors or omissions by Fugro, whether alleged in tort, contract, or under any other legal theory. Upon Client's written request, Fugro and Client may agree to increase the limitation to a greater amount in exchange for an increase in Fugro's fee. Neither Fugro nor Client will be liable to the other for any special, consequential, incidental or penal losses or damages. Further, both Client and Fugro waive any right to sue, or otherwise make any claim against any of the other party's officers, directors, shareholders or employees, past or present, as individuals.



**8. Insurance.** Fugro will maintain policies of general liability, automobile liability, workers compensation and professional liability insurance throughout the duration of this Agreement. Client will maintain property insurance sufficient to protect any property in which it has an insurable interest. Fugro and Client each waive any claims against each other for damage to property covered, or that should have been covered by property insurance required by this paragraph, including subrogated claims. Upon request, Fugro and Client will each provide the other with a certificate(s) of insurance evidencing the insurance required by this section.

**9. Indemnification of Client.** Subject to the provisions and limitations of this Agreement, Fugro agrees to indemnify and hold harmless Client (including its shareholders, officers, directors and employees) from and against any and all claims, suits, liabilities, damages, expenses (including without limitation reasonable attorney's fees and defense costs) or other losses, to the extent caused by Fugro's negligent performance of its Services under this Agreement.

**10. Indemnification of Fugro.** Client will indemnify and hold harmless Fugro (including its shareholders, officers, directors and employees) from and against any and all claims, suits, liabilities, damages, expenses (including without limitation reasonable attorney's fees and costs of defense) or other losses, to the extent caused by the negligence of Client, its employees, agents and contractors. In addition, except to the extent caused by Fugro's sole negligence, Client expressly agrees to defend, indemnify and hold harmless Fugro from and against any and all Losses arising from or related to the existence, disposal, release, discharge, treatment or transportation of Hazardous Materials, or the exposure of any person to Hazardous Materials, or the degradation of the environment due to the presence, discharge, disposal, release of or exposure to Hazardous Material.

**11. Mediation:** Fugro and Client agree to mediate any dispute regarding this Agreement or its performance as a precondition to instituting any legal action against the other, each party sharing equally the mediation fees and costs.

**12. Termination:** Either party may terminate this Agreement for convenience by giving 14 days written notice to the other party, and for cause by giving 7 days written notice. If Client terminates this Agreement, in addition to any other compensation due under this Agreement, it will pay amounts incurred by Fugro in preparing to perform Services, performing them, and in their orderly termination.

**13. Continuing Agreement.** The indemnity obligations and the limitations of liability established under this Agreement will survive its expiration or termination. If Fugro provides Services to Client that the parties do not confirm in an executed amendment to this Agreement, the obligations of the parties to indemnify each other and the limitations on liability established under this Agreement will apply to such Services as if the parties had executed an amendment.

**14. Assignment; Use of Fugro's Work Product.** No party other than Client may rely on documents produced by Fugro's without Fugro's express prior written consent and receipt of additional compensation. During the term of this Agreement and following its completion or termination, neither Fugro nor Client may assign this Agreement or any right or claim under it, in whole or in part, without the prior written consent of the other party, although Fugro may subcontract for the services of others without obtaining Client's consent if Fugro deems it necessary or desirable for others to perform certain Services.

**15. Full and Final Agreement:** This Agreement is the full and final agreement between Fugro and Client and supersedes any prior agreements. This Agreement may not be modified except by a writing executed by both parties.

**FUGRO WEST, INC.**

**CLIENT: THORNTON THOMASETTI, INC.**

**Address:** 1000 Broadway, Suite 440

Oakland, California 94607

**By:** Ron L. Bajuniemi, P.E., G.E.  
Principal Consultant

**Title:**

**Signature:** 

**Date:** August 4, 2009

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_



**NORTHERN CALIFORNIA 2009 FEE SCHEDULE  
 FOR CONSULTING SERVICES**

<b>PROFESSIONAL STAFF</b>	<b>HOURLY RATE</b>
Staff I Professional .....	\$ 120
Staff II Professional .....	135
Project I Professional .....	155
Project II Professional .....	160
Senior Professional .....	175
Associate .....	190
Principal .....	215
Principal Consultant .....	260

**TECHNICAL AND OFFICE STAFF**

Engineering Field Technician I – Non-Prevailing Wage, Straight Time .....	93
Engineering Field Technician II – Non-Prevailing Wage, Straight Time .....	98
Engineering Field Technician III – Non-Prevailing Wage, Straight Time .....	103
Engineering Field Technician I, II and III – Prevailing Wage, Straight Time .....	108
Engineering Assistant .....	110

Office Assistant .....	65
Word Processor/Clerical .....	85
Technical Assistant/Illustrator .....	95
Illustrator II .....	100
Laboratory Technician .....	98
CADD Operator .....	105
GIS Technician .....	105
Construction Services Manager .....	140
HSE Manager .....	163

*Overtime Rates for Technical and Office Staff*

a. Saturday or over 8 hours/day during weekdays .....	1.3 x straight time
b. Sundays/holidays .....	1.5 x straight time
c. Swing or graveyard shift premium .....	1.3 x straight time

**Fees for expert witness preparation, testimony, court appearances,  
 or depositions will be billed at the rate of \$400 per hour.**

