Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

PUBLIC NOTICE

Finance and Management Committee

Wednesday, August 29, 2012

7:30 a.m.

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

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.

I. Call To Order — Michael McCormick

II. Action Items

A. Acceptance of June 27, 2012 Minutes [enclosure] — Michael McCormick

B. Recommendation to Accept July 2012 Unaudited Financial Statements [enclosure] — Kerry Easthope

III. Chief Financial Officer Report — Kerry Easthope

A. AB97 Update [enclosure]

B. Bank of Alameda Updates:

1. Loan and Line of Credit Update

2. Loan Covenant Update

C. Revenue Cycle Update

D. FY 2012 Audit

IV. Chief Executive Officer Report — Deborah E. Stebbins

A. Operational Updates

B. Medi-Cal Reimbursement Methodology Update [enclosure]

V. Board / Committee / Staff Comments

VI. Adjournment

NEXT MEETING SCHEDULED: September 26, 2012

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Finance and Management Committee Minutes June 27, 2012

Members Present: (Voting)	Mike McCormick Elliott Gorelick	Ann Evans Ed Kofman James Oddie	William Sellman, MD Jim Yeh, DO
Management Present:	Deborah E. Stebbins Kerry J. Easthope Brian Jung	Richard Espinoza Mary Bond, RN	Katy Silverman Vandana Behl
Ex Officio/Guests:	Robert Deutsch, MD		
Absent:	N/A		
Submitted by:	Kristen Thorson		

TOPIC		DISCUSSION	ACTION | FOLLOW-UP
I. Call to Order	Director Gorelick called the meeting to order at 7:35 a.m.		
II. Action Items	A.	Acceptance of May 30, 2012 Minutes Minor edits will be made the minutes, specifically changing the name of who presented the Financial statement in May to Kerry Easthope.	Mr. Kofman made a motion to accept the minutes as presented. Ms. Evans seconded the motion. The motion carried.
	B.	Recommendation to Accept May 2012 Unaudited Financial Statements Kerry Easthope presented the financial statements as referenced in the packet noting the following key points in his presentation. <u>May Performance</u>. May had a Net Loss of $342,000 which was below budgeted Net Income of $16,000. Both Inpatient and Outpatient gross revenues were below budget by $420,000 and $698,000 respectively. Net Revenue was $4.87 M. Cash Collections were strong again in May at $5.2 M averaging $166,000 per day. This was the third consecutive month that collections were greater than net revenue, thus helping to reduce accounts receivable and to provide needed operating cash. $1.5 M was received from the IGT program increasing cash and cash equivalents to $3.6 M. This equates	Mr. Kofman made a motion to recommend approval of the May 2012 Unaudited Financial Statements as presented. Mr. Oddie seconded the motion. The motion carried.

		to 19.5 days cash on hand, up from 16 days in April. Current ratio dropped from 0.99 in April to 0.97 in May. Key Volume Indicators. Average Daily Census was 84.55 versus budget of 85.45 with Acute at 30.35 vs. budget of 30.55; Subacute at 34.13 vs. budget of 33.0; and Skilled Nursing at 20.06 vs. budget of 21.9. Outpatient Volumes were under budget with the ECC at 1,434 vs. budget of 1,426 and all Other at 1,877 vs. budget of 2,117. Surgery Cases were also below budget with inpatient at 41 vs. budget of 46 and outpatient at 138 vs. budget of 148. Case Mix Index (CMI) was above prior month at 1.38 and above the YTD average. Revenues and Expenses. Overall there was a negative bottom line of $341,512 vs. a positive $16,439 for the month of May. Overall Gross Revenue was unfavorable to budget. Both Inpatient and Outpatient revenues were lower than budget by $420,000 (2.7%) and $698,000 (8.7%) respectively. The delayed start of the Wound Care program accounted for $640,000 of the outpatient variance. Net Patient Revenue was $384,000 (7.4%) below budget. Approximately $400,000 additional bad debt reserves were recorded in May to adequately reserve for bad debt write-offs that will occur in June. Net Revenue as a percent of gross was 21.6% versus budget of 22.2%. Overall Expenses were $12,000 under budget in May and $455,000 under budget YTD. The Hospital has done a good job containing expenses over the fiscal year. Total operating expenses were also $790,000 lower than prior YTD. Balance Sheet. Cash & Cash Equivalents was up $3.6 M from $3.1 M in April. Net Patient Accounts Receivables were down $8.9 M from $9.4 M in April as a result of three months improved collections and additional bad debt reserves. Accounts Payable (AP) was down $8.1 M from $9 M in April with AP Days at the end of May at 128 down from 135 in April. Ratios. Current ratio for May was 0.97, a decrease from prior month of 0.99. There was discussion and inquiries regarding the Bank of Alameda loan covenants and the new loan relating to the mortgage of the Jaber properties that will help with the current ratio. Management indicated that they will have to work with the Bank regarding the loan covenant violations. There was additional discussion /inquiries regarding IGT, changes to Medi-Cal reimbursement methodology, AB97 accruals and liabilities. Management will provide further information to the committee on the Medi-Cal reimbursement methodology and AB97 at a future meeting.	
III. Chief Financial	A.	Update on FY 2013 Operating and Capital Budget Scenarios, including Cash	

Officer Report		Flow Analysis Kerry Easthope presented for the committee's reference and as follow-up to the Board of Directors meeting on June 6, 2012 variations to the base budget as well as modifications to the cash flow forecast that took into consideration the proposed capital expenditures. Ms. Stebbins stated that management was not asking for approval on the budget at the committee meeting. She also stated that as of the committee meeting, there had been no word from CMS regarding Waters Edge. If approval does not occur management will be prepared to bring back a budget that does not include Waters Edge. There was discussion on new program development, including the wound care program and orthopedic program and the need to monitor performance closely as programs come online.	
	B.	Revenue Cycle Update Mr. Easthope updated the committee on the revenue cycle, noting that the hospital is looking to hire a Business Office Manager to reduce the consulting fees for that department. He also stated that the hospital is looking to hire a self pay cash collector to streamline and make the process more effective for the hospital and patients.	
IV. Chief Executive Officer Report	A.	Update on Key Short Term Capital Projects Mr. Jung reported on the short term capital projects primarily related to seismic compliance, including NPC2 work, bulk oxygen tank and sprinkler system for the subacute unit on the 2^{nd} floor. In total, these projects amount to approximately $930,000. Work will need to be completed or significantly advanced by the end of calendar year 2012.	
V. Board / Committee / Staff Comments	No Board, Committee or Staff comments.		
VI. Adjournment	Being no further business, the meeting was adjourned at 9:02 a.m.		

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING JULY 31, 2012

CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
JULY 31, 2012

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ALAMEDA HOSPITAL
MANAGEMENT DISCUSSION AND ANALYSIS
JULY, 2012

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 July 31, 2012 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

First and foremost is the disclosure of a material error in the FY 2013 operating budget. The budget error is for temporary agency expense category and is estimated to be understated by about $480,000 for the Fiscal Year 2013. This budget error will be off-set, in part, by a higher Medi-Cal SNF per diem reimbursement rate effective August 1, 2012. The budgeted per diem rate is $316 per day. With the current and anticipated expenses in FY 2013, the per diem cost associated with our skilled nursing facilities has been recalculated and is being set at $326 per day. With 35,000 combined Medi-Cal patient days at Waters Edge and South Shore, this additional $10/day equates to $350,000 annually. We are also looking at other expense reductions and revenue enhancements, to offset the remaining budget shortfall.

During the month of July, the Hospital experienced again a net operating loss of $309,000 against a budgeted loss of $172,000. Lower than expected revenue was the most significant contributor to this negative variance. In addition, there was $48,000 in expense associated with Waters Edge pre-transition costs that should have been budgeted for in July. Going forward, these will be accounted for with the Waters Edge budget effective August 1, 2012.

Overall, July discharges are below budget 1.1% but patient days were greater than budget by 1.5%. Total patient days for inpatient acute services were down 7.7%, while subacute days were up 5.5% and skilled nursing up 8.9%. As will be discuss later, the low acute patient days in July had a big impact on gross and net revenue for the month.

Overall outpatient activity was mixed this month. Outpatient registrations were up 1.3% while emergency room visits were 71 below budget or 5.0% and outpatient surgeries were below budget for the month by 77 or 48.4%.

