



PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Wednesday, December 5, 2012

6:00 p.m. (Closed) | 7:30 p.m. (Open)

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 and present to the District Clerk. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.

- I. Call to Order (6:00 p.m. – 2 East Board Room)** Jordan Battani
- II. Roll Call** Kristen Thorson
- III. Adjourn into Executive Closed Session**
- IV. Closed Session Agenda**

- A. Call to Order
- B. Approval of Closed Session Minutes
 - 1. October 3, 2012 and November 7, 2012
- C. Medical Executive Committee Report and Approval of Credentialing Recommendations H & S Code Sec. 32155
- D. Board Quality Committee Report (BQC) H & S Code Sec. 32155
- E. Discussion of Pooled Insurance Claims Gov't Code Sec. 54956.95
- F. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions Gov't Code Sec. 54957.6
- G. Consultation with Legal Counsel Regarding Pending and Threatened Litigation Gov't Code Sec. 54956.9(a)
- H. Discussion of Report Involving Trade Secrets H & S Code Sec. 32106
 - 1. Discussion of Hospital Trade Secrets applicable to District's Strategy for Delivery of New Programs and Services
No action will be taken.
Estimated Date of Public Disclosure: *Not known at this time.*
 - 2. Discussion of Hospital Trade Secrets applicable to District's Strategy for Delivery of New Programs and Services
No action will be taken.
Estimated Date of Public Disclosure: *Not known at this time.*
- I. Adjourn into Open Session

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

A. Announcements from Closed Session

Jordan Battani

VI. General Public Comment

VII. Regular Agenda

A. Consent Agenda

ACTION ITEMS

- ✓ 1) Approval of November 7, 2012 Meeting Minutes

[enclosure] (PAGES 4-9)

- ✓ 2) Approval of Administrative Policies and Procedures

[enclosure] (PAGES 10-11)

- No. 41 – Critical Incident Debriefing
- No. 72 - Safe Patient Handling

B. Action Items

- ✓ 1) Acceptance of October 2012 Unaudited Financial Statements and November 28, 2012 Finance and Management Committee Report Michael McCormick

[enclosure] (PAGES 12-32)

- ✓ 2) Approval of Revisions to District Board Policy 2011-0C, District Board Referrals Deborah E. Stebbins

[enclosure] (PAGES 33-37)

- ✓ 3) Approval to Award Construction Contract to Signature Construction for the Alameda Hospital, Original Building, NPC-2 Lighting Upgrade Project Brian Jung

[enclosure] (PAGES 38-39)

C. District Board President Report **INFORMATIONAL** Jordan Battani

1) Special Recognition of District Board Service

- Stewart Chen, DC
- Jim Yeh, DO

- ✓ 1) Review of Tentative District Appointment Process and Timeline

[enclosure] (PAGES 40-44)

- ✓ 2) 2013 District Board Meeting Tentative Schedule

[enclosure] (PAGES 45)

- Next Meeting: January 9, 2013

3) District Board Committee Assignments

4) Election of Officers

D. Community Relations and Outreach Committee Report and November 27, 2012 Committee Meeting Report **INFORMATIONAL** Stewart Chen, DC

E. Medical Staff President Report **INFORMATIONAL** James Yeh, DO

F. Chief Executive Officer Report **INFORMATIONAL**

Deborah E. Stebbins

✓ 1) Monthly CEO Report

[enclosure] (PAGES 46-48)

- Bay Area Bone & Joint Center, Physician Relations, Capital Projects, Hospital | Foundation Sponsored Events and Activities, Key Statistics – September 2012, Information Technology Update and Meaningful Use, Human Resources, Kate Crendon Center for Advanced Wound Care. DSRIP Report, Long Term Care Update

VIII. General Public Comments

IX. Board Comments

X. Adjournment



CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
 Open Session
 Wednesday, November 7, 2012 Regular Meeting

Board Members Present	Management Present	Legal Counsel Present	Guests
Jordan Battani Stewart Chen, DC Robert Deutsch, MD J. Michael McCormick Elliott Gorelick	Deborah E. Stebbins Kerry J. Easthope Brian Jung Dennis Eloë	Thomas Driscoll, Esq.	N/A
		Medical Staff Present	Excused
		Jim Yeh, DO	
Submitted by: Erica Poncé, Administrative Secretary			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:42 p.m.	
II. Roll Call	Ms. Thorson called roll noting a quorum of Directors was present.	
III. Adjourn into Executive Closed Session	The meeting was adjourned into Executive Closed Session at 5:43 p.m.	
IV. Closed Session Agenda		
V. Reconvene to Public Session	The meeting was reconvened into public session at 8:11 p.m.	
A. Announcements from Closed Session	Director Battani stated that the Board approved the Credentialing Recommendations of the Medical Staff as outlined below. No other action was taken.	

Topic	Discussion	Action / Follow-Up		
<u>Initial Appointments – Medical Staff</u>				
	Name	Specialty	Affiliation	
	• Kyle Belek, MD	Plastic Surgery	Private Practice	
	• Raymond Davis, MD	Internal Medicine	Kaiser Oakland	
	• Florence Tso, MD	Internal Medicine	Kaiser Oakland	
<u>Reappointments – Medical Staff</u>				
	Name	Specialty	Staff Status	Appointment Period
	• Emmon Collins, MD	Internal Medicine	Active	12/01/12 – 11/30-14
	• Susan Fertig, MD	Radiology	Active	12/01/12 – 11/30-14
	• Bhoomika Kamath, MD	Family Practice	Courtesy	12/01/12 – 11/30-14
	• Robert Kim, MD	Radiology	Courtesy	12/01/12 – 11/30-14
	• Richard Sankary, MD	Internal Medicine	Courtesy	12/01/12 – 11/30-14
<u>Request for Privileges</u>				
Scott Lipson, MD, Radiologist Request to update delineation of privileges to include 1) lumbar puncture for myelography and 2) Arthrography				
<u>Resignations</u>				
There were no resignations submitted this month.				
VI.	General Public Comments	There were no comments.		
VII.	Regular Agenda			
	A. Consent Agenda			
	The Consent Agenda was divided for consideration of items therein.			
	1) Approval of October 3, 2012 Minutes	Director Deutsch made a motion to approve the October 3, 2012 Minutes on the Consent Agenda as presented. Director McCormick seconded the motion. The motion		

Topic	Discussion	Action / Follow-Up
	<p>2) Approval of 401(a) Pension Plan Amendment</p> <p>3) Approval of the Renewal of the SEIU-UHW West Memorandum of Understanding, May 1, 2012 – April 30, 2015</p>	<p>carried.</p> <p>Director Gorelick made a motion to approve the 401(a) Pension Plan Amendment and the Renewal of the SEIU-UHW West Memorandum of Understanding on the Consent Agenda as presented. Director McCormick seconded the motion. The motion carried.</p>
	<p>4) Approval of Memorandum of Understanding between Alameda Hospital Foundation and City of Alameda Health Care District</p> <p>There was a discussion regarding the last paragraph of the “Recitals” portion of the document. Dennis Eloe, Foundation Director, explained that the foundation is interested in honoring the wishes of the donor. Mr. Driscoll clarified that the intention is not to undermine the Foundation, but if a donor specifically does not want to go through the Foundation to make a donation, they can give directly to the District.</p> <p>The wording of the last section of the “Recitals” shall read: “Whereas, Alameda Hospital has determined that the Foundation shall be the one and only organization, other than direct donations to the District itself, to receive private gifts and donations given to or for the benefit of Alameda Hospital;”</p> <p>Mr. Eloe will review the change with Foundation Board at their next meeting.</p>	<p>Director Gorelick made a motion to approve the Memorandum of Understanding between Alameda Hospital Foundation and City of Alameda Health Care District with the change to the last section of “Recitals” as specified. Director McCormick seconded the motion. The motion carried.</p>
	<p>5) Acceptance of September 2012 Unaudited Financial Statements</p> <p>There was a brief discussion regarding the effect of audit entries on the September financials.</p>	<p>Director Gorelick made a motion to approve the September 2012 Unaudited Financial Statements. Director Chen seconded the motion. The motion carried.</p>
<p>B. Action Items</p>	<p>1) Approval of FYE June 30, 2012 Audit</p> <p>Kerry Easthope introduced CPA Rick Jackson, Independent Auditor with TCA</p>	<p>Director Chen made a motion to approve the FYE June 30, 2012 Audit. Director McCormick</p>

Topic	Discussion	Action / Follow-Up
	<p>Partners, LLP. Mr. Jackson referred to the handouts, highlighting a few changes made under suggestion of the Finance and Management Committee, including wording for the loan covenants and seismic projects. There were also a few reclassifications made which are noted in the additional information given. Overall, there was a loss of about \$1.5 million.</p> <p>Director McCormick asked if there were any recommendations regarding chart of accounts or budgeting. Mr. Jackson replied that the chart of accounts is established by OSHPD. Regarding budget, he recommends flexing the budget during the year and looking at the budget as a management tool to help manage departments more effectively.</p> <p>Director McCormick asked if the orthopaedic program is working on the established structure for that department or if it is going to be monitored in the same fashion as the other new programs. Ms. Stebbins replied that the progress of the orthopaedic program will be highlighted in the same fashion as Waters Edge and the Kate Creedon Center for Advanced Wound Care is in the Unaudited September Financials.</p>	<p>seconded the motion. The motion carried.</p>
<p>2) Approval of FY 2013 Executive Performance Metrics and Incentive Compensation Plan</p>	<p>Director Deutsch noted that the metrics are based on volume criteria and asked if it would be more appropriate to use revenue criteria. Director Gorelick replied that they thought it might be repetitive and that the dollar amount would only be reached with the expansion of the new programs. There is also a section which notes that a dollar of net revenue must be reached before the goals are met. A discussion followed. Director Battani added that performance expectations can be expressed in terms of volume. The structure as presented helps to balance a system where volumes are high but there is money lost on each transaction. Director McCormick stated that the goals when writing the Plan included balancing a threshold with criteria and keeping the plan simple. Dr. Deutsch stated that he thought the programs should be broken down individually and that the criteria should be revenue. Director Battani stated her disagreement and added that this plan is drawn from pro formas and holds Management accountable to meeting those pro formas. Ms. Stebbins noted that net revenue by itself is not a very good measurement of program results. The success of each program can be measured by comparison to its pro forma.</p> <p>There is a typographic error which will be fixed in the Labor Relations row, Number</p>	<p>Director Gorelick made a motion to approve the FY 2013 Executive Performance Metrics and Incentive Compensation Plan with a change to the Labor Relations row, number Two in the Criteria column should read "Positive net income for 6 Consecutive months". Director Deutsch seconded the motion. The motion carried.</p>

Topic	Discussion	Action / Follow-Up
	Two (Criteria) should read "Positive net income for 6 Consecutive months".	
D. Chief Executive Officer Report	<p>1) Monthly CEO Report</p> <p>Ms. Stebbins gave an overview of the information found in her written report beginning on page 35 of the Board Packet which included information regarding Human Resources, Nursing, Long Term Care, Bay Area Bone and Joint Center, Kate Crendon Center for Advanced Wound Care, Seismic and Capital Projects, District Hospital Leadership Forum/DSRIP Update, Physician Relations, Foundation/Auxiliary Update, and Key Statistics for the month of October.</p> <p>Director Gorelick asked if there is a date for the Bay Area Bone and Joint Center to move into its permanent location. Ms. Stebbins replied that the current location is no longer being referred to as a temporary location. When and if financing of approximately \$450,000 becomes available, it will be an opportunity to expand the program. Dr. Jack Stehr is currently seeing patients at his Alameda and Oakland offices, and has expressed interest in relocating to the office adjacent to the Wound Care Center if it is built out.</p> <p>Brian Jung gave a brief update regarding outreach to the Asian community. Ms. Stebbins noted that on page 80 of the Board Packet, there is a section with information regarding efforts to increase market share penetration in Asian residents.</p> <p>Director Gorelick inquired about the increase in surgical volume. Ms. Stebbins replied that it was due to increased eye surgeries during the month.</p> <p>Ms. Stebbins reported that the Case Mix Index was 1.37, not 1.30 as stated in the report.</p> <p>2) FY2013 1st Quarter Goals and Objectives</p> <p>Ms. Stebbins highlighted portions of the FY 2013 First Quarter Goals and Objectives report, found on pages 77-85 of the Board Packet.</p>	No action taken.
E. Medical Staff President Report	<p>James Yeh, D.O., Medical Staff President, presented information for the following meeting on November 13, 2012:</p> <ul style="list-style-type: none"> Part I - "Lumbar Spinal Stenosis: A New Understanding and Modern Treatments" by Nicholas Pirnia, MD, Orthopaedics, Bay Area Bone and Joint 	No action taken.

