✓Included in the PDF posted Wednesday, July 3, 2013
CLICK ON THE ORANGE ENCLOSURE LINK TO GO
DIRECTLY TO THE AGENDA ITEM MATERIALS IN THIS PDF

Alameda Hospital
CITY OF ALAMEDA HEALTH CARE DISTRICT

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

WEDNESDAY JULY 10, 2013

6:30 p.m. (CLOSED) | 7:30 p.m. (OPEN)

PLEASE NOTE START TIME FOR CLOSED SESSION

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 **(6:30 p.m. – 2 East Board Room)** — J. Michael McCormick

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. May 30, 2013 (Special)
   2. June 5, 2013 (Regular)

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. Consultation with Legal Counsel Regarding Pending and Threatened Litigation — Gov't Code Sec. 54957.6

G. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions — Gov't Code Sec. 54956.9(a)

H. Discussion of Report Involving Trade Secrets — H & S Code Sec. 32106

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 — J. Michael McCormick

VI. General Public Comment

VII. Regular Agenda

A. Consent Agenda — ACTION ITEMS

1) Approval of June 5, 2013 Regular Meeting Minutes [to be distributed]

2) Approval of June 17, 2013 Special Meeting Minutes [to be distributed]

B. Education Session

1) Infection Control Education Session
   - Rosemarie Delahaye, RN, Infection Preventionist

C. Action Items

✓ 1) Acceptance of May 2013 Unaudited Financial Statements and June 26, 2013 Finance and Management Committee Report — Robert Deutsch, MD; Kerry Easthope
[enclosure] (pages 4-27)

✓ 2) Approval of Resolution 2013-4K: Extension of Spending Authority — Robert Deutsch, MD
[enclosure] (page 28)

✓ 3) Approval to Enter into a Professional Services Agreement with General Surgeon, John Lee, MD — Brian Jung; Tony Corica
[enclosure] (pages 29-32)

✓ 4) Approval to Award Construction Contract to Cameron Builders, Inc. for the Alameda Hospital Bulk Oxygen Tank NPC-2 Upgrade Project — Brian Jung
[enclosure] (pages 33-35)

✓ 5) Approval of Memorandum of Understanding between City of Alameda Health Care District and Alameda Hospital Foundation for Guaranty of Promissory Note from Alameda Health System to City of Alameda Health Care District — Deborah E. Stebbins
[enclosure] (pages 36-45)

C. District Board President's Report INFORMATIONAL — J. Michael McCormick

✓ 1) District Board Appointment Update [enclosure] (pages 46-47)

D. Community Relations and Outreach Committee Report INFORMATIONAL — Jordan Battani

E. Medical Staff President Report INFORMATIONAL — Emmons Collins, MD

F. Affiliation Updates INFORMATIONAL — Deborah E. Stebbins

1) Report on Communication and Community Input Plan

2) Status of Line of Credit

3) Next Steps | Due Diligence

G. Chief Executive Officer Report **INFORMATIONAL** — Deborah E. Stebbins

✓ 1) Monthly CEO Report

- Affiliation and Communication Plan Update, CHA DP/NF Update, FY 2014 Budget, Bay Area Bone & Joint Center, ACHD Monthly Update, Community Relations and Outreach Update, Capital Projects, DSRIP Report, Quality Update, Information Technology Update and Meaningful Use, June Monthly Statistics, DHCS DRG-based Reimbursement

[enclosure] (pages 48-57)

VIII. General Public Comments

IX. Board Comments

X. Adjournment

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING May 31, 2013

CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
MAY 31, 2013

Table of Contents **Page**

ALAMEDA HOSPITAL
MANAGEMENT DISCUSSION AND ANALYSIS
MAY, 2013

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 May 31, 2013 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 May, the hospital experienced a combined negative net operating loss of $622,000 against a budgeted gain of $251,000. Year to date the hospital shows a loss of $2.3 million compared to a budgeted gain of $313,000. Waters Edge remains steady with a positive net contribution of $364,000 and a year to date contribution of almost $3.1 million. Wound Care had another busy month in May as the number of visits has increased again. The program's net contribution however fell below budget by $49,000 in May.

May discharges were 252, which is 10 or 3.6% below budget, and total patient days were 6,105 or 151 (2.5%)% greater than budget. The acute ALOS decreased slightlyfrom prior month to 3.86 in the month, and year to date remains at 4.04. Total patient days for inpatient acute services were down 6.2%; subacute days were down 0.8%, skilled nursing days were up at South Shore by 1.6% and Waters Edge were up by 6.2%.

Overall outpatient activity was mixed this month. Outpatient registrations were down 9.0% ,but Emergency Room visits were 24 or 1.7% above budget. Outpatient surgeries were below budget for the month by 25 or 16.0%, which is a little stronger than the trend year-to-date.

The Wound Care program had 466 visits in May compared to a budget of 350, or 33.1% above budget. In May there were 117 HBO treatments compared to 120 in April.

Total gross and net revenue in May was generally in line with activity. The overall inpatient component was below budget by 1.8% and outpatient was below budget 7.8%.

The overall Case Mix Index (CMI) in May was 1.4037; this is more consistent with most months this year and above the FY 2013 year-to-date of 1.3366. Last months low appears to be an aberration as the CMI climbed immediately in May and ended strong.

Total expenses were almost $7.6 million in May, $638,000 or 9.2% above budget with is over the year to date trend and the highest expenses so far this year.

Temporary agency fees, benefits, professional fees, supplies and purchased services were over budget while other categories were close to or just under budget. As previously discussed, the FY2013 temporary agency budget was understated by about $40,000 per month. Please see the Expense section for the details behind the expense variances.

Cash and cash equivalents were almost $5.2 million at the end of May, just lower than prior month due to timing of payrolls and vendor payment distributions. Cash collections in May were again high at almost $6.6 million. Net accounts receivable decreased by approximately $200,000 to $11.2 million.

Accounts payable and other accrued expenses decreased over $200,000 from $11.2 million to almost $11.0 million.

Lastly, the current ratio dropped slightly to .86 below the required 1.0 of our bank covenants. Net Assets have dropped again to approximately $4.8 million.

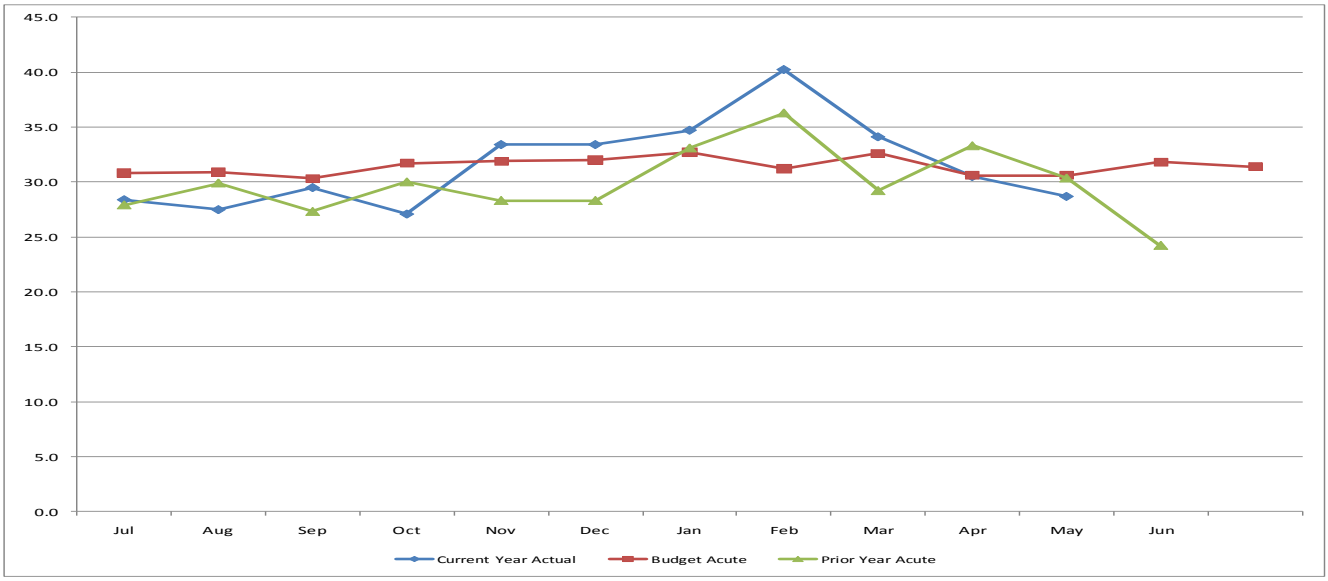
ACTIVITY

ACUTE, SUBACUTE AND SNF SERVICES

Overall, patient days were 2.5% above budget for the month but below May of last year. This month's acute days were below budget by 6.2%, Subacute was down 0.8%, South Shore was up 1.6% and Waters Edge was up 6.2%.

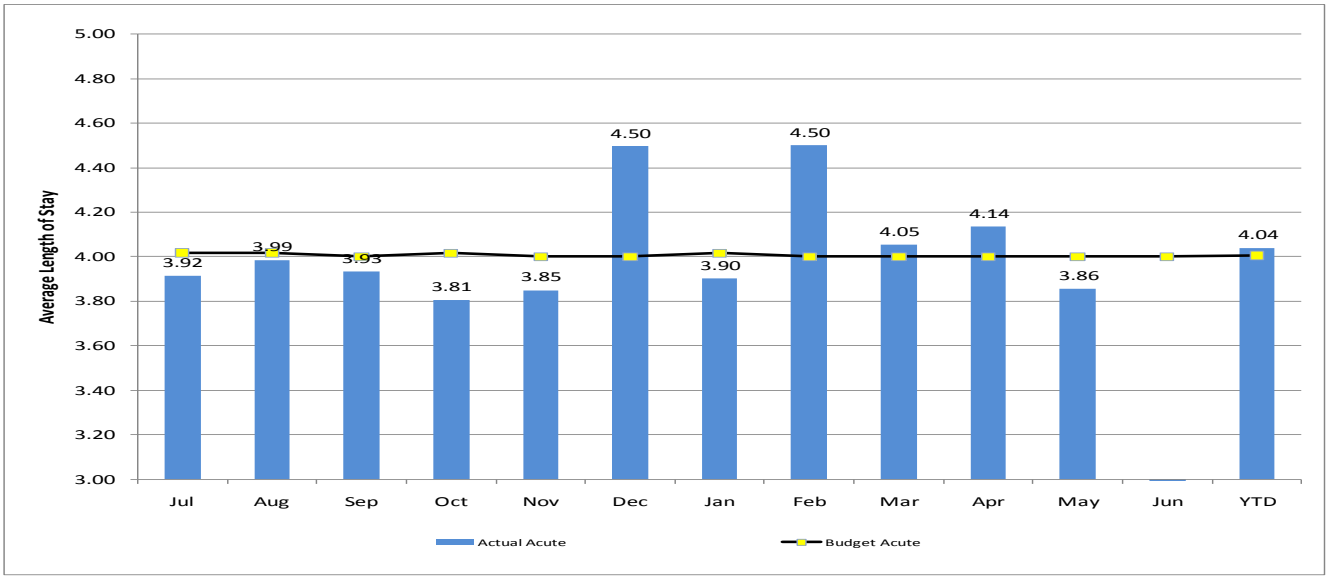
May's acute patient days were 59 days or 6.2% lower than budget for the month and 5.3% lower than May 2012. The acute care program is comprised of the Critical Care Unit (4.7 ADC, 76.8% above budget), Telemetry / Definitive Observation Unit (13.8 ADC, 19.3% above budget) and Med/Surg Unit (10.3 ADC, 37.5% below budget).

Acute Average Daily Census



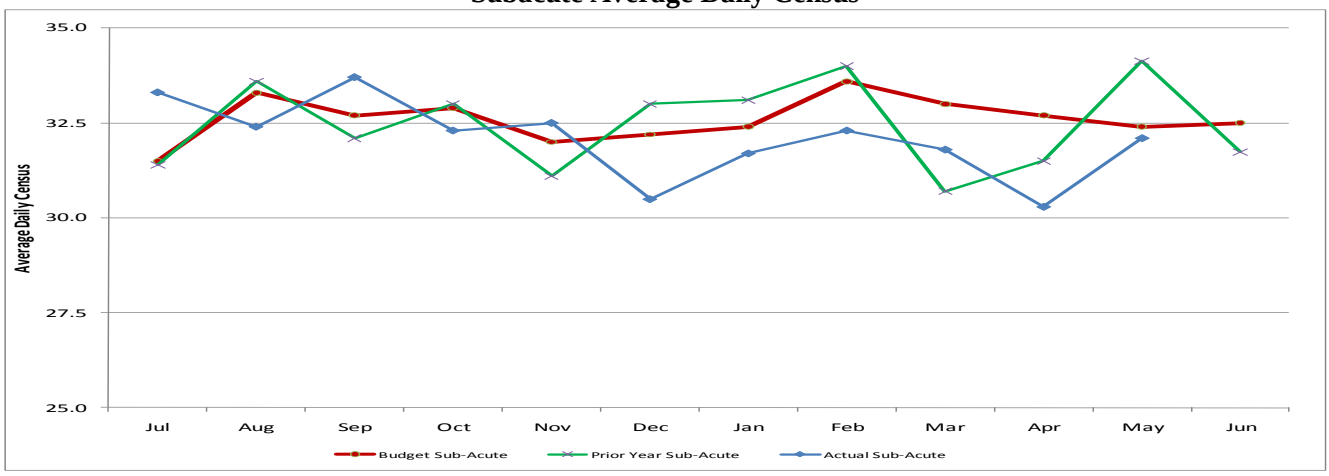
The acute Average Length of Stay (ALOS) decreased from 4.14 in April to 3.85 in May and is just above the budget of 4.00. The YTD acute ALOS for FY 2013 is 4.04. The graph below shows the ALOS by month compared to the budget.