The Wound Care program started operations in the middle of the month and will be ramping up quickly over the next 2 to 3 months. In July there were 7 visits, compared to a budget of 50. However, the program was budgeted to open the first of July and we will closely monitor ramp up of this new program each month to ensure its success.

Total gross revenue in July is generally in line with activity. Overall gross revenues were 8.2% below budget, with the inpatient component down 7.5% and outpatient down 9.0%.

The overall Case Mix Index (CMI) in July was 1.25; slightly below last month's of 1.29, and below the FY 2012 average of 1.30. However, there have been significant improvements in the CMI in August.

Overall expenses were $5.59 million in July, $42,000 or 0.8% below budget of $5.63 million. Salaries, temporary agency fees, supplies and purchased services were over budget while benefits were significantly below budget. These variances will be discussed in more detail later in the narrative.

Cash and cash equivalents were $3 million at the end of July down $281,000 from prior month.

Cash collections in July were $4.9 million equal to June's net revenue. Net accounts receivable increased by about $76,000 from prior month and accounts payable and other accrued expenses increased by $385,000 from $8.22 million to $8.61 million. Lastly, the current ratio ended the month at .95 just below the required 1.0 of our bank covenants. The Bank of Alameda has agreed to waive these covenants until the end of 2nd quarter of FY 2013 as will be discussed separately.

ACTIVITY

ACUTE, SUBACUTE AND SNF SERVICES

Overall patient days were 1.5% above budget for the month and above July of last year. This month's acute days were down 7.7%, subacute was up 5.5% and skilled nursing was up 8.9%.

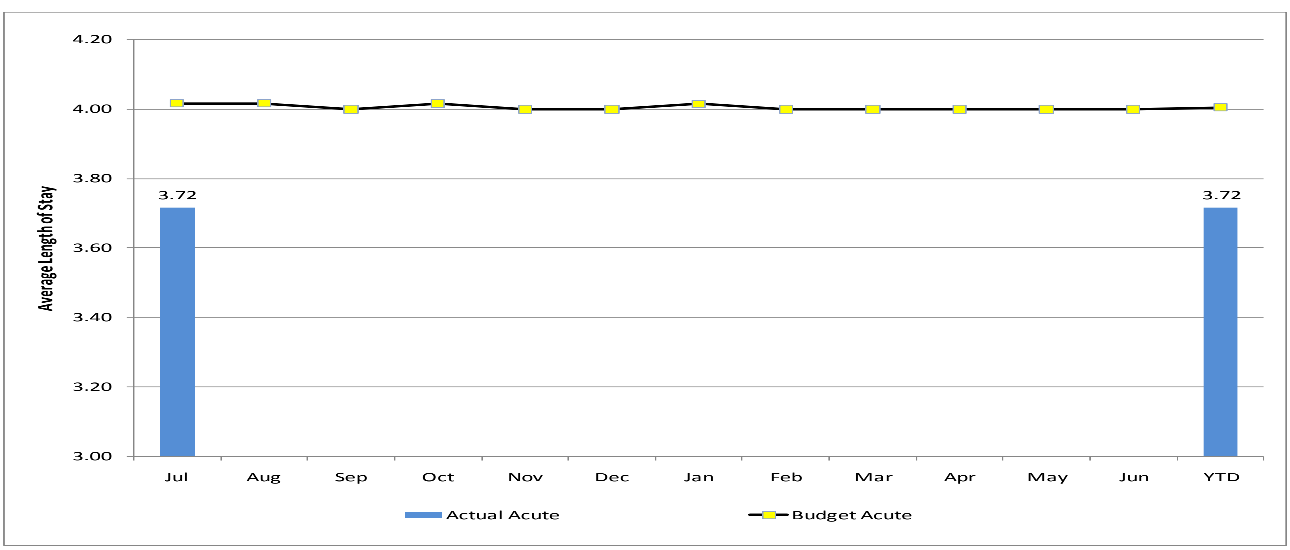
July's acute patient days were 74 days (7.7%) lower than budget for the month and 0.8% higher than July 2012. The acute care program is comprised of the Critical Care Unit (4.4 ADC, 1.4% below budget), Telemetry / Definitive Observation Unit (11.8 ADC, 0.3% above budget) and Med/Surg Unit (8.3 ADC or 42.1% lower than budget due to being closed for part of the month).

The graph, below, shows the total Average Daily Census (ADC) by month for Fiscal Year 2013 compared to the operating budget and Fiscal Year 2012 actual.

Acute Average Daily Census

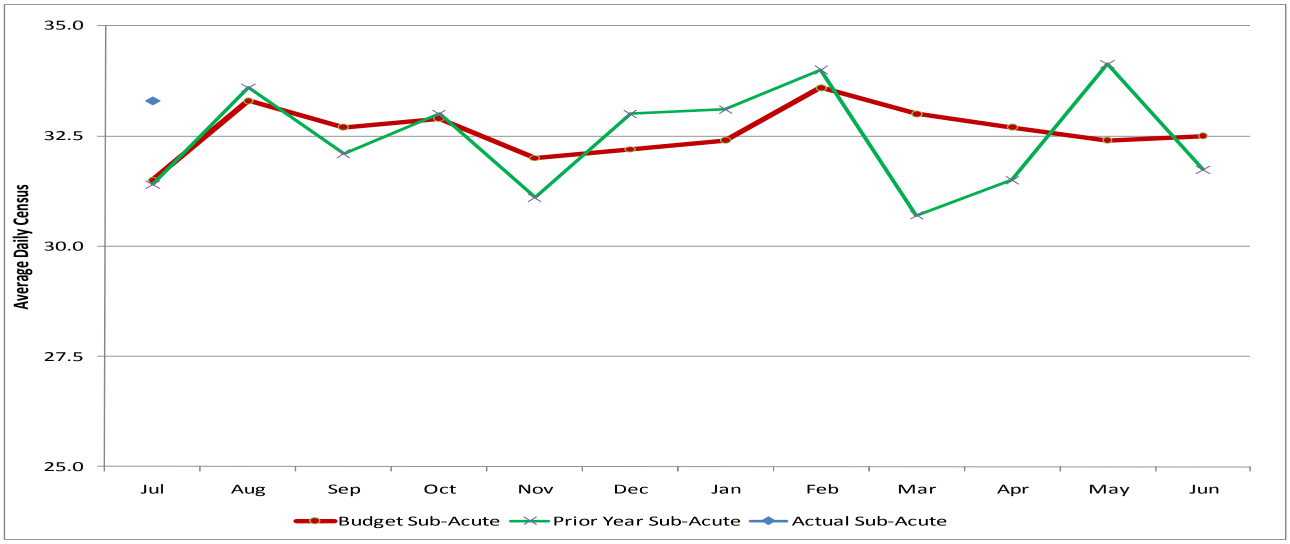
The acute Average Length of Stay (ALOS) decreased slightly from 3.97 in June to 3.72 in July and is below the budget of 4.02. The overall acute ALOS for FY 2012 was 3.89. The graph below shows the ALOS by month compared to the budget.