Topic	Discussion	Action / Follow-Up
	Center, Alameda <ul style="list-style-type: none"> Part II – “Alternatives to Knee Replacement Surgery: Cartilage Preservation Options” by James Guido DiStefano, MD, Orthopaedics, Bay Area Bone and Joint Center, Alameda 	
F. Community Relations and Outreach Committee Report	<p>The Community Relations Committee did not meet in October. The next meeting is scheduled for November 27, 2012 at 7:30 a.m. in the Dal Cielo Conference Room.</p> <p>The Community Health Fair held on October 20, 2012 was a success with over 1500 people attending. Over 350 flu shots, approximately 500 bike helmets, and hundreds of health screenings were offered. The Farmers Market was well-received and a nice addition to the fair.</p> <p>Alameda Hospital participated in the “City of Alameda’s 100 Best Communities for Youth” celebration on November 3, 2012 at the Boys and Girls Club. The focus was healthy nutrition for children.</p> <p>Alameda Hospital will sponsor the Midway Shelter Run/Walk on December 1, 2012.</p>	No action taken.
VIII. General Public Comments	There were no comments.	
IX. Board Comments	There were no comments.	
X. Adjournment	Being no further business, the meeting was adjourned at 9:15 p.m.	

Attest:

 Jordan Battani
 President

 Elliott Gorelick
 Secretary

Date: November 27, 2012

For: December 5, 2012 District Board Meeting

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

From: Deborah E. Stebbins, Chief Executive Officer
Kristen Thorson, District Clerk

Subject: Approval of Administrative Policies and Procedures

Recommendation:

Management requests approval of the following policies and procedures.

No. 41– Critical Incident Debriefing	
Minor revisions, updating contact information	
Purpose:	It is the goal of the Hospital to have a clear critical incident defusing/debriefing system in place and available for all staff. Critical incident defusing/debriefing provides a trained team to meet with staff following a “critical incident”. A critical incident is an out of the ordinary event which is emotionally distressing, high powered and overwhelming, e.g., death of a child, multiple traumas, suicide, etc.
No. 72 – Safe Patient Handling	
New policy to comply with AB 1136: Hospital Patient and Health Care Worker Injury Protection Act: Safe Patient Handling became effective on January 1, 2012. AB 1136 requires all general acute care hospitals in California to implement a patient protection and health care worker back and musculoskeletal injury prevention plan that includes a safe patient handling policy.	
Purpose:	To ensure that patients who require total or partial moving or transfer assistance are protected during high-risk patient handling tasks (vertical, lateral, and bariatric movement, repositioning, and ambulation) while preventing back and musculoskeletal injuries in healthcare workers.

Background:

The Joint Commission tri-annual accreditation survey is scheduled for Spring, 2013. In preparation for this survey, the hospital has begun its review of all Administrative Policies and Procedures. All Administrative policies and procedures will be brought to the Board of Directors for approval over the next coming months.

The policies and procedures have been either new or revised to reflect current practices, regulatory language / requirements and/or other pertinent information. Each policy and procedure has been reviewed by the appropriate Medical Staff Committees, Hospital Committees, Management Team, and Administration.

Policies and Procedures are available for review upon request from Administration.

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING OCTOBER 31, 2012

**CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
OCTOBER 31, 2012**

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ALAMEDA HOSPITAL MANAGEMENT DISCUSSION AND ANALYSIS OCTOBER, 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 October 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

Overall for the month of October, the hospital experienced a combined net operating loss of just \$18,000 against a budgeted loss of \$80,000. Waters Edge showed another good month with a positive net contribution of \$499,300 and a year to date contribution of \$903,252. Wound Care had another strong month in October as the number of visits and hyperbaric oxygen (HBO) treatments have increased. The program's net contribution exceeded budget by \$32,000 in October and is \$42,000 better than budget year to date.

October discharges were 25 or 9.2% below budget but total patient days were 7 greater than budget or 0.1%. Total patient days for inpatient acute services were down 14.4%; subacute days were down 2.0%, skilled nursing days were up with South Shore up by 3.8% and Waters Edge up by 4.8%.

Overall outpatient activity was mixed this month. Outpatient registrations were up 11.5% while emergency room visits were 38 or 2.7% below budget and outpatient surgeries were above budget for the month (first time this fiscal year) by 6 or 4.0%.

The Wound Care program had 245 visits in October compared to a budget of 150, or 63.3% above budget. In October there were 67 HBO treatments, up from 54 in September. As this number increases it will also contribute to greater gross and net revenue for the program.

Total gross revenue in October was generally in line with activity. The overall inpatient component was down 0.8% and outpatient was up 12.8%.

The overall Case Mix Index (CMI) in October was 1.38; higher than last month's of 1.30 and above to the FY 2012 average of 1.32.

Overall expenses were \$6.9 million in October, \$217,000 or 3.2% above budget. Benefits, temporary agency fees, professional fees and supplies were over budget while salaries, purchased services and other expenses were below budget. These variances will be discussed in more detail later in the narrative. As previously discussed, the FY2012 temporary agency budget was understated by about \$40,000 per month and we will need to overcome this variance with positive revenue and/or expense reductions as the year progresses.

The additional expense accrual in prior months for Waters Edge has been reversed. This, in part, attributes to lower Waters Edge expense in the month of October and a greater positive bottom line. Going forward, monthly accruals will be based upon actual anticipated expenditures.

Cash and cash equivalents were \$1.2 million at the end of October up from \$950,000 at prior month end.

Cash collections in October were \$8.2 million which included collections for Waters Edge from August and September. Net accounts receivable decreased by about \$1.8 million from prior month.

Accounts payable and other accrued expenses decreased by approximately \$250,000 from almost \$10.5 million to \$10.2 million. Lastly, the current ratio has dipped to .92, below the required 1.0 of our bank covenants. In early November, the Hospital's \$750,000 Line of Credit will expire and will be incorporated into a new long term loan with Bank of Alameda. The transfer of this short term liability to long term liability will help with our current ratio performance in November.

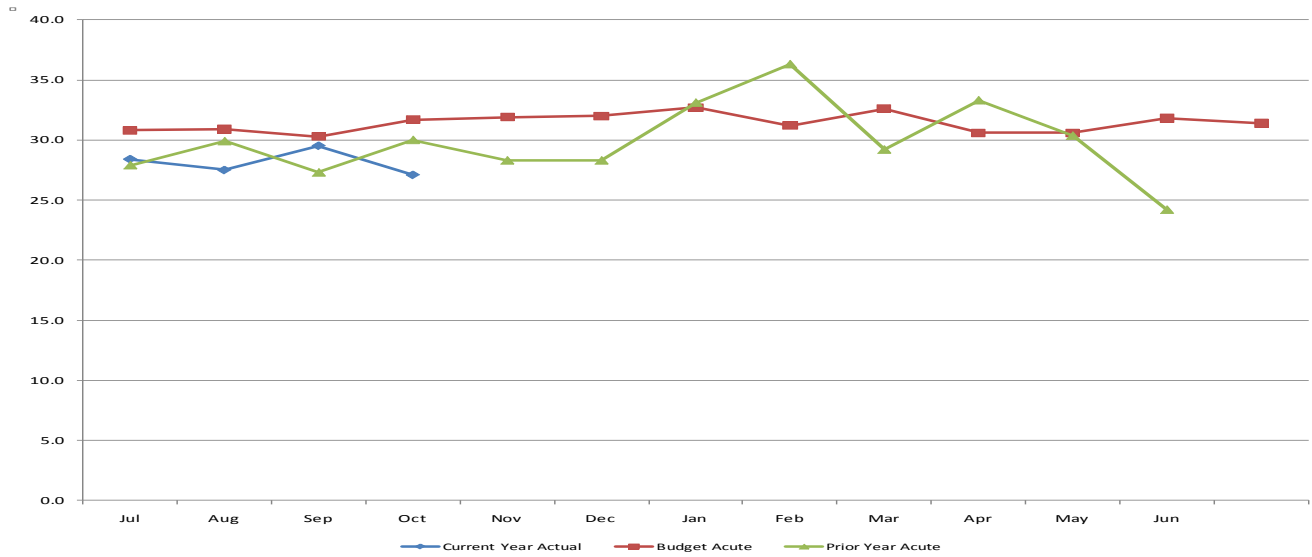
ACTIVITY

ACUTE, SUBACUTE AND SNF SERVICES

Overall patient days were 0.1% above budget for the month but below October of last year. This month's acute days were below budget by 14.4%, Subacute was down 2.0%, South Shore was up 3.8% and Waters Edge was up 4.8%.

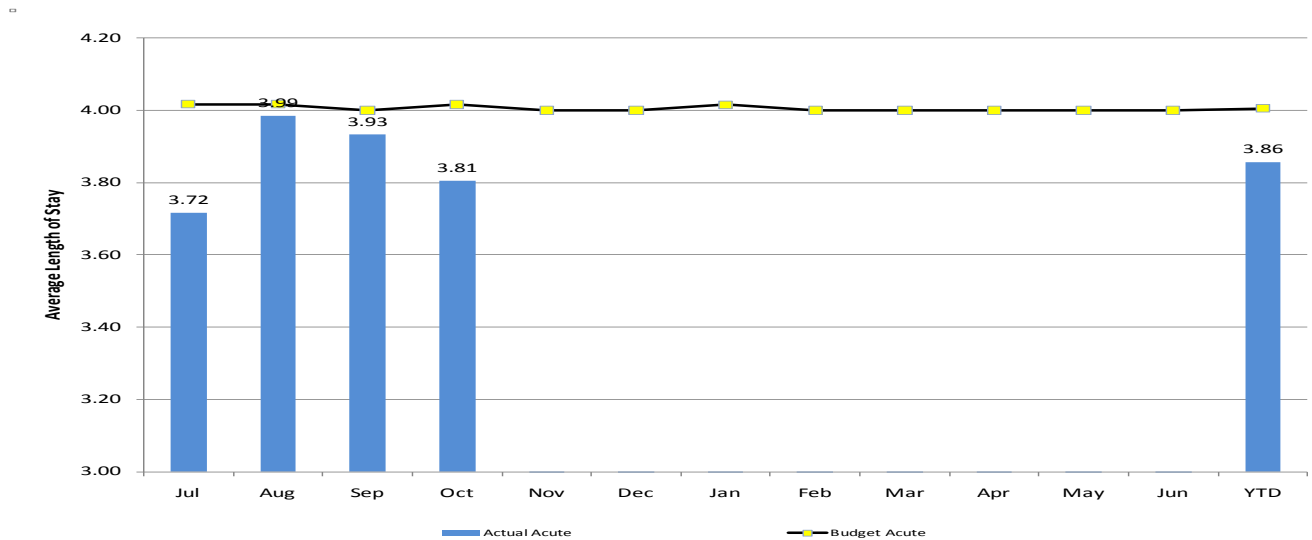
October's acute patient days were 141 days or 14.4% lower than budget for the month and 9.6% lower than October 2011. The acute care program is comprised of the Critical Care Unit (5.3 ADC, 29.9% above budget), Telemetry / Definitive Observation Unit (10.0 ADC, 13.2% below budget) and Med/Surg Unit (11.8 ADC, 26.5% below budget).

Acute Average Daily Census



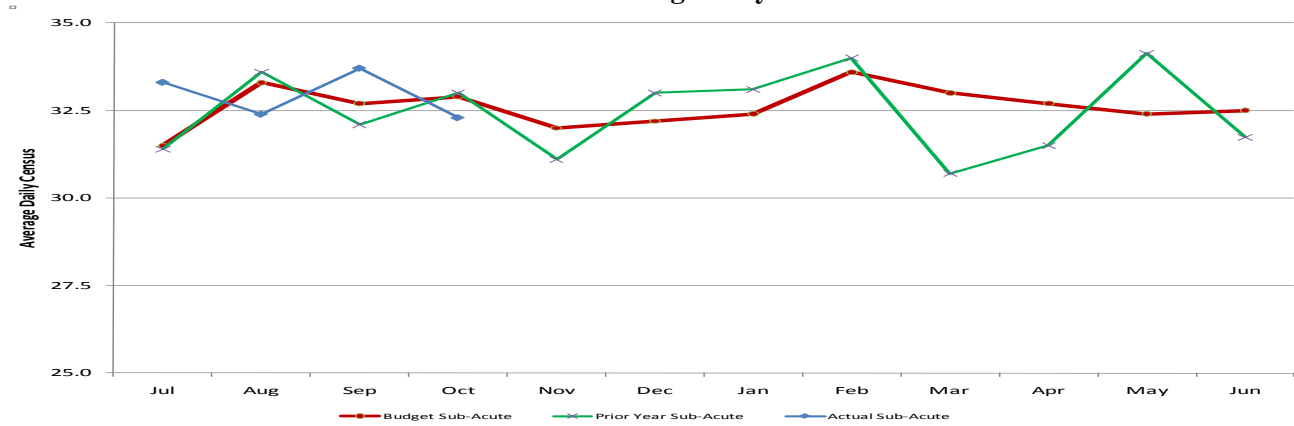
The acute Average Length of Stay (ALOS) decreased from 3.93 in September to 3.81 in October and is below the budget of 4.02. The YTD acute ALOS for FY 2013 is 3.86. The graph below shows the ALOS by month compared to the budget.