Acute Average Length of Stay



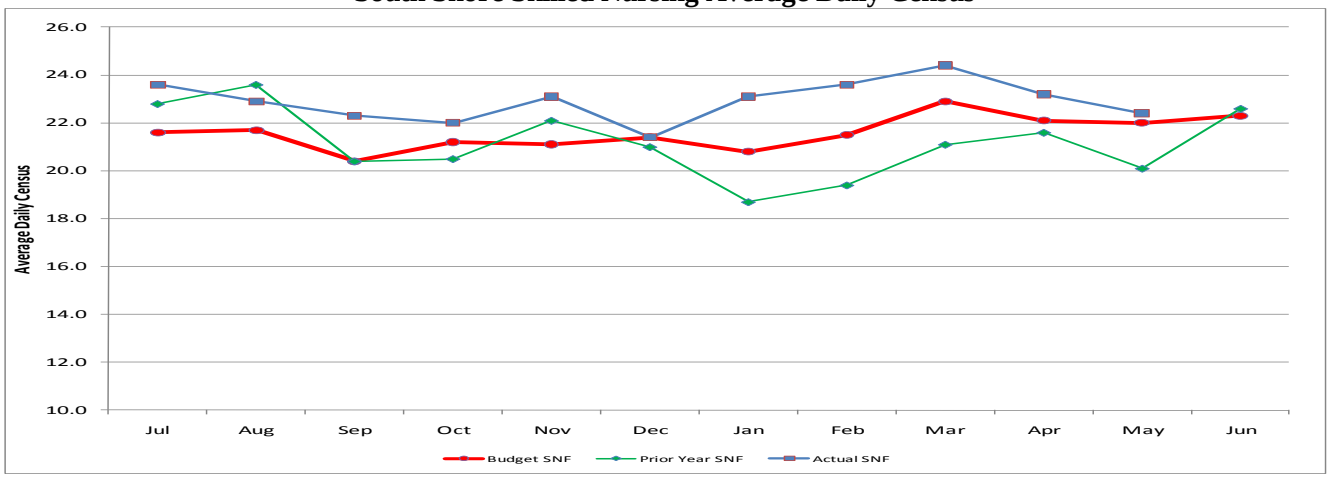
The Subacute program ADC of 32.13 was just below budget by 0.26 ADC or 0.8%. Census is back up from prior lows. The graph below shows the Subacute ADC for the current fiscal year as compared to budget and the prior year.

Subacute Average Daily Census



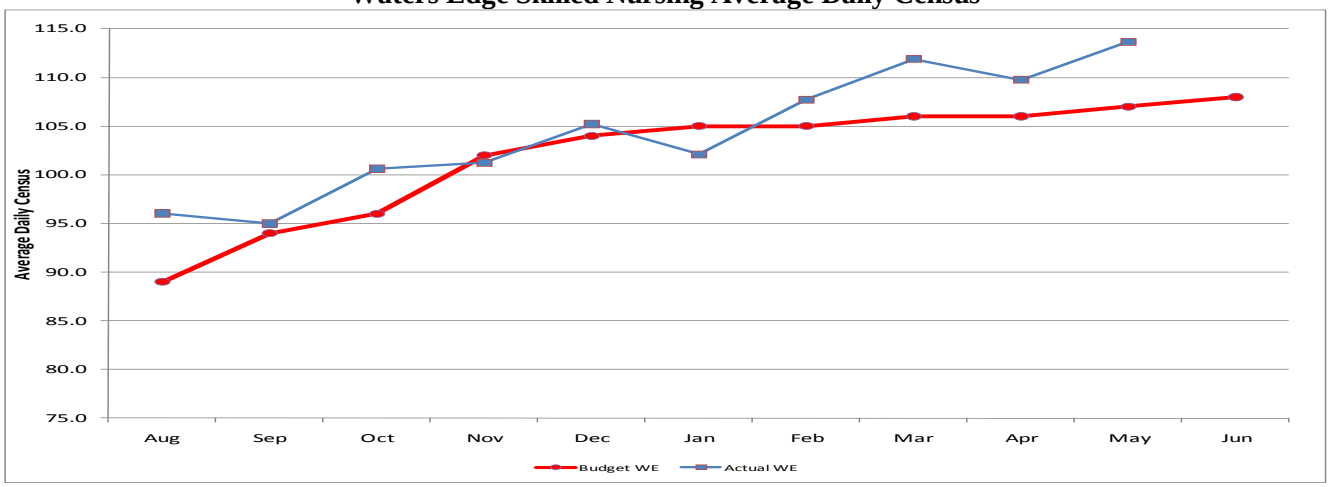
The South Shore ADC was above budget by 11 patient days (1.6%) for the month of May. The graph below shows the South Shore monthly ADC as compared to budget and the prior year. In May the number of Medicare A skilled patients was 3.3 ADC, below the 4.0 ADC in April and below the budget of 4.2.

South Shore Skilled Nursing Average Daily Census



Waters Edge census was 113.7 ADC or 6.2% above the budget of 107.0 in May. The Medicare census was 14.6 ADC up from 12.8 ADC in the prior month, and below the Medicare ADC budget of 17.0.

Waters Edge Skilled Nursing Average Daily Census

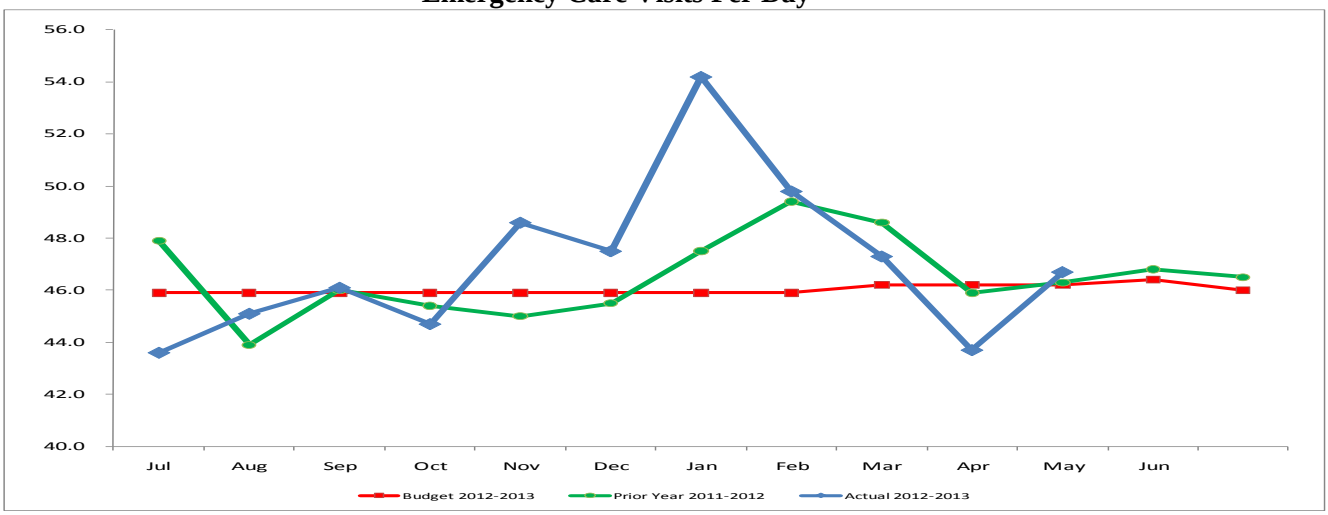


ANCILLARY SERVICES

Outpatient Services

Emergency Care Center (ECC) visits in May were 1,447, or 24 visits (1.7%) above the budget of 1,423. The inpatient admission rate from the ECC was 16.7% very consistent with the 16.3% admit rate in April. On a per day basis, the total visits represent an increase of 6.9% from the prior month daily average. In May, there were 330 ambulance arrivals versus 273 in the prior month. Of the 330 ambulance arrivals in the current month, 230 or 69.7% were from Alameda Fire Department (AFD).

Emergency Care Visits Per Day



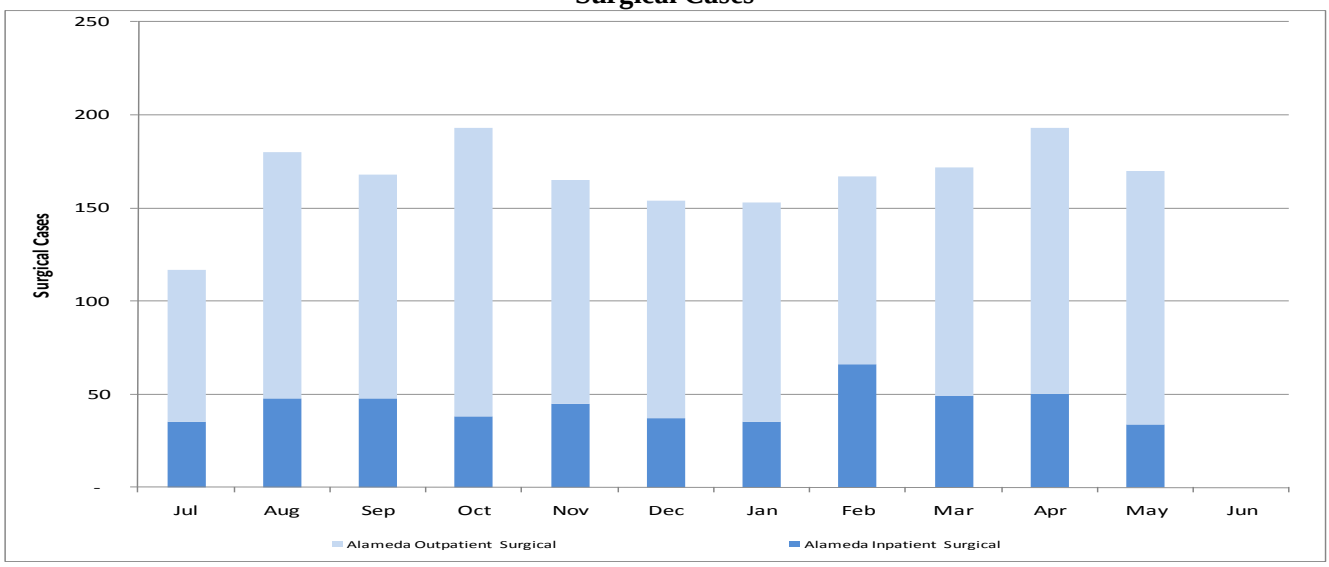
Outpatient registrations totaled 2,172 or 9.0% below budget. This month the number of patient visits were down in Radiology (293), Physical Therapy (168), MRI (62) and Laboratory (57). However, visits were up in Occupational Therapy (23), IV Therapy (14) and Wound Care (116 visits). Starting with December, the budget for Physical Therapy and Radiology Services assumes significant increases from referrals by our two new orthopedic physicians. This process is improving but still behind expectations. In May there were 220 Therapy visits and 100 Imaging procedures from the new orthopedic clinic, compared to 220 and 100 respectively in April.

In May, Wound Care again exceeded the budget of 350 with 466 visits, or 33.1% over budget. Hyperbaric Oxygen treatments accounted for 117 of those visits, compared to 120 in April.

Surgery

The total number of surgery cases in May were 170 or 21.7% below the budget of 217 and just below last year's case volume of 179. Inpatient cases at 34 were below budget by 17 (33.3%) and outpatient was below budget by 30 (18.1%) at 136 cases.

Surgical Cases



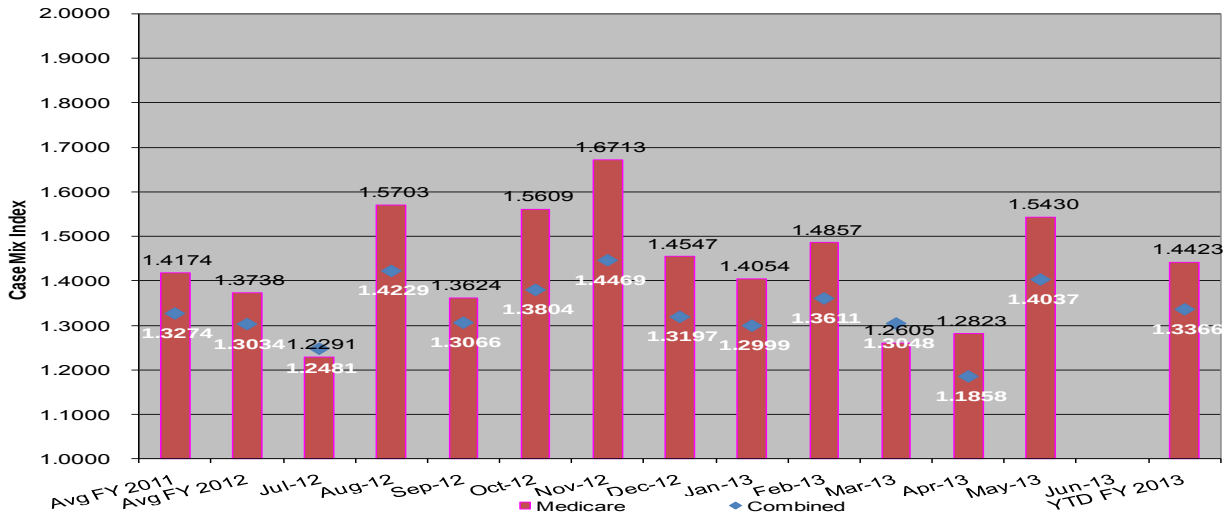
Payer Mix

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

	May Actual	May Budget
Medicare	48.6%	46.3%
Medi-Cal	24.8%	26.8%
Managed Care	14.2%	16.5%
Other	3.3%	3.0%
Commerical	1.3%	3.0%
Self-Pay	7.9%	4.3%
Total	100.0%	100.0%

Case Mix Index

The Hospital's overall Case Mix Index (CMI) for May was 1.4037, up from the prior month low of 1.1858 (18.4%) May came back strong after the low experienced last month and continues into June. The Medicare CMI was 1.5430 in May, above prior month as well. 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 May were below budget by $1 million or 3.8%. Inpatient gross revenues were $344,000 below budget and outpatient gross revenues were down $706,000. Acute inpatient days were just 6.2% below budget and acute gross revenue was down 1.25%. Inpatient ancillary service were charges below budget in Emergency, Surgery, Laboratory, Imaging and Pharmacy, but were up in Supplies.

