



**Finance and Management Committee  
Meeting Notice & Agenda**

Wednesday, January 25, 2012  
7:30 a.m. – 9:00 a.m.  
Dal Cielo Conference Room

Office of the Clerk: (510) 814-4001

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.

- I. Call To Order Michael McCormick
- II. Action Items
  - A. Acceptance of January 4, 2012 Minutes [enclosure] Michael McCormick
  - B. Recommendation to Appoint Finance and Management Committee Members for Calendar Year 2012 [enclosure] Michael McCormick
  - C. Recommendation to Accept December 2011 Unaudited Financial Statements [enclosure] Robert Anderson
- III. Chief Executive Officer Report Deborah E. Stebbins
  - A. Revenue Cycle Update
  - B. Blue Cross Negotiations
  - C. Other
- IV. Chief Financial Officer Report Robert Anderson
  - A. Bank of Alameda Update
  - B. Cash Flow Projections
- V. Board / Committee / Staff Comments
- VI. Adjournment

NEXT MEETING SCHEDULED: FEBRUARY 29, 2012

This is being noticed as a Board Meeting as a quorum of Directors may be present. Ex-officio members and non-committee members cannot vote on any item, whether or not a quorum of the Board is present.

Finance and Management Committee Minutes

November 30, 2011

<b>Members Present:</b> (Voting)	Robert Deutsch, MD, Acting Chair	Ann Evans Ed Kofman	William Sellman, MD Jim Yeh, DO
<b>Management Present:</b>	Deborah E. Stebbins Kerry J. Easthope	Robert Anderson Mary Bond, RN	Katy Silverman Teresa Jacques, HFS Consultants
<b>Ex Officio/Guests:</b>	Jordan Battani	Elliott Gorelick (partial)	
<b>Absent:</b>	Mike McCormick	James Oddie	
<b>Submitted by:</b>	Kristen Thorson		
TOPIC	DISCUSSION		ACTION   FOLLOW-UP
I. Call to Order	Director Deutsch called the meeting to order at 7:37 a.m.		
II. Action Items	A.	Acceptance of November 30, 2011 Minutes	Ms. Evans made a motion to accept the minutes as presented. Mr. Kofman seconded the motion. The motion carried.
	B.	<p>Recommendation to Accept November 2011 Unaudited Financial Statements</p> <p>Mr. Anderson, Interim Chief Financial Officer presented the Financial Statements noting the following key points.</p> <p>Average daily census (ADC) was 81.5 versus a budgeted 83.8 with the acute census at 28.3 versus 29.6 budgeted, sub-Acute census at 31.1 versus 33.0 budgeted, and Skilled Nursing census at 22.1 versus 21.2 budgeted. Total Outpatient Registrations were 1,996 versus 1,948 budgeted. Overall gross revenue was unfavorable to budget by \$1.5M. Case Mix Index showed a marked improvement from October and was higher than prior year. Operating expenses were \$111,000 under budget with unfavorable variances in salaries, benefits and professional fees. This variance was offset by favorable variances in registry and supplies. Operating loss was \$681,000 versus budgeted loss of \$71,000. Year-to-date, the hospital had a combined loss of \$995,000 compared to a budgeted excess of revenue over</p>	Mr. Kofman made a motion to recommend approval of the November 2011 Unaudited Financial Statements as presented. Ms. Evans seconded the motion. The motion carried.

		expense of \$245,000	
	C.	<p>Recommendation to Approve Administrative Policy No. 83 – Community Care Guidelines and No. 83A – Self Pay or Uninsured Patient Cash Payment Discounts</p> <p>Ms. Stebbins reviewed the key changes to the policy as noted in the memorandum distributed at the meeting. The hospital moved from 100% full charity write off if 100% below the Federal Poverty Level to 200% below the Federal Poverty Level. This recommendation is based on a survey of eight local hospitals, all of which were at least the 200% level. Patients whose income is up to 500% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Alameda Hospital. The memorandum and policy will be included in the original files in Administration.</p>	Ms. Evans recommended that the revision to the policy be approved by the Board of Directors. Mr. Kofman seconded the motion. The motion carried.
Director Elliott Gorelick joined the meeting at 8:15 a.m.			
III. Chief Executive Officer Report	A.	<p>Revenue Cycle Update</p> <ol style="list-style-type: none"> <li>1. Follow-up to Sub Committee / Task Force Meeting of 12/7/12</li> </ol> <p>Ms. Stebbins stated that the committee met on December 7<sup>th</sup> and had good discussions on the progress and status of the key areas in the Revenue Cycle project. A second sub-committee meeting will be scheduled in late January.</p> <ol style="list-style-type: none"> <li>2. Revenue Cycle Performance Tracking</li> </ol> <p>Ms. Stebbins and Teresa Jacques, Revenue Cycle Project Coordinator from HFS Consultants reviewed an updated Revenue Cycle Performance Tracking sheet that was distributed at the meeting. Billing issues and Tasks, Business Office Reorganization, CDM (Charge Master Description) Issues, and Finance / Business Office reporting were reviewed and discussed in detail. The updated tracking sheet will be included in the original files in Administration.</p>	No action taken.
	B.	<p>Waters Edge Update</p> <p>Mr. Easthope gave an update on the transition and licensing process related to Waters Edge. There were several outstanding data elements for the State license application that have been</p>	No action taken.

		submitted to the State. Consultants are calling weekly to track progress with the State and with CMS on the Medicare application. Weekly planning continues with hospital personnel and Waters Edge personnel.	
	C.	<p>Wound Care Program Update</p> <p>Mr. Easthope reported that the hospital is still working with the City of Alameda to get the building permit. There were seven contractors that attended the bid conference in December, 4 of which submitted bids, with one of those withdrawing their bid after the submission. There were a total of 3 bids that were submitted and reviewed. Management will be bringing a recommendation to the Board for approval to award a contract for the project at the January 9, 2012 Board Meeting.</p>	No action taken.
	D.	<p>Legislative Update</p> <p>Ms. Stebbins informed the committee that CHA filed for an injunction on AB97 and the judge acted in favor of the injunction. The hospital will continue to book the lower rate in case the injunction is reversed.</p>	No action taken.
IV. Finance Report	A.	<p>Daily Reporting Tools and Monitoring</p> <p>Mr. Anderson reviewed the daily reporting tool that was included in the materials. The tool helps management monitor key statistics on a daily basis.</p>	No action taken.
	B.	<p>Case Mix Update</p> <p>Mr. Anderson discussed his findings related to case mix index and informed the committee that further analysis would be completed to understand the low case mix index the last several months. There some areas that he has identified that may be affecting the case mix as compared to prior years. There was discussion amongst the committee members, specifically the physicians regarding this topic. The physicians encouraged management to involve them in the analysis and discussion as they would be able to provide useful insight on the issue.</p>	No action taken.

V. Board / Committee / Staff Comments	No board, Committee or Staff comments.
VI. Adjournment	Being no further business, the meeting was adjourned at 9:03 a.m.

DRAFT

Date: January 25, 2012

To: Board Quality Committee

From: Michael McCormick, Chair – Finance and Management Committee  
Kristen Thorson, District Clerk

Subject: Recommendation to Appoint Finance and Management Committee Membership for 2012

**RECOMMENDATION:**

The following slate of committee members is being recommended for reappointment to the Finance and Management Committee by the Board of Directors for calendar year 2012.

	Name	Voting Member
Medical Staff Representative	William Sellman, MD	✓
Medical Staff Representative	Jim Yeh, DO	✓
At Large Representative	Ann Evans	✓
At Large Representative	Ed Kofman	✓
At Large Representative	Jim Oddie	✓

**BACKGROUND:**

The Board of Directors, on January 9, 2012, appointed Michael McCormick as Chair of this committee and Elliott Gorelick as the second voting member from the Board of Directors. Per the approved committee structure, committee membership shall be appointed annually.

The following structure has been approved by this committee as well as the District Board of Directors. Similar committee structures have been developed for other two board designated committees (Board Quality Committee and Community Relations and Outreach Committee).

1. Finance and Management Committee:
  - a. Primary Purpose: The primary purpose of the Finance and Management Committee is to review and recommend the annual

budget, review performance relative to budget, and review other aspects of the district's financial performance. The Committee shall also serve the function of reviewing the annual report from the Hospital's external auditor, including the annual presentation of audit findings. The committee may also review and advise regarding operational issues, management systems issues, management information systems, and other aspects of the district's overall operational management.

- b. Committee Composition and Voting Rights: The committee shall be comprised of the following members:
  - i. Two members of the City of Alameda Health Care District Board of Directors both of whom shall be voting members of the committee.
  - ii. The President of the City of Alameda Health Care District Board of Directors shall be an ex-officio, non-voting member, unless the President is serving as a voting member of the committee.
  - iii. Two members of the Alameda Hospital Medical Staff both of whom shall be voting members of the committee.
  - iv. Up to three at large members chosen for expertise needed by the district each of whom shall be voting members of the committee.
  - v. The City of Alameda Health Care District Chief Executive Officer, Chief Financial Officer, and other hospital management as delegated, who shall not be voting members of the committee.
- c. Terms: The committee shall be appointed annually.
- d. Meeting Frequency: Committee shall meet monthly.

# THE CITY OF ALAMEDA HEALTH CARE DISTRICT

## ALAMEDA HOSPITAL

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### UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING DECEMBER 31, 2011

**CITY OF ALAMEDA HEALTH CARE DISTRICT  
ALAMEDA HOSPITAL  
DECEMBER 31, 2011**

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# ALAMEDA HOSPITAL MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER, 2011

The management of 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 December 31, 2011 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.

## *Highlights*

Low activity in the month of December caused the hospital to experience a negative bottom line. A negative bottom line of (\$39K) was budgeted and (\$316k) was realized. Year to date (YTD) the hospital now has a loss of (\$1,312) versus a budget of \$206K.