Acute Average Length of Stay



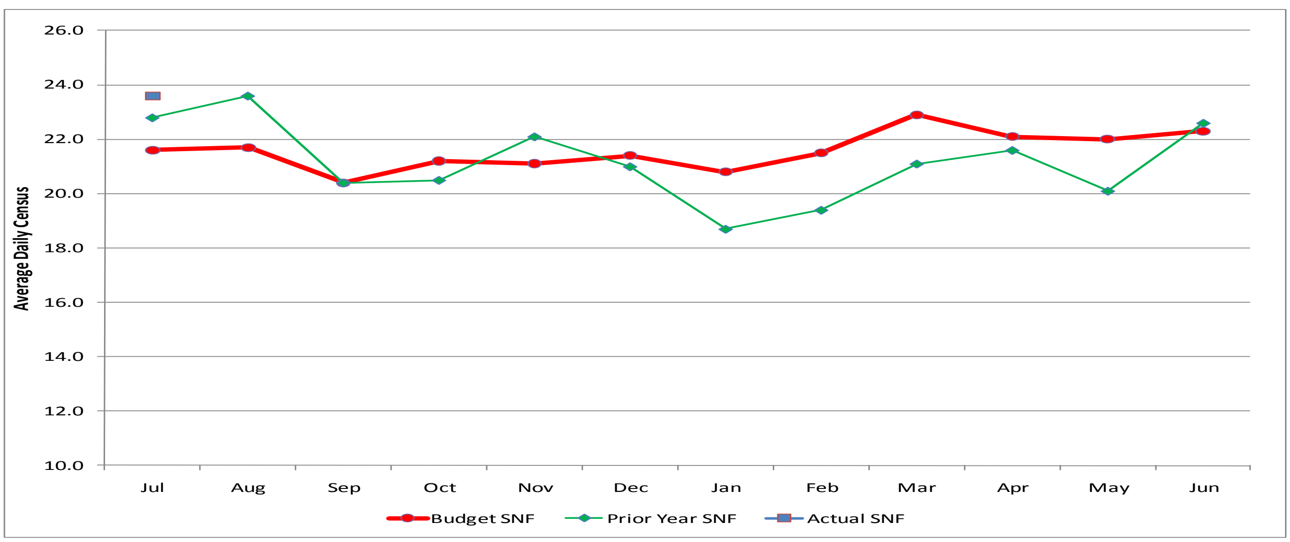
The subacute program average daily census of 33.29 in July was above budgeted projections by1.74 ADC or 5.5%. The graph below shows the Subacute programs average daily census for the current fiscal year as compared to budget and the prior year.

Subacute Average Daily Census



The South Shore ADC was higher than budget by 1.94 or 8.9% for the month of July. The graph below shows the South Shore monthly ADC as compared to budget and the prior year. In July there was a greater number of Medicare A skilled patients (4.5 ADC), which has resulted in a greater number of discharges and net revenue.

Skilled Nursing Average Daily Census

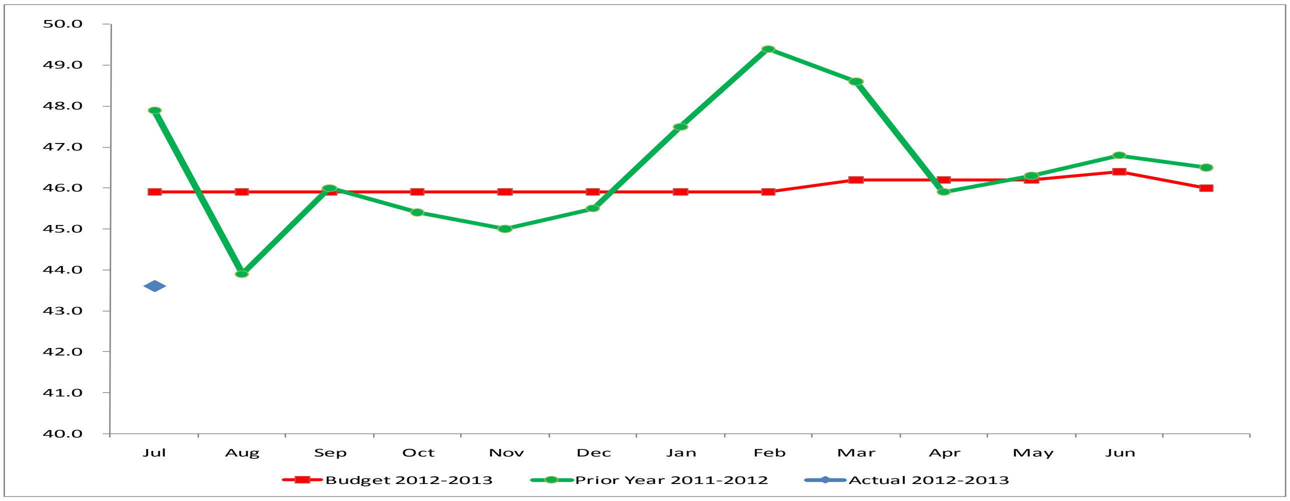


ANCILLARY SERVICES

Outpatient Services

Emergency Care Center (ECC) visits in July were 1,352, 71 visits (5.0%) under the budget of 1,423. Inpatient admission rate from the ECC was 18.5% up slightly over 15.2% in June. On a per day basis, the total visits represent a decrease of 6.83% from the prior month daily average. In July, there were 278 ambulance arrivals versus 235 in the prior month. Of the 278 ambulance arrivals in the current month, 183 or 65.8% were from Alameda Fire Department (AFD).

Emergency Care Visits Per Day



Outpatient registrations were 1,841, or 1.3% above budget. This month Laboratory and Radiology were down 89 and 33 visits respectively. On the other hand visits were up in Physical Therapy (91 visits) and Occupational Therapy (29 visits).

Wound Care started operation in the middle of July and had 7 visits. This program was budgeted to begin the first of July and although it has started later than anticipated, we will be closely monitoring the ramp up of this new program to ensure its success.

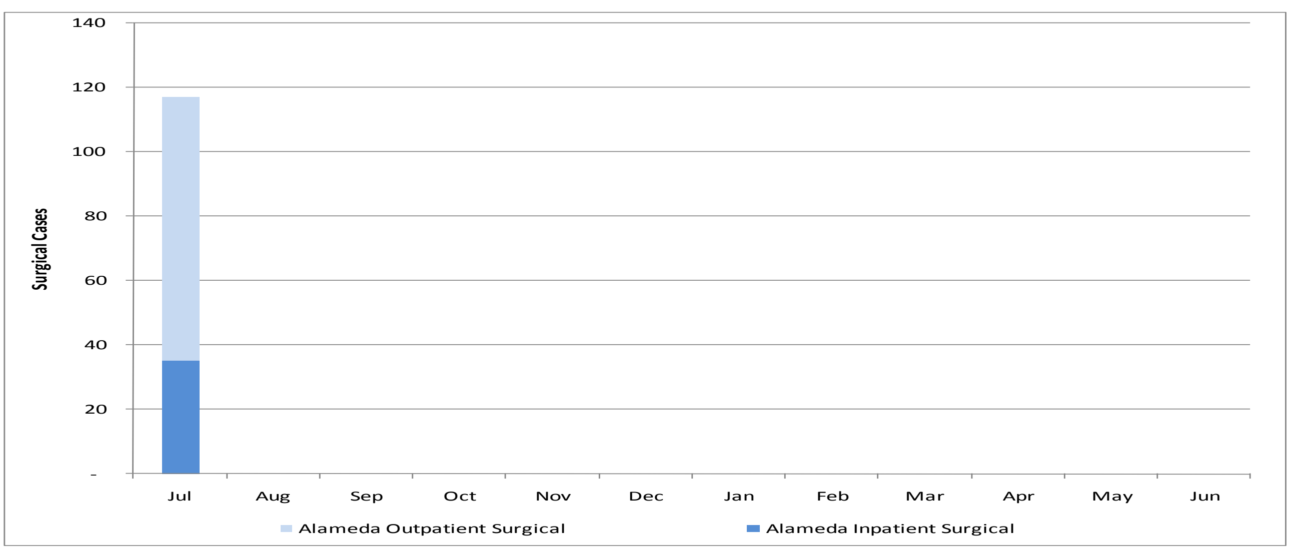
The Hospital is working on terms for a new lab service agreement with an agency that provides reference lab services to many of the long term care facilities in the area. This new agreement will help increase outpatient lab activity and revenue.

Surgery

The surgery cases for July were 117 or 39.4% below the budget of 193 and below last year's case volume of 197. Inpatient cases were above budget by 1 (2.9%) while outpatient cases were 77 (48.4%) below budget. Inpatient and outpatient cases totaled 35 and 82 in July versus 22 and 130 during the prior month. Gastroenterology (GI) is the surgical service area that has seen the most significant decline from budget and prior year. Management is actively pursuing other GI options to restore the needed surgical activity.

The graph below shows the number of inpatient and outpatient surgical cases by month for Fiscal Year 2013.