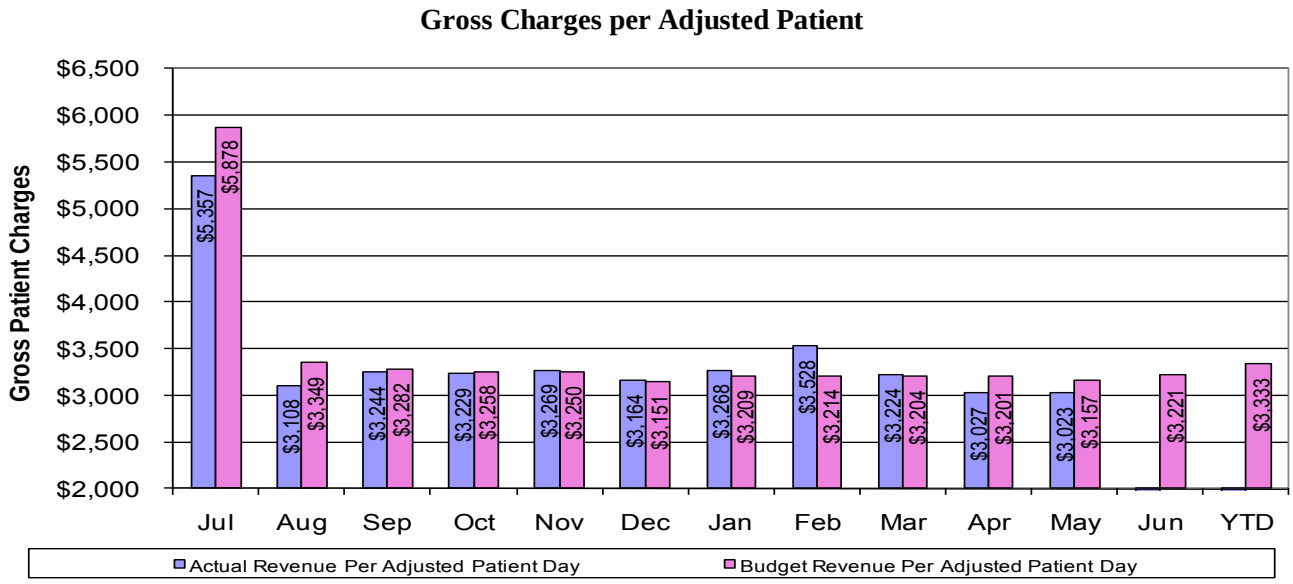
Waters Edge gross and net revenue were above budget in May consistent with the volume. The ancillary revenue was above budget 13.5% (mostly due to therapy services) and the routine daily room and board revenue was above budget by 11.1%. Medicare A patient was about 14.2% lower than budget, contributing to Net Revenue being only 3.6% higher in the month.

Outpatient gross revenues were lower than budget by $706,000 (7.8%). Laboratory, Imaging and Pharmacy were the largest contributors to this being below budget while the clinics (Wound Care in particular) were above budget. The new orthopedic practice anticipated increases in Imaging, Rehab Services and Surgery, these volumes and referral patterns are increasing. However,

these areas are still growing slower than we have projected in the budget, but they are growing steadily as the year progresses. Outpatient MRI volumes were lower than expected giventhat we added a third MRI day in March. We do know that Emergecny and Inpatient MRI utilization was higher, but overall numbers lower than expected.

Wound Care volume was above budget with the gross revenue exceeding budget by $56,000 due to another busy month, resulting in Net Revenue coming in again better than budget by just over $13,000 for the month, and $245,000 year to date.

On an adjusted patient day basis, total patient revenue was $3,023 below the budget of $3,157 for the month of May. 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.



Contractual Allowances and Net Revenue

Contractual allowances are computed as deductions from gross patient revenues based on the difference between gross patient charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare, Medi-Cal and other third party payers such as Blue Cross. A Net Revenue percentage of 23.8% was budgeted and 24.2% was realized. Year to date net revenue percentage is 23.3% of gross versus a budget of 23.5%. 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 AB97 rate reduction.

Overall, Net Revenue was almost $6.5 million, $121,000 below the budget of $6.6 million. The lower inpatient ancillary revenue, ands the lower than budgeted outpatient visits and revenues are all key drivers to the lower Net Revenue. In addition, beginning April 1, 2013, the Federal budget sequestration goes into effect. This is a 2% reduction in all Medicare reimbursements which equate to about $40,000 per month for Alameda.

Waters Edge had Net Revenues of almost $1.3 million, above the budget by $46,000 or 3.6%. Higher than budgeted overall census are driving this positive variance. Year to date, Waters Edge Net Revenue is $271,000 (2.4%) above budget, and consistent with patient census (2.9%) above budget.

The Wound Care program also resulted in a positive net revenue contribution of just over $13,000 for the month. However there are additional expenses associated with providing this additional revenue.

Expenses

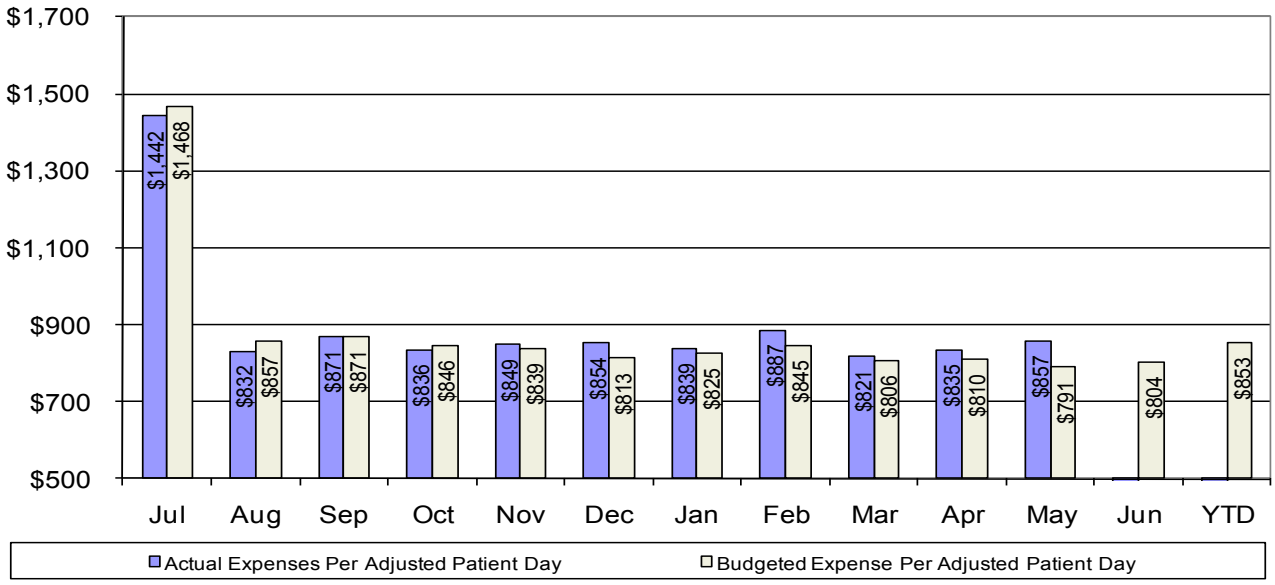
Total Operating Expenses

Total operating expenses were almost $7.6 million which was higher than the fixed budget by $639,000 or 9.2%. Temporary agency fees, benefits, professional fees, supplies, purchased services,rents and leases and depreciation were all above budget while insurance was under budget. All other expense categories were reasonably close to budget.

It needs to be noted that we have discovered an error with the budget spread for Professional Fees in the last three months of the fiscal year. Professional Fees Medi-cal (ED on call fees specifically) which are budgeted at $70,000 per month, were all spread over the first nine months of the fiscal year with no budget in April, May and June. This has created an actual to budget fariance in the month. We have reviewed all other expense line items in FY 2013 as well as the FY 2014 budget and have not identified any other such errors.

The graph on the below 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



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

Salary and Temporary Agency Expenses

Salary and temporary agency costs combined were unfavorable to the fixed budget by $111,000 (3%). Most of this variance was in Registry (temporary agency services).

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 still utilizing temporary staff to replace budgeted vacant positions are Respiratory Therapy ($9,000), Laboratory ($18,000), Rehab Services ($8,000), Imaging ($11,500) and Waters Edge ($30,000). In addition again the acute inpatient volume was high in CCU (76.8% above budget) and DOU (19.3% above budget) requiring more staffing including registry staffing.

Staffing also needs to be better managed. Total paid and FTE's were about 23 over budget for the month. FTE's per adjusted occupied bed about 3.5% over budget. Given the high amount of registry usage, employed staff salary and wages should be lower given the census and outpatient registration variance. The executive and management team has been discussing staffing and is taking steps to get this back in line. The use of overtime and double time premium pay increased in May, both areas up over $32,000 from the prior month.

We again had additional salary expense in pharmacy, as we have hired and are training new pharmacists. We have also expanded the pharmacy service hours so there could be some additional salary expense in pharmacy going forward. However, this change will reduce the amount paid for our contracted after hour pharmacy service. In addition there were extra salaries in EVS as well as in the TAW program. The Transition to Work program has been eliminated for the time being which will reduce FTE's by 2.9 and salary expense $14,000.

Benefits

Benefits were above the fixed budget by $44,000. Year to date is also above budget by $202,000. These numbers fluctuate from month to month and this month is over budget due to higher than budgeted salary and wages as well as slightly higher employee health care claims in the month.

Professional Fees

Professional fees were over budget by $122,000 or 32.4% are due to the budget error discussed above ($70,000), fees associated with the Interim Director in Information Systems, patient accounting, higher management fees associated with the busier than expected Wound Care program, Legal fees were also again higher in May as we engage legal council in various business matters.

Supplies

Supplies expense was $157,000 over budget and year to date supply expense is $660,000 higher than budget. Departments using more supplies than anticipated were Surgery (prosthetics), Wound Care (skin graft prosthetics), Laboratory, Blood Bank, EVS, Information Systems, subacute, CCU, Pharmacy, and South Shore. Prosthetic expenses do correlate with a higher Orthopedic surgery volume of 30 cases, one of the highest orthopedic procedure months of the year.

Purchased Services

Purchased services were $108,000 over budget for the month of May and year to date is $214,000 over budget. The departments higher than budget this month include Telemetry Unit ($30,000 Dialysis for two months), Waters Edge (pharmacy and rehab service fees $41,000), Imaging ($13,500), Collection Agency Fees (3 months invoices totaling $30,000) and QRM (Fees to consulting firm for Medicare RAC appeals which increased sharply the end of April and May).

Rents and Leases

Rents and lease expense was $21,000 over budget in the month. We have additional unbudgeted rent for the new Orthopedic clinic space and an office building on Willow totaling about $8,000, as well as additional rent expense in Respiratory Therapy for ventilators, bed leases and higher Xerox copier usage fees.

Other Operating Expense

Other Operating Expenses were under budget this month by $24,000. And, year to date Other Expenses are under budget by $105,000; about half from Waters Edge and half from hospital based travel and training budget.

Interest Expense

Interest Expense was $13,000 in May, $5,000 higher than budget. We did accrue additional expense for interest charges assessed by Cardinal Health on past due payments.

Depreciation Expense

Depreciation Expenses was $25,000 higher than budget. In May we did begin depreciating the Meditech Emergency Department module that went live back in April and the completion of the Emergency Lighting OSHPD projects. This higher depreciation will continue the remainder of the year.

Balance Sheet

Total assets decreased by just over $400,000 from the prior month. The following items make up the decrease in assets:

- Total unrestricted cash and cash equivalents for May decreased by $236,000 and days cash on hand including restricted use funds also decreased to 22 days cash on hand in May from the 23.6 days cash on hand in April. Patient collections in May averaged $213,500 per day, below the high from the prior month. Note there is cash that is being held for repayment of LTC over payments since August 2012 and the addition of Waters Edge. Year to date, this overpayment amount is estimated at $2.3 million.

- Net patient accounts receivable was $11.2 million, down almost $200,000 from $11.4 million at the end of April. This has finally come back down due to high cash collections in April and May. We know that there is an additional $600,000 from prior periods to be collected on 6 subacute patients that were pending TAR approvals and were billed in May.

- Days in outstanding receivables were 56.3 at April month end, another decrease from the April number of 57.4 days. Cash collections in May were $6.6 million compared to $7 million in April.

Overall, total liabilities increased by $200,000 from prior month:

- Accounts payable decreased by $200,000 in May to approximately $11.0 million which equates to 134 AP Days, down again from the 147 days in April.

- Payroll related accruals increased by $475,000 due to the timing the the pay periods in the month.

- Deferred revenues decreased by $477,000 due to the recognition of one-twelfth of the 2012/2013 parcel tax revenues.

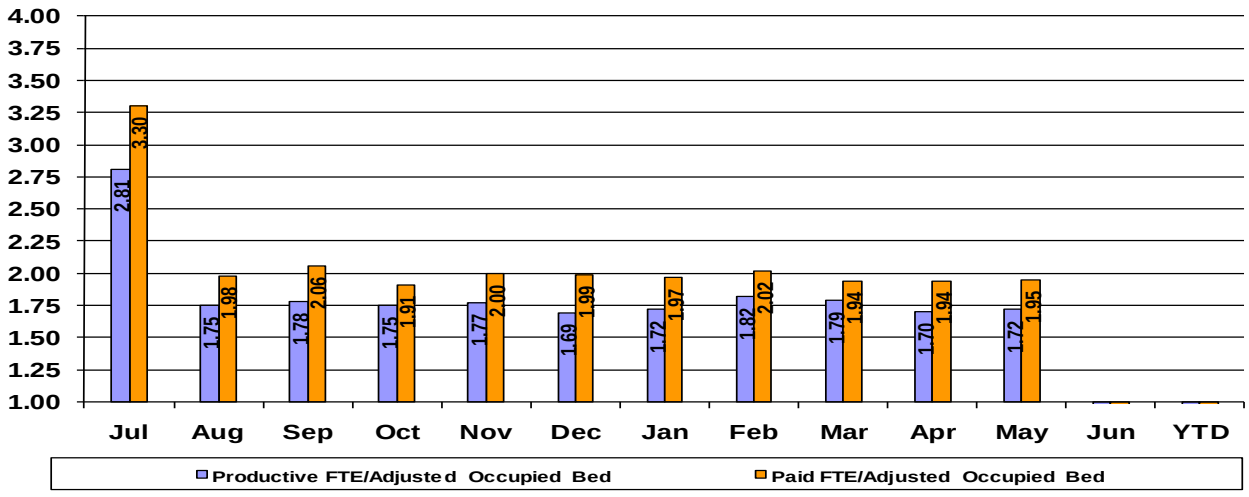
- Current Portion of Long Term Debt in the month of May again decreased by about $27,000 as we continue to reduce short term liability to the State that ends this year.

- Third Party Settlement increased by $500,000 associated with recording of the Medi-Cal overpayment reserve, as well as a decrease in Third Party Receivables that are included in this balance sheet category. We did receive about $200,000 of the subacture retro rate adjustment money in May. There is just over $200,000 more that will be forth coming. We also received AB 915 funds totaling about $193,000.

Key Statistics

FTE's Per Adjusted Occupied Bed

For the month of May Productive FTE's per Adjusted Occupied Bed were 1.72, above the budget of 1.65 FTE's by 3.9%. Paid FTE's per Adjusted Occupied Bed were 1.95 or 3.5% above the 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 May is 0.86, down again from .89 in April. We have met with representatives from the Bank of Alameda regarding these loan covenant ratios and other matters. The bank understands our current financial situation and will continue to work with us as we work to develop the Affiliation opportunity that will provide ongoing financial stability.

A/R days

Net days in accounts receivable (A/R) are currently at 56.3. This is down again from the prior month of 57.4. Net A/R days are down as the result of higher cash collections last month and again this month. We are taking actions to help ensure that A/R balances and cash flows to remain more constant and are almost at our goal of keeping A/R days in the mid 50's.