Activity, generally, has followed patterns that have developed over the past six months. The number of inpatient admissions were at or above both budget and the prior year, however, patient days were below budget. The reason for this is because of a low length of stay. The length of stay was 9.9% below budget while admissions were up 4.5%. Therefore there were more patients. Since those patients stayed a shorter period of time, both patient days and associated revenues were down.

Inpatient surgeries cases were below budget. This month inpatient surgeries were down 18.2%. YTD they are down 15.1%. Since surgical admissions tend to generate higher revenues, this variance has a significant impact on inpatient revenues.

Outpatient surgeries were down for the month, however, continue above budget YTD.

Emergency activity was slightly below budget this month. YTD emergency visits are relatively close to budget. However emergency revenues have been down more than activity would indicate. It was determined that this was due to a change in the method of charging for emergency cases instituted in late fiscal year 2011. The charge methodology was changed back to the original method and it is expected that emergency revenues will track closer to budget for the remainder of this year.

December was similar to previous months where both gross and net revenues were below what activity would seem to indicate. This month's gross revenues were down \$1.7M or 7.8%. The inpatient component was down 6.0% and outpatient was down 11.8%. This type of variance has been a continuing trend this year.

Both the Case Mix Index (CMI) and collection ratio ran close to YTD averages. The collection ratio is slightly below budget for the month and YTD. The CMI continues about 7% below last year. This is in part is due to the low surgical volumes along with less intensive cases in 3West and the DOU.

The net result of these revenue related influences caused net revenues to fall (\$413k) or 8.6% below budget. YTD net revenues are now down (\$1.9M) or 4% below budget.

Expenses continue to run below budget. This month overall expenses were 2.3% below budget. Savings in labor, supplies and rents were offset by increased costs in professional fees. The negative professional fee variance is largely due to fees associated with outsourcing much of the revenue cycle function along with contracting for a number of key management employees. This variance is partially offset by lower labor costs.

Cash improved dramatically compared to the previous month. It increased from \$407k to \$2.1M. This was due to the receipt of both tax monies along with IGT funds. These two totaled \$3.5M. Expressed in days cash on hand, the hospital went from 5 days in November to 15 days in December. Though cash has improved, both of these values are extraordinarily low.

Accounts receivable (AR) grew in December. This was disappointing in that management had expected a major reduction in AR due to high billings going out over the past 6 weeks. Unfortunately this did not occur in December as AR increased \$481k. AR days increased from 59.2 to 62.7 days. AR increases are fairly typical during the holiday season. Therefore it is expected that cash collections should increase significantly in January.

Because of the increased cash from the Tax and IGT sources, management was able to reduce accounts payable. However, because of AR and bottom line issues, AP was not reduced nearly as much as management had hoped. Though AP was reduced by \$677k, AP days still remain over 150. Only bottom line improvement and AR reduction will allow for a significant drop in AP.

Lastly, the current ratio fell to .97. As with AP, this value will increase with improvement in the hospital's bottom line. However this month current ratio may prove to be problematic in negotiating a new line of credit. Note that the addition of Water's Edge should provide for a boost and cause the current ratio to climb above 1.0 in future months.

## *ACTIVITY*

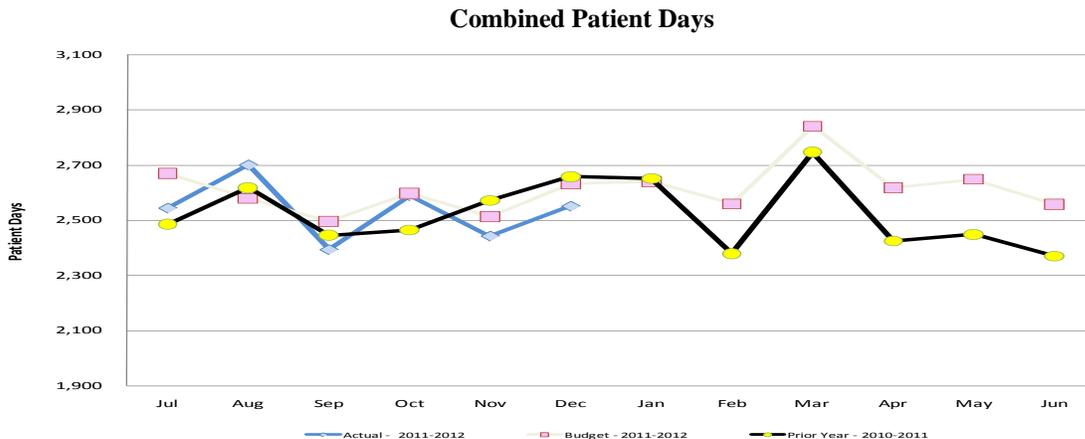
### ACUTE, SUBACUTE AND SNF SERVICES

Patient days, while below budget, are also below last year's volumes. Total patient days for the month were 2,552, 3.1% below the budget of 2,633, and YTD days of 15,227 are 266 days (1.7%) under budget. These figures represent a decrease from the prior month of 2,590 and prior year's December of 2,658 total patient days but is consistent with December 2010 YTD of 15,246.

The average daily acute care census was 28.29, unfavorable to a budget of 30.23 by 2.0 ADC (6.6%), and even with the acute ADC of 28.27 in the prior month; the average daily Sub-Acute census was 33.0. This is right on budget, The Skilled Nursing program had an average daily census of 21.03 versus a budget of 21.71. Year-to-date ADC is 2.1% below the budget of 84.2 at 82.76, just .1 ADC (.12%) below the 2010 YTD ADC of 82.86.

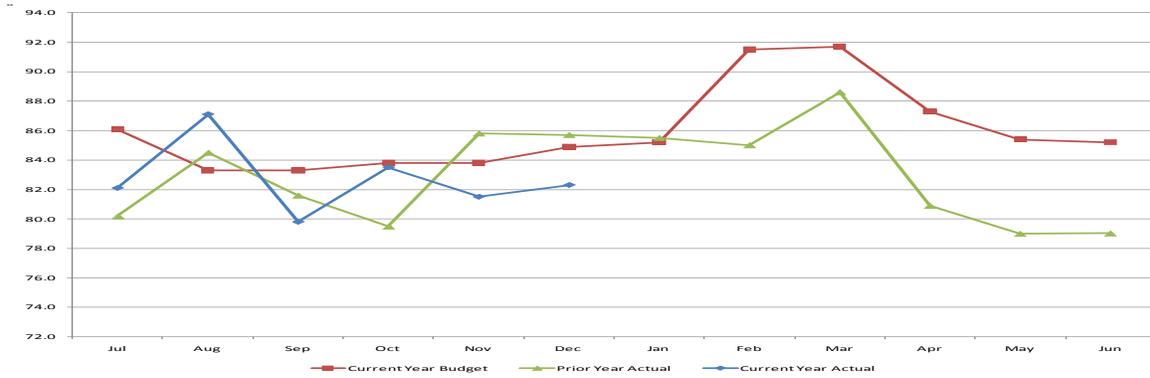
The acute care patient days were 6.4% (60 days) less than budgeted and 9.6% below the prior year's average daily census of 31.29 for December. The acute care program is comprised of the Critical Care Unit (2.8 ADC, 43.5% unfavorable to budget) which was closed for part of the month due to no critical patients, Definitive Observation Unit (11.2 ADC, right at budget) and Med/Surg Units (14.2 ADC, 1.8% favorable to budget).

The graph on the next page shows the total patient days by month for fiscal year 2012 compared to the operating budget and fiscal year 2011 actual.



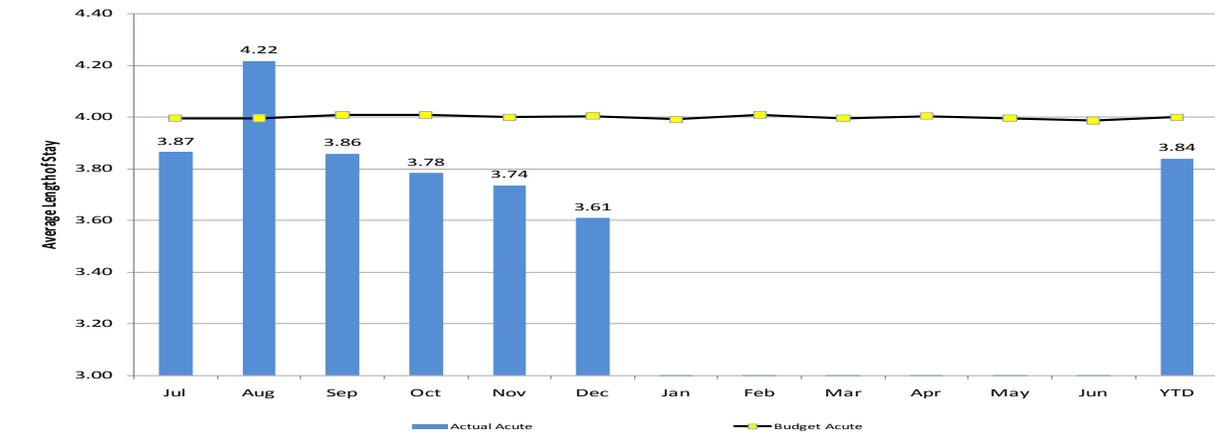
The combined actual average daily census was 82.32 versus a budget of 84.94 an unfavorable variance of 3.2%.