**OTHER DIRECT CHARGES**

Subcontracted Services .....	Cost Plus 15%
Outside Reproduction .....	Cost Plus 15%
Outside Laboratory .....	Cost Plus 15%
Out-of-Pocket Expenses .....	Cost Plus 15%
Travel and Subsistence .....	Cost Plus 15%
Vehicle and Basic Sampling Equipment .....	12/hour
Specialized Software Applications .....	25/hour
Finite Element/Finite Difference Packages .....	25/hour

Report reproduction and data reporting costs per staff hourly rates

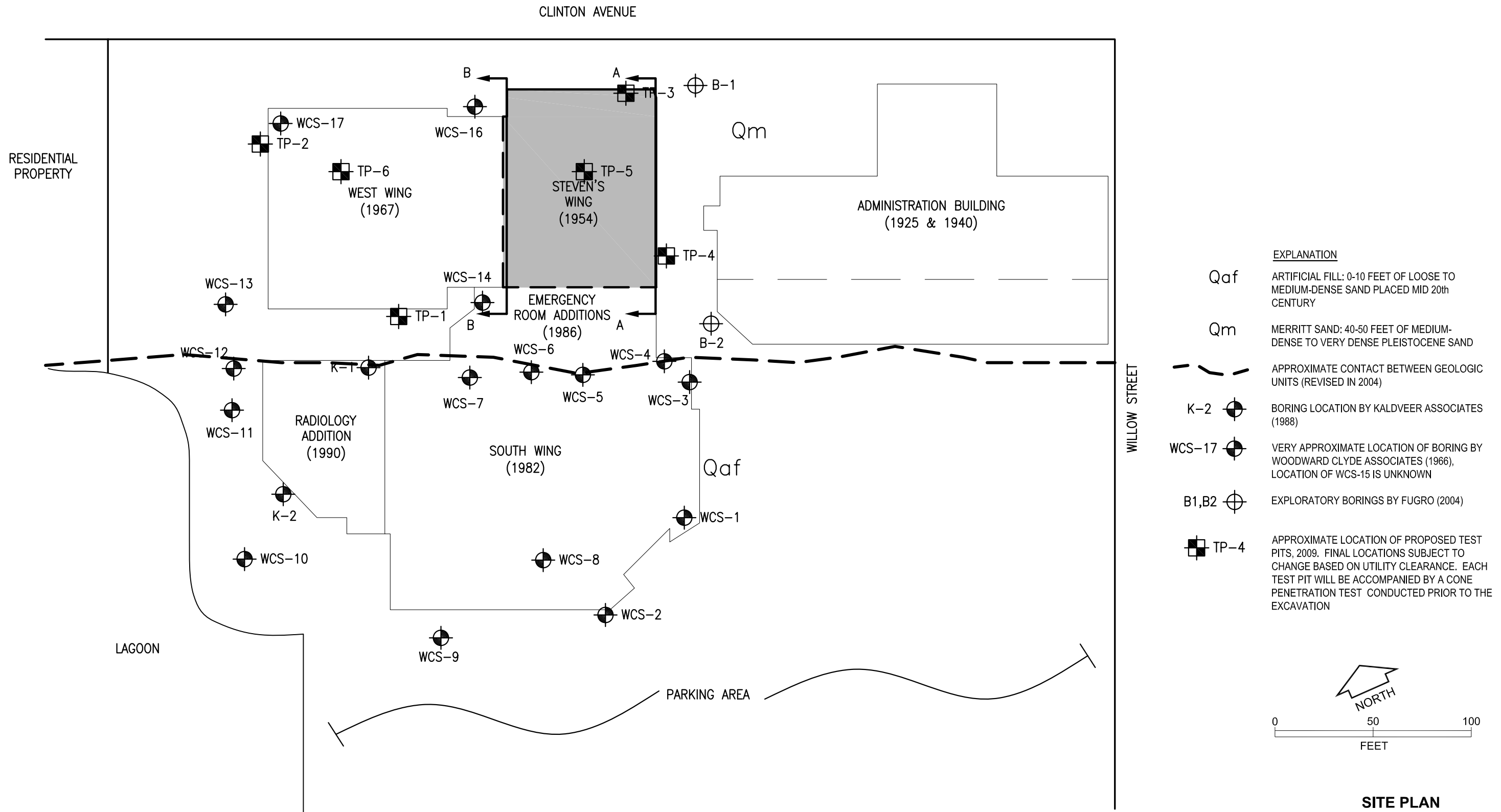
A surcharge of \$3 per linear foot of test boring depth will be added to cover the cost of standard engineering field supplies including sample tubes and caps, stakes, etc.