Days Cash on Hand

Days cash on hand for May were 22, a slight decrease from prior month of 23.6. While cash collections have improved, cash is also needed to pay down vendor balances as the property tax proceeds will be used to subsidize operations over the course of the fiscal year as well as other capital project commitments.

The following pages include the detailed financial statements for the eleven (11) months ended May 31, 2013, of Fiscal Year 2013.

ALAMEDA HOSPITAL
KEY STATISTICS
MAY 2013

	ACTUAL MAY 2013	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	MAY 2012	YTD MAY 2013	YTD FIXED BUDGET	VARIANCE	%	YTD MAY 2012
Discharges:										
Total Acute	231	238	(7)	-2.7%	239	2,614	2,628	(14)	-0.5%	2,616
Total Sub-Acute	3	2	1	50.0%	4	29	26	3	11.5%	26
Total South Shore	6	9	(3)	-33.3%	18	61	94	(33)	-35.1%	114
Total Waters Edge	12	13	(1)	-7.7%	-	150	126	24	19.0%	-
	252	262	(10)	-3.6%	261	2,854	2,874	(20)	-0.7%	2,756
Patient Days:										
Total Acute	891	950	(59)	-6.2%	941	10,560	10,523	37	0.4%	10,154
Total Sub-Acute	996	1,004	(8)	-0.8%	1,058	10,739	10,923	(184)	-1.7%	10,890
Total South Shore	694	683	11	1.6%	622	7,669	7,212	457	6.3%	7,049
Total Waters Edge	3,524	3,317	207	6.2%	-	31,712	30,817	895	2.9%	-
	6,105	5,954	151	2.5%	2,621	60,680	59,475	1,205	2.0%	28,093
Average Length of Stay										
Total Acute	3.86	4.00	(0.14)	-3.6%	3.94	4.04	4.00	0.03	0.9%	3.88
Average Daily Census										
Total Acute	28.74	30.65	(1.90)	-6.2%	30.35	31.52	31.41	0.11	0.4%	30.31
Total Sub-Acute	32.13	32.39	(0.26)	-0.8%	34.13	32.06	32.61	(0.55)	-1.7%	32.51
Total South Shore	22.39	22.03	0.35	1.6%	20.06	22.89	21.53	1.36	6.3%	21.04
Total Waters Edge	113.68	107.00	6.68	6.2%	-	104.32	101.37	2.94	2.9%	-
	196.94	192.06	4.87	2.5%	84.55	190.79	186.92	(0.44)	-0.2%	83.86
Emergency Room Visits	1,447	1,423	24	1.7%	1,432	15,746	15,377	369	2.4%	15,559
Wound Care Clinic Visits	466	350	116	33.1%	-	3,182	2,100	1,082	51.5%	-
Outpatient Registrations	2,172	2,387	(215)	-9.0%	1,877	21,487	22,945	(1,458)	-6.4%	20,387
Surgery Cases:										
Inpatient	34	51	(17)	-33.3%	41	498	508	(10)	-2.0%	447
Outpatient	136	166	(30)	-18.1%	138	1,350	1,727	(377)	-21.8%	1,574
	170	217	(47)	-21.7%	179	1,848	2,235	(387)	-17.3%	2,021
Adjusted Occupied Bed (AOB)	285.46	283.19	2.27	0.8%	126.13	259.15	257.70	1.45	0.6%	123.07
Productive FTE	490.11	468.12	21.98	4.7%	358.91	466.14	455.47	10.67	2.3%	347.59
Total FTE	555.23	532.38	22.85	4.3%	408.92	527.74	519.63	8.12	1.6%	398.96
Productive FTE/Adj. Occ. Bed	1.72	1.65	0.06	3.9%	2.85	1.80	1.77	0.03	1.8%	2.82
Total FTE/ Adj. Occ. Bed	1.95	1.88	0.07	3.5%	3.24	2.04	2.02	0.02	1.0%	3.24

City of Alameda Health Care District
Statements of Financial Position
May 31, 2013

	Current Month	Prior Month	Prior Year End
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 5,160,821	$ 5,396,612	$ 3,327,884
Patient Accounts Receivable, net	11,238,982	11,417,224	8,835,256
Other Receivables	770,212	788,192	6,488,283
Third-Party Payer Settlement Receivables	-	-	-
Inventories	1,100,239	1,103,949	1,045,311
Prepaids and Other	641,109	619,668	416,371
Total Current Assets	18,911,363	19,325,645	20,113,105
Assets Limited as to Use, net	178,116	175,370	64,183
Fixed Assets			
Land	877,945	877,945	877,945
Depreciable capital assets	45,422,803	44,614,621	43,470,520
Construction in progress	3,341,478	4,062,290	4,102,468
Depreciation	(40,490,725)	(40,397,533)	(39,670,499)
Property, Plant and Equipment, net	9,151,502	9,157,322	8,780,434
Total Assets	**$ 28,240,981**	**$ 28,658,338**	**$ 28,957,722**
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	$ 947,505	$ 974,364	$ 1,724,249
Accounts Payable and Accrued Expenses	10,994,408	11,199,578	7,848,673
Payroll Related Accruals	5,147,815	4,671,969	4,307,924
Deferred Revenue	484,441	959,061	5,726,305
Employee Health Related Accruals	678,942	690,577	691,942
Third-Party Payer Settlement Payable	3,651,277	3,150,602	601,233
Total Current Liabilities	21,904,388	21,646,151	20,900,326
Long Term Debt, net	1,513,360	1,570,004	1,022,152
Total Liabilities	23,417,748	23,216,155	21,922,478
Net Assets:			
Unrestricted	4,435,117	5,056,812	6,761,061
Temporarily Restricted	388,116	385,370	274,183
Total Net Assets	4,823,233	5,442,182	7,035,244
Total Liabilities and Net Assets	**$ 28,240,981**	**$ 28,658,337**	**$ 28,957,722**

City of Alameda Health Care District

Statements of Operations

May 31, 2013

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Patient Days	6,105	5,954	151	2.5%	2,621	60,680	59,475	1,205	2.0%	28,093
Discharges	252	262	(10)	-3.6%	261	2,854	2,874	(20)	-0.7%	2,756
ALOS (Average Length of Stay)	24.23	22.77	1.46	6.4%	10.04	21.26	20.69	0.57	2.7%	10.19
ADC (Average Daily Census)	196.9	192.1	4.87	2.5%	84.5	180.6	177.0	3.59	2.0%	83.6
CMI (Case Mix Index)	1.4037				1.1651	1.3366				1.3240
Revenues										
Gross Inpatient Revenues	$ 18,453	$ 18,797	$ (344)	-1.8%	$ 14,973	$ 200,384	$ 198,753	$ 1,630	0.8%	$ 161,480
Gross Outpatient Revenues	8,224	8,918	(694)	-7.8%	7,364	86,489	86,898	(409)	-0.5%	76,678
Total Gross Revenues	26,677	27,715	(1,038)	-3.7%	22,337	286,873	285,651	1,221	0.4%	238,158
Contractual Deductions	19,368	20,210	842	4.2%	16,237	207,308	208,911	1,603	0.8%	178,303
Bad Debts	559	731	171	23.5%	1,178	11,038	7,843	(3,194)	-40.7%	4,535
Charity and Other Adjustments	341	175	(167)	-95.4%	104	1,597	1,894	297	15.7%	1,609
Net Patient Revenues	6,409	6,599	(191)	-2.9%	4,818	66,931	67,003	(72)	-0.1%	53,712
Net Patient Revenue %	24.0%	23.8%			21.6%	23.3%	23.5%			22.6%
Net Clinic Revenue	70	42	28	68.2%	36	568	459	109	23.7%	410
Other Operating Revenue	8	50	(42)	-84.0%	15	475	553	(78)	-14.1%	223
Total Revenues	**6,487**	**6,691**	**(205)**	-3.1%	**4,869**	**67,974**	**68,015**	**(41)**	-0.1%	**54,345**
Expenses										
Salaries	3,620	3,511	(109)	-3.1%	3,020	37,579	37,721	142	0.4%	31,514
Temporary Agency	179	66	(113)	-171.6%	118	2,046	723	(1,323)	-183.0%	1,325
Benefits	1,198	1,154	(44)	-3.8%	765	11,176	10,974	(202)	-1.8%	9,436
Professional Fees	497	376	(122)	-32.4%	374	4,718	4,301	(417)	-9.7%	4,100
Supplies	915	758	(157)	-20.6%	665	8,712	8,052	(660)	-8.2%	6,914
Purchased Services	676	568	(108)	-19.0%	314	6,152	5,938	(214)	-3.6%	4,164
Rents and Leases	226	205	(21)	-10.2%	142	2,280	2,170	(110)	-5.1%	1,145
Utilities and Telephone	82	87	5	6.0%	66	886	943	56	6.0%	720
Insurance	38	42	4	8.6%	32	410	441	31	6.9%	302
Depreciation and amortization	93	68	(25)	-37.0%	66	824	748	(75)	-10.1%	778
Other Opertaing Expenses	90	113	24	20.8%	79	1,161	1,266	105	8.3%	1,000
Total Expenses	**7,613**	**6,947**	**(666)**	-9.6%	**5,641**	**75,945**	**73,277**	**(2,668)**	-3.6%	**61,400**
Operating gain (loss)	**(1,126)**	**(256)**	**(871)**	-340.6%	**(772)**	**(7,971)**	**(5,262)**	**(2,709)**	51.5%	**(7,055)**
Non-Operating Income / (Expense)										
Parcel Taxes	488	500	(12)	-2.5%	477	5,283	5,499	(215)	-3.9%	5,291
Investment Income	1	-	1	0.0%	1	11	-	11	0.0%	7
Interest Expense	(13)	(8)	(5)	-57.9%	(10)	(168)	(88)	(80)	90.4%	(171)
Other Income / (Expense)	28	15	14	90.7%	26	511	164	347	211.0%	287
Net Non-Operating Income / (Expense)	**504**	**507**	**(2)**	**-0.5%**	**495**	**5,638**	**5,575**	**63**	**1.1%**	**5,413**
Excess of Revenues Over Expenses	**$ (622)**	**$ 251**	**$ (873)**	**-347.7%**	**$ (277)**	**$ (2,334)**	**$ 313**	**$ (2,646)**	**-846.4%**	**$ (1,642)**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day

May 31, 2013

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 2,091	$ 2,141	$ (50)	-2.4%	$ 3,829	$ 2,307	$ 2,325	$ (18)	-0.8%	$ 3,897
Gross Outpatient Revenues	932	1,016	(84)	-8.3%	1,883	996	1,017	(21)	-2.1%	1,851
Total Gross Revenues	3,023	3,157	(134)	-4.3%	5,713	3,302	3,342	(39)	-1.2%	5,748
Contractual Deductions	2,194	2,302	108	4.7%	4,152	2,386	2,444	58	2.4%	4,303
Bad Debts	63	83	20	23.9%	301	127	92	(35)	-38.5%	109
Charity and Other Adjustments	39	20	(19)	-94.3%	27	18	22	4	17.1%	39
Net Patient Revenues	726	752	(26)	-3.4%	1,232	770	784	(13)	-1.7%	1,296
Net Patient Revenue %	24.0%	23.8%			21.6%	23.3%	23.5%			22.6%
Net Clinic Revenue	8	5	3	67.3%	9	7	5	1	21.8%	10
Other Operating Revenue	1	6	(5)	-84.1%	4	5	6	(1)	-15.5%	5
Total Revenues	**735**	**762**	**(27)**	-3.6%	**1,245**	**783**	**796**	**(13)**	-1.7%	**1,312**
Expenses										
Salaries	410	400	(10)	-2.6%	772	433	441	9	2.0%	761
Temporary Agency	20	8	(13)	-170.2%	30	24	8	(15)	-178.4%	32
Benefits	136	131	(4)	-3.3%	196	122	128	6	4.9%	228
Professional Fees	56	43	(14)	-31.7%	96	54	50	(4)	-7.9%	99
Supplies	104	86	(17)	-20.0%	170	100	94	(6)	-6.5%	167
Purchased Services	77	65	(12)	-18.4%	80	71	69	(1)	-1.9%	101
Rents and Leases	26	23	(2)	-9.6%	36	26	25	(1)	-3.4%	28
Utilities and Telephone	9	10	1	6.5%	17	10	11	1	7.5%	17
Insurance	4	5	0	9.1%	8	5	5	0	8.4%	7
Depreciation and Amortization	11	8	(3)	-36.3%	17	9	9	(1)	-8.3%	19
Other Operating Expenses	10	13	3	21.2%	20	13	15	1	9.7%	24
Total Expenses	**863**	**791**	**(71)**	-9.0%	**1,443**	**868**	**857**	**(10)**	-1.2%	**1,482**
Operating Gain / (Loss)	**(128)**	**(29)**	**(99)**	-338.3%	**(197)**	**(85)**	**(61)**	**(24)**	38.5%	**(170)**
Non-Operating Income / (Expense)										
Parcel Taxes	55	57	(2)	-3.0%	122	61	64	(4)	-5.5%	128
Investment Income	0	-	0	0.0%	0	0	-	0	0.0%	0
Interest Expense	(1)	(1)	(1)	-57.1%	(3)	(2)	(1)	(1)	87.3%	(4)
Other Income / (Expense)	3	2	2	89.7%	7	6	2	4	206.0%	7
Net Non-Operating Income / (Expense)	**57**	**58**	**(1)**	**-1.0%**	**126**	**65**	**65**	**(0)**	**-0.5%**	**131**
Excess of Revenues Over Expenses	**$ (70)**	**$ 29**	**$ (99)**	-346.3%	**$ (71)**	**$ (20)**	**$ 4**	**$ (24)**	-614.9%	**$ (40)**

Wound Care - Statement of Operations
May 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	466	350	116	33.1%	3,182	2,100	1,082	51.5%
Revenue								
Gross Revenue	792,939	736,372	56,567	7.7%	5,849,657	4,418,232	1,431,425	32.4%
Deductions from Revenue	610,563	567,301	43,262		4,589,823	3,403,806	1,186,017	
Net Revenue	182,376	169,071	13,305		1,259,833	1,014,426	245,407	
Expenses								
Salaries	19,862	15,232	(4,630)	-30.4%	158,823	165,628	6,805	4.1%
Benefits	5,681	4,311	(1,370)	-31.8%	43,613	46,873	3,260	7.0%
Professional Fees	95,696	84,730	(10,966)	-12.9%	690,632	523,381	(167,251)	-32.0%
Supplies	47,050	7,532	(39,518)	-524.7%	242,712	82,852	(159,860)	-192.9%
Purchased Services	5,279	2,083	(3,196)	-153.4%	49,888	22,914	(26,974)	-117.7%
Rents and Leases	5,686	5,080	(606)	-11.9%	60,922	55,880	(5,042)	-9.0%
Depreciation	8,834	4,900	(3,934)	-80.3%	78,794	53,900	(24,894)	-46.2%
Other	3,716	5,917	2,201	37.2%	25,425	65,086	39,661	60.9%
Total Expenses	191,804	129,785	(62,019)	-47.8%	1,350,809	1,016,514	(334,295)	-32.9%
Excess of Revenue over Expenses	(9,428)	39,286	(48,714)	-124.0%	(90,975)	(2,088)	(88,887)	4257.4%

Note: Of the 379 visits, 95were hyberbaric oxygen treatment visits.