**Combined Average Daily Census**



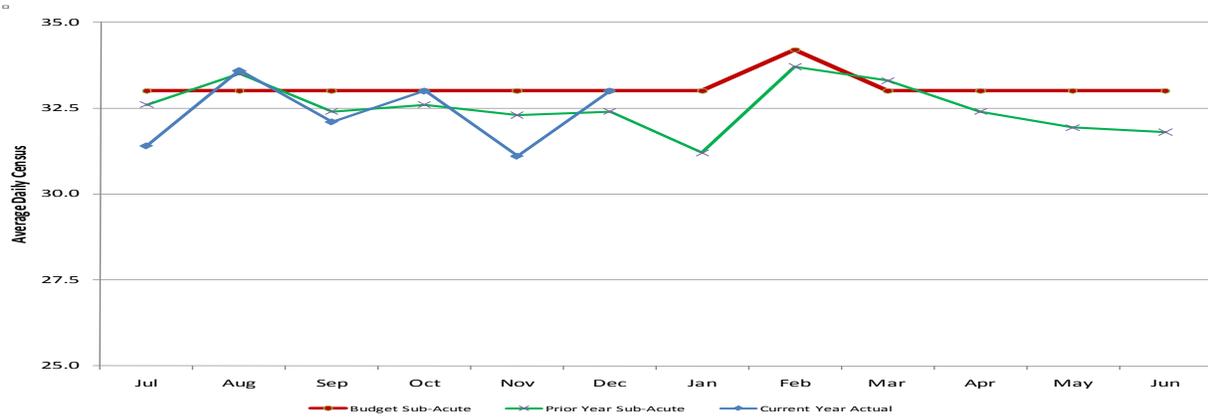
The acute average length of stay (ALOS) decreased from the November low of 3.74 to 3.61 in December, which is also below December in the prior year of 4.53. Budgeted acute ALOS is 4.0. The overall acute ALOS for FY 2011 was 4.13. The graph below shows the ALOS by month and the budgeted ALOS for fiscal year 2012.

**Acute Care Average Length of Stay**



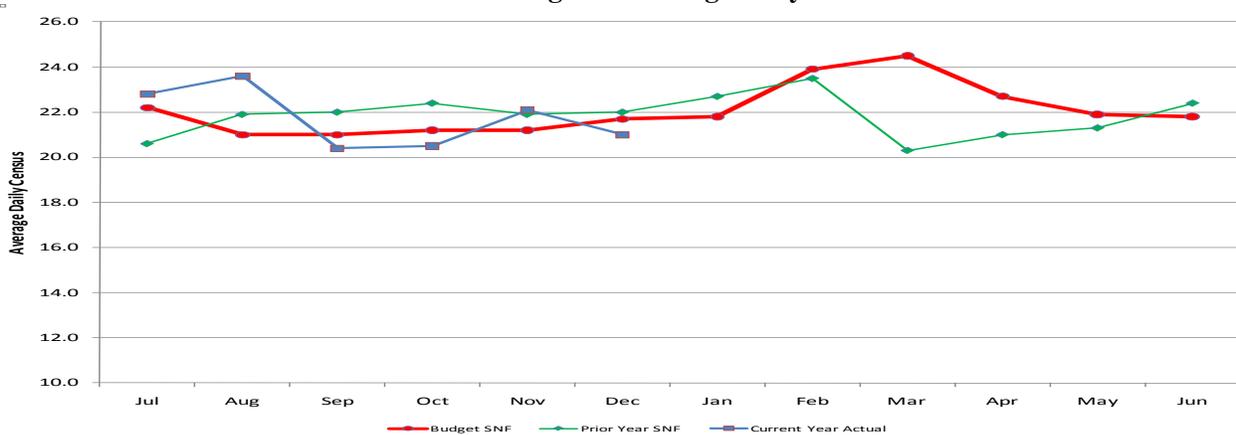
The Sub-Acute program average daily census of 33.0 in December was right at budgeted projections. The graph below shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.

**Sub-Acute Care Average Daily Census**



The Skilled Nursing Unit (South Shore) patient days were 3.1% or 21 patient days lower than budgeted for the month of December, and down 10 days or 1.5% from November. This program’s volume is just below the prior year-to-date, with December 2012 year-to-date patient days lower than December 2011 year-to-date by 11 days or .27% and a year-to-date average daily census of 21.74 versus 21.80 in fiscal year 2011. The following graph shows the Skilled Nursing Unit monthly average daily census as compared to budget and the prior year.

**Skilled Nursing Unit Average Daily Census**

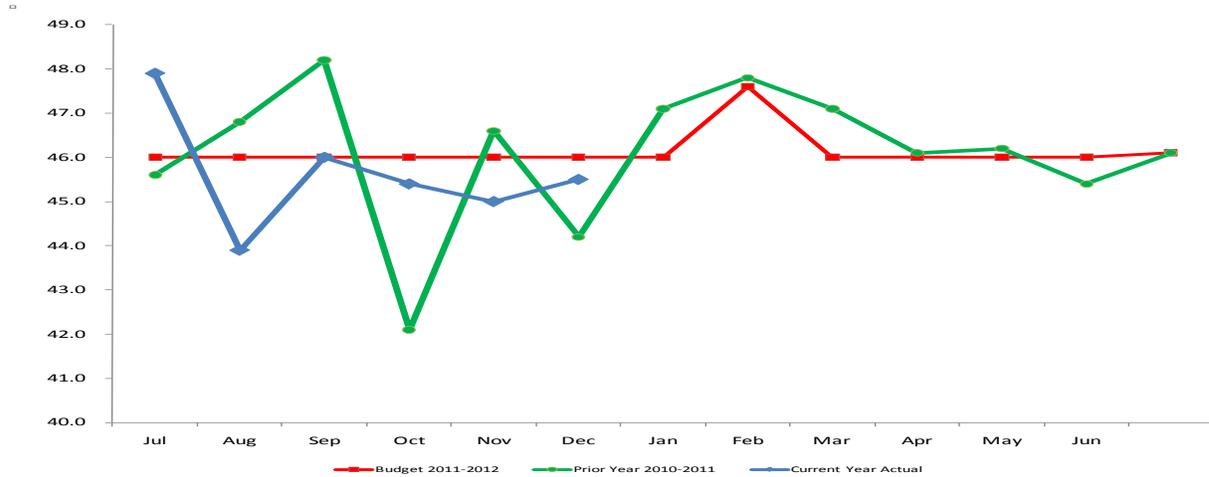


**ANCILLARY SERVICES**

**Outpatient Services**

The Emergency Care Center visits in December totaled 1,409, 17 visits (1.2%) under the budget of 1,426. 18.5% of these visits resulted in inpatient admissions versus 18.4% in November. On a per day basis, the total visits represent a increase of 1.09% from the prior month daily average. In December, there were 315 ambulance arrivals versus 276 in the prior month. Of the 315 ambulance arrivals in the current month, 193 or 61.3% were from Alameda Fire Department (AFD) ambulances.

**Emergency Care Visits Per Day**

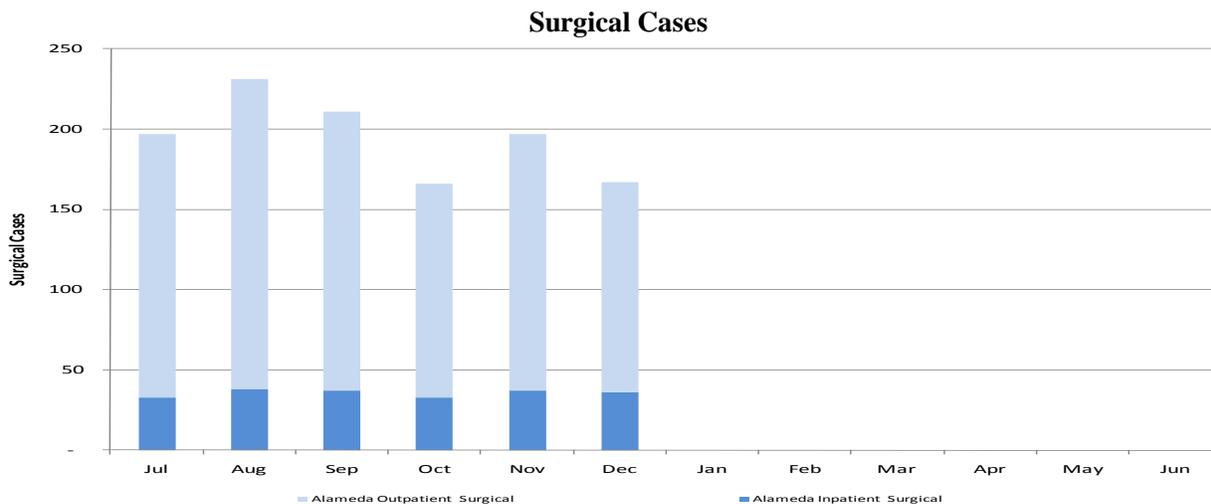


Outpatient registrations were 1,698, or 12.0% below budget and 298 or 14.9% below prior month. The average of 54.8 visits per day was 17.6% lower than the prior month's 66.5 visits per day. YTD outpatient registrations are below budget by 8.3% at 10,933 versus the budget of 11,926. The outpatient visits were below budget in IVT Therapy (51 visits), Ultrasound (30 visits), CT Scan (31 visits), and EKG (21 visits).

**Surgery**

The year-to-date surgery cases were 1,175 or 2.8% above the budget of 1,143, and above prior YTD of 1,155. For the month, total surgery cases were below budgeted expectations by 10.2% at 167 cases versus the budgeted 186 cases; inpatient cases were 8 (18.2%) under budget while outpatient cases were 11 (7.7%) below budget. Surgery volume was considerably lower than November. Inpatient and outpatient cases totaled 36 and 131 versus 37 and 160 in December and November, respectively.