Acute Average Length of Stay



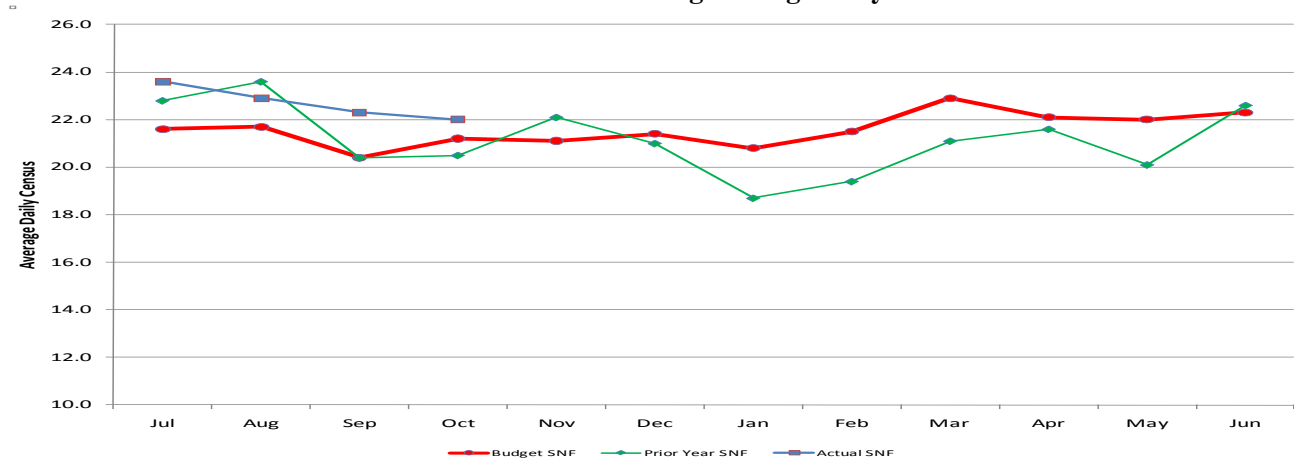
The Subacute program ADC of 32.3 was below budgeted projections by 0.65 ADC or 2.0%. The graph below shows the Subacute ADC for the current fiscal year as compared to budget and the prior year.

Subacute Average Daily Census



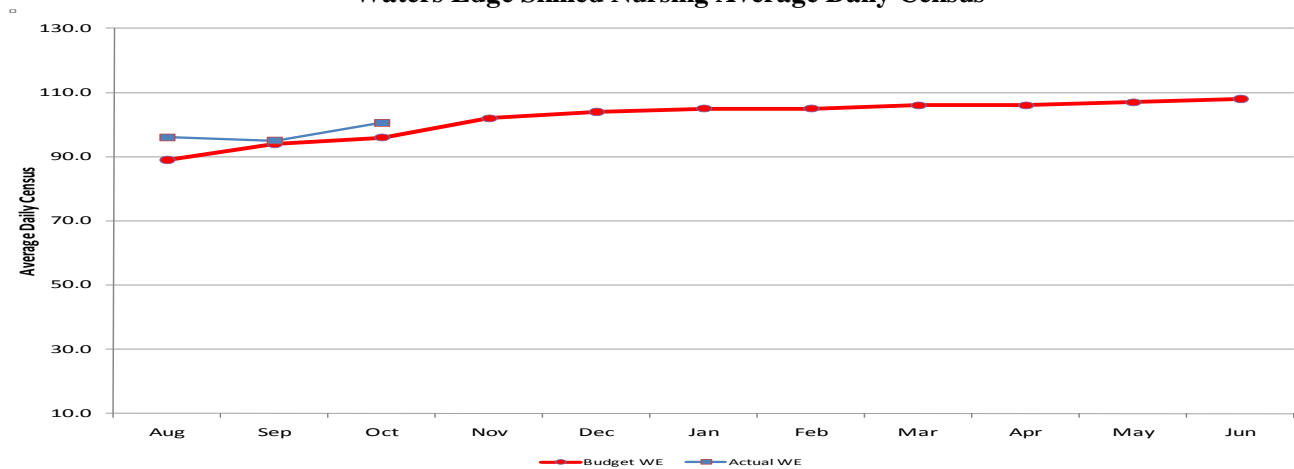
The South Shore ADC was higher than budget by 0.81 or 3.8% for the month of October. The graph below shows the South Shore monthly ADC as compared to budget and the prior year. In October the number of Medicare A skilled patients were 2.1 ADC, down from 2.9 ADC in September and lower than budget of 4.02.

South Shore Skilled Nursing Average Daily Census



Waters Edge census was 100.6 ADC or 4.8% above budget in October. The Medicare census was 12.4 ADC up from 9.1 ADC in the prior month.

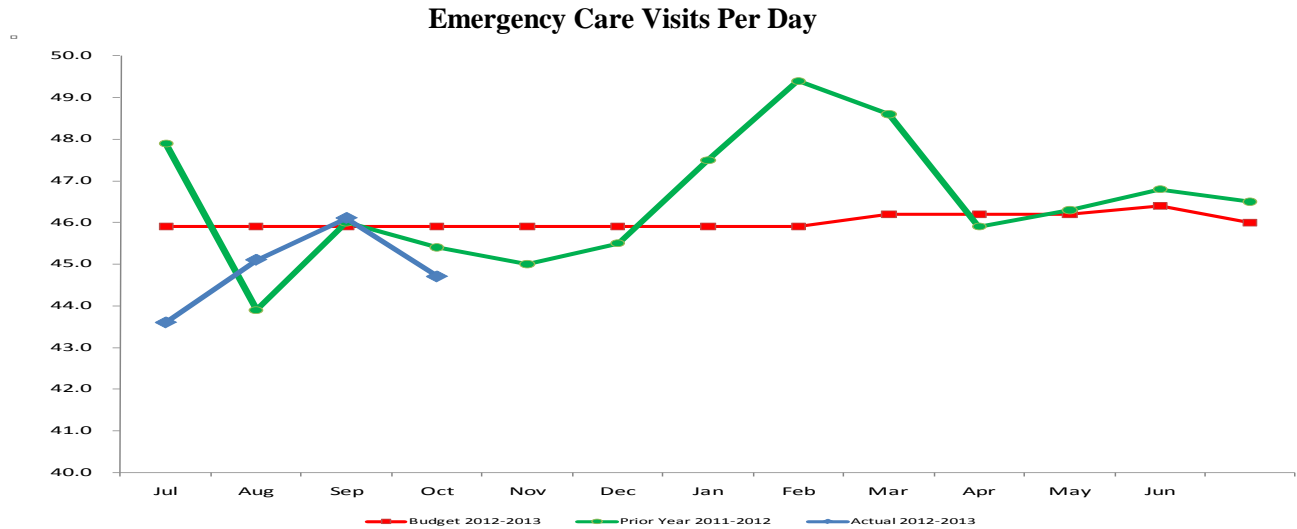
Waters Edge Skilled Nursing Average Daily Census



ANCILLARY SERVICES

Outpatient Services

Emergency Care Center (ECC) visits in October were 1,385, 38 visits (2.7%) under the budget of 1,423. The inpatient admission rate from the ECC was 16.7% just down from the 17.0% in September. On a per day basis, the total visits represent a decrease of 3.0% from the prior month daily average. In October, there were 313 ambulance arrivals versus 279 in the prior month. Of the 313 ambulance arrivals in the current month, 231 or 73.8% were from Alameda Fire Department (AFD).

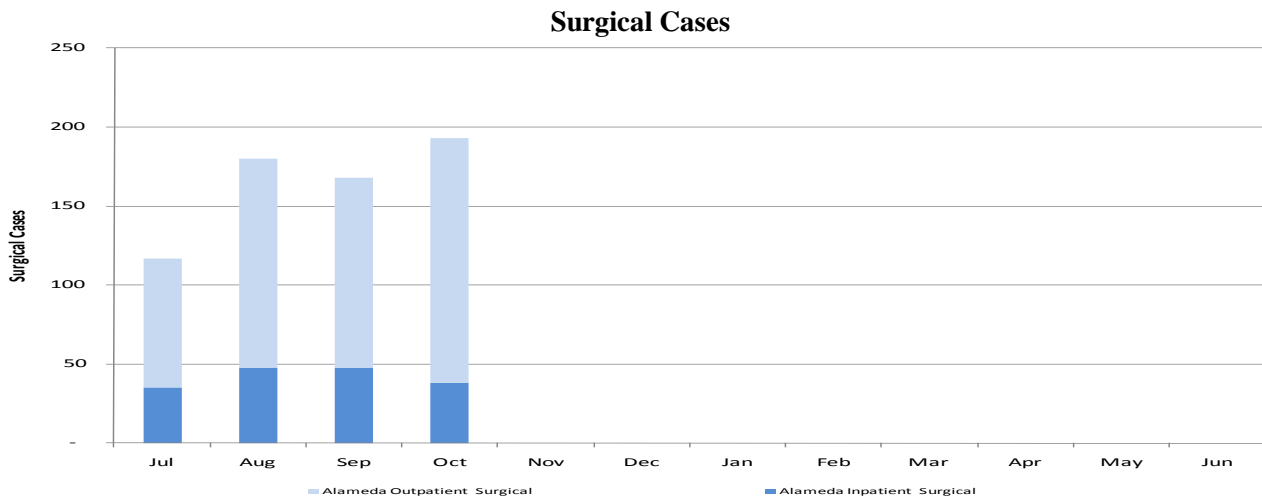


Outpatient registrations totaled 2,179 or 11.5% above budget. This month visits in Physical Therapy, MRI and Radiology were down 76, 19 and 35 visits respectively. However, visits were up in Laboratory (131 visits), Occupational Therapy (36 visits), and IV Therapy (54 visits). The IV Therapy volume is of particular importance as it also results in higher drug cost and outpatient revenues.

Wound Care in October exceeded the budget of 150 with 245 visits, or 63.3% over budget. Hyperbaric Oxygen treatments accounted for 67 of those visits, compared to 54 in September.

Surgery

The surgery cases for October were 193 or 3.2% above the budget of 187 and above last year's case volume of 166. Inpatient cases were right at budget of 38 while outpatient cases were 6 (4.0%) above budget. This month's surgery activity, particularly outpatient volume was a vast improvement over prior month. Inpatient and outpatient cases totaled 38 and 155 respectively versus 48 and 120 during the prior month. An increase in the number of outpatient eye cases accounts for most of the overall increase. We are eagerly anticipating the new orthopedic surgeons with their first cases beginning in November.



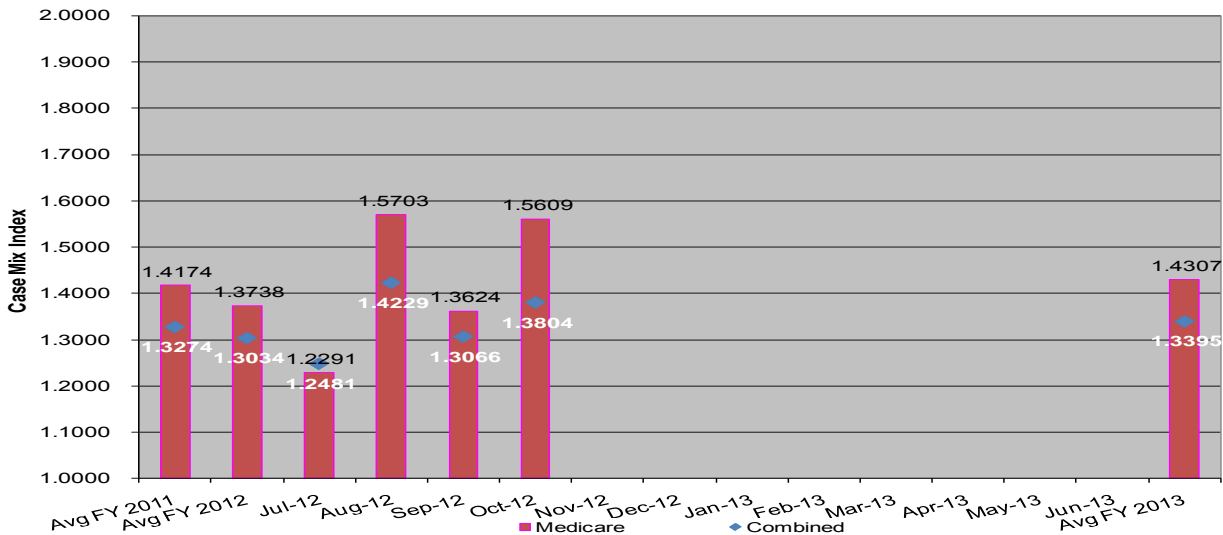
Payer Mix

The Hospital's overall payer mix compared to budget is illustrated below. This is inclusive of the Waters Edge revenue.

	<u>Oct Actual</u>	<u>Oct Budget</u>
Medicare	45.7%	46.4%
Medi-Cal	23.7%	27.8%
Managed Care	20.4%	15.4%
Other	3.7%	3.0%
Commerical	1.4%	3.0%
Self-Pay	5.1%	4.4%
Total	100.0%	100.0%

Case Mix Index

The Hospital's overall Case Mix Index (CMI) for October was 1.3804, up from the prior month of 1.3066. The Medicare CMI was 1.5609 in October close to the August high due to a couple of very high acuity discharges. The higher overall case mix is also consistent with the higher relative CCU patient day census. 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 October were above budget by \$943,000, or 3.6%. Inpatient revenues were \$138,000 below budget and outpatient revenues were up \$1,081,000. Acute inpatient days were below budget by 14.4% and acute gross revenue was down 12.3%. Overall inpatient ancillary service charges were mixed contributing to the inpatient gross revenue being just slightly lower than budget, charges for inpatient surgical cases and medical supplies were significantly above budget and consistent with a higher acuity census in CCU.