Fee Schedule is subject to revision periodically

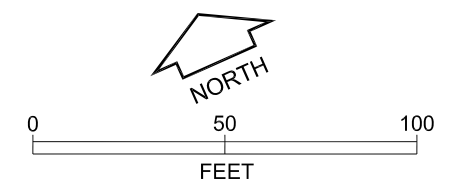
**LABORATORY AND SPECIALTY TESTING AND EQUIPMENT**..... See Separate Schedules



G:\Proposed Work\09.234 Alameda Hospital SB1953\20090731\_adapted\_drawing\_from\14141414.002-01.dwg 8-03-09 11:03:23 AM odkCAD



EXPLANATION	
Qaf	ARTIFICIAL FILL: 0-10 FEET OF LOOSE TO MEDIUM-DENSE SAND PLACED MID 20th CENTURY
Qm	MERRITT SAND: 40-50 FEET OF MEDIUM-DENSE TO VERY DENSE PLEISTOCENE SAND
- - -	APPROXIMATE CONTACT BETWEEN GEOLOGIC UNITS (REVISED IN 2004)
K-2	BORING LOCATION BY KALDVEER ASSOCIATES (1988)
WCS-17	VERY APPROXIMATE LOCATION OF BORING BY WOODWARD CLYDE ASSOCIATES (1966), LOCATION OF WCS-15 IS UNKNOWN
B1, B2	EXPLORATORY BORINGS BY FUGRO (2004)
TP-4	APPROXIMATE LOCATION OF PROPOSED TEST PITS, 2009. FINAL LOCATIONS SUBJECT TO CHANGE BASED ON UTILITY CLEARANCE. EACH TEST PIT WILL BE ACCOMPANIED BY A CONE PENETRATION TEST CONDUCTED PRIOR TO THE EXCAVATION



**SITE PLAN**  
 Alameda Hospital Supplemental Study  
 Alameda, California

**BASE MAP SOURCE:** Site Plan was revised from Figure 2 of Harza's Report, dated December 27, 2000.

DATE: September 11, 2009

TO: City of Alameda Health Care District Board of Directors

FROM: Deborah Stebbins, Chief Executive Officer  
David A. Neapolitan, Chief Financial Officer  
Robert Lundy-Paine, Director of Information Technology

SUBJECT: Approval to Execute Agreement with Perot Systems for IT Capabilities Assessment

---

## **Background:**

On Tuesday, February 17, 2009 President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). Title XIII of the ARRA is The Health Information Technology for Economic and Clinical Health Act (HITECH). This act directs Healthcare providers to utilize a certified EHR (Electronic Health Record). In addition, the act provides incentives to Hospitals that Demonstrate “Meaningful Use” including use of e-prescribing, exchange of Electronic Health information and the ability to submit clinical quality measurements.

Although the specifics of the Meaningful Use requirements are still under consideration Alameda Hospital understood the importance of developing a full EHR. Under the current legislation the Hospital is eligible to receive approximately \$4 million dollars in Medicare incentive reimbursements provided it can demonstrate Meaningful Use in accordance with the requirements that are ultimately developed by the Health Information Technologies Standards Committee under the direction of the National Coordinator of Health Information Technology.

Soon after the HITECH act was passed, Hospital Management held a conference call with Meditech’s EHR Manager, Barbara Hobbs, to determine what Meditech applications the Hospital would need to add to its current structure in order to meet the anticipated HITECH EHR requirements. Hospital Management concluded that to achieve meaningful use of an EHR, based on the HITECH act, the Hospital would need to upgrade its current Meditech installation to include Meditech’s Advanced Clinical Modules including the Physician Care Manager (PCM), Patient Care Manager (PCS), Emergency Department Manager (EDM) and the Operating Room Manager (ORM) modules.

Meditech is currently certified by the Certification Commission for Health IT (CCHIT) for version 5.6 of its Client Server application platform. In order to be able to implement the applications mentioned above the hospital will need to first upgrade its current Meditech Installation from version 5.55 to 5.6. Once this upgrade is completed the implementation of several Advanced Clinical applications could begin.

Alameda Hospital Management, recognizing the importance of this implementation, believes that a thorough evaluation of the current Meditech installation should be completed in order to prepare for the 5.6 upgrade, ensure our ability to implement the Advanced Clinical applications and that we position the organization to ensure that HITECH EHR incentives are maximized. In order to meet these objectives, Hospital Management determined that the following was necessary:

- Assess Alameda Hospital's current utilization of installed Meditech applications to ensure that the upgrade to the 5.6 platform is maximized while minimizing any interruptions to current levels of service.
- Assess Alameda Hospital's current plans to successfully prepare and deploy additional Meditech Advanced Clinical applications, including: PCS, PCM, EDM, ORM and Scanning and Archiving functionalities.
- Assess the Hospitals degree of readiness for compliance with the requirements of the ARRA and ensure that those requirements are met or exceeded to maximize the amount of incentive payments available to the Hospital.

## **Recommendation**

Based on their ability to meet the Hospital's statement of purpose the assessment selection committee initially narrowed the selection to HIA/InfoLogix and Perot Systems. During an in depth discussion of the two organization's proposals the committee unanimously selected Perot Systems as their consultant of choice to provide the assessment services described previously. **The Committee recommends to the Board that we enter into an assessment agreement with Perot Systems for an estimated cost of \$76,000.**

The selection of Perot Systems was based on their experience with a significant number of Meditech installations, the deliverables in their proposal and the staff bench strength available to Perot, and the quality of the team that would be onsite interviewing and assessing hospital staff and current processes. The team that will conduct this assessment will include physician and pharmacist members along with appropriate Meditech application subject matter experts to ensure that the Hospital successfully prepares and deploys the selected advanced clinical applications.

Perot Systems is a "preferred" Meditech partner and has more experience and depth as a Meditech consulting firm if the Hospital should require Project Management assistance in the future.

## **Process**

Alameda Hospital's Director of Information Systems conducted initial interviews of a number of consultant groups, the following were selected, based on their experience with Meditech applications, to present a formal proposal to the Hospitals Assessment Selection Committee.