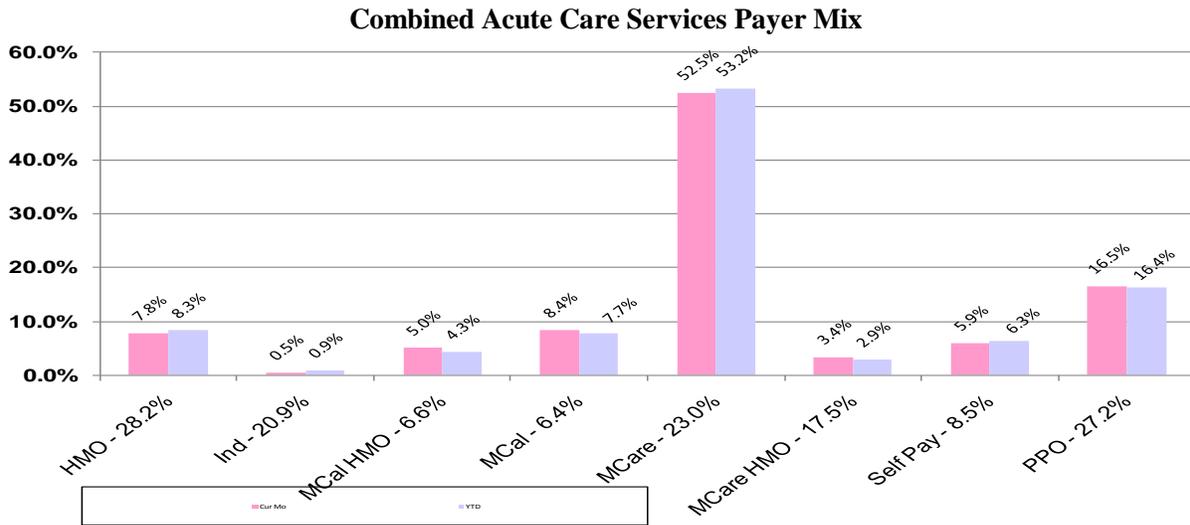
The graph below shows the number of inpatient and outpatient surgical cases by month for fiscal year 2012.



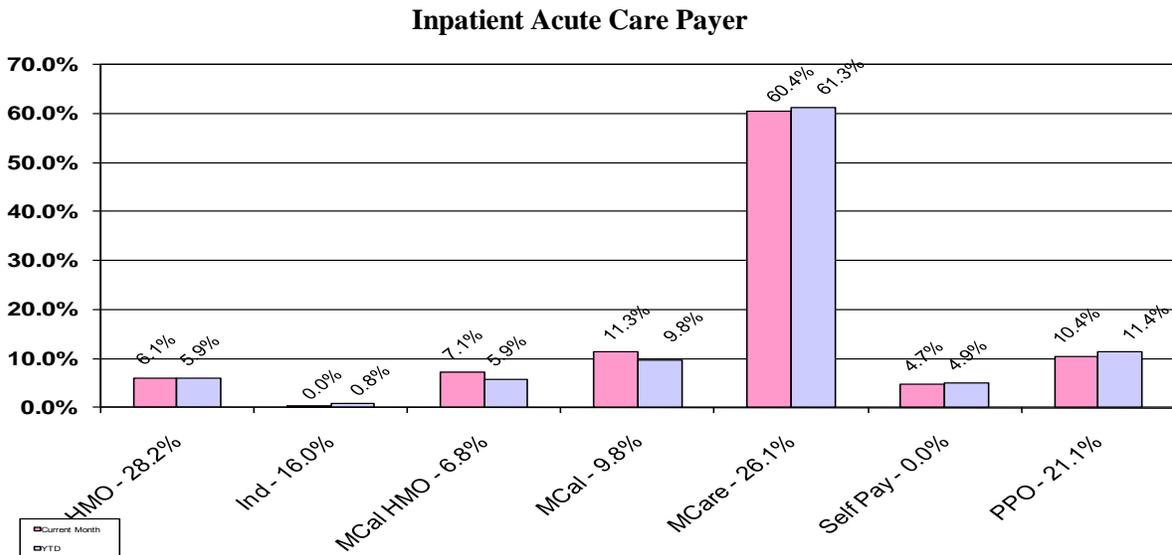
**Payer Mix**

Combined acute care services, inpatient and outpatient, Medicare and Medicare Advantage total gross revenue in December made up 55.9% of the month's total gross patient revenue. Combined Medicare revenue was followed by

HMO/PPO utilization at 24.3%, Medi-Cal Traditional and Medi-Cal HMO utilization at 13.4% and self pay at 5.9%. The graph below shows the percentage of gross revenues generated by each of the major payers for the current month and fiscal year to date as well as the current month's estimated reimbursement for each payer for the combined inpatient and outpatient acute care services.

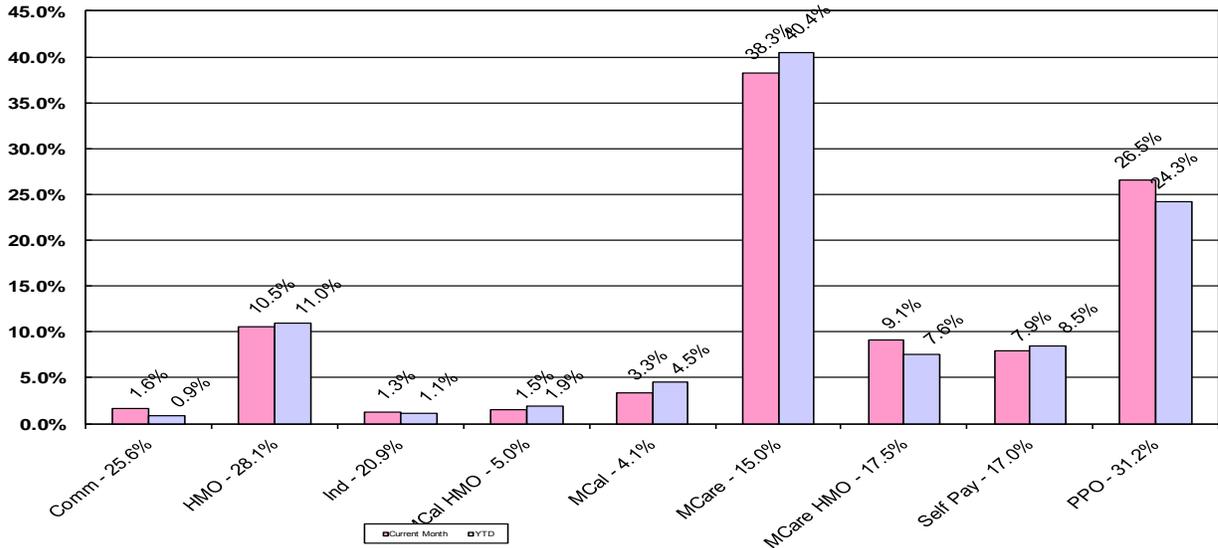


The inpatient acute care current month gross Medicare and Medicare Advantage charges made up 65.1% of our total inpatient acute care gross revenues followed by HMO/PPO at 21.4%, Medi-Cal and Medi-Cal HMO at 16.5% and Self Pay at 4.7% of the inpatient acute care revenue. The graph below shows inpatient acute care current month and year to date payer mix and current month estimated net revenue percentages for fiscal year 2012.



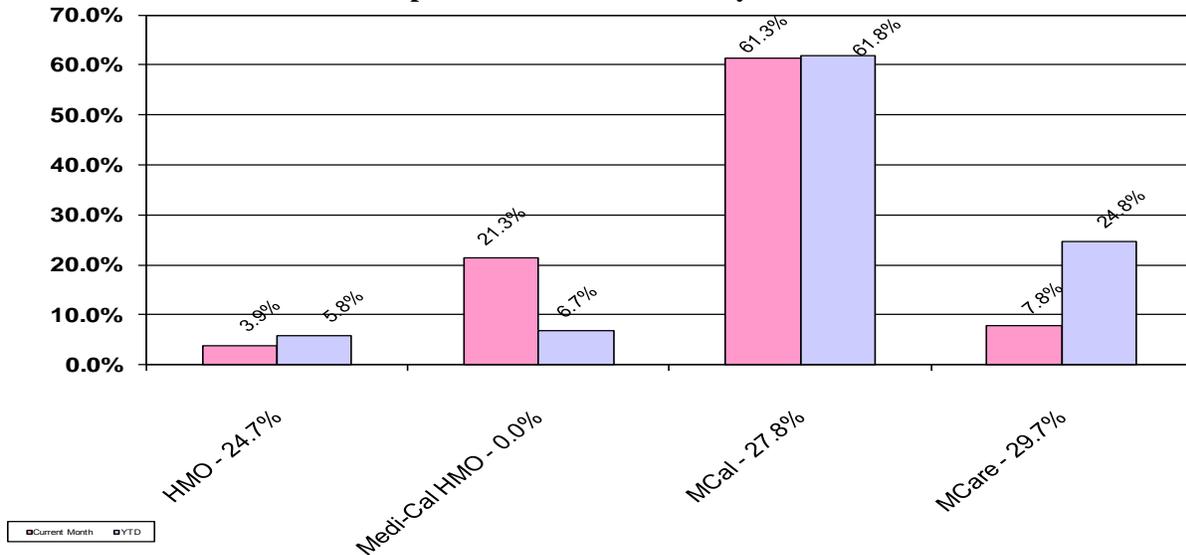
The outpatient gross revenue payer mix for December was comprised of 47.4% Medicare and Medicare Advantage, 38.6% HMO/PPO, 4.8% Medi-Cal and Medi-Cal HMO, and 7.9% self pay. The graph below shows the current month and fiscal year to date outpatient payer mix and the current months estimated level of reimbursement for each payer.

### Outpatient Services Payer Mix



In December, the Sub-Acute care program again was dominated by Medi-Cal utilization of 82.1%, up from 69.6% in November. One anomaly in long term care patients is they are registered as Medicare, usually exhaust their benefits and transition to Medi-Cal. The financial class is now being changed when this occurs, where in the past the financial class had not been changed. Medicare was 7.8% and HMO/PPO rounds out the unit at 3.9%. The graph below shows the payer mix for the current month and fiscal year to date and the current months estimated reimbursement rate for each payer.