Waters Edge gross billing was at budget in October. Although the ancillary revenue was lower than budget, the routine daily room and board revenue and Medicare A RUG activity resulted in net revenue being about \$135,000 higher than budget in October.

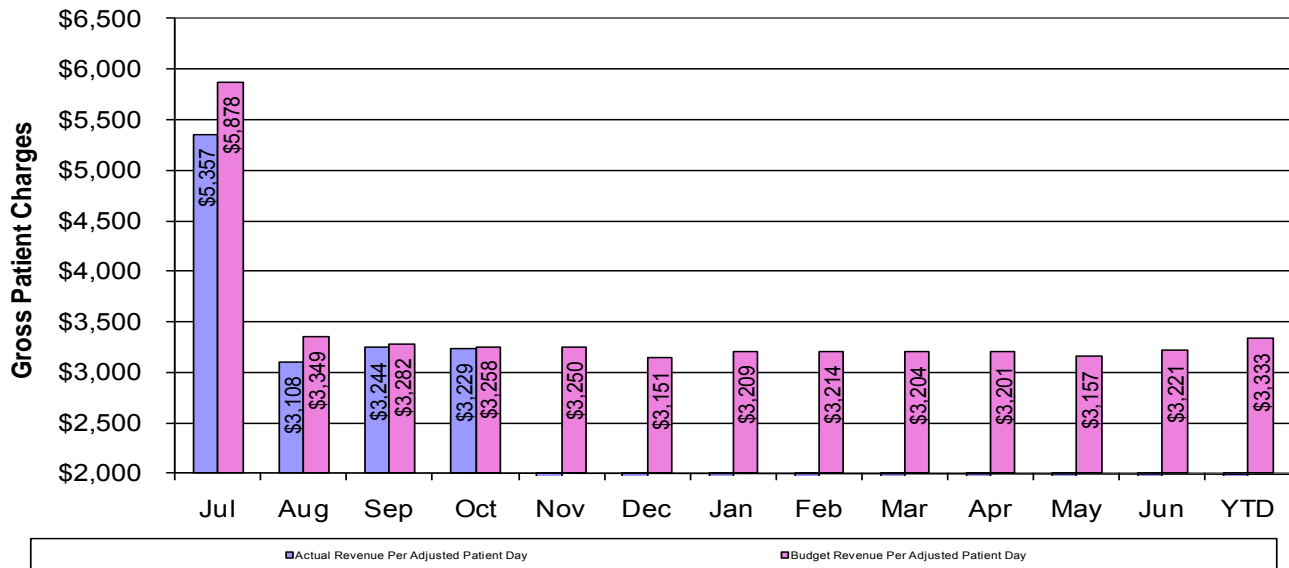
Outpatient gross revenues were higher than budget by \$1,081,000 (14.3%). Surgery, Infusion/IV Therapy, Wound Care and Pharmacy were the largest contributors that offset the lower Imaging revenue.

Wound Care volume was above budget with the gross revenue exceeding budget by \$246,000 due to the ramp up of higher intensity

services such as hyperbaric oxygen treatments, resulting in net revenue coming in at \$56,000 better than budget for the month.

On an adjusted patient day basis, total patient revenue was \$3,229, just below the budget of \$3,258 for the month of October. 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 revenue per day dropped in August with the addition of Waters Edge days and revenue in the mix. Waters Edge provides a significant amount of days (almost double) yet these patients have primarily room and board charges and very little ancillary services compared to acute patients.

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 23.4% was budgeted and 23.7% was realized. Medi-Cal reimbursement at both South Shore and Waters Edge were calculated at a per diem rate of \$316 which is consistent with budget and the anticipated rate if AB97 were to become effective.

The average RUG score of Medicare A patients at both Waters Edge and South Shore was higher than budget resulting in approximately \$20,000 additional net revenue. Other reimbursement rates are consistent with prior months.

It is also anticipated that the higher acuity patients treated in the CCU and higher number of outpatient IVT patients will have a direct positive impact on net revenue. This is consistent with the increased expenses associated with these two service areas during the month.

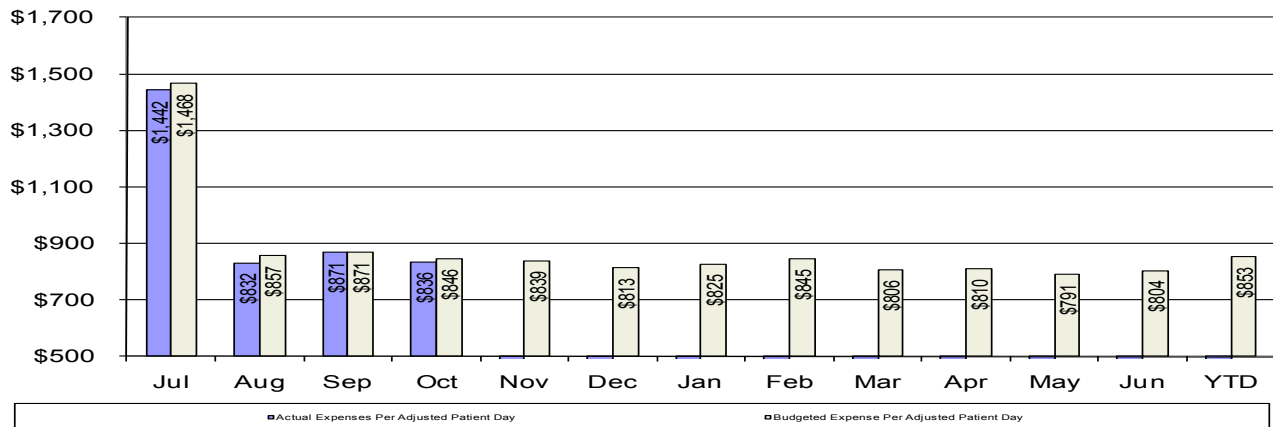
Expenses

Total Operating Expenses

Total operating expenses were \$6.9 million which was higher than the fixed budget by \$217,000 or 3.2%. Benefits, temporary agency fees, and supplies were above budget while salaries, insurance and other expenses were below budget. All other expense categories were reasonably close to budget. As mentioned at the July meeting the temporary agency budget is understated by \$40,000 per month.

The graph on the following page shows the actual Hospital operating expenses on an adjusted patient day basis for the fiscal year by month as compared to budget. Note that expenses per patient day were very close to budget this month and last.

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 favorable to the fixed budget by \$27,000. While the temporary agency expenses were budgeted lower than they should have been, there are still several areas using temporary staff to replace vacant positions. The departments utilizing temporary staff to replace budgeted vacant positions are Respiratory Therapy, Laboratory and General Accounting. In addition the CCU unit had 50% higher temporary agency expense during the month as a result of the sudden increase in ADC in that unit. The Emergency Department also had higher utilization that is not expected to recur.

Benefits

Benefits were unfavorable to the fixed budget by \$174,000 or 18.4%. This was significantly higher than last month and year-to-date is now over budget by 3.3%. Driving this expense was PTO/Vacation accrual (\$94,000) and direct health benefits claims expense. Increases or decreases to PTO/Vacation accrual actually get adjusted in conjunction with non-productive salary and wage expense (e.g. when employees do not take the anticipated (budgeted) amount of non-productive time during the month, there are additional hours on the books that require additional PTO/Vacation accrual. In October, non-productive wages were \$106,000 below budget and thus the need for additional benefit accrual). In months when more non-productive time is used, the accrual is then reduced. We anticipate that this will be the case in both November and December. Also contributing to the negative benefits variance was a large health claim that was received during the month of October. Health benefit expense is recorded as a combination of all direct claims that are paid during the month as well as any true-up needed to the month end IBNR report received from our claims administrator – Healthcomp.

Professional Fees

Professional fees were over budget by \$16,000 or 4.0% primarily due to the fees associated with the Interim Director in Information Systems. These fees were unanticipated but are offset by savings in salaries.

Supplies

Supplies expense were \$150,000 greater than budget, again due to IVT pharmaceuticals (\$65,000) as well as other hospital pharmaceuticals totaling (\$67,000). The additional \$67,000 is for multiple pharmacy invoices spanning from May through August that did not get authorized and sent to accounting for processing. Our new Director of Pharmacy has done a great job, not only cleaning up the department, but has begun reviewing our pharmaceutical purchases to ensure best contract pricing and billing accuracy.

IVT had 54 more infusion visits in October than was budgeted and the increase in IVT drug expense correlates with the increase in activity. We are also expecting increased net revenue and reimbursement associated with these IVT visits and expense.

The Surgery Department accounted for the remainder of the supply variance as we began to see more orthopedic cases. In addition, an infrequent, high cost spinal stimulator case was done during the month (\$24,500). We also performed a greater number of orthopedic cases that have a higher prosthetic cost. In early November, we did meet with one of our key orthopedic implant suppliers who has agreed to reduce the per case cost by approximately \$3,000. This type of activity will pave the way for better pricing and anticipated profitability once the new orthopedic surgeons ramp up their case load.

Purchased Services

Purchased services were under budget for the month of October by 10.2% and year to date under budget by 1.0%. The major contributing factor to the lower expenses is attributed to both South Shore and Waters Edge therapy expenses as well as lower linen and environmental service expenses. This was offset by higher expenses in collection agency fees and HFS consultants who provide management services to the Business Office. A new business office manager began at the end of October and the outside consulting expense will be eliminated in mid November (net expense impact about \$18,000 per month).

Rents and Leases

Rents and leases were over the fixed budget by just \$4,000 this month. A portion of this negative variance was attributable to Imaging equipment leases and Xerox lease expense for the facility.

Other Operating Expense

Other operating expenses were \$30,000 under the fixed budget in October while depreciation was above budget by \$5,000 primarily due to the Wound Care leasehold improvement expense being over budget and starting in September. The positive variance in October was for budgeted relocation expenses for our two new physicians and these expenses were already incurred in prior months.

Balance Sheet

Total assets decreased by \$1.5 million from the prior month. The following items make up the increase in current assets:

- Total unrestricted cash and cash equivalents for October increased by \$255,000 and days cash on hand including restricted use funds increased to 5.9 days cash on hand in October from 4.7 days cash on hand in September. Patient collections in August averaged \$264,500 per day, up significantly from the previous months.
- Net patient accounts receivable decreased in October by almost \$1.8 million mostly due to the backlog in Medi-Cal collections finally breaking through with August and September collections being received.
- Days in outstanding receivables were 57.5 at October month end, a decrease from September of 69.2 days. Collections in October were \$8.2 million compared to \$3.7 million in September.
- Prepaids and other decreased by \$29,000.

Overall, total liabilities decreased by \$1.5 million from prior month. However, there were a couple of changes in accrual and liability activity.

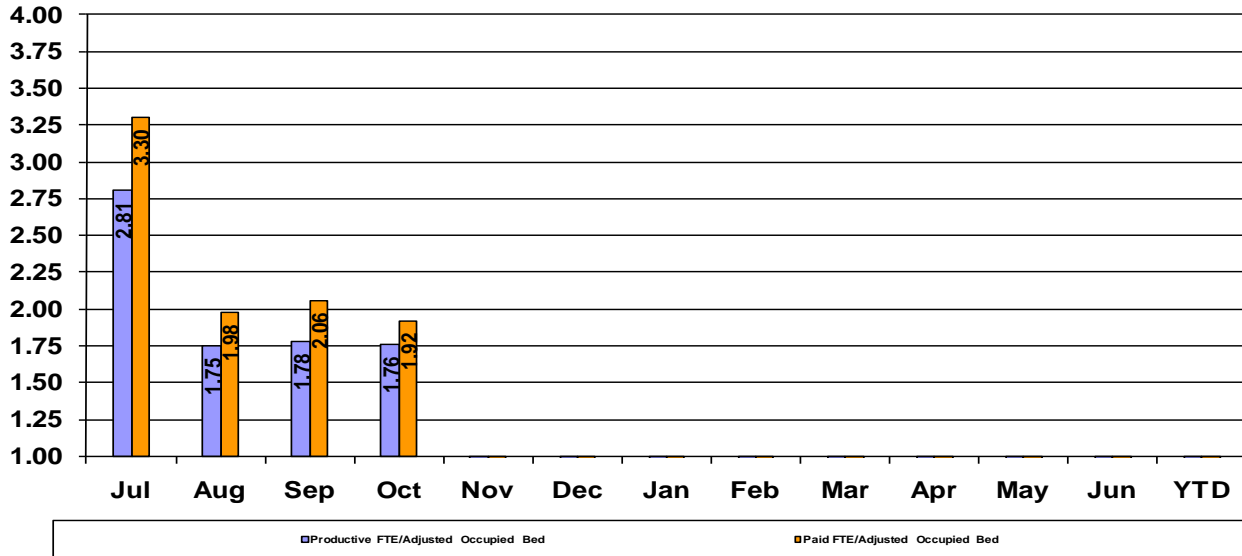
Accounts payable decreased by almost \$250,000 in October to almost \$10.5 million which equates to 142 AP Days, down from 149 days in September. Now that we are receiving positive cash flow from Waters Edge and other revenue programs, reducing the Hospital's outstanding vendor balances and days in AP remains a top priority and concern for management.