Surgical Cases



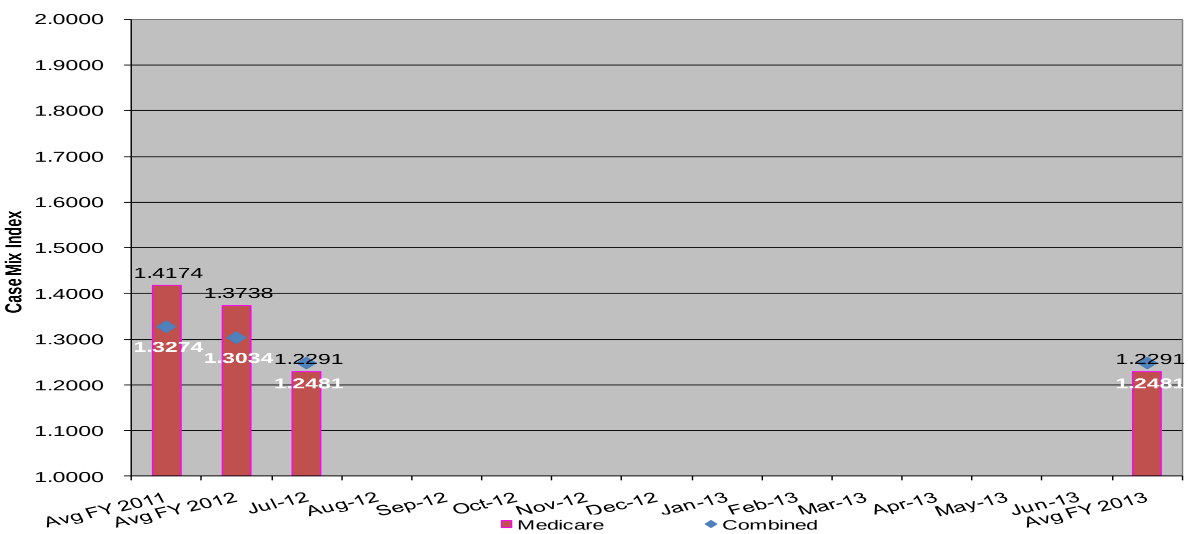
Payer Mix

The Hospital's overall payer mix compared to budget is illustrated below. Note the overall payer mix will change next month with Waters Edge on board as it will weight the payer mix more in favor of Medi-Cal.

	July Actual	July Budget
Medicare	50.3%	50.3%
Medi-Cal	22.5%	22.2%
Managed Care	17.9%	16.0%
Other	2.9%	3.4%
Commerical	0.2%	3.1%
Self-Pay	6.2%	4.9%
Total	100.0%	100.0%

Case Mix Index

The Hospital's overall Case Mix Index (CMI) for July was 1.25, down from the prior month of 1.29, and below July 2011 of 1.34. The Medicare CMI was 1.23 in July, down from 1.44 in June, but is much stronger again in August. The graph below shows the Medicare CMI for the hospital during the current Fiscal Year as compared to the prior two years.



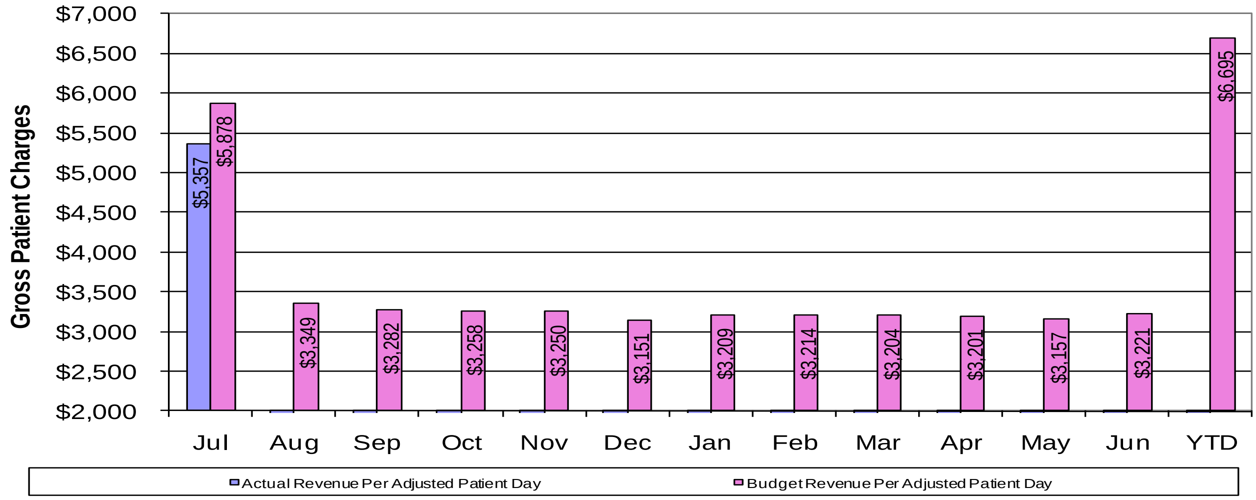
Revenue

Gross patient charges in July were below budget by $1.8 million, or 8.0%. Inpatient revenues were $1.1 million below the budget and outpatient revenues were down $651,000. Acute inpatient days were below budget by 7.7% contributing to the inpatient gross revenue being under budget. Long term care revenue was higher than budget by $135,000.

Outpatient gross revenues were lower than budget by $651,000 (9.0%). Lower volumes in Emergency ($236,000), Imaging ($163,000) and Laboratory ($136,000) were the largest contributors to this variance. We have continued to make improvements in the completeness and accuracy of our ECC revenue cycle process and additional system improvements went into effect August 1, 2012 that will be reflected going forward. The Laboratory is pursuing a new service agreement with a local agency that provides reference lab work for many local long term care facilities. Once finalized, this will enhance the outpatient lab volumes and revenue. Most of the Imaging revenue was down in CT service area which had 17% lower than budget visits. The Director of Diagnostic Imaging is meeting with our referring physician groups to resolve any concerns and to promote these services and capabilities of our PACS system.

On an adjusted patient day basis, total patient revenue was $5,357 below the budget of $5,878 for the month of July but above the June's gross revenue per APD of $5,341. The table below shows the Hospital's monthly gross revenue per adjusted patient day by month and year-to-date for Fiscal Year 2013 compared to budget. Note the overall charges will drop in August when Waters Edge comes on board.

Gross Charges per Adjusted Patient



Contractual Allowances

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 payers such as Blue Cross. A collection ratio of 21.6% was budgeted and 22.8% was realized. The Hospital did realize about $15,000 greater net revenue from South Shore Medicare A activity resulting from higher Medicare A census and higher RUG levels than were budgeted.

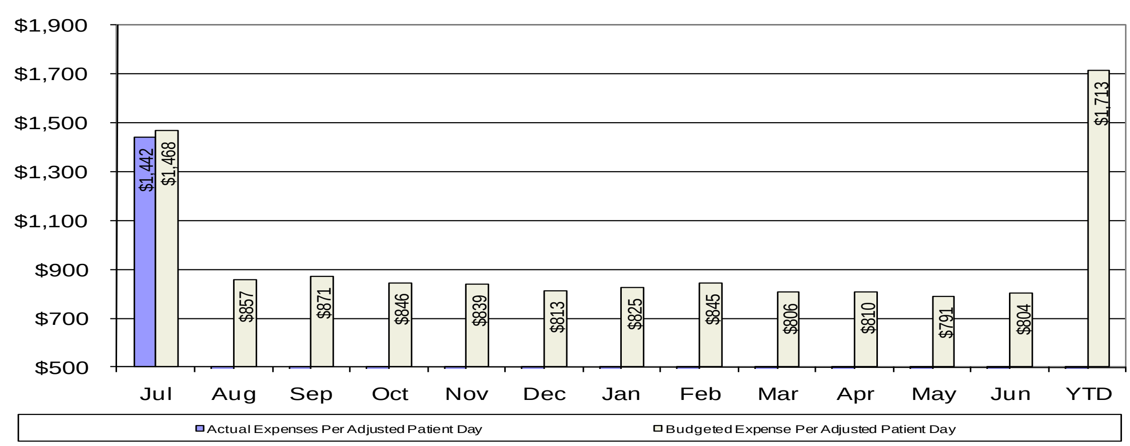
Expenses

Total Operating Expenses

Total operating expenses were $5.59 million and lower than the fixed budget by $42,000 or 0.8%. Salaries, temporary agency fees, supplies and purchased services were above budget while benefits were significantly below budget. All other expense categories were very close to budget.