- maxIT
- Beacon Partners
- Navin/Haffty



- HIA/InfoLogix
- Perot Systems

This committee included:

- Deborah Stebbins, CEO
- Kerry Easthope, Associate Administrator
- David Neapolitan, CFO
- Mary Bond, CNO
- Barbara Gallardo, SNF Nurse Manager
- Robert Deutsch, MD, Physician and District Board Member
- Michael McCormick, District Board Member

Each consultant was allowed one (1) hour to present their proposal to the committee and answer questions from the committee. All consultants except Navin/Haffety presented to the committee.

The week following the presentations, committee members met to discuss the presentations in order to select a consultant group to conduct the assessment.

***Attached: Perot Systems Proposal and the Alameda Hospital Meditech Assessment Guidelines.***

# ALAMEDA HOSPITAL MEDITECH ASSESSMENT

## **The Hospital's statement of purpose is as follows:**

Alameda Hospital seeks to assess the current state utilization and readiness to implement an upgrade to Meditech's version 5.6, in preparation for an Advanced Clinical Implementation and ensure American Recovery and Reinvestment Act (ARRA) compliancy and full reimbursement capability.

## **The Selection Team will be looking for your organizations process to address the following:**

- Assess Alameda Hospitals current Meditech utilization.
- Assess Alameda Hospitals process to upgrade to Meditech version 5.6.
- Assess Alameda Hospitals plan to install Meditech Advanced Clinical's, including:
  - PCS Patient Care System (Nursing)
  - PCM Physician Care Manager
  - EDM Emergency Department Manager
  - ORM Operating Room Manager
  - Scanning and Archiving
- Assess the Hospitals degree of readiness for ARRA compliance and full reimbursements.
- Ability to report this information to Hospital Administration in a meaningful and actionable manner.

## **The evaluation team will include the following**

Robert Lundy-Paine	Director of Information Systems
David Neapolitan	Chief Financial Officer
Kerry Easthope	Associate Administrator
Mary Bond	Executive Director of Nursing Administration
Deborah Stebbins	Chief Executive Officer
Mike McCormick	Alameda Healthcare District Board Member
Barbara Gallardo	Skilled Nursing Nurse Manager
Dr. Robert Deutsch	Alameda Healthcare District Board Member Physician Representative

## **Presentation Environment**

Presentations will be held in the Hospitals Board Room, located at 2070 Clinton Ave. Please enter through the Clinton street entrance. This will bring you to the second floor, go through the door at the end of the hall and turn to your left; the Board room is down the hall on the left.

There will be a Computer, Projector and Network connection available in the room.

Please arrive no earlier than 30 minutes prior to your allotted time. You will have up to 30 minutes to clear the space for the next presentation.

## **Questions prior to the presentation**

Please contact Robert Lundy-Paine at 510-814-4360 or by email at [RLundyPaine@alamedahospital.org](mailto:RLundyPaine@alamedahospital.org) with any questions or requests to assist in preparing for your presentation.

**PROPOSAL TO PROVIDE PROFESSIONAL SERVICES FOR  
MEDITECH ADVANCED CLINICAL SYSTEMS (ACS) AND  
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)  
READINESS ASSESSMENT**



Alameda Hospital  
2070 Clinton Ave.  
Alameda, CA 94501

September 1, 2009

Perot Systems  
MEDITECH Solutions Group  
120 Royall Street  
Canton, MA 02021  
781.575.1100

[www.perotsystems.com/meditech](http://www.perotsystems.com/meditech)

**perotsystems®**

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## *Background & Understanding*

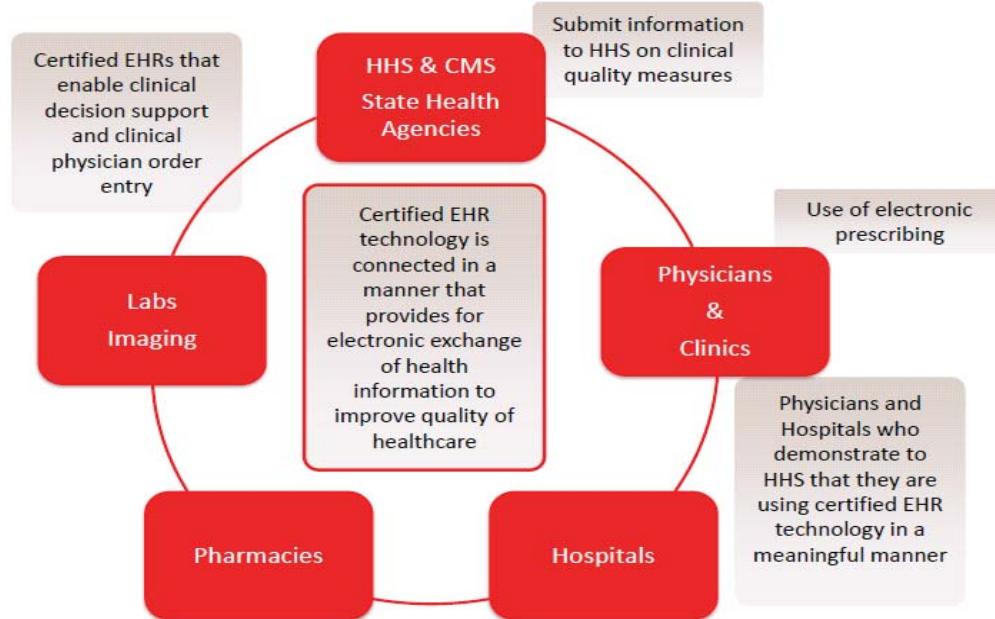
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Alameda Hospital is an established MEDITECH customer that is considering implementing MEDITECH's Advanced Clinical Systems (ACS) in conjunction with the American Recovery and Reinvestment Act (ARRA) in order to address strategic needs to enhance **patient safety** and caregiver productivity. Many hospitals who begin these implementations find themselves ill prepared to address the process, workflow, and staff challenges that are inherent to these implementations. That, along with recent standards set forth within the ARRA, have further identified opportunities and challenges for organizations as they strive to meet and exceed government mandates and established strategic objectives.