City of Alameda Health Care District
Waters Edge Skilled Nursing - Statement of Operations
May 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Patient Days								
Medicare	452	527	(75)	-14.2%	3,674	3,978	(304)	-7.6%
Medi-Cal	2,882	2,418	464	19.2%	25,436	23,345	2,091	9.0%
Managed Care	20	93	(73)	-78.5%	433	1,156	(723)	-62.5%
Self Pay/Other	170	279	(109)	-39.1%	2,169	2,338	(169)	-7.2%
Total	3,524	3,317	207	6.2%	31,712	30,817	895	2.9%
Revenue								
Routine Revenue	2,783,216	2,504,962	278,254	11.1%	24,837,317	24,093,877	743,440	3.1%
Ancillary Revenue	495,597	436,783	58,814	13.5%	3,468,486	4,284,051	(815,565)	-19.0%
Total Gross Revenue	3,278,813	2,941,745	337,068	11.5%	28,305,803	28,377,928	(72,125)	-0.3%
Deductions from Revenue	1,986,115	1,694,445	(291,670)	-17.2%	16,794,449	17,137,696	343,247	2.0%
Net Revenue	1,292,698	1,247,300	45,398	3.6%	11,511,354	11,240,232	271,122	2.4%
Expenses								
Salaries	468,257	530,059	61,802	11.7%	4,305,619	4,996,158	690,539	13.8%
Temporary Agency	30,171	-	(30,171)	-100.0%	136,316	-	(136,316)	-100.0%
Benefits	106,812	159,018	52,206	32.8%	979,214	1,512,807	533,593	35.3%
Professional Fees	9,053	9,007	(46)	-0.5%	59,449	109,998	50,549	46.0%
Supplies	62,814	98,941	36,127	36.5%	665,897	977,572	311,675	31.9%
Purchased Services	154,941	140,180	(14,761)	-10.5%	1,154,460	1,332,714	178,254	13.4%
Rents and Leases	77,029	76,636	(393)	-0.5%	770,560	765,604	(4,956)	-0.6%
Utilities	3,802	15,015	11,213	74.7%	126,674	150,005	23,331	15.6%
Insurance	2,500	12,179	9,679	79.5%	29,098	121,664	92,566	76.1%
Other	13,247	20,053	6,806	33.9%	159,157	205,046	45,889	22.4%
Total Expenses	928,626	1,061,088	132,462	12.5%	8,386,444	10,171,568	1,785,124	17.6%
Excess of Revenue over Expenses	364,073	186,212	177,861		3,124,910	1,068,664	2,056,246	

City of Alameda Health Care District
Orthopedic Clinic - Statement of Operations
May 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	193	275	(82)	-29.8%	1,049	1,334	(285)	-21.4%
Revenue								
Gross Revenue	96,825	108,890	(12,065)	-11.1%	421,517	1,197,790	(776,273)	-64.8%
Deductions from Revenue	57,452	76,223	(18,771)		274,016	838,453	(564,437)	
Net Revenue	39,373	32,667	6,706		147,501	359,337	(211,836)	
Expenses								
Salaries	33,153	33,064	(89)	-0.3%	249,045	280,375	31,330	11.2%
Benefits	9,482	9,357	(125)	-1.3%	71,175	79,346	8,171	10.3%
Professional Fees	23,538	25,000	1,462	5.8%	199,763	229,500	29,737	13.0%
Supplies	414	2,105	1,691	80.3%	42,711	17,895	(24,816)	-138.7%
Purchased Services	10,625	3,895	(6,730)	-172.8%	51,291	33,105	(18,186)	-54.9%
Rents and Leases	5,520	2,632	(2,888)	-109.7%	34,532	22,368	(12,164)	-54.4%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Other	844	3,263	2,419	74.1%	31,629	67,737	36,108	53.3%
Total Expenses	83,576	79,316	(4,260)	-5.4%	680,146	730,326	50,180	6.9%
Excess of Revenue over Expenses	(44,203)	(46,649)	2,446	5.2%	(532,645)	(370,989)	(161,656)	-43.6%
Hospital Based Activity:								
Inpatient Days	20	44	(24)	-54.5%	84	264	(180)	-68.2%
Inpatient Surgeries	2	10	(8)	-80.0%	15	60	(45)	-75.0%
Outpatient Surgeries	10	5	5	100.0%	51	36	15	41.7%
Therapy Referred Visits	178	500	(322)	-64.4%	902	2,550	(1,648)	-64.6%
Imaging Referred Procedures	138	307	(169)	-55.0%	655	1,377	(722)	-52.4%
Inpatient Gross Charges	405,857	619,000	(213,143)	-34.4%	1,646,963	3,714,000	(2,067,037)	-55.7%
Inpatient Net Revenue	86,319	139,000	(52,681)	-37.9%	316,857	834,000	(517,143)	-62.0%
Outpatient Gross Charges	315,024	473,915	(158,891)	-33.5%	1,935,547	2,468,965	(533,418)	-21.6%
Outpatient Net Revenue	53,554	107,018	(53,464)	-50.0%	345,762	553,850	(208,088)	-37.6%
Total Gross Charges	720,881	1,092,915	(372,034)	-34.0%	3,582,510	6,182,965	(2,600,455)	-42.1%
Total Net Revenue	139,873	246,018	(106,145)	-43.1%	662,619	1,387,850	(725,231)	-52.3%

City of Alameda Health Care District
1206b Clinic - Statement of Operations
May 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits								
Primary Care	94				1,329			
Surgery	50				555			
Neurology	31				308			
Total Visits	175				2,192			
Revenue								
Gross Revenue	75,750	142,006	(66,256)	-46.7%	1,162,449	1,562,065	(399,616)	-25.6%
Deductions from Revenue	44,947	93,724	(48,777)		748,661	1,030,963	(282,302)	
Net Revenue	30,803	48,282	(17,479)		413,788	531,102	(117,314)	
Expenses								
Salaries	30,309	19,811	(10,498)	-53.0%	312,708	201,975	(110,733)	-54.8%
Temporary Agency	4,638	-	(4,638)	-100.0%	31,252	-	(31,252)	-100.0%
Benefits	8,668	5,607	(3,062)	-54.6%	81,373	57,159	(24,214)	-42.4%
Professional Fees	23,891	21,708	(2,183)	-10.1%	247,889	238,790	(9,099)	-3.8%
Supplies	382	954	572	60.0%	23,334	10,493	(12,841)	-122.4%
Purchased Services	5,671	4,783	(888)	-18.6%	98,261	52,615	(45,646)	-86.8%
Rents and Leases	12,661	11,606	(1,055)	-9.1%	140,019	127,669	(12,350)	-9.7%
Depreciation	494	207	(287)	-138.6%	3,426	2,278	(1,148)	-50.4%
Other	4,947	2,291	(2,656)	-115.9%	36,211	25,209	(11,002)	-43.6%
Total Expenses	91,661	66,967	(24,695)	-36.9%	974,473	716,188	(258,285)	-36.1%
Excess of Revenue over Expenses	(60,858)	(18,685)	(42,174)	225.7%	(560,685)	(185,086)	(375,599)	202.9%

Note:

Clinic Hours by Physician
Dr. Celada - M,W,F Mornings only
Dr. Brimer - M & Th full days, plus T Mornings
Dr. Dutaret - T & W full days

City of Alameda Health Care District
Statement of Cash Flows
For the Eleven Months Ended May 31, 2013

	Current Month	Year-to-Date
Cash flows from operating activities		
Net Income / (Loss)	$ (621,999)	$ (2,333,668)
Items not requiring the use of cash:		
Depreciation and amortization	93,192	$ 823,505
Write-off of Kaiser liability	-	$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	178,242	(2,403,726)
Other Receivables	17,980	5,718,071
Third-Party Payer Settlements Receivable	500,675	3,050,044
Inventories	3,710	(54,928)
Prepaids and Other	(21,442)	(224,738)
Accounts payable and accrued liabilities	(205,170)	3,145,735
Payroll Related Accruals	475,846	839,891
Employee Health Plan Accruals	(11,635)	(13,000)
Deferred Revenues	(474,620)	(5,241,864)
Cash provided by (used in) operating activities	(65,221)	3,305,321
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(2,746)	(113,933)
Additions to Property, Plant and Equipment	(87,371)	(1,194,573)
Other	304	7,723
Cash provided by (used in) investing activities	(89,814)	(1,300,783)
Cash flows from financing activities		
Net Change in Long-Term Debt	(83,503)	(285,536)
Net Change in Restricted Funds	2,746	113,933
Cash provided by (used in) financing and fundraising activities	(80,756)	(171,602)
Net increase (decrease) in cash and cash equivalents	(235,791)	1,832,936
Cash and cash equivalents at beginning of period	5,396,612	3,327,884
Cash and cash equivalents at end of period	$ 5,160,823	$ 5,160,821

City of Alameda Health Care District
Ratio's Comparison

Financial Ratios	Audited Results FY 2009	FY 2010	FY 2011	FY 2012	YTD 5/31/2013
Profitability Ratios					
Net Patient Revenue (%)	22.69%	24.16%	23.58%	22.90%	23.33%
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%	-9.75%
Total Margin	1.03%	2.74%	-2.61%	-3.21%	-3.43%
Liquidity Ratios					
Current Ratio	1.15	1.23	1.05	0.96	0.86
Days in accounts receivable ,net	57.26	51.83	46.03	55.21	56.25
Days cash on hand (with restricted)	13.6	21.6	14.1	17.7	22.0
Debt Ratios					
Cash to Debt	115.3%	249.0%	123.3%	123.56%	216.95%
Average pay period (includes payroll)	58.03	57.11	62.68	72.94	74.85
Debt service coverage	3.87	5.98	(0.70)	(0.53)	(1.20)
Long-term debt to fund balance	0.20	0.14	0.18	0.28	0.34
Return on fund balance	8.42%	18.87%	-19.21%	-27.35%	-48.38%
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	Audited Results FY 2009	FY 2010	FY 2011	FY 2012	YTD 5/31/2013
Patient Care Information					
Bed Capacity	161	161	161	161	281
Patient days(all services)	30,463	30,607	30,270	30,448	60,680
Patient days (acute only)	11,787	10,579	10,443	10,880	10,560
Discharges(acute only)	2,812	2,802	2,527	2,799	2,614
Average length of stay (acute only)	4.19	3.78	4.13	3.89	4.04
Average daily patients (all sources)	83.46	83.85	82.93	83.19	181.13
Occupancy rate (all sources)	52.94%	52.08%	51.51%	51.67%	64.46%
Average length of stay	4.19	3.78	4.13	3.89	4.04
Emergency Visits	17,337	17,624	16,816	16,964	15,746
Emergency visits per day	47.50	48.28	46.07	46.35	47.00
Outpatient registrations per day[Note 1]	82.05	79.67	65.19	60.67	63.87
Surgeries per day - Total	16.12	13.46	6.12	6.12	5.52
Surgeries per day - excludes Kaiser	5.14	5.32	6.12	6.12	5.52

Notes:

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

Glossary of Financial Ratios

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

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

RESOLUTION NO. 2013-4K

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

*** * ***

EXTENSION OF SPENDING AUTHORITY

WHEREAS, the City of Alameda Health Care District (the "District") was formally organized and began its existence on July 1, 2002; and

WHEREAS, on July 25, 2012, the District Board of Directors approved the Fiscal Year 2012-2013 Operating and Capital Budget; and

WHEREAS, at the May 29, 2013 Finance and Management Committee, the committee deferred the action item to recommend the Fiscal year 2013-2014 Operating and Capital budget until the June 25, 2013 Finance and Management Committee meeting;

WHEREAS, at the June 25, 2013 Finance and Management Committee Meeting, the committee and management deferred the review of the budget to the July Committee meeting;

WHEREAS, it is anticipated that the Board of Directors will review, for approval, the Fiscal Year 2013-2014 Operating and Capital Budget at its August, 2013 regular meeting;

WHEREAS, it was recommended by the Finance and Management Committee that the Board of Directors authorize an extension of spending authority through August 2013,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, that the District hereby authorizes that, until further action is taken specifying otherwise, the City of Alameda Health Care District (Alameda Hospital) will continue to utilize its spending authority approved by the District Board on July 25, 2012 until an approved Budget for Fiscal Year 2013-2014 can be adopted by the Board of Directors, which shall occur no later than August 31, 2013.

PASSED AND ADOPTED on July 10, 2013 by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

_____
J. Michael McCormick
President

_____
Tracy Jensen
Secretary

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: July 1, 2013

FOR: July 10, 2013 District Board Meeting

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

FROM: Deborah Stebbins, Chief Executive Office
Brian Jung, Chief Business Development Officer
Tony Corica, Director of Physician Relations

Subject: Approval to Enter into a Professional Services Agreement with General Surgeon, John Lee, MD

RECOMMENDATION:

Hospital Management recommends that the Board of Directors approve entering into a one year Professional Services Agreement with John Lee, MD, a general surgeon wishing to establish his medical office practice in Alameda.

BACKGROUND:

General Surgery remains a highly profitable service line for hospitals across the country. A robust general surgery portfolio can assist the Hospital to support less profitable hospital services. The demand for general surgery care covers the gamut of ages. The provision of General Surgery call to the Emergency Care Center is required by Title XXII.

It is estimated that a full-time general surgeon generates combined net inpatient and outpatient revenues to the Hospital of approximately $1.5M annually. Our experience with our busiest general surgeon is in line with this estimate.

At a minimum, the addition of a general surgeon to our medical staff will:

- Expand the capacity and provide needed coverage for our lone general surgeon in Alameda,
- Provide general surgery on-call services to the Emergency Care Center.
- Provide additional physician coverage at the Kate Creedon Center for Advanced Wound Care.

DISCUSSION:

There are currently three general surgery practices that provide general surgery services to Alameda Hospital. First Surgical Consultants (headed by Steve Stanton, MD) and Colin Mbanugo, MD have Oakland based practices that give limited on-call services to the Emergency Care Center. The third practice is a single physician, Roberto Celada, MD, who is the only general surgeon with an office in Alameda.