- Payroll related accruals remained constant.
- Deferred revenues decreased by \$477,000 due to the recognition of one-twelfth of the 2012/2013 parcel tax revenues.
- Current Portion of Long Term Debt in the month of October also decreased by \$750,000 as the short term advance from Emdeon was paid back.

Key Statistics

FTE's Per Adjusted Occupied Bed

For the month of October Productive FTE's per Adjusted Occupied Bed were 1.76, below the budget of 1.80 FTE's by 2.1%, and paid FTE's were 1.92 or 6.7% below 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 October is 0.92, down from .94 in September. The 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 \$6.4 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 57.5. This is down from the prior month of 69.2. Net A/R days are finally down as the result of cash collections finally flowing in for both the Emdeon billing issue and the backlog of Waters Edge billings. We expect A/R balances and cash flows to remain more constant now that many of these implementation issues have been worked through.

Days Cash on Hand

Days cash on hand for October were 5.9, an increase from prior month of 4.7. While cash collections have improved, cash is also needed to pay down vendor balances. Our next parcel tax installment is expected to be received around the third week of December.

The following pages include the detailed financial statements for the first (4) months ended October 31, 2012, of Fiscal Year 2013.

**ALAMEDA HOSPITAL
KEY STATISTICS
OCTOBER 2012**

	<u>ACTUAL OCTOBER 2012</u>	<u>CURRENT FIXED BUDGET</u>	<u>VARIANCE (UNDER) OVER</u>	<u>%</u>	<u>OCTOBER 2011</u>	<u>YTD OCTOBER 2012</u>	<u>YTD FIXED BUDGET</u>	<u>VARIANCE</u>	<u>%</u>	<u>YTD OCTOBER 2011</u>
Discharges:										
Total Acute	221	245	(24)	-9.6%	246	885	949	(64)	-6.8%	902
Total Sub-Acute	3	2	1	50.0%	2	10	9	1	11.1%	9
Total South Shore	6	8	(2)	-25.0%	8	22	26	(4)	-15.4%	26
Total Waters Edge	13	13	-	0.0%	-	37	35	2	5.7%	-
	243	268	(25)	-9.2%	256	954	1,019	(65)	-6.4%	937
Patient Days:										
Total Acute	841	982	(141)	-14.4%	931	3,460	3,806	(346)	-9.1%	3,543
Total Sub-Acute	1,001	1,021	(20)	-2.0%	1,022	4,047	4,012	35	0.9%	4,001
Total South Shore	681	656	25	3.8%	637	2,791	2,612	179	6.9%	2,687
Total Waters Edge	3,119	2,976	143	4.8%	-	8,946	8,555	391	4.6%	-
	5,642	5,635	7	0.1%	2,590	19,244	18,985	259	1.4%	10,231
Average Length of Stay										
Total Acute	3.81	4.02	(0.21)	-5.3%	3.78	3.91	4.01	(0.10)	-2.5%	3.93
Average Daily Census										
Total Acute	27.13	31.68	(4.55)	-14.4%	30.03	28.13	30.94	(2.81)	-9.1%	28.80
Total Sub-Acute	32.29	32.94	(0.65)	-2.0%	32.97	32.90	32.62	0.28	0.9%	32.53
Total South Shore	21.97	21.16	0.81	3.8%	20.55	22.69	21.24	1.46	6.9%	21.85
Total Waters Edge	100.61	96.00	4.61	4.8%	-	97.24	92.99	4.25	4.6%	-
	182.00	181.77	0.23	0.1%	83.55	180.96	177.79	(2.53)	-1.4%	83.18
Emergency Room Visits										
	1,385	1,423	(38)	-2.7%	1,407	5,518	5,646	(128)	-2.3%	1,407
Wound Care Clinic Visits										
	245	150	95	63.3%	-	521	400	121	30.3%	-
Outpatient Registrations										
	2,179	1,954	225	11.5%	1,800	7,713	7,553	160	2.1%	7,239
Surgery Cases:										
Inpatient	38	38	-	0.0%	33	171	149	22	14.8%	143
Outpatient	155	149	6	4.0%	133	489	670	(181)	-27.0%	664
	193	187	6	3.2%	166	660	819	(159)	-19.4%	807
Adjusted Occupied Bed (AOB)										
	267.23	256.88	10.36	4.0%	121.83	226.37	228.11	(1.74)	-0.8%	122.45
Productive FTE										
	471.14	462.70	8.44	1.8%	343.30	433.91	431.19	2.72	0.6%	342.84
Total FTE										
	512.77	528.44	(15.67)	-3.0%	392.18	492.59	492.47	0.12	0.0%	397.19
Productive FTE/Adj. Occ. Bed										
	1.76	1.80	(0.04)	-2.1%	2.82	1.92	1.89	0.03	1.4%	2.80
Total FTE/ Adj. Occ. Bed										
	1.92	2.06	(0.14)	-6.7%	3.22	2.18	2.16	0.02	0.8%	3.24

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

	Current Month	Prior Month	Prior Year End
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 1,206,963	\$ 951,816	\$ 3,327,884
Patient Accounts Receivable, net	10,781,193	12,546,572	8,835,256
Other Receivables	6,116,430	6,044,406	6,488,283
Third-Party Payer Settlement Receivables	-	-	-
Inventories	1,034,717	1,060,171	1,045,311
Prepays and Other	628,290	657,420	416,371
Total Current Assets	19,767,593	21,260,385	20,113,105
Assets Limited as to Use, net	107,879	95,994	64,183
Fixed Assets			
Land	877,945	877,945	877,945
Depreciable capital assets	44,529,145	44,529,145	43,470,520
Construction in progress	3,529,310	3,434,702	4,102,468
Depreciation	(39,956,557)	(39,883,457)	(39,670,499)
Property, Plant and Equipment, net	8,979,843	8,958,335	8,780,434
Total Assets	\$ 28,855,315	\$ 30,314,714	\$ 28,957,722
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 1,724,249	\$ 2,474,249	\$ 1,724,249
Accounts Payable and Accrued Expenses	10,197,819	10,446,088	7,848,673
Payroll Related Accruals	4,289,501	4,294,265	4,307,924
Deferred Revenue	3,820,710	4,295,054	5,726,305
Employee Health Related Accruals	641,446	658,111	691,942
Third-Party Payer Settlement Payable	748,843	379,233	601,233
Total Current Liabilities	21,422,568	22,547,000	20,900,326
Long Term Debt, net	1,023,992	1,353,926	1,022,152
Total Liabilities	22,446,560	23,900,926	21,922,478
Net Assets:			
Unrestricted	6,090,877	6,107,795	6,761,061
Temporarily Restricted	317,879	305,994	274,183
Total Net Assets	6,408,756	6,413,789	7,035,244
Total Liabilities and Net Assets	\$ 28,855,315	\$ 30,314,715	\$ 28,957,722

City of Alameda Health Care District

Statements of Operations

October 31, 2012

\$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	5,642	5,635	7	0.1%	2,590	19,244	18,985	259	1.4%	10,231
Discharges	243	268	(25)	-9.2%	256	954	1,020	(66)	-6.5%	937
ALOS (Average Length of Stay)	23.22	21.07	2.15	10.2%	10.12	20.17	18.61	1.56	8.4%	10.92
ADC (Average Daily Census)	182.0	181.8	0.23	0.1%	83.5	156.5	154.3	2.11	1.4%	83.2
CMI (Case Mix Index)	1.3804				1.2866	1.3379				1.3451
Revenues										
Gross Inpatient Revenues	\$ 18,220	\$ 18,359	\$ (138)	-0.8%	\$ 14,620	\$ 67,179	\$ 69,296	\$ (2,117)	-3.1%	\$ 57,999
Gross Outpatient Revenues	8,666	7,585	1,081	14.3%	6,699	30,253	29,378	874	3.0%	27,889
Total Gross Revenues	26,887	25,944	943	3.6%	21,319	97,432	98,674	(1,243)	-1.3%	85,888
Contractual Deductions	19,726	19,016	(710)	-3.7%	15,297	68,636	72,636	4,001	5.5%	63,443
Bad Debts	600	698	98	14.1%	740	5,311	2,804	(2,507)	-89.4%	2,317
Charity and Other Adjustments	189	168	(21)	-12.8%	-	435	679	244	36.0%	760
Net Patient Revenues	6,372	6,062	310	5.1%	5,281	23,050	22,555	496	2.2%	19,367
Net Patient Revenue %	23.7%	23.4%			24.8%	23.7%	22.9%			22.5%
Net Clinic Revenue	50	42	8	19.3%	32	157	167	(10)	-5.9%	130
Other Operating Revenue	25	50	(25)	-49.8%	10	46	201	(155)	-77.2%	192
Total Revenues	6,447	6,154	293	4.8%	5,323	23,253	22,923	331	1.4%	19,690
Expenses										
Salaries	3,343	3,509	166	4.7%	2,869	12,944	13,311	367	2.8%	11,425
Temporary Agency	193	54	(139)	-255.4%	112	731	243	(488)	-200.9%	439
Benefits	1,117	943	(174)	-18.4%	846	3,679	3,560	(118)	-3.3%	3,472
Professional Fees	416	400	(16)	-4.0%	422	1,536	1,496	(40)	-2.6%	1,419
Supplies	880	730	(150)	-20.5%	590	3,085	2,847	(238)	-8.4%	2,490
Purchased Services	492	548	56	10.2%	332	2,002	2,023	21	1.0%	1,354
Rents and Leases	209	205	(4)	-1.9%	80	753	736	(17)	-2.3%	326
Utilities and Telephone	80	87	7	8.0%	67	312	333	21	6.4%	263
Insurance	31	42	11	26.0%	25	150	150	(0)	0.0%	112
Depreciation and amortization	73	68	(5)	-7.5%	73	289	272	(17)	-6.4%	299
Other Operating Expenses	124	155	30	19.5%	130	395	472	77	16.3%	362
Total Expenses	6,958	6,741	(217)	-3.2%	5,545	25,877	25,444	(433)	-1.7%	21,960
Operating gain (loss)	(511)	(587)	76	12.9%	(222)	(2,624)	(2,521)	(102)	4.1%	(2,270)
Non-Operating Income / (Expense)										
Parcel Taxes	480	500	(20)	-3.9%	488	1,911	2,000	(88)	-4.4%	1,924
Investment Income	1	-	1	0.0%	1	6	-	6	0.0%	2
Interest Expense	(17)	(8)	(9)	-112.6%	(20)	(69)	(8)	(61)	754.3%	(65)
Other Income / (Expense)	29	15	14	96.0%	23	111	60	52	86.3%	95
Net Non-Operating Income / (Expense)	493	507	(14)	-2.7%	492	1,960	2,051	(91)	-4.5%	1,956
Excess of Revenues Over Expenses	\$ (18)	\$ (80)	\$ 62	-77.7%	\$ 271	\$ (664)	\$ (470)	\$ (194)	41.2%	\$ (314)

City of Alameda Health Care District
Statements of Operations - Per Adjusted Patient Day
October 31, 2012

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	\$ 2,188	\$ 2,305	\$ (117)	-5.1%	\$ 3,871	\$ 2,407	\$ 2,563	\$ (156)	-6.1%	\$ 3,828
Gross Outpatient Revenues	1,041	953	88	9.3%	1,774	1,084	1,087	(3)	-0.3%	1,841
Total Gross Revenues	3,229	3,258	(29)	-0.9%	5,645	3,491	3,650	(159)	-4.4%	5,669
Contractual Deductions	2,369	2,388	19	0.8%	4,050	2,459	2,687	228	8.5%	4,188
Bad Debts	72	88	16	17.8%	196	190	104	(87)	-83.5%	153
Charity and Other Adjustments	23	21	(2)	-7.9%	-	16	25	10	38.0%	50
Net Patient Revenues	765	761	4	0.5%	1,398	826	834	(8)	-1.0%	1,278
Net Patient Revenue %	23.7%	23.4%			24.8%	23.7%	22.9%			22.5%
Net Clinic Revenue	6	5	1	14.1%	9	6	6	(1)	-8.8%	9
Other Operating Revenue	3	6	(3)	-52.0%	3	2	7	(6)	-77.9%	13
Total Revenues	774	773	2	0.2%	1,409	833	848	(15)	-1.7%	1,300
Expenses										
Salaries	401	441	39	8.9%	760	464	492	29	5.8%	754
Temporary Agency	23	7	(16)	-239.9%	30	26	9	(17)	-191.5%	29
Benefits	134	118	(16)	-13.3%	224	126	132	6	4.4%	229
Professional Fees	50	50	0	0.5%	112	55	55	0	0.6%	94
Supplies	106	92	(14)	-15.3%	156	111	105	(5)	-5.0%	164
Purchased Services	59	69	10	14.1%	88	72	75	3	4.1%	89
Rents and Leases	25	26	1	2.5%	21	27	27	0	0.9%	22
Utilities and Telephone	10	11	1	12.0%	18	11	12	1	9.3%	17
Insurance	4	5	2	29.2%	7	5	6	0	3.1%	7
Depreciation and Amortization	9	9	(0)	-2.8%	19	10	10	(0)	-3.0%	20
Other Operating Expenses	15	19	4	23.0%	34	14	17	3	18.9%	24
Total Expenses	836	846	11	1.3%	1,468	921	941	20	2.1%	1,449
Operating Gain / (Loss)	(61)	(74)	12	16.7%	(59)	(88)	(93)	5	-5.6%	(150)
Non-Operating Income / (Expense)										
Parcel Taxes	58	63	(5)	-8.1%	129	68	74	(5)	-7.4%	127
Investment Income	0	-	0	0.0%	0	0	-	0	0.0%	0
Interest Expense	(2)	(1)	(1)	-103.4%	(5)	(2)	(1)	(1)	106.9%	(4)
Other Income / (Expense)	4	2	2	87.4%	6	4	2	2	80.5%	6
Net Non-Operating Income / (Expense)	59	64	(4)	-7.0%	130	70	75	(5)	-6.4%	129
Excess of Revenues Over Expenses	\$ (2)	\$ (10)	\$ 8	-78.7%	\$ 72	\$ (18)	\$ (18)	\$ 0	-2.4%	\$ (21)

