

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Monday, December 1, 2014

6:30 PM (OPEN SESSION) | 7:00 P.M (CLOSED SESSION) | 7:30 P.M. (OPEN SESSION)

PLEASE NOTE CHANGE IN 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. – Dal Cielo Conference Room)** J. Michael McCormick
- II. Roll Call** Kristen Thorson
- III. Swearing-In of District Board Members**
- A. Oath of Office
 - 1) Robert Deutsch, MD
 - 2) Tracy Jensen
 - 3) Jim Meyers
- IV. Adjourn into Executive Closed Session**
- V. Closed Session Agenda (7:00 p.m. – Dal Cielo Conference Room)**
- A. Call to Order
 - B. Approval of Minutes
 - October 6, 2014
 - C. Consultation with Legal Counsel Regarding Pending and Threatened Litigation Gov't Code Sec. 54957.6
 - D. Adjourn into Open Session
- VI. Reconvene to Public Session (Expected to start at 7:30 p.m. – Dal Cielo Conference Room)**
- A. Announcements from Closed Session J. Michael McCormick
- VII. Regular Agenda**
- A. Consent Agenda **ACTION ITEMS**
 - 1) Approval of October 6, 2014 Minutes (Regular) [to be distributed]
 - B. Alameda Health System and Alameda Hospital Update
 - 1) Chief Administrative Officer Report **INFORMATIONAL** Bonnie Panlasigui, CAO

- ✓ 2) Financial Report David A. Cox, CFO
 - September – October 2014 Financials
(Consolidated System & Alameda Hospital Only)
[INFORMATIONAL \[enclosure\]](#) (pages 3-25)
- ✓ 3) Seismic Status and Overview Bonnie Panlasigui, CAO
[INFORMATIONAL \[enclosure\]](#) (page 26)
- C. District Board President's Report J. Michael McCormick
 - ✓ 1) Operational Updates
 - Board Orientation/Refresher Course, District Office Update, Regulatory Items, FYE June 30, 2014 Audit Update, Community Advisory Committee Update, Annual Election of Officers [INFORMATIONAL \[enclosure\]](#) (pages 27-30)
- D. Alameda Health System Board of Trustees Report [INFORMATIONAL](#) Tracy Jensen

VIII. General Public Comments

IX. Board Comments

X. Adjournment



MEMORANDUM

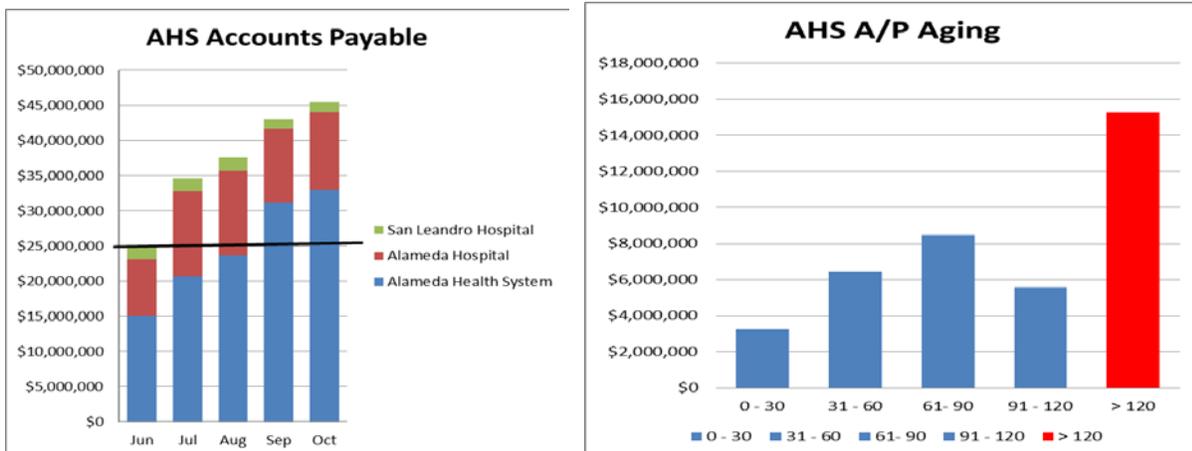
1411 East 31st Street
Oakland, CA 94602

TO: AHS Finance Committee
FROM: David Cox, Chief Financial Officer
DATE: October 20, 2014
SUBJECT: September Financial Report