He has been an active member of the Alameda Hospital Medical Staff since 2008 and joined the Alameda Hospital 1206(b) clinic in March, 2010 as a solo practitioner. He serves as Chairman of the Alameda Hospital Surgery Committee and is the Chief of Surgery, responsible for the delivery of surgical care at Alameda Hospital.

Since April, 2012, Dr. Celada has been on-call an average of 18-19 days per month. His office practice has grown and his Alameda Hospital surgical case load has increased from 154 procedures in fiscal year 2011 to nearly 200 in fiscal year 2013. He has rarely been able to take any time off due to patient needs and/or on-call demands. Dr. Celada has met with Hospital Administration to inform us that being the sole general surgeon in Alameda is not sustainable. Dr. Celada has asked that the Hospital pursue an additional general surgeon to help cover him when he is not available, assist with more complicated cases, and help cover Emergency Care Center call.

OSHPD data indicates that of the available market, which excludes Children's Hospital – Oakland and Kaiser Hospitals, 524 general surgeries were performed on Alameda residents in 2011. Alameda Hospital was the most utilized facility for those surgeries, performing 153 cases, or 29.2% of the available market. Alta Bates Summit Hospital was next with a 24.4% market penetration, followed by Alta Bates Hospital, Berkeley campus with a 9.4% share. An increased general surgery presence on-island may be able to draw from the over 370 available patients that leave Alameda for their general surgery procedures.

General Surgeon John Lee MD, was contacted by Alameda Hospital in 2012 regarding his interest in joining our Medical Staff. He worked at Alameda Hospital prior to 2010 as a resident in the Kaiser General Surgery Program. He just concluded a two year stint as Chief Resident of General Surgery at Highland Hospital through the University of California San Francisco-East Bay General Surgery residency program. While at Highland Hospital he worked with Dr. Celada and is well known by our new orthopedists, Drs. Pirinia and DiStefano. He lives in Alameda, is raising his family here, and has a strong desire to work in the community.

PROPOSED COMPENSATION:

General Surgery, considered by many doctors to be the "primary care" of surgery, is declining in popularity among medical students because of income disparities with other surgical areas. Still the income average for general surgeons is over $350,000 per year, and over $275,000 per year for new general surgeons.

Alameda Hospital has entered into Professional Service Agreements with physicians since it established its 1206(b) clinic in 2009. The proposed agreement includes a base salary that may be supplemented by production incentives based upon work units. In addition to the practice of general surgery, the physician will participate in the Hospital's community outreach and marketing efforts.

An offer made to the physicians by the Hospital must be deemed to be fair and reasonable. To ensure that the offer is within Fair Market Value, Alameda Hospital engaged the services of Debra Phairas, President of Practice & Liability Consultants, Inc. Ms. Phairas was asked to make recommendations on Fair Market Value for

determining Base Salary and Work Relative Value Unit incentive compensation to the general surgeon interested in joining the Alameda Hospital Medical Staff and the Alameda Hospital Physicians 1206(b) clinic. Ms. Phairas is a recognized Practice Management Consultant with over 25 years of experience working with over 1,600 practices.

The attached compensation package (Attachment A) is within Fair Market Value for the specialty of General Surgery.

ATTACHMENT A

COMPENSATION

1. **Base Salary:** Physician's Base Salary shall be One Hundred Thousand Dollars ($100,000.00) per year. Payment of Base Salary shall be bi-weekly in the amount of 1/26 of Base Salary, less applicable withholding.
2. **Physician Work RVU (WRVU) Threshold.** The WRVU Threshold shall be 2,600 per year.
3. **Incentive Bonus.** Once the Physician reaches the WRVU Threshold, Physician shall be paid an incentive Bonus in the amount of Fifty-five dollars ($55.00) for every WRVU over the WRVU Threshold as described in Section 2 above. WRVUs in excess of the WRVU Threshold shall be reviewed quarterly by AHP and interim Incentive Bonuses shall be paid to Physician based on progress during the quarter toward meeting the annual WRVU Threshold, reconciled for the full 12 months during the 4th quarter.
4. **Call Pay.** Physician's on-call pay for the days scheduled to provide general surgery coverage for patient care in the Emergency Room shall be at the rate established for general surgery coverage at Alameda Hospital, all pursuant to a separate form of General Surgery On-Call Coverage Agreement between Physician and City of Alameda Health Care District, doing business as Alameda Hospital. Physician's on-call pay for such general surgery coverage at Alameda Hospital, or elsewhere as permitted hereunder, shall belong to, and be paid directly to, Physician and not through the Clinic. On-Call pay is not part of the Physician's Base Salary.
5. **Signing Bonus.** Hospital shall make a one-time payment to the Physician in the amount of $20,000. The $20,000 shall be paid as $10,000 on July 11, 2013 and $10,000 on August 11, 2013.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: July 3, 2013

For: July 10, 2013 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 Cameron Builders for the Alameda Hospital Bulk Oxygen Tank NPC-2 Upgrade Project

---

RECOMMENDATION:

Hospital management is recommending that they be authorized by the District Board to award a contract to Cameron Builders, based in Moraga, California. The contract will be in the amount of $336,696.

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. This law mandated that an SPC-2 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. Currently, Alameda Hospital is out of compliance with SB1953, but was granted an extension on the SB90 deadline with full NPC-2 compliance due by January 1, 2015.

Replacement of the current bulk oxygen tank and concrete pad supporting it is the only outstanding NPC-2 compliant issue. Field verification tests performed by JTec consultants in 2012 indicated that the concrete foundation on which the bulk oxygen tank and bottle reserve currently in use by the hospital is seismically vulnerable, and will require a deeper and more structurally stable foundation. Furthermore, the current tank size is 900 gallons, whereas the replacement tank is 3,000 gallons, thereby saving money by reducing the need for more frequent and more expensive refill processing. The cost of the project includes a new enclosure and foundation pad, new point of connection into an SPC-4 compliant building, and connection to the existing oxygen alarm panel. The plan is to move the location of the new, larger oxygen tank across the parking lot along the western property line where there are currently a number of vehicle parking spaces.

On July 2, 2012, the Board approved disbursement of $140,000 for pre-construction activities on a total budget of $400,000, with construction costs estimated at the time to be $190,000.

DISCUSSION:

We utilized a pre-qualification process to determine the initial pool of bidders, which resulted in four submissions from interested contractors. All four bidders qualified and were invited to participate in a bidder conference and site walk-through held on June 12, 2013. 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 June 28, 2013 at 2:00 p.m. at which time, all bids were opened and the bid amounts read.

Two pre-qualified contractors submitted proposals, giving us two competitive bids for consideration.

The bid prices are as follows:

- Cameron Builders $336,696
- Advanced Engineering Sales $450,759

After careful review both bids, all were found to be responsible competent proposals. Given this, the recommendation is to contract with the lowest bidder, **Cameron Builders**.

The Cameron Builders' bid at $336,696 is greater than the original project budget for construction, and would therefore increase the project's total projected cost by an additional $147,000. The preliminary construction budget was based on an estimate that did not include some of the scope of work that was added during the development of the project, such as a larger tank and more extensive trenching. It also did not include work based on agreements with the community for a larger cement masonry unit wall and various seismic requirements.

Management expects to cover cashflow needs partially from the $400K capital funding loan provided by the Hospital Foundation, and the remainder from Alameda Health System capital funding sources identified as part of the pending affiliation agreement currently in the due diligence phase.

The contract documents will specify a 40 business day construction timeline. Once approved by the District Board, management will give notice to award the contract, and after receiving the approved building permit from OSHPD, provide the official Notice to Proceed, which we anticipate will be around July 15, 2013.

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

Cameron Builders has been in business since 1999 and was started by its founder who has more than 30 years in the medical design and construction industry. Clients include UCSF, UC Davis Medical Center, and Stanford University Medical Center . They are based out of Moraga, CA. One of their employees is a resident of Alameda County. The major sub-contractor, Dryco, who will be doing much of the work on site preparation, stripping, concrete, asphalt, and fencing is based in Freemont, 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.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: July 3, 2013

FOR: July 10, 2013 District Board Meeting

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

FROM: Deborah E. Stebbins, Chief Executive Officer

SUBJECT: Approval of Memorandum of Understanding between City of Alameda Health Care District and Alameda Hospital Foundation for Guaranty of Promissory Note from Alameda Health System to City of Alameda Health Care District

---

RECOMMENDATION:

Management recommends that the Board of Directors approve a Memorandum of Understanding between the District and the Alameda Hospital Foundation setting forth the terms of repayment of the $1.5 million working capital line of credit that has been extended by AHS under the terms of the Letter of Intent and which is being guaranteed by the Alameda Hospital Foundation. Further, the Memorandum of Understanding provides for an indemnification of the Foundation by the District in the event that AHS should seek legal recourse against the Foundation for performance on the guaranty.

BACKGROUND:

One of the terms of the Letter of Intent for Affiliation between AHS and Alameda Hospital was the provision for the extension of a working capital line of credit of $1.5 million from AHS to AH for the purposes of paying down outstanding accounts payable. This line of credit would be due and payable 366 days after its issuance in the event the affiliation is not finalized. In the event the affiliation is finalized, the $1.5 million will be included in the cumulative investments made by AHS for the capital and operating needs of Alameda Hospital.

Since all other potential assets of Alameda Hospital (e.g. Jaber property, etc.) are already pledged as security for the Bank of Alameda loan, management requested that the Alameda Hospital Foundation serve as a guarantor to the loan. The current assets of the Foundation total $2.3 M. AHS agreed to the terms of the line of credit loan provided the Foundation serve as a guarantor.

The Board of Directors authorized management to enter into a promissory note with AHS for $1.5 million as a part of the terms of the Letter of Intent with AHS approved on June 17, 2013. Attached to the promissory note was the Form of Guaranty document which needed final Foundation Board approval.

At the request of the Foundation Executive Committee, legal counsel has drafted the attached Memorandum of Understanding between Alameda Hospital and Alameda

Hospital Foundation provides that the $1.5 million will be repaid to AHS as a priority obligation out of the proceeds of the parcel tax in the event the affiliation is not completed. Further, it provides that in the event the affiliation is completed, the repayment of the line of credit by the District Board will be made out of the proceeds of the next year's parcel tax, thereby eliminating the Foundation's guaranty in as timely a manner as possible. The Memorandum of Understanding also provides that the District indemnify the Foundation against any action by AHS to act upon the Foundation's guaranty of the line of credit.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made and entered into by and between City of Alameda Health Care District (the "District") and the Alameda Hospital Foundation (the "Foundation"), effective as of the date of execution by both parties, with reference to the following facts:

A. The District is party to that certain Letter of Intent with Alameda Health System ("AHS"), dated as of June 12, 2013, which, as part of a proposed affiliation transaction (the "Affiliation"), provides in pertinent part that:

   "Upon execution of the Letter of Intent, AHS shall make available to AHD a Line of Credit pursuant to a Line of Credit Agreement totaling $1,500,000 Dollars to assist AHD in paying its past due accounts payable and such other operating expenses as may be essential to the continued operation of Alameda Hospital, as mutually agreed upon by AHD and AHS. The initial Line of Credit advance will be guaranteed by the Alameda Hospital Foundation."'

B. The Foundation is willing to provide such guaranty, pursuant to that certain Guaranty Agreement requested by AHS, in the form attached hereto as Exhibit A, on the terms and conditions hereinafter set forth.

C. The District and the Foundation are in agreement that it is in the best interests of both parties that the proposed guaranty be in effect for as short a time as possible and that, to the extent Foundation is called upon to perform under such guaranty, the District fully indemnify and hold harmless the Foundation, and reimburse the Foundation as promptly as possible any and all sums advanced by reason of such guaranty.

Now therefore, intending to be legally bound and in consideration of the mutual promises set forth herein, including the guaranty by the Foundation of the Line of Credit as set forth above, the District and the Foundation hereby agree as follows:

1. Upon the execution hereof by both parties, the Foundation shall execute and deliver to AHS the form of Guaranty Agreement attached hereto as Exhibit A.

2. In consideration of such action by the Foundation, the District agrees that:
    a) regardless of whether the Affiliation transaction takes place, the District shall repay the Line of Credit on time and in accordance with its terms;
    b) to the extent necessary to effectuate such repayment, the District shall budget and allocate its 2014 revenue, including but not limited to the proceeds of the parcel tax, to such repayment;
    c) should the Foundation, pursuant to the terms of the Guaranty Agreement, be called upon to make any one or more payments, the District shall fully indemnify the Foundation and hold it harmless with respect to any such payments, and reimburse the Foundation as promptly as possible for (i) any and all sums advanced by reason of such guaranty, together with (ii) any and all expenses (including but not limited to any attorneys' fees and costs) incurred by the Foundation in connection therewith; and
    d) to the extent necessary to effectuate such indemnification and reimbursement, the District shall budget and allocate its next available revenue, including but not limited to the proceeds of the parcel tax, to such obligations.

IN WITNESS WHEREOF, each party has executed this Agreement as of the date set forth below.

CITY OF ALAMEDA HEALTH CARE DISTRICT

By:_____
Deborah E. Stebbins, CEO

Date: _____

ALAMEDA HOSPITAL FOUNDATION

By:_____
Name: _____
Title: _____

Date: _____

Exhibit A

Form of Guaranty Agreement

FORM OF GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty") is made this July 1, 2013, by the **ALAMEDA HOSPITAL FOUNDATION**, a Non-Profit Corporation formed under the laws of the State of California ("Guarantor"), in favor of **ALAMEDA COUNTY MEDICAL CENTER**, d/b/a **ALAMEDA HEALTH SYSTEM,** a hospital authority formed pursuant to California Health and Safety Code 10185 (together with its successors and assigns, "Lender").

Recitals:

Lender has made a loan (the "Loan") to the City of Alameda Health Care District ("Borrower"), which is evidenced by that certain Promissory Note by Borrower in favor of Lender with the original principal amount of $1,500,000 (the "Note").

A condition to Lender's obligation to make the Loan is Guarantor's execution and delivery to Lender of this Guaranty.

To induce Lender to make the Loan to Borrower, Guarantor is willing to execute this Guaranty.

Agreement:

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, Guarantor hereby agrees as follows:

1. Definitions; Rules of Construction. Capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Agreement.

2. Guaranty. (a) Guarantor hereby unconditionally and absolutely guarantees to Lender the due and punctual payment, performance and discharge (whether upon stated maturity, demand, acceleration or otherwise in accordance with the terms thereof) of (i) the Loan, and (ii) all terms, conditions, agreements, representations and warranties at any time made by Borrower to Lender set forth in the Note regardless of whether recovery thereof becomes barred by any statute of limitations, is void or voidable under any law relating to fraudulent obligations or otherwise or is or becomes invalid or unenforceable for any other reason (the "Guaranteed Obligations").