The graph below shows the actual Hospital operating expenses on an adjusted patient day basis for the Fiscal Year 2013 by month as compared to budget. Note that expenses per patient day were under budget.

Expenses per Adjusted Patient Day



Following are explanations of the significant areas of variance that were experienced in the current month.

Salary and Temporary Agency Expenses

Salary and temporary agency costs combined were unfavorable to the fixed budget by $133,000. As mentioned previously, we made an error on the temporary agency budget and will need to take actions to negate this budget impact throughout the year. The temporary agency budget should be about $1.3 million, or $108,000 per month. Even with this change, agency expense was higher than expected in July and these issues are being addressed with management personnel responsible for managing this expense. During July, we also had a $25,000 increase in overtime and double-time pay which is being discussed with all managers to control this expense going forward. Lastly, the Hospital has added 3 positions in preparation for taking over Waters Edge that are part of the Waters Edge cost center budget effective August 1, 2012. Although Waters Edge did not transition to the Hospital until August 1, we did incur about $28,000 additional salary expense in July. This pre-transition expense should have been budgeted for as well, but will become part of the Waters Edge portion of the budget beginning in August.

Benefits

Benefits were favorable to the fixed budget by $210,000 or 25%. We had budgeted for about a $20,000 per month increase in health benefits. However, over the past couple of months, the claims experience has been very positive. This has not only resulted in a lower claims expense in July, off about $90,000, but has reduced the IBNR calculation which is provided by HealthComp to help us understand what our future liability reserve should be. This reserve estimate has also decreased by about $80,000 as a result of the positive health claims experience. However, we do anticipate that as we proceed through the year, that benefit expense will normalize compared to budget.

Professional Fees

Professional fees which had been running over budget most of the prior year were favorable by $8,000 this month. This will continue to be more in line with budget going forward now that less outside consultants are being used in accounting and consulting and legal fees.

Supplies

Supplies expense was $17,000 higher than budget, primarily due to start-up office and medical supplies in Wound Care. Some of this will be adjusted to inventory in August.

Purchased Services

Purchased services were $50,000 over budget in July. The majority of this variance ($30,000) was for the interim Business Office Manager position which has not yet been filled. This expense was offset in part, by not having the budgeted manager position wages and benefits. Several potential candidates have been interviewed to fill this very important position, but to date the right candidate has not been identified. This remains a top priority for management to get resolved as soon as possible. In addition, collection agency fees were higher than anticipated by about $10,000. In part, this fee coincides with cash collections which totaled $214,000 for the month.

Rents and Leases

Rents and leases were under the fixed budget by $10,000. A portion of this positive variance is attributable to a budgeted new equipment lease for respiratory care equipment not being in place. It is expected that this will come in line with budget in the next couple of months.

Other Operating Expense

Other operating expenses were $13,000 under the fixed budget in July. Both dues and subscriptions and travel/training were under below budget which account for this variance.

Balance Sheet

Total assets decreased by $235,000 from the prior month. The following items make up the decrease in current assets:

- Total unrestricted cash and cash equivalents for July decreased by almost $235,000 and days cash on hand including restricted use funds decreased to17.4 days cash on hand in July from 17.7 days cash on hand in June. Patient collections in July averaged $155,000 per day.

- Net patient accounts receivable increased in July by $76,000. Self pay accounts are being worked through an early-out collection process. The Hospital assigned $8.2 million in self pay accounts older than 180 days to bad debt during July. This bad debt assignment had been reserved for in prior months and did not have an effect on net revenue or net AR in July.

- Days in outstanding receivables were 58.5 at July month end, an increase from June at 55.2 days. Collections in July were $4.9 million compared to $4.8 million in June.

- Prepaids and Other increased by $100,000 for annual fees that will be amortized over the course of the fiscal year.

Overall, total liabilities increased by only $65,000 from prior month. However, there were a couple of changes in accrual and liability activity.

Accounts payable increased by $385,000 in July to $8.61 million which equates to 144 AP Days, up from 128 days in June. AP Days and vendor relations remains one of our top concerns. Once we begin receiving positive cash flow from Waters Edge and other revenue programs, we need to reduce our outstanding vendor balances and days in AP.

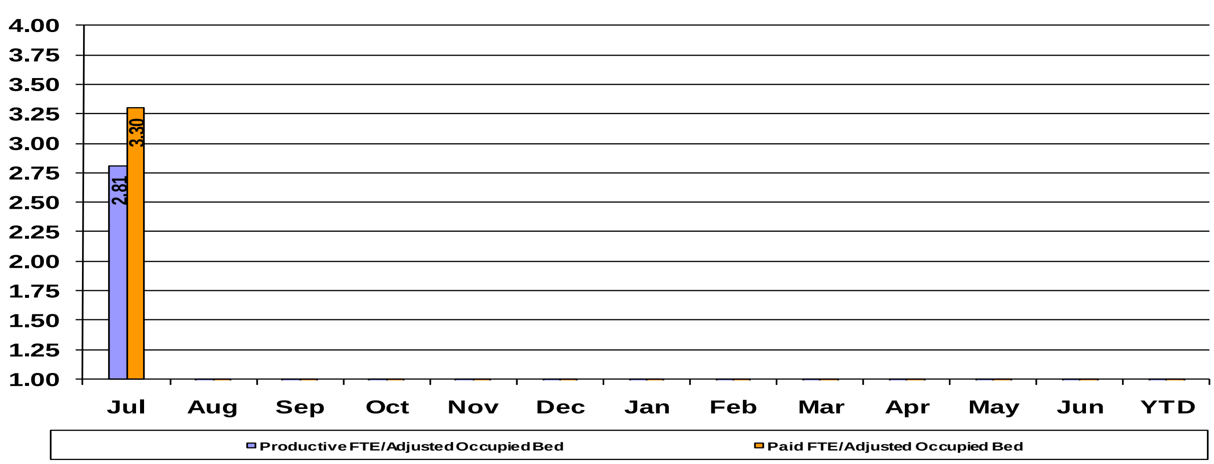
- Payroll related accruals increased by $391,000.

- Deferred revenues decreased by $477,000 due to the recognition of one-twelfth of the 2011/2012 parcel tax revenues and recording $5.7 million for 2012/2013.

Key Statistics

FTE's Per Adjusted Occupied Bed

For the fiscal year end FTE's per Adjusted Occupied Bed were 2.81, above the budget of 2.76 FTE's by 1.6%, and paid FTE's were 3.30 or 2.7% above budget. The graph below shows the productive and paid FTE's per Adjusted Occupied Bed for FY 2013 by month.



Current Ratio

The current ratio for July is 0.95. This is a decrease from last month's ratio of .96. Current ratio needs to be above 1.0 by the end of the 2nd quarter of FY 2013 (December 31, 2012) to be in compliance with our bank covenants. In addition, Total Net Assets need to be greater than $7.50 million and is currently at $6.66 million.

The Bank of Alameda loan committee agreed to waive the loan covenants that we have been in non-compliance with until the end of the 2nd quarter of FY 2013. We will in turn be providing them with monthly financials to closely monitor our progress in achieving the budget objectives set forth in this new Fiscal Year.

A/R days

Net days in net accounts receivable are currently at 58.5. This is up slightly from prior month of 55.2.

Days Cash on Hand

Days cash on hand for July was 17.4. This is a slight decrease from prior month of 17.7. The Hospital needs to conserve as much cash as possible for the next month while Medi-Cal and Palmetto (our Medicare fiscal intermediary) finalize the “tie-in” of the new Waters Edge skilled nursing facility to our current provider number that will allow us to submit claims and be paid. Once we are able to submit claims to Medi-Cal and Medicare, we will release additional needed payments to vendors and physicians.

The following pages include the detailed financial statements for the first (1) month ended July 31, 2012, of Fiscal Year 2013.