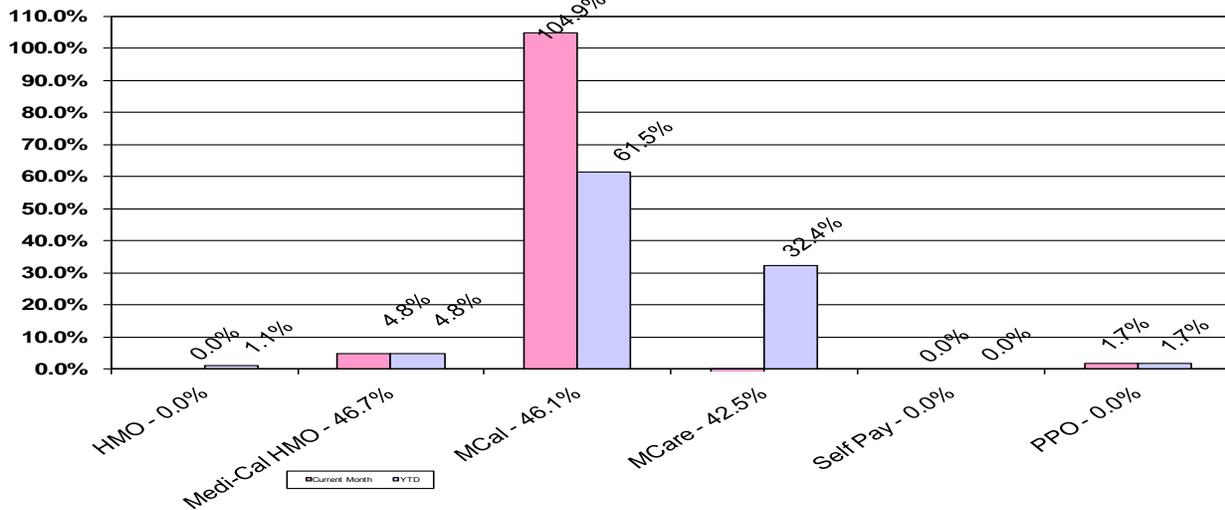
### Inpatient Sub-Acute Care Payer Mix



In December, the Skilled Nursing program gross revenues were comprised primarily of Medi-Cal at more than 100% due to payer reclassifications. The graph below shows the current month and fiscal year to date skilled nursing payer mix and the current month's estimated level of reimbursement for each payer. In December accounts were properly

reclassified from Medicare to Medi-Cal if they had exhausted their long-term care Medicare benefits and are Part B only. This is an anomaly in the current month but will adjust on a year-to-date basis and will have the patients registered in the proper payer when reimbursement is received.

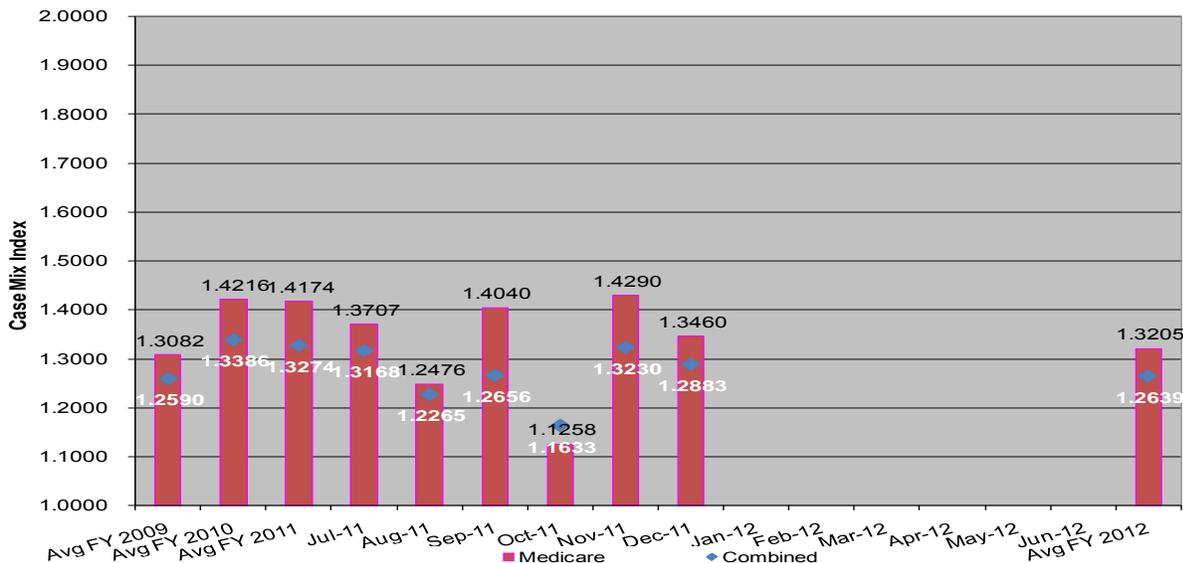
### Inpatient Skilled Nursing Payer Mix



### Case Mix Index

The hospital's overall Case Mix Index (CMI) decreased to 1.2883, down from the prior month of 1.3230, and below the prior year December of 1.3531. The Medicare CMI decreased from 1.4290 in November to 1.3460 in December. January overall CMI is back up over 1.3. The graph below shows the Medicare CMI for the hospital during the current fiscal year as compared to the prior three fiscal years.

### Case Mix Index Trend



The CMI at the time of forecasting this year's budget was 1.3758. Year-to-date December 2011 the CMI was 1.2652. This represents a 7.7% decline compared to the same time frame last year. However, the month of

December 2011 is again above the year-to-date average, and CMI is continuing to swing back up in January. Note that payers with lower volume can have substantial swings in CMI from one period to another. See the table below that compares the CMI by payer for the three periods.

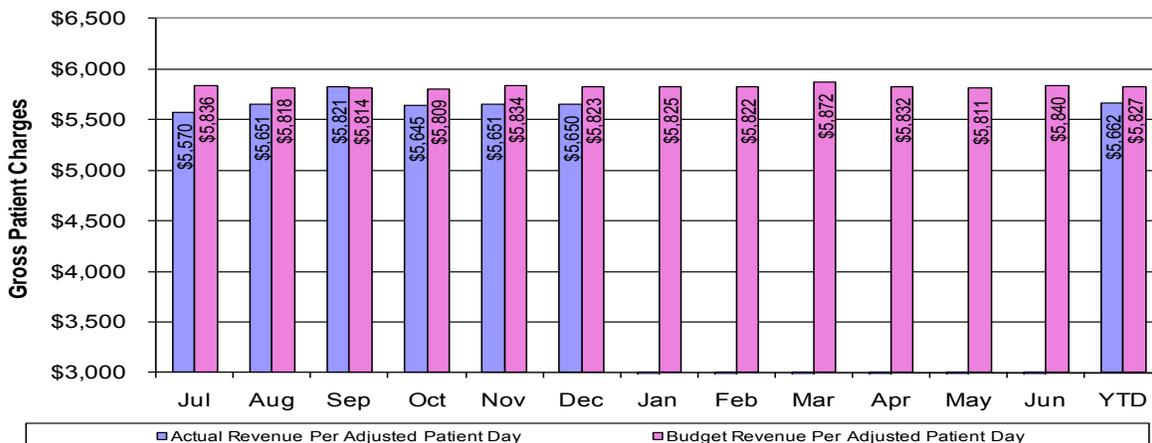
**Case Mix Index Comparison**

Financial Class	Jun 10 - Mar 11	Dec 10 YTD	Dec 11 YTD	Dec 11 YTD Volume
Blue Cross	0.0000	0.9873	0.0000	-
Commercial - Non-Contracted	1.9649	2.1928	0.7788	3
HMO	1.2522	1.2050	1.3401	66
Industrial	1.8373	1.2257	1.3856	8
Kaiser	1.8412	1.9879	2.0106	6
Medi-Cal HMO	1.0008	1.0128	0.9970	73
Medi-Cal	1.2724	1.1972	1.2088	98
Medicare	1.4724	1.4736	1.3187	709
Medicare HMO	1.3568	1.4000	1.3671	123
Personal Pay	1.0105	1.0305	1.0541	102
Medi-Cal Pending	1.8334	1.9673	2.0751	4
PPO	1.2613	1.3011	1.1470	145
VA	1.4051	1.3191	1.3033	29
<b>Combined</b>	<b>1.3758</b>	<b>1.3705</b>	<b>1.2652</b>	<b>1,366</b>

**Revenue**

Gross patient charges in December were less than budget by \$1.8 million, or 8.1%, mostly driven by lower inpatient volumes, surgeries and outpatient registrations. This unfavorable variance was comprised of an unfavorable variance to inpatient of \$915,000 and unfavorable variance to outpatient of \$905,000. The decrease in inpatient gross revenues was driven by lower volume in Acute Care and Skilled Nursing, as well as inpatient surgery. Outpatient revenues were lower than budgeted as a result of lower than expected volume in Surgery, CT Scan and Pharmacy. On an adjusted patient day basis, total patient revenue was \$5,650 below the budget of \$5,823 for the month of December consistent with the November gross revenue per APD of \$5,651. The following table shows the hospital's monthly gross revenue per adjusted patient day by month and year-to-date for fiscal year 2012 compared to budget.

**Gross Charges per Adjusted Patient**



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 November contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 77.6% right on the budget. There will be an ongoing favorable variance of roughly \$150,000 per month for the Sub-Acute reserve that is included in the budget deductions from revenue but not in actual results.

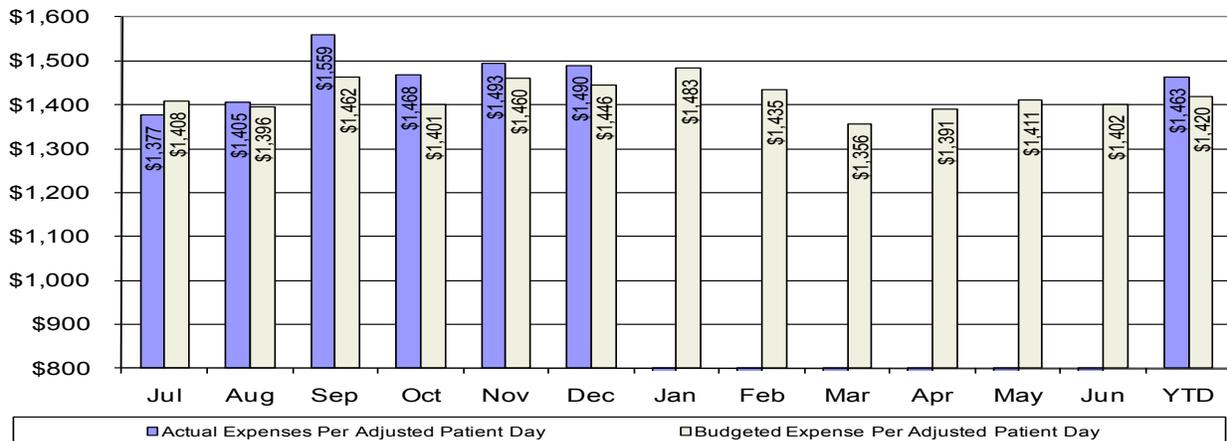
Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. This difference reflects what the anticipated cash payments the Hospital is expecting to receive for the services provided. Net patient revenue for the month of December was 22.4%, also equal to the budget.