(b) Lender shall be under no obligation to marshal any assets in favor of Guarantor or in payment of any of the Guaranteed Obligations. If and to the extent Lender receives any payment on account of any of the Guaranteed Obligations (whether from Borrower, Guarantor or a third party obligor or from the sale or other disposition of any Collateral) and such payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other Person under any bankruptcy act, state or federal law, common law or equitable cause, then the part of the Guaranteed Obligations intended to

be satisfied shall be revived and continued in full force and effect as if said payment had not been made. The provisions of this paragraph shall survive the termination of this Guaranty.

(c) Lender shall have the right to seek recourse against Guarantor to the full extent provided for herein and against Borrower to the full extent provided for in the Note. No election to proceed in one form of action or proceeding, or against any Person, or on any obligation, shall constitute a waiver of Lender's right to proceed in any other form of action or proceeding or against any other Person unless Lender has expressly waived such right in writing. Specifically, but without limiting the generality of the foregoing, no action or proceeding by Lender against Borrower under the Note or any other instrument or agreement evidencing or securing Guaranteed Obligations shall serve to diminish the liability of Guarantor for the balance of the Guaranteed Obligations.

3. **Nature of Guaranty.** This Guaranty is a primary, immediate and original obligation of Guarantor; is an absolute, unconditional, continuing and irrevocable guaranty of payment of the Guaranteed Obligations and not of collectability only; is not contingent upon the exercise or enforcement by Lender of whatever rights or remedies Lender may have against Borrower or others, or the enforcement of any lien or realization upon any Collateral or other security that Lender may at any time possess; and shall remain in full force and effect without regard to future changes in conditions, including change of law or any invalidity or unenforceability of any of the Guaranteed Obligations or agreements evidencing same. This Guaranty shall be in addition to any other present or future guaranty or other security for any of the Guaranteed Obligations, shall not be prejudiced or unenforceable by the invalidity of any such other guaranty or security, and is not conditioned upon or subject to the execution by any other Person of this Guaranty or any other guaranty or suretyship agreement.

4. **Specific Waivers of Guarantor.** To the fullest extent permitted by applicable law, Guarantor waives notice of Lender's acceptance hereof and reliance hereon; notice of the extension of credit from time to time by Lender to Borrower and the creation, existence or acquisition of any Guaranteed Obligations; notice of the amount of Guaranteed Obligations of Borrower to Lender from time to time, (subject, however, to Guarantor's right to make inquiry of Lender to ascertain the amount of Guaranteed Obligations at any reasonable time); notice of any adverse change in Borrower's financial condition or of any other fact which might increase Guarantor's risk; notice of presentment for payment, demand, protest and notice thereof as to any instrument; notice of default or acceleration; all other notices and demands to which Guarantor might otherwise be entitled; any right Guarantor may have, by statute or otherwise, to require Lender to institute suit against Borrower after notice or demand from Guarantor or to seek recourse first against Borrower, or to realize upon any security for the Guaranteed Obligations, as a condition to enforcing Guarantor's liability and obligations hereunder; any defense that Borrower may at any time have or assert based upon the statute of limitations, the statute of frauds, failure of consideration, fraud, bankruptcy, lack of legal capacity, usury, or accord and satisfaction; any defense that other indemnity, guaranty, or security was to be obtained; any defense or claim that any Person purporting to bind Borrower to the payment of any of the Guaranteed Obligations did not have actual or apparent authority to do so; any defense or claim that any other act or omission by Lender had the effect of increasing Guarantor's risk of payment; and any other legal or equitable defense to payment hereunder. Guarantor also waives any right that Guarantor may have to claim or recover in any litigation arising out of this Guaranty, any special, exemplary, punitive or consequential damages or any damages other than, or

in addition to, actual damages.

5. **Guarantor's Consents and Acknowledgments.** Guarantor consents and agrees that, without notice to or by Guarantor and without affecting the liability or obligations of Guarantor hereunder, Lender may (with or without consideration) settle any of the Guaranteed Obligations; accelerate the Guaranteed Obligations; extend the period for the time for the payment, discharge or performance of any of the Guaranteed Obligations; refuse to enforce, or release all or any Persons liable for the payment of, any of the Guaranteed Obligations; release, surrender, exchange, modify or impair, or consent to the sale, transfer or other disposition of, any future Collateral; fail or refuse to perfect (or to continue the perfection of) any lien granted or conveyed to Lender with respect to any Collateral; or refuse to enforce or forbear from enforcing its rights or remedies with respect to any Collateral or any Person liable for any of the Guaranteed Obligations or make any compromise or settlement or agreement therefor in respect of any Collateral or with any party to the Guaranteed Obligations.

6. **Subordination; Postponement of Subrogation Rights.** (a) Any and all present and future debts and obligations of Borrower to Guarantor are hereby waived and postponed in favor of and subordinated to the payment in full of the Guaranteed Obligations. If any payment shall be made to Guarantor on account of any indebtedness owing by Borrower to Guarantor during any time that any Guaranteed Obligations are outstanding, Guarantor shall hold such payment in trust for the benefit of Lender and shall make such payments to Lender to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the discretion of Lender. The provisions of this Guaranty shall be supplemental to and not in derogation of any rights and remedies of Lender or any affiliate of Lender under any separate subordination agreement that Lender or such affiliate may at any time or from time to time enter into with Guarantor.

(b) Until the payment in full of the Guaranteed Obligations, Guarantor shall have no claim, right or remedy (whether or not arising in equity, by contract or applicable law) against Borrower or any other Person by reason of Guarantor's payment or other performance hereunder. Without limiting the generality of the foregoing, Guarantor hereby subordinates to the payment in full of the Guaranteed Obligations any and all legal or equitable rights or claims that Guarantor may have to reimbursement, subrogation, indemnity and exoneration and agrees that until the payment in full of the Guaranteed Obligations, Guarantor shall have no recourse to any assets or property of Borrower (including any Collateral) and no right of recourse against or contribution from any other Person in any way directly or contingently liable for any of the Guaranteed Obligations, whether any of such rights arise under contract, in equity or under applicable law.

7. **Application of Payments**. Unless otherwise required by law or a specific agreement to the contrary, all payments received by Lender from Borrower, Guarantor or any other Person with respect to the Guaranteed Obligations or from proceeds of the Collateral may be applied (or reversed and reapplied) by Lender to the Guaranteed Obligations in such manner and order as Lender desires, in its sole discretion, without affecting in any manner Guarantor's liability hereunder.

8. **Notices**. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and shall be effective upon receipt by the noticed party. Acceptable methods for giving notices hereunder shall include first-

class U.S. mail, facsimile transmission and commercial courier service. Regardless of the manner in which notice is provided, notices may be sent to the addresses for Lender and Guarantor as set forth above or to such other address as either party may give to the other for such purpose in accordance with this Section.

9. **Governing Law; Venue**. This Guaranty, all acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted according to the internal laws of the State of California.

10. **Successors and Assigns.** All the rights, benefits and privileges of Lender under this Guaranty shall vest in and be enforceable by Lender and its successors and assigns. Lender may, without notice to Guarantor, assign this Guaranty, in whole or in part. This Guaranty shall be binding upon Guarantor and Guarantor's legal representatives, heirs, executors, administrators and assigns.

11. **Miscellaneous.** This Guaranty expresses the entire understanding of the parties with respect to the subject matter hereof; may not be changed orally, and no obligation of Guarantor can be released or waived by Lender or any officer or agent of Lender, except by a writing signed by a duly authorized officer of Lender; and may be executed in multiple counterparts, all of which taken together shall constitute one and the same Guaranty and the signature page of any counterpart may be removed therefrom and attached to any other counterpart. If any part of this Guaranty is determined to be invalid, the remaining provisions of this Guaranty shall be unaffected and shall remain in full force and effect. No delay or omission on Lender's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will Lender's action or inaction impair any such right or power, and all of Lender's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies that Lender may have under other agreements, at law or in equity. Time is of the essence of this Guaranty and of each provision hereof. The section headings in this Guaranty are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of this Guaranty.

[Signature Page Follows]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty under seal on the day and year first written above.

ALAMEDA HOSPITAL FOUNDATION

By:_____
Name: _____
Title: _____

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: July 3, 2013

For: July 10, 2013 District Board Meeting

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

From: J. Michael McCormick, President

Subject: District Board Vacancy Update

The following applicants have applied for the vacancy on the City of Alameda Health Care District Board (alphabetical order).

1. Lynn Bratchett, RN
2. Jon Murphy, FNP, RN
3. James H. Oddie
4. Carmelo Roco, MD
5. Scott Vrchota
6. Lily Wong

Since there are only six (6) applicants, all applicants will be reviewed, vetted interviewed and evaluated by the District Board per the attached timeline and summary below.

- Background and Reference Checks:

  This process will begin on July 3, 2013 and will be completed on or before July 17, 2013. A summation of the reference checks will be provided to the Board of Directors for their review prior to the interview process.

- Applicant Conference:

  An Applicant Conference will be held on Monday, July 15, 2013 at 5:30 p.m. in the 2 East Board Room for the purpose of familiarizing applicants with the District and Alameda Hospital. Applicants are encouraged to attend.

- Interview and Appointment:

  A Special District Board Meeting has been scheduled for Thursday, July 18, 2013 at 7:30 p.m. in the Dal Cielo Conference Room at Alameda Hospital. All applicants should plan to attend this meeting. The District Board will interview and evaluate each candidate at this open session meeting. Appointment of a new Board member will be made after this process and deliberation by the Board at the same meeting.

BOARD APPOINTMENT SCHEDULE (GORELICK VACANCY)	Timeline
Date of Vacancy of Director Elliott Gorelick	June 4, 2013 (Tuesday)
District Board Meeting	June 5, 2013 (Wednesday)
Post Public Notice - District Bulletin Board, Website, Library Send Press Release to: Alameda Patch, Alameda Sun, Bay Area News Group (Alameda Journal, Oakland Tribune, Alameda Times Star), SF Business Times, Sing Tao, The Alamedan	June 11, 2013 (Tuesday)
Begin Application Process (3 weeks)	June 11, 2013 (Tuesday)
Legal Notification – Run Legal Notice in the Alameda Journal	June 14, 2013 (Friday)
End Application Collection Process – Letters of interest to District Clerk	July 2, 2013 (Tuesday)
Applicant Packets to Board of Directors	July 3, 2013 (Wednesday)
↓Proceed with below, only if there are more than 10 applicants↓	
Begin Review and Recommendation Process (1 week)	July 3, 2013 (Wednesday)
End Review and Recommendation Process – Choices back from Board of Directors	July 10, 2013 (Wednesday)
Notify all Applicants of Board Choices	July 11, 2013 (Thursday)
Begin Background & Reference Checks (approx. 1 – 2 weeks)	July 3, 2013
End Background & Reference Checks	July 17, 2013
Regular District Board Meeting	July 10, 2013 (Wednesday)
Applicant Conference (5:30 PM)	July 15, 2013 (Monday)
Special District Board Meeting - Interview Applicants & Appoint (6:30 PM)	July 18, 2013 (Thursday)
Deadline to Appoint (60 days)	August 3, 2013 (Saturday)
Regular District Board Meeting	August 7, 2013 (Wednesday)

Update July 3, 2013

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: July 3, 2013

FOR: July 10, 2013 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. **Affiliation and Communication Plan Update**

   On June 18, 2013, the Alameda Health System (AHS) Board approved the non-binding Letter of Intent (LOI) approved by the District Board on June 17, 2013. The line of credit loan documents, for the $1.5 million in working capital AHS has agreed to extend to us, have been completed and should be signed this week after the Foundation Executive Committee approves serving as the co-signer of the loan.

   Following the approval on the Board action on June 17, management held four town hall meetings with employees and one presentation to the Medical Staff. Focused meetings have been held with SEIU and Local 6 leadership. A special presentation to our registered nurses and CNA will be scheduled in July. We also held two focus group discussions with key opinion leaders in Alameda. In general, the response has been overwhelmingly positive from all our internal constituents including the collective bargaining units. They seemed reassured that the affiliation will be essential to the sustainability of the Hospital. The services foreseen to be referred by AHS to Alameda Hospital will infuse new energy and volume which is being met with enthusiasm particularly by our employees.

   The first public forum was held on July 27, with Mike McCormick and Jordan Battani representing the Board and participating in the presentation with the CEO. Some of the feedback expressed by attendees echoed the reaction that this affiliation would sustain the Hospital's presence on the island. Others expressed questions about the financial status of AHS, including their ability to deliver the financial commitments for capital projects included in the LOI. Concerns were expressed about potential congestion in the neighborhood resulting from new volume, particularly the impact on parking. Management assured attendees that the implementation planning will include attention to how parking will be accommodated.

   A couple of residents expressed concern about whether the parcel tax would still be necessary, with one participant suggesting the continuation of the tax should be put to the voters.

The issues raised will be addressed at future public forums, scheduled for:

Tuesday, July 23, 2013 at 9:30 a.m.
Location: Mastick Senior Center, Social Hall,
1155 Santa Clara Ave, Alameda, CA 94501

Monday, July 29, 2013 at 6:30 p.m.
Location: Harbor Bay Isle Community Center
3195 Mecartney Rd, Alameda, CA 94502

Monday, August 5, 2013 at 6:30 p.m.
Location: Building 522
431 Stardust Place, Alameda, CA 94501

During the week of July 8, the first joint work group from the two organizations will meet to begin the process of due diligence and transition planning.

2. **California Hospital Association (CHA) DP/NF Update**

CHA continues to pursue all avenues to challenge the implementation of the AB 97 cuts to services provided by hospital based skilled nursing facilities.

On June 27, 2013, Governor Brown signed the budget. In a press release issued, CHA noted that while the budget sets the stage for collaboration between the executive and legislative branch, the issue of payment rates for hospital-based skilled nursing facilities remains outstanding, and must be addressed. A copy of the press release is attached to this report.

CHA continues a comprehensive public relations campaign to bring attention to the impact of the cuts. Access to news reports from around the state, as well as patient impact videos can be found at their public advocacy website, www.caringisourcalling.org.

Last week, CHA leaders received word that CHA's recent motion to U.S. Supreme Court to stay the mandate and delay implementation was denied. This decision effectively allows the state to proceed with implementation of the rates. The Department of Health Care Services has indicated that they will not initiate implementation until after the close of the legislative session in September. They also report that prospective rate cuts will be implemented first, and retroactive recoupment will not begin until 8 to 10 months later.

CHA will use this time to continue to pursue all potential solutions on behalf of hospitals. Additional negotiations with the Department and Administration are underway. Every strategic avenue will be pursued to prevent these devastating cut to hospital DP/NFs.