Alameda Hospital is interested in better assessing their current-state readiness for planned advanced clinical implementations, gain a better understanding of the critical areas of the project that may unexpectedly create challenges, while building a strong foundation for the successful implementation of an Electronic Health Record (EHR) and assessing the hospital's readiness to meet and benefit from the new standards. Through this understanding and a set of recommendations, Alameda Hospital will be better positioned to be successful with their advanced clinical system implementations and systematically plan to comply with new statutes and maximize opportunities for funding.

Perot Systems' assessment includes a review of the hospital's current state of electronic health record (EHR), information management systems (current IT and clinical environments), interfaces, integration, and interoperability to determine readiness for the implementation of MEDITECH's advanced clinical systems while meeting and exceeding statutes as required under the ARRA. The assessment also considers process changes that need to be considered to meet "meaningful use" guidelines that impact funding opportunities.

It is Perot Systems' understanding that Alameda Hospital seeks a current state assessment to determine their current state readiness to implement planned advanced clinical systems as well as their existing EHR capability to meet or exceed the mandates of ARRA. Based on the assessment findings, Perot Systems will provide a set of recommendations to successfully prepare and deploy planned advanced clinical systems while simultaneously achieving the standards set forth in the ARRA.



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### *Project Approach and Activities*

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Through extensive experience, Perot has identified the following principles as key to a successful ARRA and ACS Readiness Assessment:

- Revise strategic, operational and technology plans to ensure adherence with ARRA regulations resulting in receipt of eligible funding and penalty avoidance.
- Optimize the use of existing electronic medical records, evidence based medicine, clinical protocols and technologies to improve communications, quality of care and exchange of health information.
- Assess vendor selection criteria or assess existing electronic health record systems and other applications to ensure adherence with technology certifications, interoperability and health information data exchange capacity.
- Improve data governance, information management, data collection and data reporting processes to ensure appropriate and adequate measurement and submission of "meaningful use" indicators.
- Advance existing data security and privacy policies, procedures and processes to ensure integrity and reliability of systems, portals and access to mitigate risks.

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- Assess and develop an understanding of Alameda Hospital's current IT and clinical environments to determine readiness for the implementation of MEDITECH advanced clinical systems.
- Based on the assessment findings, provide detailed recommendations relative to:
  - Current operations related to strategic and operational readiness with the ARRA requirements (as they are currently published)
  - Optimization of in-place core modules (MEDITECH and non-MEDITECH),
  - Physician and clinician adoption of new ACS
  - Identified focus areas for clinical process redesign
  - A detailed roadmap/timeline for the implementation of the appropriate ACS applications, budget and staffing for implementing ACS
  - Associated technology deployment/management plan

---

### ***Deliverables***

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At the completion of this engagement, Perot Systems' will identify Alameda Hospital's current state of readiness to implement planned advanced clinical applications and the gaps that exist related to the organization's ability to meet the ARRA requirements for incentive payments. Alameda Hospital should expect to receive the following key deliverables,

- A formal report of findings with recommendations for improvement using a dashboard style report that will include:
  - Technology.
  - Data Management.
  - Meaningful Use.
  - Security and Privacy.
  - Optimization of in-place core modules (MEDITECH and non-MEDITECH).
  - Recommendations for physician and clinician adoption.
  - Identified focus areas for clinical process redesign.
  - Detailed roadmap/timeline for the implementation of the appropriate ACS applications.
  - Budget and staffing for implementing ACS and a associated technology deployment/management plan.
- An executive presentation that outlines the key components of the ARRA legislation, the assessment approach and the key findings and recommendations in regards ARRA compliance and effectively implementing advanced clinical systems throughout the organization.

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### ***Consultants***

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Perot Systems' Consulting and Professional Services division offers an ensemble of healthcare professionals with extensive healthcare and business backgrounds. Each and every Perot Systems' professional has been retained based upon an extremely selective criterion of experience, combined with both proven and notable track records as CIO's, Project Managers,

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RNs, Clinicians, Pharmacy Technicians, Laboratory Managers, Supply Chain Managers and Engineers. With an average of over 20 years of healthcare experience, our Consulting and Professional Services personnel truly understand healthcare operations and workflow processes, enabling them to recommend “best practice” solutions.

In addition to these resources, Perot Systems will provide a complete engagement management team including senior level executives within Perot Systems Healthcare division to oversee and provide guidance to the project.