Wound Care - Statement of Operations
October 31, 2012

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	245	150	95	63.3%	521	400	121	30.3%
Revenue								
Gross Revenue	561,356	315,588	245,768	77.9%	1,009,602	841,568	168,034	20.0%
Deductions from Revenue	<u>432,469</u>	<u>243,129</u>	<u>189,340</u>		<u>776,345</u>	<u>648,344</u>	<u>128,001</u>	
Net Revenue	<u>128,887</u>	<u>72,459</u>	<u>56,428</u>		<u>233,257</u>	<u>193,224</u>	<u>40,033</u>	<u>20.7%</u>
Expenses								
Salaries	11,582	14,911	3,329	22.3%	48,892	59,644	10,752	18.0%
Benefits	3,312	4,220	907	21.5%	12,172	16,879	4,707	27.9%
Professional Fees	64,144	38,027	(26,117)	-68.7%	123,772	105,405	(18,367)	-17.4%
Supplies	6,804	7,532	728	9.7%	28,836	30,128	1,292	4.3%
Purchased Services	2,012	2,083	71	-100.0%	18,767	8,333	(10,434)	-100.0%
Rents and Leases	5,136	5,080	(56)	-1.1%	21,300	20,320	(980)	-4.8%
Depreciation	8,685	4,900	(3,785)	-77.2%	17,850	19,600	1,750	8.9%
Other	5,211	5,917	706	11.9%	10,214	23,668	13,454	56.8%
Total Expenses	<u>106,886</u>	<u>82,670</u>	<u>(24,217)</u>	<u>-29.3%</u>	<u>281,804</u>	<u>283,977</u>	<u>2,174</u>	<u>0.8%</u>
Excess of Revenue over Expenses	<u>22,001</u>	<u>(10,211)</u>	<u>32,212</u>	<u>315.5%</u>	<u>(48,546)</u>	<u>(90,753)</u>	<u>42,207</u>	<u>46.5%</u>

Note: Of the 245 visits, 67 were hyperbaric oxygen treatment visits.

City of Alameda Health Care District
Waters Edge Skilled Nursing - Statement of Operations
October 31, 2012

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Patient Days								
Medicare	384	310	74	23.9%	933	858	75	8.7%
Medi-Cal	2,433	2,356	77	3.3%	7,144	6,839	305	4.5%
Managed Care	81	155	(74)	-47.7%	146	398	(252)	-63.3%
Self Pay/Other	<u>221</u>	<u>155</u>	<u>66</u>	<u>42.6%</u>	<u>723</u>	<u>460</u>	<u>263</u>	<u>57.2%</u>
Total	3,119	2,976	143	4.8%	8,946	8,555	391	4.6%
Revenue								
Routine Revenue	2,403,115	2,365,798	37,317	1.6%	6,897,785	6,749,846	147,939	2.2%
Ancillary Revenue	<u>310,508</u>	<u>436,783</u>	<u>(126,275)</u>	<u>-28.9%</u>	<u>830,627</u>	<u>1,296,229</u>	<u>(465,602)</u>	<u>-35.9%</u>
Total Gross Revenue	2,713,623	2,802,581	(88,958)	-3.2%	7,728,412	8,046,075	(317,663)	-3.9%
Deductions from Revenue	<u>1,547,025</u>	<u>1,771,231</u>	<u>224,207</u>	<u>12.7%</u>	<u>4,463,433</u>	<u>5,179,502</u>	<u>716,069</u>	<u>13.8%</u>
Net Revenue	<u>1,166,598</u>	<u>1,031,350</u>	<u>135,249</u>	<u>13.1%</u>	<u>3,264,979</u>	<u>2,866,573</u>	<u>398,406</u>	<u>13.9%</u>
Expenses								
Salaries	404,560	507,270	102,710	20.2%	1,244,407	1,426,641	182,234	12.8%
Benefits	98,081	152,181	54,100	35.5%	282,568	427,992	145,424	34.0%
Professional Fees	(4,926)	13,999	18,925	135.2%	25,045	41,997	16,952	40.4%
Supplies	31,819	98,629	66,810	67.7%	187,534	293,473	105,939	36.1%
Purchased Services	58,234	134,574	76,340	56.7%	300,015	381,443	81,428	21.3%
Rents and Leases	76,733	76,552	(181)	-0.2%	231,037	229,656	(1,381)	-0.6%
Utilities	1,183	14,998	13,815	92.1%	43,496	44,996	1,500	3.3%
Insurance	(8,000)	12,165	20,165	165.8%	8,898	36,495	27,597	75.6%
Other	<u>9,614</u>	<u>21,303</u>	<u>11,689</u>	<u>54.9%</u>	<u>38,727</u>	<u>63,574</u>	<u>24,847</u>	<u>39.1%</u>
Total Expenses	667,298	1,031,671	364,373	35.3%	2,361,727	2,946,267	584,540	19.8%
Excess of Revenue over Expenses	<u>499,300</u>	<u>(321)</u>	<u>499,621</u>	<u>155552.2%</u>	<u>903,252</u>	<u>(79,694)</u>	<u>982,946</u>	<u>1233.4%</u>

City of Alameda Health Care District
Statement of Cash Flows
For the Four Months Ended October 31, 2012

	<u>Current Month</u>	<u>Year-to-Date</u>
Cash flows from operating activities		
Net Income / (Loss)	\$ (17,770)	\$ (663,779)
Items not requiring the use of cash:		
Depreciation and amortization	73,100	\$ 289,335
Write-off of Kaiser liability	-	\$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	1,765,379	(1,945,937)
Other Receivables	(72,024)	371,853
Third-Party Payer Settlements Receivable	369,610	147,610
Inventories	25,454	10,594
Prepays and Other	29,130	(211,919)
Accounts payable and accrued liabilities	(248,269)	2,349,146
Payroll Related Accruals	(4,764)	(18,423)
Employee Health Plan Accruals	(16,665)	(50,496)
Deferred Revenues	(474,344)	(1,905,595)
Cash provided by (used in) operating activities	<u>1,428,837</u>	<u>(1,627,611)</u>
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(11,885)	(43,696)
Additions to Property, Plant and Equipment	(94,609)	(488,745)
Other	852	(6,405)
Cash provided by (used in) investing activities	<u>(105,642)</u>	<u>(538,845)</u>
Cash flows from financing activities		
Net Change in Long-Term Debt	(1,079,934)	1,840
Net Change in Restricted Funds	11,885	43,696
Cash provided by (used in) financing and fundraising activities	<u>(1,068,049)</u>	<u>45,536</u>
Net increase (decrease) in cash and cash equivalents	255,146	(2,120,921)
Cash and cash equivalents at beginning of period	951,816	3,327,884
Cash and cash equivalents at end of period	<u>\$ 1,206,964</u>	<u>\$ 1,206,964</u>

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

Financial Ratios	<u>Audited Results</u>		<u>Unaudited Results</u>		YTD
	FY 2009	FY 2010	FY 2011	FY 2012	10/31/2012
<u>Profitability Ratios</u>					
Net Patient Revenue (%)	22.69%	24.16%	23.58%	22.73%	23.66%
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%	-9.54%
Total Margin	1.03%	2.74%	-2.61%	-3.21%	-2.85%
<u>Liquidity Ratios</u>					
Current Ratio	1.15	1.23	1.05	0.96	0.92
Days in accounts receivable ,net	57.26	51.83	46.03	55.21	57.53
Days cash on hand (with restricted)	13.6	21.6	14.1	17.7	5.9
<u>Debt Ratios</u>					
Cash to Debt	115.3%	249.0%	123.3%	123.56%	47.84%
Average pay period (includes payroll)	58.03	57.11	62.68	72.94	72.53
Debt service coverage	3.87	5.98	(0.70)	(0.53)	(0.17)
Long-term debt to fund balance	0.20	0.14	0.18	0.28	0.30
Return on fund balance	8.42%	18.87%	-19.21%	-27.35%	-10.36%
Debt to number of beds	13,481	10,482	11,515	16,978	9,728

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

Financial Ratios	<u>Audited Results</u>		<u>Unaudited Results</u>		YTD
	FY 2009	FY 2010	FY 2011	FY 2012	10/31/2012
Patient Care Information					
Bed Capacity	161	161	161	161	281
Patient days(all services)	30,463	30,607	30,270	30,448	19,244
Patient days (acute only)	11,787	10,579	10,443	10,880	3,460
Discharges(acute only)	2,812	2,802	2,527	2,799	885
Average length of stay (acute only)	4.19	3.78	4.13	3.89	3.91
Average daily patients (all sources)	83.46	83.85	82.93	83.19	156.46
Occupancy rate (all sources)	52.94%	52.08%	51.51%	51.67%	55.68%
Average length of stay	4.19	3.78	4.13	3.89	3.91
Emergency Visits	17,337	17,624	16,816	16,964	5,518
Emergency visits per day	47.50	48.28	46.07	46.35	44.86
Outpatient registrations per day ^{Note 1}	82.05	79.67	65.19	60.67	62.71
Surgeries per day - Total	16.12	13.46	6.12	6.12	5.35
Surgeries per day - excludes Kaiser	5.14	5.32	6.12	6.12	5.35

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.

City of Alameda Health Care District
Policy 2011-0c
DISTRICT BOARD REFERRALS

I. PURPOSE

To provide a process and protocol for any single District Board Member or any two or more District Board Members to add an item to the Board's agenda related to the City of Alameda Health Care District and Alameda Hospital and its operations in accordance with this policy and the District By-Laws.

II. POLICY

- a. Single Member. Any single Board Member may, prior to any regular District Board meeting and/or District Board designated committee, request that a matter be brought to the attention of the District Board and/or committee that is not otherwise scheduled on a District Board or Committee agenda. The matter may be placed on such agenda in the District Board Referral section.
- b. Two or More Members. Any two or more Board Members may, prior to any regular District Board meeting, request that a matter be brought to the attention of the District Board per the City of Alameda Health Care District By-Laws
 - i. "Article II, Board of Directors; Section 8, Notice, D. The President of the Board, in consultation with the CEO of the District, shall determine the agenda, provided that any two Board members may specify that an item be on the agenda."

III. PROCEDURE (Single Member)

- a. District Board Referrals shall be submitted to the District Clerk before 5:00 p.m. on the Monday of the week prior to each regular monthly ~~Monday~~ District Board meeting and seven (7) days prior to each other District Board meeting and/or Board designated committee meeting.

- i. The sponsoring Board Member shall give the District Clerk a brief written description of the subject, sufficient to inform the District Board or Committee and the public of the nature of the referral, if placed on an agenda.
 - ii. Submittal of District Board Referrals shall also include any pertinent supporting documentation related to the Referral, if appropriate.
 - iii. Attachment 1 is a form for District Board Members to use to make Referrals.
- b. The District Clerk will promptly deliver the Referral documentation to the Board President prior to posting on a public agenda. The Board President will determine whether the matter should be agendized and, if so, whether it should be placed on the meeting agenda of the Board or of a Board Committee, and whether in open or closed session. The District Clerk will notify the referring Board member of the decision to place or not to place the Referral on the District Board Agenda or Committee agenda no later than four (4) days prior to the scheduled meeting date.
- c. Approved District Board Referrals will be placed on the agenda prior to General Public Comments at the end of each agenda.
- d. When the Referral is placed on the agenda of the District Board meeting or Board designated committee meeting, the District Board and/or committee, after considering the referral, may do any of the following:
 - i. Take no action.
 - ii. Refer the matter to staff to schedule as a future District Board agenda item for further discussion and/or action.
 - iii. Take dispositive action if the Board finds that sufficient notice to the Board and the public has been provided by the published agenda, sufficient information has been received by the Board, and no formal published notice of a public hearing is required.
 - iv. The District Board Member who requested the referral has the privilege of speaking first on the item.