## *Expenses*

### Total Operating Expenses

Total operating expenses were lower than the fixed budget by \$129,000 or 2.3%. On an adjusted patient day basis, our cost per adjusted patient day was \$1,490 which was \$44 (3.04%) per adjusted patient day unfavorable to budget but \$3 lower than the prior month. This variance in expenses per adjusted patient day was primarily the result of unfavorable variances in non-medical professional fees due to consulting fee accruals and fees related to Water’s Edge. The graph below shows the actual hospital operating expenses on an adjusted patient day basis for the 2012 fiscal year by month as compared to budget 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 Temporary Agency Expenses

Salary and temporary agency costs combined were favorable to the fixed budget by \$47,000 and were unfavorable to budgeted levels on a per adjusted patient day (PAPD) basis by \$37 or 5.0%.

Productive salaries in the CCU were 34.5% above the flexed budget, productive salaries in the DOU were 22.5% above the flexed budget, and productive salaries in Sub-Acute were 9.5% above the flexed budget. Salaries in the Emergency Care Center were again above budget by 13.5% while the volume in the ECC was below budget by 2.2, and Radiology productive salaries were 23.75% above budget yet their visits were over budget by 7%.

### Benefits

Benefits were favorable to the fixed budget by \$34,000 or 4.3%, and favorable to budget by \$9 or 22% per

adjusted patient day.

### **Professional Fees**

Professional fees were unfavorable to budget by \$128,000 in December due to \$18,000 from Medical Professional Fees (ER and Clinic physician expenses) and \$110,000 from Non-Medical Professional Fees related to HFS fees for Accounting \$34,000, Revenue Cycle \$33,000, Pharmacy \$15,000 and Administration \$28,000.

### **Supplies**

Supplies were favorable to budget by \$176,000 (23.4%) or \$38 or 19.3% per adjusted patient day in December. As in prior months, this favorable variance was the result of lower than budgeted patient related supplies such as medical supplies expense, pharmacy supplies, and prosthetics due to lower patient volume, acuity and below budget surgeries.

### **Purchased Services**

Purchased services were above budget by \$4,000 compared to fixed budget and \$4 unfavorable PAPD.

### **Rents and Leases**

Rents and leases were below the fixed budget by \$35,000, and under budget \$8 PAPD in December at \$15 per adjusted patient day versus a budget of \$23.

### **Other Operating Expense**

Other operating expenses were \$27,000 over budget due to recruiting fee for an Anesthesia tech of \$16,320 and physician forgiveness of \$6,500 not in the budget.

## ***Balance Sheet***

Total assets decreased by \$1.3 million from the prior month, mostly all of which was in current assets. The following items make up the increase in current assets:

- Total unrestricted cash and cash equivalents for December increased by \$1,663,000 and days cash on hand including restricted use funds increased to 15.0 days on hand in December from 5 days on hand in November. The increase in cash was the result of receipt of property tax monies.
- Net patient accounts receivable increased in December by \$481,000 compared to an increase of \$157,000 in November. Days in outstanding receivables were 62.7 at December month end, an increase from 59.2 days in November. Collections in December were \$4.1 million compared to \$3.9 million in November.
- Other Receivables decreased by \$3.5 million from November to December due to the receipt of district tax monies.

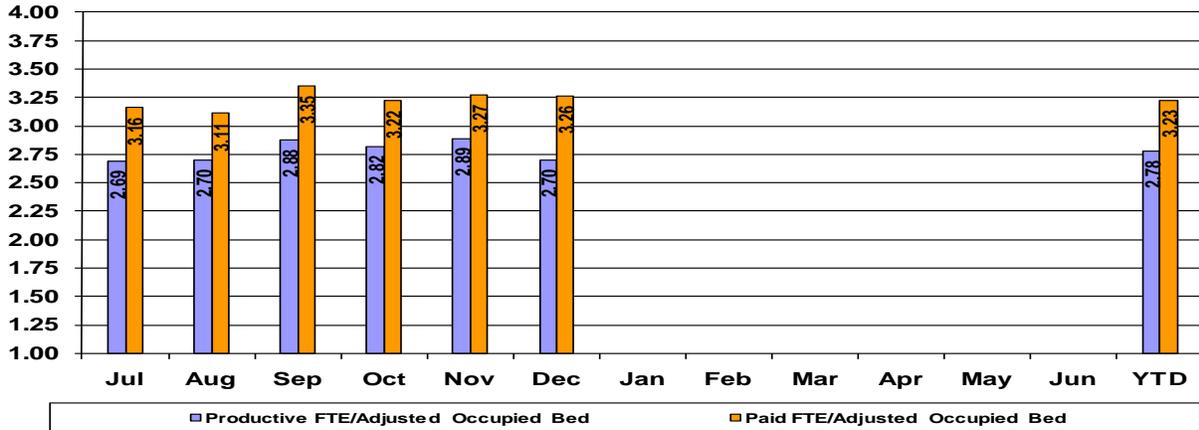
Total liabilities decreased by \$997,000 compared to a decrease of \$701,000 in the prior month. This decrease in the current month was the result of the following:

- Accounts payable and accrued expenses decreasing \$677,000 due to payment of delayed accounts.
- Payroll related accruals increased by \$151,000 as a result of the timing of pay period end in relation to the month end.
- Deferred revenues decreased again by \$477,000 due to the recognition of one-twelfth of the 2011/2012 parcel tax revenues of \$5.7 million.

## *Key Statistics*

### **FTE's per Adjusted Occupied Bed**

On an adjusted occupied bed basis, productive FTE's were 2.70, below the budget of 2.72 FTE's by .8%, and paid FTE's were 3.26 or .2% above budget. The graph below shows the productive and paid FTE's per adjusted occupied bed for FY 2012 by month.



### **Current Ratio**

The current ratio for December is at .97. We are working to bring this up to an even 1.0.

### **A/R days**

Net days in Accounts Receivable are currently at 62.7, up again from prior month. We are working hard to bring this number down to 51, which will help our cash position and current ratio.

### **Days Cash on Hand**

Days cash on hand for December is 15.0. This has increased from prior month due to receipt of property tax money. Increased billings in December (catch up) should net a further increase in cash collections in January. We would like this ratio to be closer to the FY 2010 number of over 20 days.

The following pages include the detailed financial statements for the five (6) months ended December 31, 2011, of fiscal year 2012.

**ALAMEDA HOSPITAL  
KEY STATISTICS  
DECEMBER 2011**

	<u>ACTUAL DECEMBER 2011</u>	<u>CURRENT FIXED BUDGET</u>	<u>VARIANCE (UNDER) OVER</u>	<u>%</u>	<u>DECEMBER 2010</u>	<u>YTD DECEMBER 2011</u>	<u>YTD FIXED BUDGET</u>	<u>VARIANCE</u>	<u>%</u>	<u>YTD DECEMBER 2010</u>
<b>Discharges:</b>										
Total Acute	243	234	9	3.8%	214	1,372	1,371	1	0.1%	1,242
Total Sub-Acute	-	2	(2)	-100.0%	4	12	9	3	33.3%	12
Total Skilled Nursing	13	9	4	44.4%	3	50	52	(2)	-3.8%	43
	<u>256</u>	<u>245</u>	<u>11</u>	<u>4.5%</u>	<u>221</u>	<u>1,434</u>	<u>1,432</u>	<u>2</u>	<u>0.1%</u>	<u>1,297</u>
<b>Patient Days:</b>										
Total Acute	877	937	(60)	-6.4%	970	5,268	5,487	(219)	-4.0%	5,230
Total Sub-Acute	1,023	1,023	-	0.0%	1,005	5,958	6,072	(114)	-1.9%	6,004
Total Skilled Nursing	652	673	(21)	-3.1%	683	4,001	3,934	67	1.7%	4,012
	<u>2,552</u>	<u>2,633</u>	<u>(81)</u>	<u>-3.1%</u>	<u>2,658</u>	<u>15,227</u>	<u>15,493</u>	<u>(266)</u>	<u>-1.7%</u>	<u>15,246</u>
<b>Average Length of Stay</b>										
Total Acute	3.61	4.00	(0.40)	-9.9%	4.53	3.84	4.00	(0.16)	-4.1%	4.21
<b>Average Daily Census</b>										
Total Acute	28.29	30.23	(2.00)	-6.6%	31.29	28.63	29.82	(1.19)	-4.0%	28.42
Total Sub-Acute	33.00	33.00	-	0.0%	32.42	32.38	33.00	(0.62)	-1.9%	32.63
Total Skilled Nursing	21.03	21.71	(0.70)	-3.2%	22.03	21.74	21.38	0.36	1.7%	21.80
	<u>82.32</u>	<u>84.94</u>	<u>(2.70)</u>	<u>-3.2%</u>	<u>85.74</u>	<u>82.76</u>	<u>84.20</u>	<u>(1.81)</u>	<u>-2.1%</u>	<u>82.86</u>
<b>Emergency Room Visits</b>	1,409	1,426	(17)	-1.2%	1,368	8,391	8,464	(73)	-0.9%	8,381
<b>Outpatient Registrations</b>	1,698	1,929	(231)	-12.0%	1,911	10,933	11,926	(993)	-8.3%	11,810
<b>Surgery Cases:</b>										
Inpatient	36	44	(8)	-18.2%	42	220	259	(39)	-15.1%	271
Outpatient	131	142	(11)	-7.7%	142	955	884	71	8.0%	884
	<u>167</u>	<u>186</u>	<u>(19)</u>	<u>-10.2%</u>	<u>184</u>	<u>1,175</u>	<u>1,143</u>	<u>32</u>	<u>2.8%</u>	<u>1,155</u>
<b>Adjusted Occupied Bed (AOB)</b>	118.30	124.86	(6.56)	-5.3%	122.57	152.87	125.48	27.39	21.8%	123.65
<b>Productive FTE</b>	319.13	339.55	(20.42)	-6.0%	370.60	343.80	341.62	2.18	0.6%	363.39
<b>Total FTE</b>	385.45	406.18	(20.73)	-5.1%	430.29	396.52	402.86	(6.34)	-1.6%	418.03
<b>Productive FTE/Adj. Occ. Bed</b>	2.70	2.72	(0.02)	-0.8%	3.02	2.25	2.72	(0.47)	-17.4%	2.94
<b>Total FTE/ Adj. Occ. Bed</b>	3.26	3.25	0.00	0.2%	3.51	2.59	3.21	(0.62)	-19.2%	3.38