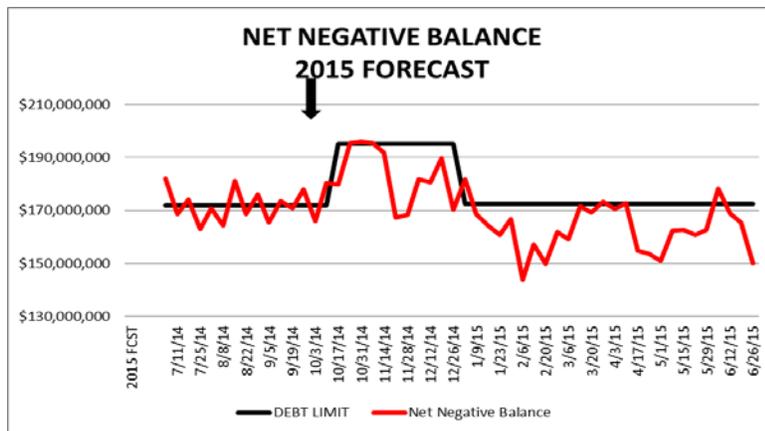
The September statements for AHS and affiliates are presented in lieu of a formal meeting this month. Special thanks to Ann Metzger and staff for getting these done in a 10-day close in the middle of our annual audit.

Cash Management/County Relationship

A primary focus has been our liquidity situation, as shown by the growth in our accounts payable. We believe that we are very close to arranging an increased liquidity facility that will allow us to address short term liquidity while we work to address current performance.



The revised agreement that is under discussion with the County will provide an increase in our allowed Net Negative Balance through Dec. 31st, while we work on a permanent debt reduction plan. As part of the Agreement, AHS will be providing enhanced reporting to the County, including weekly reports on our Cash Forecast and Accounts Payable Detail, and monthly reports on our operating performance and plans to improve.



System Financial Performance

While we are pleased to report an operating profit of \$1.1 million in September, that result is largely the effect of two one- time factors:

- The payment of the “rate range” estimate on the MCE population has been increased by about \$250,000 to \$300,000 per month due to the increase in the number of enrollees at the Alliance and Anthem. This, combined with a couple of other factors, resulted in a year to date gain of about \$2 million in September and an additional \$250,000 each month.
- Through the efforts of Tyler Bennett and his team at our Clinics, approximately 16,000 Open Encounters were closed and billed during the month, which resulted in \$2+ million of additional net revenue.

These two events are expected to increase our monthly net revenue by \$250,000 to \$500,000 going forward, which is a nice improvement. However, we are reporting a quarterly net loss of \$5.2 million, still substantially below budget. We think that this is occurring for the following reasons:

- Patient activity is up in some areas, but flat to down overall and substantially below our budget, which anticipated gains. Adjusted discharges are 5.2% below budget for the quarter.
- There were assumptions on revenue cycle improvements built into the budget that have yet to be realized and our net operating revenue per adjusted discharges is 1.6% below budget.
- Operating expenses, while 3.6% below our fixed budget, are 10% higher than they were last year at this time (CORE only) and our operating expenses per adjusted discharge are now at \$27,419, 1.7% over budget. FTE’s per Adjusted Occupied Bed (AOB) at the CORE (AHS only) were 6.67 for the quarter compared to the budget of 6.37 and prior year of 6.22.

Expenses have increased faster than revenue over the last several years and it is recommended that AHS implement a cost reduction program, even in advance of the BETTER II initiative.

Business Unit Operating Results

Alameda Health System (CORE) – AHS reported a gain of \$2.4 million for the month and a loss of \$3.0 million for the quarter. The two events mentioned above – rate range and open encounters - occurred at AHS. Adjusted discharges are 1.6% favorable to budget but our net revenues per Adjusted Discharge are 7.1% below budget, although ahead of last year. Budgeted improvements in our revenue cycle have yet to occur. Operating expenses are 2.0% favorable to budget and, on an adjusted discharge basis, 3.5% favorable, although above last year. AHS continues to run negative in Registry and Outside Medical Services.