IV. PROCEDURE (Two or More Members)

- a. If any two or more District Board Members wish to specify that an item be on the agenda, such item(s) shall be submitted to the District Clerk before 5:00 p.m. on the Monday of the week prior to each regular monthly District Board meeting.
 - i. Said specifyingThe two (2) Board Members shall give the District Clerk a brief written description of the subject, sufficient to inform the District Board and the public of the nature of the agenda item.
 - ii. Submittal of the agenda item shall also include any pertinent supporting documentation related to the agenda item, if appropriate.
 - iii. Attachment 2 is a form for District Board Members to use to submit the agenda item.
- b. The District Clerk will promptly deliver the documentation to the Board President and Chief Executive Officer prior to posting on a public agenda.
- c. Placement of the agenda item on a publicthe appropriate agenda, for open and/or closed session, depending on the nature of the item, will be determined by the District Board President,
- d. The two (2) District Board Members who have agendized the item will have the privilege of speaking first on the item.

DISTRICT BOARD REFERRAL FORM

(Single Member)

(To Be Submitted to the District Clerk)

Name of District Board Member Requesting Referral: _____

Date of Submission to District Clerk (must be submitted to the District Clerk before 5:00 p.m. on the Monday of the week prior to each regular monthly

~~Monday~~-District Board meeting and seven (7) days prior to each other District Board meeting and/or Board designated committee meeting: _____

Brief Description of the subject to be printed on the agenda, sufficient to inform the District Board and public of the nature of the District Board Referral:

DISTRICT BOARD _____ REFERRAL FORM

(Two or More Members)

(To Be Submitted to the District Clerk)

Name of the ~~two (2)~~ District Board Member(s) Requesting Referral:

Date of Submission to District Clerk (must be submitted to the District Clerk before 5:00 p.m. on the Monday of the week prior to each regular monthly District Board meeting:

Brief Description of the subject to be printed on the agenda, sufficient to inform the District Board and public of the nature of the Agenda item:

[Empty rectangular box for description]

Date: November 30, 2012

For: December 5, 2012 District Board Meeting

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

From: Brian Jung, Chief Business Development Officer

Subject: Approval to Award Construction Contract to Signature Construction for the Alameda Hospital, Original Building, Npc-2 Lighting Upgrade Project

RECOMMENDATION:

Hospital Administration is recommending that the District Board authorize management to award a contract to Signature Construction for a construction project to anchor emergency lighting and signage in the original building (East Wing) of Alameda Hospital, 2070 Clinton Street, Alameda, California. The contract will be in the amount of \$86,230.

BACKGROUND:

The California Legislature passed Senate Bill 1953 requiring all acute care hospitals in the State to achieve specified levels of structural (SPC) and non-structural (NPC) soundness in order to protect its citizens in the event of a major earthquake. The Office of Statewide Health Planning and Development (OSHPD) is the state regulatory body that manages compliance with this law, which mandated that an SPC2 level be achieved by all hospitals by January 1, 2008. However, subsequent legislation extended that deadline to January 1, 2013.

Another bill, SB90, extended the deadline even further, for a period of up to 7 more years, as long as an application was filed and certain NPC conditions were met by the January 1, 2013 deadline. NPC2 compliance requires the completion of three projects: 1) Anchoring of all emergency egress lighting and signage (\$150K), 2) Provision of a new foundation for the bulk oxygen tank currently in use (\$400K), and 3) Providing OSHPD-approved emergency communications (\$50K).

This contract awarding request addresses the first of the three aforementioned NPC2 compliance projects: **Emergency Lighting Anchoring**

OSHPD's Policy Intent Notice 32 on NPC2 Seismic Bracing Upgrades outlines the need for anchoring certain hospital building non-structural systems that provide critical and basic services to hospital inpatients and the public after a disaster. Among these is a requirement to ensure adequate emergency egress lighting systems. Currently, the hallway and emergency exit lighting in the 1925 original building (East Wing) is not in compliance with NPC2 standards, and needs to be upgraded accordingly.

On July 2, 2012, the Board approved the original \$150,000 budget estimate for the project, which included \$120,000 for construction expenses, with an additional \$15,000 for contingency allowance.

DISCUSSION:

We utilized a pre-qualification process to determine the initial pool of bidders, which resulted in three submissions from interested contractors. Two of the three passed the pre-qualification selection round, and were invited to participate in a bidders conference held on November 21, 2012. Contractors were provided a complete set of construction plans and architectural specifications, as well as a set of the District's bid documents and requirements. Complete bid proposals were due on November 29, 2012 at 4:00 p.m. at which time, all bids were opened and the bid amounts read.

Both pre-qualified contractors who attended the bid conference submitted proposals, giving us two competitive bids for consideration.

The two submitted Lump Sum Bid prices are as follows:

- Signature Construction \$86,230
- Rossi Builders \$188,268

After careful review of both contractor bids, all were found to be responsible competent proposals. Given this, the recommendation is to contract with the lowest bidder, Signature Construction.

While Signature Construction's bid price is approximately \$34,000 lower than our original construction budget estimate, which was prepared prior to the development of the construction documents, subsequent budget reforecasts with updated estimates for previously unbudgeted professional fees such as hazardous material abatement and various inspection-related expenses, bring the total anticipated costs of the project in line with the approved \$150,000 overall budget.

The contract documents will specify a 25 day construction timeline with a \$100 per day penalty for any time that the project runs over (with no fault of the owner). Once approved by the District Board, management will publicly notice the contract award, and after receiving the approved building permit from OSHPD, award the contract and provide the official Notice to Proceed to the contractor.

Jtech will continue to serve as our project manager during construction and will review and approve all payment requests from the contractor.

Signature Construction has been in business for 48 years and is based out of Burlingame, CA. Eight of their employees live in Alameda County. Both of the sub-contractors are based out of Alameda County. The District's Bid Contract requires the contractor pay prevailing wages as established by the State of California Department of Industrial Relations for Alameda County.

Public Notice

Intent to Fill Board Member Vacancy

The City of Alameda Health Care District (District) has been informed of a vacancy created by virtue of Director Stewart Chen, DC being elected to Alameda City Council in the November 6, 2012 General Election. Such resignation will be effective on December 18, 2012. The District must appoint an individual to fill the vacant position on its Board of Directors.

Individuals interested in being considered for this appointment must submit an “Application Package”, as described in the attached Procedures to Fill Board Member Vacancy, to the District. Application Packages must be delivered to the District, at the address below, no later than **5:00 p.m., Thursday, January 3, 2013.**

An applicant to fill the vacancy must meet the following **minimum requirements**: (1) be a resident and registered voter in the District, (2) not have been suspended or expelled from participation in the Medicare program, and (3) not have been convicted of a felony.

The City of Alameda Health Care District Board of Directors consists of five representatives, elected at large, who are responsible for the policy direction of the District. Under statutory procedures established in California Government Code Section 1780, the vacant directorship will be subject to election in November 2014.

The District will conduct an Applicant Conference on **Wednesday, January 23, 2013 at 5:30 p.m.** in the 2 East Board Room at Alameda Hospital, for the purpose of familiarizing Applicants with the District and Alameda Hospital. Applicants are encouraged to attend. The Board of Directors plans to interview applicants, selected according to the procedures set forth below, at a Special District Board Meeting, to be held on **Monday, January 28, 2013 at 7:30 p.m.** The Board also plans to make the appointment on **Monday, January 28, 2013 at 7:30 p.m.** Meetings will be conducted in the William Dal Cielo Conference Room. For further information, please contact the District Clerk at (510) 814-4001.

Mail your Application Package to: City of Alameda Health Care District
Attention: Administration
2070 Clinton Avenue
Alameda, CA 94501

PROCEDURES TO FILL BOARD MEMBER VACANCY

In General.

Health and Safety Code Section 32100 provides that any vacancy in the office of a member elected to the District board shall be filled pursuant to Section 1780 of the Government Code, requiring the District to notify County Elections of the vacancy no later than fifteen (15) days following the date the Board is notified. This notification has been accomplished by the District Clerk.

Pursuant to Government Code Section 1780(a), the vacancy must be filled within sixty (60) days, and a Notice of Vacancy must be posted in three or more conspicuous places in the District at least fifteen (15) days before the appointment.

An applicant to fill the vacancy must meet the following **minimum requirements**: (1) be a resident and registered voter in the District, (2) not have been suspended or expelled from participation in the Medicare program, and (3) not have been convicted of a felony. (In order to satisfy the final two requirements, Applicants must complete and sign appropriate authorizations for the District to complete background investigations.)

The District will accept applications on a district-wide basis and encourages qualified Applicants to apply. Final selection will be made by the Board, based on the best-qualified Applicant meeting the minimum requirements.

Process and Timeline.

On **Thursday, December 6, 2012**, a Notice of Vacancy shall be posted and disseminated by posting in at least three conspicuous places within the District. The District shall also issue a press release announcing the vacancy and the procedures set forth herein.

On or before **Thursday, January 3, 2013 at 5:00 pm**, Applicants must submit an "Application Package" to the District Clerk consisting of the following materials:

1. A signed letter of interest. The letter should contain a statement of qualifications and other information which will assist the Board in making its decision.
2. A resume or curriculum vitae.
3. The names and contact information for at least two references.
4. Applicants must also indicate any potential conflict of interest that they might have. This includes, but is not limited to, the Applicant and any immediate family member that has a financial interest in Alameda Hospital either as an employee, contractor or supplier, or through a professional relationship. In addition, all applicants must indicate if they have a conflict with respect to trade secrets that

might put Alameda Hospital at a disadvantage when instituting new or expanded programs.

5. Completion of Authorization for Background Investigation Form (see attached).
6. Applicant must also answer the following four (4) questions:
 - a. Why are you interested in becoming a member of the Board of Directors of the City of Alameda Health Care District?
 - b. What is your view of the role of the District Board versus the role of management in an organization?
 - c. What is your vision for the future of Alameda Hospital?
 - d. What unique value would you bring to the District Board?

All Application Packages that have been timely received will be forwarded to the Board members for their individual review. If there are more than ten (10) applicants, each Board member will select, and forward to the District Clerk by **Friday, January 11, 2013**, the names of their ten recommended applicants for further consideration. The ten applicants receiving the most Board recommendations will be invited for interviews with the full Board. If there are less than ten (10) Applicants, all Applicants will be reviewed, vetted and interviewed by the full Board. All applicants to be interviewed by the Board are referred to as "Qualified Applicants". All Qualified Applicants will be notified of their status and an Information Packet will be made available to each of them. Any and all information obtained through the reference checks and vetting process will be considered a public record.

All Qualified Applicants are invited (and encouraged) to attend an Applicant Conference on **Wednesday, January 23, 2013 at 5:30 p.m.** in the 2 East Board Room at Alameda Hospital. All Applicants will be interviewed by the full Board in open session on **Wednesday, January 28, 2013 at 7:30 p.m.** The Board also plans to make the final appointment on **Wednesday, January 28, 2013 at 7:30 p.m.**

Posted on: **December 6, 2012**



NOTICE REGARDING BACKGROUND INVESTIGATION
[IMPORTANT -- PLEASE READ CAREFULLY BEFORE SIGNING ACKNOWLEDGMENT]

Employer (Alameda Hospital) may obtain information about you from a consumer reporting agency for employment purposes. Thus, you may be the subject of a “consumer report” and/or an “investigative consumer report” which may include information about your character, general reputation, personal characteristics, and/or mode of living, and which can involve personal interviews with sources such as your neighbors, friends, or associates. These reports may be obtained at any time after receipt of your authorization and, if you are hired, throughout your employment. You have the right, upon written request made within a reasonable time after receipt of this notice, to request disclosure of the nature and scope of any investigative consumer report. Please be advised that the nature and scope of the most common form of investigative consumer report obtained with regard to applicants for employment is an investigation into your education and/or employment history conducted by Corporate Screening Services, Inc., 16530 Commerce Court, Cleveland, OH 44130, Phone: 800-229-8606, Fax: (440) 243-4204 or another outside organization. The scope of this notice and authorization is all-encompassing, however, allowing Employer to obtain from any outside organization all manner of consumer reports and investigative consumer reports now and, if you are hired, throughout the course of your employment to the extent permitted by law. As a result, you should carefully consider whether to exercise your right to request disclosure of the nature and scope of any investigative consumer report.

New York applicants or employees only: You have the right to inspect and receive a copy of any investigative consumer report requested by Employer by contacting the consumer reporting agency identified above directly.

ACKNOWLEDGMENT AND AUTHORIZATION

I acknowledge receipt of the NOTICE REGARDING BACKGROUND INVESTIGATION and A SUMMARY OF YOUR RIGHTS UNDER THE FAIR CREDIT REPORTING ACT and certify that I have read and understand both of those documents. I hereby authorize the obtaining of “consumer reports” and/or “investigative consumer reports” at any time after receipt of this authorization and, if I am hired, throughout my employment. To this end, I hereby authorize, without reservation, any law enforcement agency, administrator, state or federal agency, institution, school or university (public or private), information service bureau, employer, or insurance company to furnish any and all background information requested by Corporate Screening Services, Inc., another outside organization acting on behalf of Employer, and/or Employer itself. I agree that a facsimile (“fax”) or photographic copy of this Authorization shall be as valid as the original.

Minnesota and Oklahoma applicants or employees only: Please check this box if you would like to receive a copy of a consumer report if one is obtained by the Company.

California applicants or employees only: By signing below, you also acknowledge receipt of the NOTICE REGARDING BACKGROUND INVESTIGATION PURSUANT TO CALIFORNIA LAW. Please check this box if you would like to receive a copy of an investigative consumer report or consumer credit report if one is obtained by the Company at no charge whenever you have a right to receive such a copy under California law.