3. **FY 2014 Budget**

Due to the operational losses incurred in recent months, management recommended to the Finance Committee that the presentation of a revised FY 2014

be postponed until the July Finance Committee and August Board of Directors meeting. This will allow management to reassess all our budget assumptions to ensure that a realistic budget is being presented. In addition, management proposed and the Finance Committee concurred that a six month budget be developed since so many assumptions will be altered by the potential affiliation implementation.

4. **Nursing Update**

The Nursing Department presented several action items to reduce the expenses for overtime and double-time to the Finance Committee on June 26, 2013. Initiatives include:

- Posting per diem and regular positions for Critical Care & Telemetry
- Streamlining advertising, interviewing, and hiring processes to speed up hiring for open positions
- Suspending "a" (administrative, non-direct patient care) days to add more nurses back to bedside care
- Developing non-traditional work shifts (e.g. 10-2 or 6-10)
- Cross-training program to allow for more nurses to float to other units
- Piloting set schedules and "on-line" scheduling

5. **Bay Area Bone & Joint Center**

There were 270 orthopedic visits at the Bay Area Bone & Joint Center during the month of June, which represents a 15% increase over the previous month. The monthly variance to pro forma levels was 2% unfavorable, however year-to-date orthopedic visits remain 6% greater than pro forma expectations. Five surgeries were performed in June, which is 54% less than the previous month and 8 surgeriesless than pro forma expectations this month. Total surgeries year-to-date are currently 25% below pro forma levels In an effort to more fully understand the financial status and contribution of the orthopedic service line, management is in the process of performing a net income analysis, including the impact of both the clinic operations as well as associated ancillary services.

Drs. DiStefano and Pirnia remain active in the community. The doctors had information about the Bay Area Bone and Joint Center (BABJC) distributed at the Relay for Life at Encinal High School and to the Coast Guard Island Clinic. Their fifth community lecture on “Neck Pain” was well attended. The community lectures have been scheduled at the Hospital monthly through July. Print Ads continue in local and off-island print media. The BABJC website remains linked to the Alameda Hospital internet site. They continue to meet with Alameda and off-island primary care physicians.

6. **Association of California Health Care District (ACHD) June 2013 Update**

This monthly update (see attached) from the ACHD regarding activities of the Association will be provided as information to the Board each month. As a reminder, the District is a member of ACHD.

7. **Community Relations and Outreach Update**

On June 22 and 23, the Alameda Hospital Scrubs joined over 30 other community teams at the Alameda Relay for Life benefitting the American Cancer Society. Team members walked and raised money during this 24 hour community event.

Community outreach events for July include the Meals on Wheels Community Faire on July 21, and the Park Street Art and Wine Faire on July 27.

8. **Capital Projects**

a. Seismic Anchoring

The physical site review of construction on the NPC-2 compliance of emergency lighting in the original hospital is complete and , with sign-off approval from OSHPD secured.

Construction of the emergency communications NPC-2 compliance project, which entailed anchoring of existing systems is 100% complete with an OSHPD sign-off approval imminently expected...

b. Bulk Oxygen Tank

OSHPD has approved structural plans for the bulk oxygen tank replacement, and management has applied for the requisite building permits. Public bids to select a construction vendor were opened on June 28. Two qualified bidders made submissions and management is in the process of requesting Board approval for contracting with the successful low bidder, Cameron Builders. Construction is expected to begin in mid-July.

c. 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 while an administrative extension was granted for the time being, OSHPD confirmed that a number of issues need to be addressed before a longer term extension can be granted. One such condition includes completion of material testing of core samples of the affected building. Construction for this is scheduled to begin on June 3.

d. CMS Sprinkler Mandate Report

This project is on schedule to be completed before the August 13, 2013 deadline Construction to install CMS-mandates sprinklers in the sub-acute unit of the Stephen's wing began the third week in June, after a slight delay due to architectural plan modifications that became necessary after Signature Construction and their sub-contractors discovered anaomolies in the drawings, as compared to actual physical structures that existed. Extended weekend and evening construction hours will keep the project on schedule, but are expected to increase the construction budget to $215K.

9. **DSRIP Report**

The District Hospital Leadership Forum reports that the state has determined that due to the lack of federal approval and challenges with CMS approval related to the Delivery System Reform Incentive Program (DSRIP), they are withdrawing the proposed certified public expenditure (CPE) methodology change for inpatient, fee-for-service Medi-Cal reimbursement for district/municipal hospitals. Instead, DHCS proposes that district/municipal hospitals will maintain their current reimbursement (including the AB 113, inpatient IGT, program) until January 2014, when they propose district/municipal hospitals transition to DRGs (as the private hospitals are doing in July 2013).

Despite challenges related specifically to the DSRIP program for district/municipals, the state is also withdrawing all waiver/state plan amendment proposals, including the waiver amendment that allows district/municipals to draw down federal funding for care provided to the uninsured.

10. **Quality Update**

a. HIM/UM Committee

Committee added 2 physician members of the medical staff to the membership in May 2013. The focus of the committee in 2013 – 2014 is to review: appropriate placement of patients at the right level of care, review of Hospital Readmission Measures Reduction program (HRRP) report from CMS, length of stay, cost outliers for Medicare and non-Medicare, delinquent medical records reports, and other regulatory reports & denials. This committee meets monthly with reports added to the Board Quality Committee on a quarterly basis. Readmission rates were added to the Dashboard report this month.

Hospital Readmission Measures Reduction program (HRRP) report from CMS will be released to the public in October 2013. This report measures 30 day readmissions and is based on data gathered from July 2009 through June 2012. Alameda Hospital. This information was added to the monthly dashboard for ongoing review by the City of Alameda Healthcare District Board.

b. CMS Mortality & Hospital Acquired Conditions Report

In October 2013, CMS will release a report to the public about surgical mortality and other patient safety indicators. The reported titled "Agency for Healthcare Research and Quality (AHRQ) Patient Safety Indicators (PSI)" will show how Alameda Hospital compares to other hospitals in the U.S. These indicators include death among surgical patients, pressure ulcer rates (HAPU), iatrogenic pneumothorax, central venous catheter related bloodstream infections, postoperative hip fracture, postoper5ative pulmonary embolism or deep vein thrombosis, postoperative sepsis, postoperative wound dehiscence, or accidental laceration or puncture. The recommendation for Alameda Hospital is "no different than U.S. national rate." Other categories include: worse than U.S. national rate and "better than U.S. national rate.

11. **Information Technology Update and Meaningful Use**

a. Meaningful Use

The Information Technology Department has completed the requirements for Stage I Meaningful Use and has begun the 90 day attestation period on June 26, 2013.

b. eMAR (Electronic Medication Administration)

The eMAR record was implemented and went LIVE on June 18, 2013. Other electronic nursing documentation in support of Meaninful Use was also initiated.

Nurses are actively using the eMAR and nursing assistants are being trained to enter vital signs into the electronic medical record. Next steps will be education and testing on the nursing admission records and the Patient Care System (PCS) module with an expected "go live" date sometime in September.

c. Waters Edge Infrastructure

We are in the final stages of hardware installation and user migration.

12. **June Monthly Statistics**

	June Preliminary	June Budget	% Δ compared to Budget	% Δ compared to May	May Actual
Average Daily Census	198.83	194.63	2.2%	1.0%	196.94
Acute	33.30	31.80	4.7%	15.9%	28.74
Subacute	32.57	32.50	0.2%	1.4%	32.13
South Shore	23.03	22.33	3.1%	2.9%	22.39
Waters Edge	109.93	108.00	1.8%	-3.3%	113.68
Patient Days	5,965	5,839	2.2%	-2.3%	6,105
ER Visits	1,429	1,423	0.4%	-1.2%	1,447
Wound Care Visits	376	400	-6.0%	-19.3%	466
OP Registrations (excl WC)	1,899	2,401	-20.9%	-12.6%	2,172
Total Surgeries	178	213	-16.4%	4.7%	170
Inpatient Surgeries	59	52	13.5%	73.5%	34
Outpatient Surgeries	119	161	-26.1%	-12.5%	136
Case Mix Index	1.4146				1.4037

13. **Department of Health Care Services (DHCS) DRG-based Reimbursement**

A recent change in reimbursement proposed by the Department of Health Care Services is that DRG-based reimbursement for Medi-Cal patients will be implemented, similar to how private, non-profit hospitals will be reimbursed beginning July 1, 2013. The new methodology for District hospitals will be become effective till January 1. 2014, but it will replace reimbursement based on certified public expenditures as designated public hospitals have reimbursed. We expect there will be no substantial change in our reimbursement for the first half of the fiscal year.

Caring is our Calling

CALIFORNIA HOSPITAL ASSOCIATION

Providing Leadership in Health Policy and Advocacy

NEWS RELEASE

FOR IMMEDIATE RELEASE

CONTACT: Jan Emerson-Shea
(916) 552-7516
(916) 804-0663 – Cell

Newly-Signed Budget Improves State's Fiscal Health; One Piece of Unfinished Business Remains

Deep Cuts to Medi-Cal Providers Must Be Reversed to Prevent Holes in Safety Net

SACRAMENTO (June 27, 2013) – As the ink dries on the newly-signed state budget, Governor Brown and state lawmakers have taken a significant step forward in improving California's fiscal health. This year's on-time, balanced budget hopefully sets the groundwork for a new era in collaborative governance between the Executive and Legislative branches of state government.

Yet, one piece of unfinished business remains.

Hospital-based skilled-nursing facilities across California are making plans to cut back services and even close facilities, due to the state budget's failure to reverse devastating Medi-Cal payment cuts. Those cuts tear a hole in California's safety net and punish frail and elderly patients and their families.

The great unfinished business of the 2013-14 budget is the need to make a strategic reversal of the Medi-Cal cuts to hospitals, doctors, pharmacists, dentists and other health care providers. At least part of the answer is contained in AB 900 *(Alejo)*, which passed the Senate Health Committee last week on a bipartisan 8-0 vote. The measure provides some limited relief to hospital-based skilled-nursing facilities, although it leaves retroactive cuts in place and doesn't address the cuts to other health care providers.

"Restoring these funds to all health care providers is critical to preserving access to quality health care and protecting our most vulnerable patients," said C. Duane Dauner, President/CEO of the California Hospital Association (CHA). — more —

Hospital-based skilled-nursing facilities face cuts ranging from 25 Hospital-based skilled-nursing facilities face cuts ranging from 25 percent to 40 percent, since these cuts are based on rates in effect in 2008 and are retroactive to 2011. In the past five years, nearly one-third of these facilities have already closed due to economic pressures, reducing options for those who need specialized care.

For now, health providers like Eastern Plumas Health Care in Plumas County are faced with untenable choices. Providers there are making plans to eliminate services, including closure of skilled-nursing facilities that would displace 50 patients and force families to find new care hundreds of miles away.

"I think it's a heartless act for our seniors and our community to cause this much pain and mental anguish," Eastern Plumas CEO Tom Hayes said of the pending cuts.

In Hollister (San Benito County), Hazel Hawkins Memorial Hospital also is making plans to shut down a 70-bed facility. In Coalinga (Fresno County), Coalinga Regional Medical Center has informed patients that it is preparing to start the closure process. That would affect 77 patients and nearly 250 jobs. In Shasta County, Mayers Memorial Hospital has already sent a letter to the state, notifying it that the closure process has begun for facilities in Fall River Mills and Burney. More than half of the employees there face layoffs.

And, in San Francisco, nearly 1,000 frail and elderly patients who are cared for at two hospitals — 400-bed Jewish Home and 780-bed Laguna Honda Hospital — are at risk of losing the health care services they rely upon. In fact, Jewish Home has already issued layoff notices and is contemplating a financial reorganization.

Restoring the cuts also is the fiscally prudent thing to do, according to a recent economic issue brief prepared by CHA.

CHA's analysis shows that 36,000 jobs could be lost statewide. In addition, the CHA analysis found, the overall ripple effect stemming from these cuts could result in a $2 billion economic erosion to the state's economy.

CHA, along with a broad coalition of other health care providers, is urging lawmakers and the Brown Administration to take advantage of the improved budget picture by expanding AB 900 to all health care providers and to eliminate the retroactive "clawback" provisions stemming from the 2011 (AB 97) legislation.

######

ACHD Update for June 2013

Legislative Issues

AB 900 (Alejo), legislation to address the reductions of AB 97 (2011) passed out of Senate Health Committee on June 19 by a vote of 9-0 and was referred to the Senate Appropriations Committee. As currently written, the bill remains narrowly focused (hospitals only) and the retroactive liability for payments back to 2011 remains in place. The California Hospital Association (CHA) is leading a broad based coalition to expand the focus of the bill as well as address the retroactive liability.

A "We Care for California" rally was held at the Capitol on June 4 in support of AB 900. It was attended by about 8000 employees/coalition members of affected organizations. Sharon Spurgeon, CEO of Coalinga Regional Medical Center, spoke about the implications of the implementation of AB 97 for the Coalinga community.

AB 498 (Chavez) has been amended to direct the Department of Health Care Services (DHCS) to seek federal approval for funding of the safety net care pool for uncompensated care for budget years 2013-14 and 2014-15. These dollars would be new to California, so District Hospitals would not be competing with other public hospitals for these dollars. To the extent that DHCS is successful, 50% of the funds would be retained by DHCS to support the Medi-Cal program.

For a complete list of bills of interest to ACHD Members please click here; if you are not routinely receiving the monthly legislative updates please contact Leyla Taber (leyla.taber@achd.org) and request to be added to the distribution list.

Media/Messaging Training

Two media/messaging training sessions were conducted in the month of June; hosting these events were Palomar Health and Sequoia Healthcare District. A total of 27 individuals representing 10 Districts have completed the training. Check the ACHD website here for information about regional training sessions on developing and communicating key messages about the contributions your District makes to the community and how to most effectively work with the media to reinforce those key messages.

Chief Executive Officer Evaluation

ACHD is pleased to offer our newest member benefit – the Healthcare District CEO Evaluation tool. Available free of charge to all ACHD Healthcare District members, ACHD is offering an online evaluation tool for assessing how each District Trustee perceives the CEO to be performing. Structured for Community Based Districts as well as Districts operating a hospital, the tool has three parts; a draft compensation policy for modification to fit your District, a CEO compensation survey for referencing your organization's CEO compensation and benefits, and the online assessment tool itself. For more information on the CEO Evaluation, please contact Tom Petersen at tom.petersen@achd.org.

Healthcare District Maps

As part of ACHD's commitment to technology, ACHD recently completed a District mapping project that defines the geographic borders of each of the state's Healthcare Districts. We will soon be adding this map to the ACHD webpage with information about your District as well as a hyperlink to your webpage.