**City of Alameda Health Care District**  
**Statements of Financial Position**  
December 31, 2011

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year End</u>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,070,300	\$ 407,543	\$ 1,784,141
Patient Accounts Receivable, net	9,582,145	9,100,768	7,249,185
Other Receivables	3,646,114	7,138,269	8,090,457
Third-Party Payer Settlement Receivables	481,578	481,578	150,000
Inventories	1,183,395	1,170,330	1,183,358
Prepays and Other	<u>323,373</u>	<u>309,899</u>	<u>262,359</u>
Total Current Assets	17,286,905	18,608,387	18,719,500
Assets Limited as to Use, net	546,203	534,502	483,716
<b>Fixed Assets</b>			
Land	877,945	877,945	877,945
Depreciable capital assets	43,435,271	43,427,774	43,383,571
Construction in progress	3,388,457	3,304,736	2,921,048
Depreciation	<u>(39,304,382)</u>	<u>(39,221,507)</u>	<u>(38,862,494)</u>
Property, Plant and Equipment, net	<u>8,397,291</u>	<u>8,388,948</u>	<u>8,320,070</u>
<b>Total Assets</b>	<b><u>\$ 26,230,399</u></b>	<b><u>\$ 27,531,837</u></b>	<b><u>\$ 27,523,286</u></b>
<b>Liabilities and Net Assets</b>			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 1,632,934	\$ 1,659,619	\$ 746,074
Accounts Payable and Accrued Expenses	8,312,816	8,989,766	6,987,765
Payroll Related Accruals	4,134,636	3,983,973	3,991,254
Deferred Revenue	2,863,707	3,340,777	5,725,900
Employee Health Related Accruals	652,505	633,906	343,382
Third-Party Payer Settlement Payable	<u>308,307</u>	<u>255,809</u>	<u>(3,930)</u>
Total Current Liabilities	17,904,905	18,863,850	17,790,445
Long Term Debt, net	<u>883,778</u>	<u>921,904</u>	<u>1,142,109</u>
Total Liabilities	<u>18,788,683</u>	<u>19,785,754</u>	<u>18,932,554</u>
Net Assets:			
Unrestricted	6,725,513	7,041,581	8,037,015
Temporarily Restricted	<u>716,203</u>	<u>704,502</u>	<u>553,716</u>
Total Net Assets	<u>7,441,716</u>	<u>7,746,083</u>	<u>8,590,731</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 26,230,399</u></b>	<b><u>\$ 27,531,838</u></b>	<b><u>\$ 27,523,286</u></b>

**City of Alameda Health Care District**

**Statements of Operations**

December 31, 2011

\$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	2,552	2,633	(81)	-3.1%	2,658	15,227	15,493	(266)	-1.7%	15,246
Discharges	256	245	11	4.5%	221	1,434	1,432	2	0.1%	1,297
ALOS (Average Length of Stay)	9.97	10.75	(0.78)	-7.2%	12.03	10.62	10.82	(0.20)	-1.9%	11.75
ADC (Average Daily Census)	82.3	84.9	(2.61)	-3.1%	85.7	83	84.2	(1.45)	-1.7%	82.9
CMI (Case Mix Index)	1.2883				1.3531	1.2637				1.3589
<b>Revenues</b>										
Gross Inpatient Revenues	\$ 14,418	\$ 15,333	\$ (915)	-6.0%	\$ 14,866	\$ 86,229	\$ 90,094	\$ (3,865)	-4.3%	\$ 83,281
Gross Outpatient Revenues	6,302	7,149	(847)	-11.8%	6,521	40,665	43,828	(3,163)	-7.2%	41,108
Total Gross Revenues	20,720	22,482	(1,762)	-7.8%	21,387	126,895	133,923	(7,028)	-5.2%	124,389
Contractual Deductions	15,074	16,558	1,484	9.0%	15,389	94,665	98,609	3,944	4.0%	89,176
Bad Debts	683	718	35	4.9%	670	2,985	4,253	1,268	29.8%	3,774
Charity and Other Adjustments	363	173	(190)	-109.5%	78	1,123	1,023	(100)	-9.8%	885
Net Patient Revenues	4,601	5,033	(432)	-8.6%	5,251	28,122	30,038	(1,916)	-6.4%	30,553
Net Patient Revenue %	22.2%	22.4%			24.6%	22.2%	22.4%			24.6%
Net Clinic Revenue	46	23	22	97.0%	26	208	90	118	130.4%	175
Other Operating Revenue	7	10	(3)	-29.9%	12	209	61	148	244.8%	59
<b>Total Revenues</b>	<b>4,653</b>	<b>5,066</b>	<b>(413)</b>	<b>-8.2%</b>	<b>5,289</b>	<b>28,539</b>	<b>30,189</b>	<b>(1,650)</b>	<b>-5.5%</b>	<b>30,787</b>
<b>Expenses</b>										
Salaries	2,885	2,893	8	0.3%	3,045	17,126	16,876	(250)	-1.5%	17,659
Temporary Agency	111	150	39	25.9%	258	616	892	277	31.0%	1,139
Benefits	765	799	34	4.3%	694	5,106	4,769	(338)	-7.1%	4,597
Professional Fees	421	293	(128)	-43.8%	309	2,278	1,728	(550)	-31.8%	1,828
Supplies	578	755	176	23.4%	626	3,559	4,546	988	21.7%	4,411
Purchased Services	369	373	4	1.0%	412	2,091	2,218	126	5.7%	2,271
Rents and Leases	54	89	35	39.1%	72	457	499	42	8.4%	408
Utilities and Telephone	67	65	(2)	-2.7%	59	392	389	(3)	-0.8%	356
Insurance	25	17	(8)	-47.2%	31	167	101	(66)	-65.5%	188
Depreciation and amortization	71	69	(2)	-2.4%	79	442	411	(31)	-7.6%	488
Other Operating Expenses	120	93	(27)	-29.6%	61	553	469	(84)	-18.0%	443
<b>Total Expenses</b>	<b>5,466</b>	<b>5,596</b>	<b>130</b>	<b>2.3%</b>	<b>5,645</b>	<b>32,786</b>	<b>32,897</b>	<b>111</b>	<b>0.3%</b>	<b>33,787</b>
<b>Operating gain (loss)</b>	<b>(813)</b>	<b>(529)</b>	<b>(283)</b>	<b>-53.6%</b>	<b>(356)</b>	<b>(4,247)</b>	<b>(2,708)</b>	<b>(1,539)</b>	<b>56.8%</b>	<b>(3,000)</b>
<b>Non-Operating Income / (Expense)</b>										
Parcel Taxes	488	478	9	2.0%	478	2,891	2,868	23	0.8%	2,868
Investment Income	0	0	0	135.7%	1	3	(72)	75	-104.1%	7
Interest Expense	(15)	(11)	(3)	-30.0%	(11)	(99)	(13)	(86)	677.0%	(52)
Other Income / (Expense)	23	23	0	1.3%	22	141	131	10	7.7%	128
<b>Net Non-Operating Income / (Expense)</b>	<b>497</b>	<b>490</b>	<b>7</b>	<b>1.4%</b>	<b>491</b>	<b>2,936</b>	<b>2,914</b>	<b>22</b>	<b>0.7%</b>	<b>2,951</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$ (316)</b>	<b>\$ (39)</b>	<b>\$ (277)</b>	<b>704.1%</b>	<b>\$ 135</b>	<b>\$ (1,312)</b>	<b>\$ 206</b>	<b>\$ (1,517)</b>	<b>-738.2%</b>	<b>\$ (49)</b>