---

***Assumptions***

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In order to successfully complete this engagement, Perot Systems Corporation (Perot) assumes that Alameda Hospital will:

1. Review regular Perot status reports received by e-mail or other method and immediately communicate any questions or concerns to a Perot associate.
2. Communicate any issues, concerns or dissatisfaction with the work performed by Perot or the conduct of Perot associates in a timely manner to an appropriate Perot associate.
3. Provide workspace for Perot associates that are business appropriate, proximate to the organization and consistent with the requirements of the work to be performed.
4. Provide access to reasonable business resources such as telephones, fax machines, Internet access, conference rooms, projectors, copy services and office supplies as needed to complete this engagement.
5. Provide timely access to needed systems and technical resources (including remote access if needed) to complete engagement.
6. Provide an individual engagement sponsor which will be Perot’s primary point of contact for status reporting, guidance, issue resolution and other needs.
7. Respond to and resolve issues presented by Perot in a timely manner so as not to impede progress of the engagement.
8. Allow adequate time for Alameda Hospital staff to participate in the activities of this engagement as needed and appropriate.

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***Schedule, Professional Fees and Expenses***

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The development and implementation of this assessment will require the services of the resources listed below for a total project duration of four (4) weeks:

Resource	Role	Project Hours
Engagement Manager	Engagement Management	8
ARRA Project Lead (Sr. Mngr)	ARRA	60
Pharmacist	ACS	80
Physician	ARRA and ACS	60
MEDITECH Application SME	ARRA and ACS	160
MEDITECH Technical SME	ARRA/ACS	60

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The estimated professional fees for this engagement are:

Project	Duration	Total Fees
ARRA/ ACS Readiness Assessment	4 Weeks	\$76,000

The professional fees (fixed price) associated with this engagement are \$76,000 (USD). The total cost for an engagement will be comprised of the professional fees in addition to travel and out-of-pocket expenses. Detailed Payment Terms for this agreement are outlined in Section 4 of the Terms & Conditions. Perot Systems' receipt of Trinity Medical Center's valid purchase order and signed agreement shall indicate Trinity Medical Center's acceptance of this Statement of Work and Terms & Conditions.

### **Change in Scope**

During the course of the engagement, should Perot Systems determine that a change in the scope of the project is required, mutual agreement will be approved in writing prior to any adjustments in the scope or fees.

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**1.0 INTELLECTUAL PROPERTY**

- 1.1. Standard Tools.** Any tools, software know-how and intellectual property of general applicability used and provided by Perot Systems Healthcare Solutions, Inc. (hereafter, Perot Systems) in the performance of its business and not specifically set out as a deliverable in this Agreement is and remains the exclusive property of Perot Systems, even if used, or incorporated into Work Product (as defined below), by Perot Systems in its performance of the Consulting Services. Perot Systems hereby grants to Client a perpetual, worldwide, royalty free, non-exclusive license to use such Standard Tools that are necessary for the use of any Work Product and so long as such use does not constitute a disclosure of Confidential Information. Perot Systems retains the right to grant licenses to Standard Tools to any of its current or future Clients and nothing in this Consulting Agreement shall preclude Perot Systems from providing services or developing work products that are competitive with, or functionally comparable to, the Consulting Services and/or Work Product provided hereunder. Perot Systems shall not be restricted in its use of ideas, concepts, know-how and techniques acquired or learned in the course of providing Consulting Services.
- 1.2. Ownership and License of Client Materials.** Perot Systems acknowledges that all right, title and interest in and to all materials and information supplied by Client for use in or with any Consulting Services or Work Product (all, collectively, "Client Materials"), are and will remain owned exclusively by Client. Client hereby grants to Perot Systems a non-exclusive and non-transferable license to use, modify, reproduce and create derivative works of the Client Materials for use solely in connection with the Consulting Services being provided to Client hereunder.
- 1.3. Ownership and Assignment of Work Products.** All materials and information which are created directly under or reference this Agreement for Consulting Services, including but not limited to computer code, ideas, results, data, inventions, improvements, developments, patents, copyrights, trade secrets, or other proprietary rights and excluding any Standard Tools ("Work Product") are hereby assigned by Perot Systems to Client, subject to Client's payment of all fees under this Agreement (including license fees, if any). Client shall exclusively own all proprietary rights in the Work Product.
- 1.4. License.** Client hereby grants to Perot Systems a perpetual, worldwide, royalty free, non-exclusive license to copy, distribute, transmit, display, perform, create derivative works from and otherwise use any intellectual property contained in such Work Product, so long as such use does not constitute a disclosure of Confidential Information. Such Work Product may include know-how, techniques, software, bug fixes, extensions, applications, graphics/pictures, development tools, enhancements, and improvements to third party software.

## 2.0 CONFIDENTIAL INFORMATION

- 2.1. Definition and Confidentiality** “Confidential Information” shall mean any proprietary information of a party hereto and includes, but is not limited to, technical descriptions, intellectual property and pricing information. Confidential Information does not include information that is: (i) rightfully known to the recipient prior to this Agreement, (ii) independently developed by the recipient without any reliance on Confidential Information; (iii) part of the public domain or is lawfully obtained by the recipient from a third party not under an obligation of confidentiality; or (iv) required to be disclosed by law or legal process, so long as the recipient uses reasonable efforts to cooperate with the disclosing party in limiting disclosure. Each party agrees to keep Confidential Information of the other confidential and will only use such Confidential Information to perform their respective obligations under this Agreement. Upon termination of this Agreement each party will return or destroy all Confidential Information of the other.
- 2.2. HIPAA.** To the extent that some of the services provided by Perot Systems to Client may cause Perot Systems to be defined as a Business Associate under 45 C.F.R. Parts 160 and 164 issued under the Health Insurance Portability and Accountability Act of 1996 (the “HIPAA Regulations”) and Client in its capacity as a Covered Entity (as defined in the HIPAA Regulations) is required to comply with Section 164.504(e)(2)(ii) of the HIPAA Regulations, The parties shall enter in a Business Associate Agreement of even date herewith, as required.