Name: _____
Please Print

Social Security Number _____ **DOB**** _____

Current Address _____

City _____ / **State** _____ / **Zip** _____

Drivers License Number _____ **State** _____

Signature: _____ **Date:** _____

**Date of Birth is being requested in order to obtain accurate retrieval of records.

BOARD APPOINTMENT SCHEDULE (CHEN VACANCY)

Timeline

District Board Meeting – Review and Approve Application Process	December 5, 2012 (Wednesday)
Date of Vacancy of Director Stewart Chen, D.C. ¹	December 18, 2012 (Tuesday)
Post Public Notice - District Bulletin Board, Website, Library, Alameda Patch, The Alamedan Send Press Release to: Alameda Journal, Contra Costa Times Newspapers, Oakland Tribune, Alameda Sun, SF Business Times	December 6, 2012 (Thursday)
Begin Application Process (4 weeks)	December, 6, 2012 (Thursday)
Legal Notification – Run Legal Notice in the Alameda Journal	December 14, 2012 (Friday)
End Application Collection Process – Letters of interest to District Clerk	January 3, 2013 (Thursday)
Applicant Packets to Board of Directors	January 4, 2013 (Friday)
Regular District Board Meeting	January 9, 2013 (Wednesday)
↓ Proceed with below, <u>only</u> if there are more than 10 applicants ↓	
Begin Review and Recommendation Process (1 week)	January 4, 2013 (Friday)
End Review and Recommendation Process – Choices back from Board of Directors	January 11, 2013 (Friday)
Notify all Applicants of Board Choices	January 14, 2013 (Monday)
Begin Background & Reference Checks (approx. 1 – 2 weeks)	January 4 or 11, 2013 ²
End Background & Reference Checks	January 11 or 25, 2013 ²
Applicant Conference (5:30 PM)	January 23, 2012 (Wednesday)
Special District Board Meeting - Interview Applicants & Appoint	January 28, 2013 (Monday)
Regular District Board Meeting	February 6, 2013 (Wednesday)
Deadline to Appoint (60 days)	February 16, 2013 (Saturday)

¹Under Gov't Code 1780(d)(1): "The remaining members of the district board shall make the appointment pursuant to this subdivision within 60 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later." City Council Members are sworn in on December 18, 2012.

²Dates will be determined by the number of applicants

	District Board	Finance & Management	Community Relations	Board Quality
	1st Wednesday of the month	Last Wed. of the month	4th Tues. of the month	3rd Wed. of the month
	Closed & Open Session	Open Session	Open Session	Closed Session
	6:00 pm/ 7:30 pm	7:30 AM	7:30 AM	7:30 AM
	Del Cielo Room/Boardroom	Dal Cielo Room	Dal Cielo Room	Boardroom
Jan-13	Wednesday, January 9	Wednesday, January 30	Tuesday, January 22	Wednesday, January 16
Feb-13	Wednesday, February 6	Wednesday, February 27	Tuesday, February 26	Wednesday, February 20
Mar-13	Wednesday, March 6	Wednesday, March 27	Tuesday, March 26	Wednesday, March 20
Apr-13	Wednesday, April 3	Wednesday, April 24	Tuesday, April 23	Wednesday, April 17
May-13	Wednesday, May 1	Wednesday, May 29	Tuesday, May 28	Wednesday, May 15
Jun-13	Wednesday, June 5	Wednesday, June 26	Tuesday, June 25	Wednesday, June 19
Jul-13	Wednesday, July 10	Wednesday, July 31	Tuesday, July 23	Wednesday, July 17
Aug-13	Wednesday, August 7	Wednesday, August 28	Tuesday, August 27	Wednesday, August 21
Sep-13	Wednesday, September 4	Wednesday, September 25	Tuesday, September 24	Wednesday, September 18
Oct-13	Wednesday, October 2	Wednesday, October 30	Tuesday, October 22	Wednesday, October 16
Nov-13	Wednesday, November 6	Wednesday, November 20	Tuesday, November 26	Wednesday, November 20
Dec-13	Wednesday, December 4	No meeting	No meeting	Wednesday, December 18

DATE: November 28, 2012

FOR: December 5, 2012 District Board Meeting

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

FROM: Deborah E. Stebbins, Chief Executive Officer

SUBJECT: CEO Report to the Board of Directors

1. Bay Area Bone & Joint Center

Since opening to the public on October 29, 2012, the Bay Area Bone & Joint Center has treated 30 new patients, with 10 patients scheduled for follow-up appointments. Two surgeries have been performed; one as a referral from the Emergency Care Center, and a second as an assist to Dr. Stehr. November marketing highlights include advertisements in the bi-monthly publications of Alameda Magazine and Oakland Magazine, a Hospital-sponsored medical staff mixer, and community events such as the Columbo Club dinner and Alameda Rotary Club luncheon. Presentations have been made to the Alameda/Contra Costa Medical Association, AIM Hospitalists group, California Emergency Physicians Group and Alameda Hospital grand rounds. Individual meetings are continuing with primary care and specialty service providers. A consultant, Debra Phairas, has been engaged to evaluate and maximize current marketing and practice management efforts.

You are welcome to join us at the Open House at the new Bay Area Bone and Joint Center on Wednesday, December 12, 2012 at 5:00 p.m. located at 947 Marina Village Parkway in Alameda.

2. Physician Relations

a) Physician Survey

The invitation to Hospital medical staff to participate in the physician satisfaction survey has been issued requesting that participants complete their responses by the end of the year. The responses will be compiled in early 2013, and will assist the Hospital in identifying areas where physicians and the Hospital can work together to make improvements.

b) Events

A successful physician networking event was held on November 15, 2012 which served to introduce plastic surgeon Kyle Belek, orthopaedist Nicholas Pirnia, oral surgeon Wendy Liao, and three members of Golden Gate Urology to our medical staff.

Golden Gate Urology is hosting a free Men's Health Seminar for the public on Monday, December 3, 2012 at 6:00 p.m. at their Alameda office, located at 501 South Shore Center West.

3. Capital Projects

a) Seismic

Steady progress continues to be made on the three NPC2 upgrade projects due on December 31, 2012. A public process to select a contractor for anchoring emergency lighting in the original Hospital building is currently underway and has resulted in two pre-qualifications for general contractors. A pre-bid conference was held on November 21, 2012. Bids were due on November 29 and management expects to recommend to the Board a general contractor by the December Board meeting. If OSHPD approval is received within the normal 30 day window from submission (made on October 22nd), construction could begin in early December and could be completed before the end of the year.

Compliance regarding NPC2 compliance with emergency communications regulations will be determined by an OSHPD ruling on our completed submission made in October. Management anticipates a positive outcome and compliance by the deadline.

Delays from the bulk air supplier and tank manufacturer continue, and the bulk oxygen tank replacement project is not likely to be completed until Q2 2013. All construction documents and plans have been completed, except for some structural drawings and calculations that the vendor must supply. OSHPD submission of the bulk oxygen tank project is anticipated in December. A public bid process to select a construction contractor will follow OSHPD approval of the plans. Completion of construction and installation is estimated to be six months from the date of OSHPD approval.

b) SB90/SB499 Extension Report

The Hospital completed its application to extend the deadline to become SPC2 compliant beyond the current deadline of December 31, 2012 and awaits a final decision from OSHPD.

c) CMS Sprinkler Mandate Report

This project is on schedule to be completed before the August 18, 2013 deadline. A contract with Honeywell, Inc. was executed to enable required upgrading of a fire panel, and a required asbestos survey was completed in late September. This has enabled Taylor Architects to work toward completion of the remaining work on construction documents and plans which will be submitted for OSHPD approval sometime in late November. A "rapid review" process by OSHPD is expected, and subsequent public bid process should allow the estimated 100 days or less of construction to be finished by the mandated deadline.

4. Hospital | Foundation Sponsored Events and Activities

Every December, the Hospital's Auxiliary holds a holiday fundraiser called the "Masquerade Sale" where every item is \$5. This year's fundraiser takes place on Thursday, December 13 and Friday, December 14 in the Dal Cielo Conference Room from 7:00 a.m. to 4:00 p.m. each day. All proceeds of the event benefit Alameda Hospital.

5. Key Statistics –September 2012

Because of the timing and distribution of materials prior to the end of the month, November monthly statistics will be presented at the Board meeting on December 5, 2012.

6. Information Technology Update and Meaningful Use

A System Integration Change Control Committee has been established. Its mission is to create a forum where issues can be discussed, resolutions can be designed, and communication can be relayed to promote the optimization of the Alameda Hospital Electronic Health Record and minimize the inadvertent failures resulting from changes to the system. The committee meets every two weeks.

The existing NetFax system will be replaced with a new Communication Director from Forward Advantage and is on schedule to go live next year.

New interfaces to support the viewing of physician notes from EDIMS in Meditech EMR are in the final stages of testing with go-live imminent.

A new electronic EKG workflow will replace the current manual system will incorporate EKG's into the EMR. This has been approved by the cardiologists and is in the process of implementation.

The Information Technology Department is in the process of updating the network infrastructure to support connectivity with the main Hospital. The old system was essentially all wireless based.

Phase II implementation will support physician documentation and provider order management in the Emergency Department and is scheduled to go-live January 29, 2013.

An application has been successfully submitted to the State of California for Year One of the Medi-Cal EHR Incentive Program. The application will be validated by the state to determine our eligibility to receive the incentive payment.

The I.T. Steering Committee, comprised of physician leaders and the Executive Team, will meet in December to review our schedule for compliance with Meaningful Use through the implementation remaining Meditech modules. A proposal we have received from a company, CHOICE Hospital Systems, to overlay a cloud-based technology to integrate Meditech components will also be reviewed. Management plans a complete

update on Meaningful Use compliance and timeline at the January Board Meeting.

7. Human Resources

You are welcome to join us for the annual Holiday Meal for employees. Employees are always pleased to meet and speak with our Directors. Lunch (11:30 a.m. – 1:00 p.m.) and Dinner (5:30 p.m. – 6:30 p.m.) will be served on Tuesday, December 18 and Breakfast (7:15 a.m. – 8:15 p.m.) will be served on Wednesday, December 19, 2012 in the Dal Cielo Conference Room.

8. Kate Credon Center for Advanced Wound Care

The start-up operations of the Kate Credon Center for Advanced Wound Care continue to run smoothly with volume growth greatly exceeding projections. Dr. Belek, a plastic surgeon, completed both wound care and hyperbaric oxygen treatment (HBOT) training in November. He has already performed two surgeries at Alameda Hospital, with a third from an orthopaedic referral likely to be scheduled in the upcoming weeks. To date, the Center has generated 259 ancillary services for the Hospital. November saw 320 wound care patient visits, bringing the YTD total to 817 with a trend of increased visits each successive month. A total of 103 patients have been treated, with 70 patients currently on the schedule. Efforts to gain patients from off-island have been successful: 71% of patients thus far have originated from outside Alameda. Since the HBOT treatments have started at the end of August, 185 HBOT treatments have been administered, with seven patients currently on the schedule (90% of volume capacity per day).

9. DSRIP Report

The hospital awaits a CMS decision on the criteria submitted last month regarding a three-year proposal for delivery system reform under California's Section 1115 Waiver's Delivery System Reform Incentive Pool (DSRIP) Program. DSRIP is designed to promote a higher quality of care and improved health of patients and families served by the California's non-designated public hospitals. Based on preliminary feedback from district hospitals, DHCS is recommending to CMS that district hospitals not submit any projects for Category III: Population Focused Improvement, but that a minimum of two projects be submitted for Category IV: Patient Safety. A deadline for these submissions has not yet been set.

10. Long Term Care Update

Our Long Term Care (LTC) departments have been meeting weekly regarding policy and procedure review, medical records coordination, and collaboration and consistency of policies and forms for all LTC units. Employee recognition is taking place throughout all locations to identify stellar employees and excellence in patient care. Employees will be recognized by their picture on the wall which will stay up throughout the year, and a certificate shall be presented to them at monthly LTC staff meetings.

In terms of quality care, common Quality Measures have been identified to ensure all locations are monitoring the same high risk areas including (but not limited to) falls,

wounds, weight loss, nutrition, and the use of psychotropic medication. Units are reporting such data monthly to ensure we are under threshold and delivering the highest levels of care possible.

Collaboration is in process for patient wound care as the LTC staff works with the Wound Care Center on education and treatment protocols. This will help to ensure that all LTC units are following the same guidelines and standards of care. Weekly meetings will continue to ensure consistency of our programs and collaboration between each unit. South Shore continues to surpass census budgets and continues with successful discharges of healing and thriving patients.

Waters Edge had a very busy and successful month. An outing for a group of 15 residents (accompanied by family volunteers and staff) took place at the beginning of the month. The group went to the Lawrence Hall of Science in the Berkeley Hills above UC Berkeley's campus. Fun was had by all, followed by a picnic lunch overlooking the majestic views from the hills before returning home. The second facility outing was to Fisherman's Wharf in San Francisco as residents watched the making of sourdough bread at the Boudin Bakery. The group of 12 residents enjoyed bread-tasting followed by lunch on the pier. The final event for November was a successful open house to present the new lobby, furniture, art work and paint which has given a fresh new look for the residents' home.