ALAMEDA HOSPITAL
KEY STATISTICS
JULY 2012

	ACTUAL JULY 2012	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	JULY 2011	YTD JULY 2012	YTD FIXED BUDGET	VARIANCE	%	YTD JULY 2011
Discharges:										
Total Acute	237	238	(1)	-0.3%	224	237	238	(1)	-0.3%	224
Total Sub-Acute	2	2	-	0.0%	2	2	2	-	0.0%	2
Total Skilled Nursing	5	7	(2)	-28.6%	7	5	7	(2)	-28.6%	7
	244	247	(3)	-1.1%	233	244	247	(3)	-1.1%	233
Patient Days:										
Total Acute	881	955	(74)	-7.7%	866	881	955	(74)	-7.7%	866
Total Sub-Acute	1,032	978	54	5.5%	973	1,032	978	54	5.5%	973
Total Skilled Nursing	731	671	60	8.9%	706	731	671	60	8.9%	706
	2,644	2,604	40	1.5%	2,545	2,644	2,604	40	1.5%	2,545
Average Length of Stay										
Total Acute	3.72	4.02	(0.30)	-7.5%	3.87	3.72	4.02	(0.30)	-7.5%	3.87
Average Daily Census										
Total Acute	28.42	30.81	(2.39)	-7.7%	27.94	28.42	30.81	(2.39)	-7.7%	27.94
Total Sub-Acute	33.29	31.55	1.74	5.5%	31.39	33.29	31.55	1.74	5.5%	31.39
Total Skilled Nursing	23.58	21.65	1.94	8.9%	22.77	23.58	21.65	1.94	8.9%	22.77
	85.29	84.00	1.29	1.5%	82.10	85.29	84.00	(0.65)	-0.8%	82.10
Emergency Room Visits	1,352	1,423	(71)	-5.0%	1,485	1,352	1,423	(71)	-5.0%	1,485
Outpatient Registrations	1,841	1,818	23	1.3%	1,775	1,841	1,818	23	1.3%	1,775
Surgery Cases:										
Inpatient	35	34	1	2.9%	33	35	34	1	2.9%	33
Outpatient	82	159	(77)	-48.4%	164	82	159	(77)	-48.4%	164
	117	193	(76)	-39.4%	197	117	193	(76)	-39.4%	197
Adjusted Occupied Bed (AOB)	125.11	126.35	(1.24)	-1.0%	124.19	125.11	126.35	(1.24)	-1.0%	124.19
Productive FTE	351.03	348.91	2.12	0.6%	335.55	351.03	348.91	2.12	0.6%	335.55
Total FTE	412.64	405.81	6.83	1.7%	394.19	412.64	405.81	6.83	1.7%	394.19
Productive FTE/Adj. Occ. Bed	2.81	2.76	0.04	1.6%	2.70	2.81	2.76	0.04	1.6%	2.70
Total FTE/ Adj. Occ. Bed	3.30	3.21	0.09	2.7%	3.17	3.30	3.21	0.09	2.7%	3.17

City of Alameda Health Care District
Statements of Financial Position
July 31, 2012

	Current Month		Prior Month		Prior Year End	
Assets						
Current Assets:						
Cash and Cash Equivalents	$	3,032,212	$	3,313,385	$	3,313,385
Patient Accounts Receivable, net		8,911,003		8,835,256		8,835,256
Other Receivables		6,536,740		6,462,932		6,462,932
Third-Party Payer Settlement Receivables		22,897		214,363		214,363
Inventories		965,566		990,056		990,056
Prepaids and Other		362,549		263,419		263,419
Total Current Assets		19,830,967		20,079,411		20,079,411
Assets Limited as to Use, net		73,113		64,183		64,183
Fixed Assets						
Land		877,945		877,945		877,945
Depreciable capital assets		43,433,948		43,405,170		43,405,170
Construction in progress		4,378,434		4,337,208		4,337,208
Depreciation		(39,736,159)		(39,670,499)		(39,670,499)
Property, Plant and Equipment, net		8,954,168		8,949,824		8,949,824
Total Assets	**$**	**28,858,248**	**$**	**29,093,418**	**$**	**29,093,418**
Liabilities and Net Assets						
Current Liabilities:						
Current Portion of Long Term Debt	$	1,297,471	$	1,472,605	$	1,472,605
Accounts Payable and Accrued Expenses		8,605,669		8,220,804		8,220,804
Payroll Related Accruals		4,712,932		4,321,671		4,321,671
Deferred Revenue		5,249,221		5,726,305		5,726,305
Employee Health Related Accruals		610,986		691,942		691,942
Third-Party Payer Settlement Payable		365,170		439,170		439,170
Total Current Liabilities		20,841,449		20,872,497		20,872,497
Long Term Debt, net		1,356,920		1,260,917		1,260,917
Total Liabilities		22,198,369		22,133,414		22,133,414
Net Assets:						
Unrestricted		6,376,765		6,685,821		6,685,821
Temporarily Restricted		283,113		274,183		274,183
Total Net Assets		6,659,878		6,960,004		6,960,004
Total Liabilities and Net Assets	**$**	**28,858,248**	**$**	**29,093,418**	**$**	**29,093,418**

City of Alameda Health Care District

Statements of Operations

July 31, 2012

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Patient Days	2,644	2,604	40	1.5%	2,545	2,644	2,542	102	4.0%	2,545
Discharges	244	247	(3)	-1.1%	233	244	9	235	2611.1%	233
ALOS (Average Length of Stay)	10.84	10.55	0.28	2.7%	10.92	10.84	282.44	(271.61)	-96.2%	10.92
ADC (Average Daily Census)	85.3	84.0	1.29	1.5%	82.1	85.3	82.0	3.29	4.0%	82.1
CMI (Case Mix Index)	1.2481				1.3368	1.2481				1.3368
Revenues										
Gross Inpatient Revenues	$ 14,163	$ 15,307	$ (1,144)	-7.5%	$ 14,176	$ 14,163	$ 15,307	$ (1,144)	-7.5%	$ 14,176
Gross Outpatient Revenues	6,612	7,263	(651)	-9.0%	7,343	6,612	7,263	(651)	-9.0%	7,343
Total Gross Revenues	20,776	22,570	(1,795)	-8.0%	21,518	20,776	22,570	(1,795)	-8.0%	21,518
Contractual Deductions	15,088	16,808	1,721	10.2%	16,266	15,088	16,808	1,721	10.2%	16,266
Bad Debts	818	722	(96)	-13.3%	337	818	722	(96)	-13.3%	337
Charity and Other Adjustments	124	175	51	29.1%	265	124	175	51	29.1%	265
Net Patient Revenues	4,746	4,865	(119)	-2.4%	4,650	4,746	4,865	(119)	-2.4%	4,650
Net Patient Revenue %	22.8%	21.6%			21.6%	22.8%	21.6%			21.6%
Net Clinic Revenue	39	42	(3)	-6.3%	35	39	42	(3)	-6.3%	35
Other Operating Revenue	6	50	(44)	-87.5%	6	6	50	(44)	-87.5%	6
Total Revenues	**4,792**	**4,957**	**(166)**	-3.3%	**4,692**	**4,792**	**4,957**	**(166)**	-3.3%	**4,692**
Expenses										
Salaries	3,007	2,972	(35)	-1.2%	2,877	3,007	2,972	(35)	-1.2%	2,877
Temporary Agency	154	57	(98)	-172.7%	111	154	57	(98)	-172.7%	111
Benefits	630	841	210	25.0%	760	630	841	210	25.0%	760
Professional Fees	335	343	8	2.2%	314	335	343	8	2.2%	314
Supplies	648	630	(17)	-2.8%	613	648	630	(17)	-2.8%	613
Purchased Services	459	409	(50)	-12.3%	321	459	409	(50)	-12.3%	321
Rents and Leases	115	126	10	8.3%	87	115	126	10	8.3%	87
Utilities and Telephone	67	72	5	7.1%	68	67	72	5	7.1%	68
Insurance	34	28	(6)	-21.3%	25	34	28	(6)	-21.3%	25
Depreciation and amortization	66	68	2	3.4%	77	66	68	2	3.4%	77
Other Opertaing Expenses	79	92	13	14.2%	66	79	92	13	14.2%	66
Total Expenses	**5,594**	**5,636**	**42**	0.8%	**5,319**	**5,594**	**5,636**	**42**	0.8%	**5,319**
Operating gain (loss)	**(802)**	**(679)**	**(123)**	-18.2%	**(627)**	**(802)**	**(679)**	**(123)**	18.2%	**(627)**
Non-Operating Income / (Expense)										
Parcel Taxes	477	500	(23)	-4.6%	478	477	500	(23)	-4.6%	478
Investment Income	2	-	2	0.0%	0	2	(8)	10	-119.4%	0
Interest Expense	(13)	(8)	(5)	-57.6%	(10)	(13)	(8)	(5)	57.6%	(10)
Other Income / (Expense)	27	15	12	82.8%	23	27	15	12	82.8%	23
Net Non-Operating Income / (Expense)	**493**	**507**	**(14)**	**-2.7%**	**491**	**493**	**499**	**(5)**	**-1.1%**	**491**
Excess of Revenues Over Expenses	**$ (309)**	**$ (172)**	**$ (137)**	**79.6%**	**$ (136)**	**$ (309)**	**$ (180)**	**$ (129)**	**71.6%**	**$ (136)**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day