## 3.0 TERM AND TERMINATION

- 3.1. Term of this Agreement.** This agreement shall remain in force for the duration of the project as described in the Project Timing section and for a period of six (6) months after the completion of this engagement. The terms of this agreement may be extended through work orders referencing this agreement.
- 3.2. Termination for Breach.** Upon written notice, either party may terminate this Agreement or any Work Order hereunder, for the other party’s failure to comply with any term or condition of this Agreement or the applicable Work Order, which failure is not cured within thirty (30) days of receipt of such notice. In the event that Client defaults in the payment of any amount due to Perot Systems under this Agreement, then Perot Systems may terminate this Agreement, and any Work Order executed hereunder, with ten (10) days written notice.
- 3.3. Effect of Termination.** Upon any termination of this Agreement: (i) Perot Systems will have the right to immediately cease the delivery of any Deliverables under this Agreement and any Work Order; (ii) each party will return or destroy any Confidential Information (as defined below) of the other party and (iii) Client will promptly pay Perot Systems all Fees and Expenses for all work performed up to and including the Termination Date.

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#### 4.0 PAYMENT TERMS

- 4.1. Perot Systems has proposed a fixed price/flat fee for this engagement. Upon delivery of final report, Perot Systems will issue an invoice for professional fees and expenses. Payment is due within thirty (30) days of invoice date.

Total consulting fees will include travel and out-of-pocket expenses. A per diem rate of \$50 (USD) per day will be applied for meals. Out of pocket expenses for transportation, lodging, parking and miscellaneous expenses are billed as incurred in addition to professional fees. Perot Systems will use standards of reasonableness for all expense and will be pleased to take advantage of any local hotel discounts negotiated by the Client or alternate housing options.

- 4.2 **Late Payments.** Perot Systems may consider any payment not received to be a default, and Perot Systems will have the option to suspend its performance under this Agreement until such payment is received, and opting not to suspend performance shall not affect the right of Perot Systems to suspend such performance at any time that any payment default is in existence. Perot Systems also reserves the right to charge interest at the highest lawful rate for any late payments and suspend performance; if accrued interest payment is not received.

#### 5.0 WARRANTY

- 5.1. **Services.** All Services will be provided in a professional and workmanlike manner.

#### 6.0 LIMITATION OF LIABILITY

- 6.1. **CONSEQUENTIAL DAMAGES.** IN NO EVENT SHALL EITHER PARTY TO THIS AGREEMENT, OR ITS DIRECTORS, OFFICERS OR EMPLOYEES, HAVE ANY LIABILITY, OBLIGATION OR RESPONSIBILITY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, OR DAMAGES FOR LOSS OF PROFITS, REVENUE, DATA OR USE, ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, DAMAGE TO PROPERTY, INJURY TO PERSONS, LOST PROFITS, OR DELAYS OR INCONVENIENCE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

- 6.2. **CAP ON LIABILITY.** PEROT SYSTEMS' LIABILITY FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE AMOUNT OF THE FEES PAID BY CLIENT TO PEROT SYSTEMS UNDER THIS AGREEMENT OR ASSOCIATED WORK ORDER WHICH REFERENCES THIS AGREEMENT UNDER WHICH SUCH CLAIM ARISES AND CLIENT'S LIABILITY FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE AMOUNT OF FEES PAID OR TO BE PAID BY CLIENT TO PEROT SYSTEMS UNDER THIS AGREEMENT OR ASSOCIATED WORK ORDER WHICH REFERENCES THIS AGREEMENT UNDER WHICH SUCH CLAIM ARISES.

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## 7.0 GENERAL

- 7.1. **Non-Solicitation and Non-Hire.** Each of Perot Systems and Client agrees that except as may otherwise hereafter be agreed in writing it shall not directly or indirectly, individually, or together with, or through any other person, firm, corporation, or entity, during the Consulting Engagement and for six months thereafter, in any manner: (i) approach, counsel, or attempt to induce any person who is then in the employ of the other party, to leave their employ, or (ii) employ, engage or attempt to employ or engage any such person.
- 7.2. **Access.** Client agrees to allow Perot Systems safe and sufficient working space as well as such access to Client's personnel, files, and equipment at Client's facility as Perot Systems reasonably deems necessary to perform under this Agreement and any Work Order.
- 7.3. **Assignment.** Neither party may assign or subcontract its rights or obligations hereunder (except to subsidiaries or affiliates) without prior written consent of the other party, which consent will not be unreasonably withheld.
- 7.4. **Modifications.** No modifications, amendments or alterations to this Agreement shall be effective unless made in a writing signed by an authorized officer of each party.
- 7.5. **Publicity.** Neither party may use the other party's name or trademarks in any announcements, promotional or advertising materials without such other party's prior written approval.
- 7.6. **Injunctive Relief.** The parties agree that any breach of the provisions of this Agreement relating to confidentiality will cause the aggrieved party irreparable harm, and that such party will be entitled to injunctive relief for such unauthorized use or breach, in addition to such other rights and remedies as may be available to it.
- 7.7. **Taxes.** The amounts payable to Perot Systems under this Agreement are exclusive of any taxes, however designated, levied or based on this Agreement, including, without limitation, any personal property, sales, GST, PST and use taxes. Client agrees to pay and be responsible for all such taxes (excluding taxes based on Perot Systems' net income). Client shall indemnify Perot Systems for any such taxes, which Perot Systems pays directly.
- 7.8. **Force Majeure.** Neither party shall be liable for damages caused by fire, accident, labor dispute, war, insurrection, riot, act of government, act of God, or any other cause reasonably beyond its control; but each party shall use reasonable efforts to minimize the extent of any such damages. Perot Systems shall not be liable to Client (or Client's Clients) for any delay in performance or any failure in performance hereunder caused in whole or in part by reasons beyond the control of Perot Systems.