**City of Alameda Health Care District**  
**Statements of Operations - Per Adjusted Patient Day**  
December 31, 2011

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
<b>Revenues</b>										
Gross Inpatient Revenues	\$ 3,931	\$ 3,972	\$ (40)	-1.0%	\$ 3,887	\$ 3,848	\$ 3,912	\$ (64)	-1.6%	\$ 3,657
Gross Outpatient Revenues	1,718	1,852	(133)	-7.2%	1,705	1,815	1,903	(88)	-4.6%	1,805
<b>Total Gross Revenues</b>	<b>5,650</b>	<b>5,823</b>	<b>(174)</b>	<b>-3.0%</b>	<b>5,593</b>	<b>5,663</b>	<b>5,815</b>	<b>(152)</b>	<b>-2.6%</b>	<b>5,462</b>
Contractual Deductions	4,110	4,289	179	4.2%	4,024	4,225	4,282	57	1.3%	3,916
Bad Debts	186	186	(0)	-0.1%	175	133	185	51	27.9%	166
Charity and Other Adjustments	99	45	(54)	-120.5%	20	50	44	(6)	-12.8%	39
<b>Net Patient Revenues</b>	<b>1,254</b>	<b>1,304</b>	<b>(49)</b>	<b>-3.8%</b>	<b>1,373</b>	<b>1,255</b>	<b>1,304</b>	<b>(49)</b>	<b>-3.8%</b>	<b>1,342</b>
<b>Net Patient Revenue %</b>	<b>22.2%</b>	<b>22.4%</b>			<b>24.6%</b>	<b>22.2%</b>	<b>22.4%</b>			<b>24.6%</b>
Net Clinic Revenue	12	6	6	107.4%	7	9	4	5	136.8%	8
Other Operating Revenue	2	3	(1)	-26.2%	3	9	3	7	254.4%	3
<b>Total Revenues</b>	<b>1,269</b>	<b>1,312</b>	<b>(43)</b>	<b>-3.3%</b>	<b>1,383</b>	<b>1,274</b>	<b>1,311</b>	<b>(37)</b>	<b>-2.8%</b>	<b>1,352</b>
<b>Expenses</b>										
Salaries	787	749	(37)	-5.0%	796	764	733	(31)	-4.3%	775
Temporary Agency	30	39	9	22.0%	67	27	39	11	29.1%	50
Benefits	209	207	(2)	-0.8%	181	228	207	(21)	-10.1%	202
Professional Fees	115	76	(39)	-51.3%	81	102	75	(27)	-35.5%	80
Supplies	158	195	38	19.3%	164	159	197	39	19.6%	194
Purchased Services	101	97	(4)	-4.2%	108	93	96	3	3.1%	100
Rents and Leases	15	23	8	35.9%	19	20	22	1	5.9%	18
Utilities and Telephone	18	17	(1)	-8.1%	15	17	17	(1)	-3.6%	16
Insurance	7	4	(2)	-54.9%	8	7	4	(3)	-70.1%	8
Depreciation and Amortization	19	18	(1)	-7.8%	21	20	18	(2)	-10.5%	21
Other Operating Expenses	33	24	(9)	-36.4%	16	25	20	(4)	-21.2%	19
<b>Total Expenses</b>	<b>1,490</b>	<b>1,449</b>	<b>(41)</b>	<b>-2.8%</b>	<b>1,476</b>	<b>1,463</b>	<b>1,428</b>	<b>(35)</b>	<b>-2.4%</b>	<b>1,484</b>
<b>Operating Gain / (Loss)</b>	<b>(222)</b>	<b>(137)</b>	<b>(85)</b>	<b>-61.6%</b>	<b>(93)</b>	<b>(189)</b>	<b>(117)</b>	<b>(72)</b>	<b>61.3%</b>	<b>(132)</b>
<b>Non-Operating Income / (Expense)</b>										
Parcel Taxes	133	124	9	7.3%	125	129	125	4	3.6%	126
Investment Income	0	0	0	148.1%	0	0	0	0	145.8%	0
Interest Expense	(4)	(3)	(1)	-36.8%	(3)	(4)	(3)	(1)	40.6%	(2)
Other Income / (Expense)	6	6	0	6.6%	6	6	6	1	10.7%	6
<b>Net Non-Operating Income / (Expense)</b>	<b>135</b>	<b>127</b>	<b>9</b>	<b>6.7%</b>	<b>128</b>	<b>131</b>	<b>127</b>	<b>4</b>	<b>3.0%</b>	<b>130</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$ (86)</b>	<b>\$ (10)</b>	<b>\$ (76)</b>	<b>746.5%</b>	<b>\$ 35</b>	<b>\$ (58)</b>	<b>\$ 10</b>	<b>\$ (68)</b>	<b>-697.6%</b>	<b>\$ (2)</b>

**City of Alameda Health Care District**  
**Statement of Cash Flows**  
**For the Six Months Ended December 31, 2011**

	<u>Current Month</u>	<u>Year-to-Date</u>
<b>Cash flows from operating activities</b>		
Net Income / (Loss)	\$ (316,068)	\$ (1,311,503)
Items not requiring the use of cash:		
Depreciation and amortization	70,805	\$ 441,887
Write-off of Kaiser liability	-	\$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	(481,377)	(2,332,960)
Other Receivables	3,492,155	4,444,343
Third-Party Payer Settlements Receivable	52,498	(19,341)
Inventories	(13,065)	(37)
Prepays and Other	(13,474)	(61,014)
Accounts payable and accrued liabilities	(676,950)	1,325,051
Payroll Related Accruals	150,663	143,382
Employee Health Plan Accruals	18,599	309,123
Deferred Revenues	(477,070)	(2,862,193)
Cash provided by (used in) operating activities	<u>1,806,716</u>	<u>76,738</u>
<b>Cash flows from investing activities</b>		
(Increase) Decrease in Assets Limited As to Use	(11,701)	(62,487)
Additions to Property, Plant and Equipment	(79,149)	(519,108)
Other	(0)	1
Cash provided by (used in) investing activities	<u>(90,850)</u>	<u>(581,594)</u>
<b>Cash flows from financing activities</b>		
Net Change in Long-Term Debt	(64,811)	628,529
Net Change in Restricted Funds	11,701	162,487
Cash provided by (used in) financing and fundraising activities	<u>(53,110)</u>	<u>791,016</u>
Net increase (decrease) in cash and cash equivalents	1,662,756	286,160
<b>Cash and cash equivalents at beginning of period</b>	407,543	1,784,141
<b>Cash and cash equivalents at end of period</b>	<u>\$ 2,070,299</u>	<u>\$ 2,070,301</u>

**City of Alameda Health Care District  
Ratio's Comparison**

<b>Financial Ratios</b>	<u>Audited Results</u>			<u>Unaudited Results</u>	
	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>YTD 12/31/2011</b>
<b><u>Profitability Ratios</u></b>					
Net Patient Revenue (%)	22.48%	22.69%	24.16%	23.58%	22.16%
Earnings Before Depreciation, Interest, Taxes and Amortization (EBITA)	-0.72%	3.62%	4.82%	-1.01%	-2.70%
EBIDAP <sup>Note 5</sup>	-10.91%	-5.49%	-3.66%	-13.41%	-12.83%
Operating Margin	-3.75%	1.03%	2.74%	-2.61%	-4.15%
<b><u>Liquidity Ratios</u></b>					
Current Ratio	0.98	1.15	1.23	1.05	0.97
Days in accounts receivable ,net	51.70	57.26	51.83	46.03	62.70
Days cash on hand ( with restricted)	30.61	13.56	21.60	14.14	16.43
<b><u>Debt Ratios</u></b>					
Cash to Debt	187.3%	115.3%	249.0%	123.3%	103.97%
Average pay period	58.93	58.03	57.11	62.68	74.30
Debt service coverage	(0.14)	3.87	5.98	(0.70)	(0.44)
Long-term debt to fund balance	0.26	0.20	0.14	0.18	0.25
Return on fund balance	-29.59%	8.42%	18.87%	-19.21%	-17.62%
Debt to number of beds	20,932	13,481	10,482	11,515	15,632

**City of Alameda Health Care District  
Ratio's Comparison**

Financial Ratios	Audited Results			Unaudited Results	
	FY 2008	FY 2009	FY 2010	FY 2011	YTD 12/31/2011
<b>Patient Care Information</b>					
Bed Capacity	135	161	161	161	161
Patient days( all services)	22,687	30,463	30,607	30,270	15,227
Patient days (acute only)	11,276	11,787	10,579	10,443	5,268
Discharges( acute only)	2,885	2,812	2,802	2,527	1,372
Average length of stay ( acute only)	3.91	4.19	3.78	4.13	3.84
Average daily patients (all sources)	61.99	83.46	83.85	82.93	82.76
Occupancy rate (all sources)	45.92%	52.94%	52.08%	51.51%	51.40%
Average length of stay	3.91	4.19	3.78	4.13	3.84
Emergency Visits	17,922	17,337	17,624	16,816	8,391
Emergency visits per day	48.97	47.50	48.28	46.07	45.60
Outpatient registrations per day <sup>Note 1</sup>	84.54	82.05	79.67	65.19	59.42
Surgeries per day <sup>Note 1</sup>	14.78	16.12	13.46	6.12	..

**Notes:**

1. Includes Kaiser Outpatient Sugercial volume in Fiscal Years 2008, 2009 and through March 31, 2010.
2. In addition to these general requirements a feasibility report will be required.
3. Based upon Moody's FY 2008 preliminary single-state provider medians.
4. EBIDA - Earnings before Interest, Depreciation and Amoritzation
5. EBIDAP - Earnings before Interest, Depreciation and Amortization and Parcel Tax Proceeds

## Glossary of Financial Ratios

Term	What is it? Why is it Important?	How is it calculated?
EBIDA	A measure of the organization's cash flow	Earnings before interest, depreciation, and amortization (EBIDA)
Operating Margin	Income derived from patient care operations	Total operating revenue less total operating expense divided by total operating revenue
Current Ratio	The number of dollars held in current assets per dollar of liabilities. A widely used measure of liquidity. An increase in this ratio is a positive trend.	Current assets divided by current liabilities
Days cash on hand	Measures the number of days of average cash expenses that the hospital maintains in cash or marketable securities. It is a measure of total liquidity, both short-term and long-term. An increasing trend is positive.	Cash plus short-term investments plus unrestricted long-term investments over total expenses less depreciation divided by 365.
Cash to debt	Measures the amount of cash available to service debt.	Cash plus investments plus limited use investments divided by the current portion and long-term portion of the organization's debt instruments.
Debt service coverage	Measures total debt service coverage (interest plus principal) against annual funds available to pay debt service. Does not take into account positive or negative cash flow associated with balance sheet changes (e.g. work down of accounts receivable). Higher values indicate better debt repayment ability.	Excess of revenues over expenses plus depreciation plus interest expense over principal payments plus interest expense.
Long-term debt to fund balance	Higher values for this ratio imply a greater reliance on debt financing and may imply a reduced ability to carry additional debt. A declining trend is positive.	Long-term debt divided by long-term debt plus unrestricted net assets.