July 31, 2012

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 3,652	$ 3,987	$ (335)	-8.4%	$ 3,669	$ 3,652	$ 4,084	$ (432)	-10.6%	$ 3,669
Gross Outpatient Revenues	1,705	1,892	(187)	-9.9%	1,901	1,705	1,938	(233)	-12.0%	1,901
Total Gross Revenues	5,357	5,878	(521)	-8.9%	5,570	5,357	6,022	(665)	-11.0%	5,570
Contractual Deductions	3,890	4,378	487	11.1%	4,210	3,890	4,484	594	13.2%	4,210
Bad Debts	211	188	(23)	-12.2%	87	211	193	(18)	-9.5%	87
Charity and Other Adjustments	32	46	14	29.8%	69	32	47	15	31.5%	69
Net Patient Revenues	1,224	1,267	(43)	-3.4%	1,204	1,224	1,298	(74)	-5.7%	1,204
Net Patient Revenue %	22.8%	21.6%			21.6%	22.8%	21.6%			21.6%
Net Clinic Revenue	10	11	(1)	-7.2%	9	10	11	(1)	-9.4%	9
Other Operating Revenue	2	13	(11)	-87.7%	2	2	13	(12)	-87.9%	2
Total Revenues	**1,235**	**1,291**	**(56)**	-4.3%	**1,214**	**1,236**	**1,323**	**(87)**	-6.6%	**1,214**
Expenses										
Salaries	775	774	(1)	-0.2%	745	775	793	18	2.2%	745
Temporary Agency	40	15	(25)	-170.0%	29	40	15	(25)	-163.5%	29
Benefits	163	219	56	25.8%	197	163	224	62	27.5%	197
Professional Fees	86	89	3	3.2%	81	86	91	5	5.5%	81
Supplies	167	164	(3)	-1.7%	159	167	168	1	0.7%	159
Purchased Services	118	106	(12)	-11.2%	83	118	109	(9)	-8.5%	83
Rents and Leases	30	33	3	9.2%	23	30	34	4	11.4%	23
Utilities and Telephone	17	19	2	8.0%	18	17	19	2	10.2%	18
Insurance	9	7	(1)	-20.1%	6	9	7	(1)	-17.3%	6
Depreciation and Amortization	17	18	1	4.4%	20	17	18	1	6.7%	20
Other Operating Expenses	20	23	3	13.8%	17	20	24	4	17.1%	17
Total Expenses	**1,442**	**1,468**	**25**	1.7%	**1,377**	**1,442**	**1,504**	**61**	4.1%	**1,377**
Operating Gain / (Loss)	**(207)**	**(176)**	**(30)**	-17.2%	**(162)**	**(207)**	**(181)**	**(26)**	14.2%	**(162)**
Non-Operating Income / (Expense)										
Parcel Taxes	123	130	(7)	-5.5%	124	123	133	(10)	-7.8%	124
Investment Income	0	-	0	0.0%	0	0	-	0	0.0%	0
Interest Expense	(3)	(2)	(1)	-56.0%	(3)	(3)	(2)	(1)	52.3%	(3)
Other Income / (Expense)	7	4	3	81.0%	6	7	4	3	76.7%	6
Net Non-Operating Income / (Expense)	**127**	**132**	**(5)**	**-3.6%**	**127**	**127**	**135**	**(8)**	**-5.9%**	**127**
Excess of Revenues Over Expenses	**$ (80)**	**$ (44)**	**$ (35)**	79.3%	**$ (35)**	**$ (79)**	**$ (46)**	**$ (34)**	73.9%	**$ (35)**

City of Alameda Health Care District
Statement of Cash Flows
For the One Month Ended July 31, 2012

	Current Month		Year-to-Date	
Cash flows from operating activities				
Net Income / (Loss)	$	(308,799)	$	(308,799)
Items not requiring the use of cash:				
Depreciation and amortization		65,660	$	65,660
Write-off of Kaiser liability		-	$	-
Changes in certain assets and liabilities:				
Patient accounts receivable, net		(75,747)		(75,747)
Other Receivables		(73,808)		(73,808)
Third-Party Payer Settlements Receivable		117,466		117,466
Inventories		24,490		24,490
Prepaids and Other		(99,130)		(99,130)
Accounts payable and accrued liabilities		384,865		384,865
Payroll Related Accruals		391,261		391,261
Employee Health Plan Accruals		(80,956)		(80,956)
Deferred Revenues		(477,084)		(477,084)
Cash provided by (used in) operating activities		(131,782)		(131,782)
Cash flows from investing activities				
(Increase) Decrease in Assets Limited As to Use		(8,930)		(8,930)
Additions to Property, Plant and Equipment		(70,004)		(70,004)
Other		(257)		(257)
Cash provided by (used in) investing activities		(79,190)		(79,191)
Cash flows from financing activities				
Net Change in Long-Term Debt		(79,131)		(79,131)
Net Change in Restricted Funds		8,930		8,930
Cash provided by (used in) financing and fundraising activities		(70,201)		(70,201)
Net increase (decrease) in cash and cash equivalents		(281,174)		(281,174)
Cash and cash equivalents at beginning of period		3,313,385		3,313,385
Cash and cash equivalents at end of period	$	3,032,211	$	3,032,211

City of Alameda Health Care District
Ratio's Comparison

Financial Ratios	Audited Results FY 2009	FY 2010	Unaudited Results FY 2011	YTD 6/30/2012	YTD 7/31/2013
Profitability Ratios					
Net Patient Revenue (%)	22.69%	24.16%	23.58%	22.73%	22.85%
Earnings Before Depreciation, Interest, Taxes and Amortization (EBITA)	3.62%	4.82%	-1.01%	-1.48%	-1.48%
EBIDAP[Note 5]	-5.49%	-3.66%	-13.41%	-11.22%	-14.77%
Total Margin	1.03%	2.74%	-2.61%	-3.21%	-6.44%
Liquidity Ratios					
Current Ratio	1.15	1.23	1.05	0.96	0.95
Days in accounts receivable ,net	57.26	51.83	46.03	55.21	58.20
Days cash on hand (with restricted)	13.6	21.6	14.1	17.7	17.4
Debt Ratios					
Cash to Debt	115.3%	249.0%	123.3%	123.56%	116.99%
Average pay period (includes payroll)	58.03	57.11	62.68	72.94	77.93
Debt service coverage	3.87	5.98	(0.70)	(0.53)	(0.18)
Long-term debt to fund balance	0.20	0.14	0.18	0.28	0.28
Return on fund balance	8.42%	18.87%	-19.21%	-27.35%	-4.64%
Debt to number of beds	13,481	10,482	11,515	16,978	16,978

City of Alameda Health Care District
Ratio's Comparison

Financial Ratios	FY 2009	FY 2010	FY 2011	YTD 6/30/2012	YTD 7/31/2013
	Audited Results		Unaudited Results		
Patient Care Information					
Bed Capacity	161	161	161	161	161
Patient days(all services)	30,463	30,607	30,270	30,448	2,644
Patient days (acute only)	11,787	10,579	10,443	10,880	881
Discharges(acute only)	2,812	2,802	2,527	2,799	237
Average length of stay (acute only)	4.19	3.78	4.13	3.89	3.72
Average daily patients (all sources)	83.46	83.85	82.93	83.19	85.29
Occupancy rate (all sources)	52.94%	52.08%	51.51%	51.67%	52.98%
Average length of stay	4.19	3.78	4.13	3.89	3.72
Emergency Visits	17,337	17,624	16,816	16,964	1,352
Emergency visits per day	47.50	48.28	46.07	46.35	43.61
Outpatient registrations per day[Note 1]	82.05	79.67	65.19	60.67	59.39
Surgeries per day - Total	16.12	13.46	6.12	6.12	3.77
Surgeries per day - excludes Kaiser	5.14	5.32	6.12	6.12	3.77

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 insruments.
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.