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- 7.9. Independent Contractors.** The parties hereto are independent contractors. Nothing in this Agreement shall be deemed to create any form of partnership, principal-agent relationship, employer-employee relationship, or joint venture between the parties hereto.
- 7.10. No Third Party Beneficiaries.** Nothing contained in this Agreement will be deemed to create, or be construed as creating, any third party beneficiary right of action in favor of any third party.
- 7.11. Governing Law.** This Agreement will be governed by and is construed in accordance with the internal laws of the Commonwealth of Massachusetts without regard to its rules concerning conflicts of laws that would cause the application of the laws of any other jurisdiction.
- 7.12. Compliance with Laws.** Upon written request of the secretary of the United States Department of Health and Human Services or the Comptroller General or any of their authorized representatives, Perot Systems agrees to make available those agreements, contracts, books, documents, and records necessary to verify the nature and extent of the costs incurred hereunder. This section is included in this Agreement pursuant to and is governed by the requirements of Public Law 96-499, section 952 (section 1861 (v) (1) of the Social Security Act and the regulations promulgated thereunder and is applicable solely to the extent that such law and regulation may be applicable to the transactions contemplated herein.
- 7.13. Insurance.** Each party hereto shall maintain general liability insurance during the Term.
- 7.14. Waiver.** Neither party shall be deemed to have waived any provision hereof unless such waiver is in writing and executed by a duly authorized officer of the waiving party. No waiver by either party of any provision hereof shall constitute a waiver of such provision on any other occasion.
- 7.15. Severability.** The invalidity or unenforceability, in whole or in part, of any provision, term, or condition hereof shall not affect the validity or enforceability of the remainder of such provision, term or condition or of any other provision, term, or condition.
- 7.16. Survival.** The terms and provisions of Terms and Conditions Sections 1.0, 2.0, 4.0, 5.0, 6.0 and 7.0 shall survive expiration or termination of this Agreement by any party for any reason.
- 7.17. Headings.** Headings of the sections of this Agreement are for reference purpose only and do not constitute terms or conditions of this Agreement nor shall they limit or affect the terms and conditions hereof.
- 7.18. Entire Agreement.** This Agreement constitutes the entire agreement between Client and Perot Systems and supersedes any prior agreement between the parties concerning the subject matter hereof. In the event that a signed MPA exists and any provisions in this

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Agreement are in conflict with, inconsistent with, in addition to, or otherwise different from the provisions of the MPA, the provisions in the MPA shall prevail over any such conflicting provisions. The provisions of this Agreement hereto shall supersede entirely any terms and conditions set forth on any Client purchase order.

**7.19. Notices.** All notices and other communications in connection with this Agreement shall be in writing and shall be mailed by registered or certified mail, postage prepaid and return receipt requested, sent by facsimile or otherwise delivered by hand or by courier addressed:

If to Client, then to:

Alameda Hospital  
Attn: Robert Lundy-Paine, Director IS  
2070 Clinton Ave.  
Alameda, CA 94501

If to Perot Systems, then to:

Perot Systems Healthcare Solutions, Inc.  
Attn: Erik Littlejohn, CFO  
120 Royall Street  
Canton, MA 02021

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or as having been given: (a) upon delivery, if personally delivered; (b) one (1) business day after pre-paid deposit for next business day delivery with a commercial courier service; (c) five (5) days after deposit, postage prepaid and return receipt requested, with first class mail (which mail must be certified or registered); or (d) upon confirmation of facsimile transfer when sent by facsimile.

**7.20. Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

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**Acceptance**

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Please sign this agreement to provide Alameda Hospital with ARRA and ACS Assessment Services dated September 1, 2009. This proposal will remain in effect for a period of 45 days from the date specified. If not accepted prior to the expiration date, this proposal shall not be binding unless mutually agreed upon by Perot Systems and Alameda Hospital. Please mail original documents with your signature and a Purchase Order to Perot Systems. To expedite the start of this engagement, you may fax to 781-575-1109, Attn: Michael Kirby.

In Witness, where of the parties have caused this Agreement to be executed by their respective duly authorized officers as of the date set forth above.

**Alameda Hospital**

**Perot Systems Healthcare Solutions, Inc.**

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Erik Littlejohn  
Chief Financial Officer

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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