Date: August 21, 2012

For: August 29, 2012 Finance and Management Committee

To: City of Alameda Health Care District, Finance and Management Committee

From: Kerry J. Easthope, Chief Financial Officer

Subject: AB 97 Update

As a follow up to last month Finance and Management Committee inquiry regarding potential current and future liability under AB97, I am providing the following update.

AB97 is legislation that called for a reduction in the Medi-Cal skilled nursing reimbursement. The reduction is to be 10% below the 2008-09 Medi-Cal skilled nursing rate beginning fiscal year 2011-12.

The California Hospital Association (CHA) filed an injunction effective December 28, 2011 to stop implementation of AB97. The State of California is appealing the preliminary injunction at a hearing set for October 10, 2012. Per our contacts at CHA, it is not anticipated that a decision will be rendered until early next calendar year.

Assuming the court continues to support the decision and keeps the injunction in place, the next step will be to request summary judgment and permanent injunction. The best guess for this action would be Summer, 2013. Appeals of whatever decision comes down at that time would undoubtedly follow. If the injunction were lifted, it is uncertain as to whether it would be effective back to the injunction date or prospectively as of the date it is lifted.

Alameda Hospital's Medi-Cal skilled nursing rate for FY 2008-2009 was $351. A 10% reduction from this rate is $35 per day, to a new rate of $316 per day. Our current reimbursement is $385 per day, thus an effective reimbursement reduction of $69 per day. The Hospital has accrued for this liability up through the injunction date of December 28, 2011.

Between December 28, 2011 and June 30, 2011 (FYE) we had 1,145 Medi-Cal skilled nursing days. At $69 per day this additional liability for FY 2012 would be $78,798, if the injunction were lifted and if it was effective back to December 28, 2011.

With the addition of Waters Edge skilled nursing facility on August 1, 2012, our new blended rate for Medi-Cal is estimated at $326 per day. The budget was forecasted using a rate of $316 per day. One of the many benefits of adding Waters Edge is that if the AB97 injunction were lifted, it would have little to no financial impact on our reimbursement going forward. The impact of AB97 was carefully analyzed by our cost report consultant when developing the financial forecast for Waters Edge.

Date: August 22, 2012

For: August 29, 2012 Finance and Management Committee

To: City of Alameda Health Care District, Finance and Management Committee

From: Deborah E. Stebbins, CEO

Subject: Medi-Cal Reimbursement Methodology Update

Background Information:

The purpose of this memorandum is to update the Committee on a proposed fundamental restructuring of the methodology for reimbursement to non-designated public hospitals for Medi-Cal inpatient acute care retroactive to July 1, 2012.

The proposed changes were adopted as a part of the 2012-2013 State budget package signed by the Governor last month. The District Hospital Leadership Forum (DHLF), in which Alameda Hospital participates on the Board of Directors, has had substantial input into the structure of those aspects of change. The changes in reimbursement methodology attempt to “close the gap” created in the short-term on the prior payment methodology in order to minimize what originally was a much more extreme reduction to acute Medi-Cal reimbursement. Attached is more information about the proposed structural changes which Management will review in more depth at the next meeting of the Committee (08/29/12). DHCS has committed to working with district/municipal hospitals once final Federal approvals are received and actual implementation is ready to commence.

In summary, the changes include:

1. District hospitals, whether under contract or not under contract with the State, such as Alameda Hospital, will convert to reimbursement based on certified public expenditures (CPE), the methodology used to reimburse Designated Public Hospitals for many years.

2. District hospitals will certify their costs for Medi-Cal inpatients and will receive 50% of those costs via Federal funds.

3. No changes to the methodology for outpatient, long-term care and Medi-Cal managed care will be made.

4. To supplement projected loss of revenue due to receipt of only 50% of the CPE’s, there will be two sources of funding available to district hospitals:

a. Hospitals will be able to certify and receive federal funding for up to 50% of the cost of care for the uninsured (previously a classification on which district hospitals received no reimbursement), and

b. Hospitals will be eligible to receive payments under the Delivery System Reform Incentive Pool (DSRIP) based on meeting hospital-specific goals and milestones related to delivery system improvements and patient safety. This provides a funding source for certain quality and safety improvement programs we are already undertaking but which, until now, have been part of unfunded mandates and regulatory requirements.

Both of these supplementary reimbursement programs will be subject to an aggregate maximum payment for all district hospitals each year. The DHLF is working with the DHCS to finalize the method for allocating these supplemental payments between district hospitals.

We will have additional information about the impact of these changes on Alameda Hospital, but the intent is that the structure of the distribution of the two sources of supplemental reimbursement should come close to offsetting any unfavorable impact of the switch to CPE based calculations.

Change in NDPH Reimbursement Methodology

Department of Health Care Services
Safety Net Financing Division
Pilar Williams, Chief

Prior NDPH Reimbursement Methodology

- Contract Facilities – Received CMAC negotiated per diem rates
  - NDPH Supplemental Fund
  - NDPH IGT program (AB 113)

- Non-Contract Facilities received a cost based reimbursement
  - NDPH IGT Program

CPE Reimbursement Methodology

- CPE – Certified Public Expenditures
- NDPHs will certify costs as the non-federal share
- Reimbursement will be the federal share of those expenditures (50% under the current FMAP)
- Certain supplemental payments to NDPHs will be eliminated
  - NDPH Supplemental Fund
  - NDPH Intergovernmental Transfer Program (AB 113)

Additional Funding under the CPE Methodology

- Bridge to Reform Waiver
  - Safety Net Care Pool (SNCP) Uncompensated Care Funding

  Funding is for reimbursement of certified costs for services to the uninsured, which otherwise would not be reimbursed

    - DY 8 - $90 million
    - DY 9 - $100 million
    - DY 10 - $110 million
  - Delivery System Reform Incentive Pool (DSRIP) Funding

  Funding is for improving population health and clinical quality and is tied to the completion of various projects

    - DY 8 - $80 million
    - DY 9 - $125 million
    - DY 10 - $125 million

Interim Rate Payments

- Interim rates to be paid daily to the NDPHs will be calculated using the most recently filed P14 Workbook (FY 11-12) and cost reports
- Payments will be reconciled to the audited Workbook and cost report of the applicable fiscal year
- Adjusted payments or recoupments will be initiated based on the audit findings

Claiming SNCP Uncompensated Care Funds

- Hospitals will receive bi-monthly interim payments based on their most recently filed P14 Workbook

- Interim payments will be reconciled to the audited and approved and P14 Workbooks

Claiming DSRIP Funding

- NDPHs will submit DSRIP plans consistent with the Special Terms and Conditions set forth in the Waiver
- Payments are tied to the achievements of projects and milestones in the NDPHs DSRIP plans
- Payments will be quarterly

Cost Reports and P-14 Workbooks

- Cost Reports summarize the cost for Medi-Cal services for the year reported
- P14 incorporates cost report data as well as hospital payment data to calculate the payments for the Safety Net Care Pool

What is included on the P14

- Medi-Cal Inpatient FFS
- Medi-Cal Outpatient FFS
- Inpatient Uninsured Costs-SNCP eligible
- Outpatient Uninsured Costs- SNCP eligible
- Eligible Physician and Non-Physician Practitioner Service costs

P14 Workbook Submissions

- P14 Workbooks are submitted annually

- To determine interim rates and interim SNCP payments for the 12-13 Fiscal Year, 11-12 Workbooks will need to be submitted

  - P14s are being revised to accommodate the NDPHs

  - Workbooks are due to DHCS 60 days after issued to the NDPHs

Timing

- AB 1467 (Chapter 23, Statutes of 2012) – legislation passed
- State Plan Amendment – in process
  - Will change the reimbursement methodology to CPE for NDPHs
  - Anticipating submission to CMS by 9/31/12 to be retroactively approved for 7/1/12
- Proposed Waiver Amendment – submitted to CMS 6/28/12
  - Still pending approval
  - Makes NDPHs eligible for SNCP and DSRIP funding