San Leandro Hospital – SLH reported a loss of \$941,000 for the month and \$2.2 million for the quarter. Adjusted Discharges continue to run well below budget – 10.2% for the month and 16.9% for the quarter – and, although management has adjusted by producing a favorable expense variance of 15.5%, SLH has a 14.4% negative operating margin for the quarter. The net revenue and cash collections are at expectations given the level of volume reported. Management continues to evaluate the RehabCare proposal and expects to bring it to the Committee in November.

Alameda Hospital – AH is at breakeven for the quarter on reduced patient activity – adjusted discharges are 22.6% below budget. AH is being helped by very favorable estimated net revenues, but we are very early in the process and are evaluating our A/R valuation methodology to ensure that we do not over accrue revenue. Actual cash collections have been very low and well below target, but this was due to the lack of an NPI (required to bill). That has now been obtained and we are expecting to catch up on collections over the next 6 to 8 weeks. Operating expenses were 8.1% below budget for the month, and 5.1% for the quarter.

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For the Period Ended September 30, 2014
(In Thousands)

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	\$ 117,302	\$ 115,647	\$ 1,655	1.4%	\$ 339,588	\$ 353,129	\$ (13,541)	-3.8%
Outpatient service revenue	61,439	55,932	5,507	9.8%	175,654	170,548	5,106	3.0%
Professional service revenue	22,152	21,508	644	3.0%	65,169	65,522	(353)	-0.5%
Gross patient service revenue	200,893	193,087	7,806	4.0%	580,411	589,199	(8,788)	-1.5%
Deductions from revenues	(159,731)	(148,819)	(10,912)	7.3%	(458,860)	(454,119)	(4,741)	1.0%
Net patient service revenue	41,162	44,268	(3,106)	-7.0%	121,551	135,080	(13,529)	-10.0%
Medi-Cal Waiver	7,000	7,667	(667)	-8.7%	21,000	23,000	(2,000)	-8.7%
Health Program of Alameda County	2,837	2,837	0	0.0%	8,510	8,510	0	0.0%
Measure A, Parcel Tax, Other Support	8,416	9,005	(589)	-6.5%	26,249	27,014	(765)	-2.8%
CA Hospital Fee	-	-	0	0.0%	-	-	0	0.0%
DSRIP Revenue	2,133	2,133	0	0.0%	6,399	6,399	0	0.0%
Supplemental Programs	7,005	4,834	2,171	44.9%	16,369	14,502	1,867	12.9%
Grants & Research Protocol	317	370	(53)	-14.3%	888	1,111	(223)	-20.1%
Other Operating Revenue	461	756	(295)	-39.0%	2,333	2,267	66	2.9%
Incentives	2	289	(287)	-99.3%	579	866	(287)	-33.1%
Net operating revenue	69,333	72,159	(2,826)	-3.9%	203,878	218,749	(14,871)	-6.8%
Salaries and wages	31,802	33,344	1,542	4.6%	95,008	101,637	6,629	6.5%
Employee benefits	12,282	13,175	893	6.8%	40,664	40,457	(207)	-0.5%
Registry	1,531	995	(536)	-53.9%	5,145	3,051	(2,094)	-68.6%
Contracted physician services	6,172	7,388	1,216	16.5%	18,860	22,163	3,303	14.9%
Purchased services	5,422	5,864	442	7.5%	15,844	17,617	1,773	10.1%
Pharmaceuticals	2,238	1,622	(616)	-38.0%	6,310	5,714	(596)	-10.4%
Medical Supplies	2,155	2,272	117	5.1%	7,222	6,897	(325)	-4.7%
Materials and supplies	1,335	1,636	301	18.4%	4,216	4,988	772	15.5%
Outside medical services	740	160	(580)	-362.5%	2,415	479	(1,936)	-404.2%
General & administrative expenses	1,317	1,317	0	0.0%	3,677	3,953	276	7.0%
Repairs/maintenance/utilities	1,370	1,561	191	12.2%	4,091	4,695	604	12.9%
Building/equipment leases & rentals	790	733	(57)	-7.8%	2,164	2,201	37	1.7%
Depreciation	1,096	1,028	(68)	-6.6%	3,484	3,083	(401)	-13.0%
Total operating expense	68,250	71,095	2,845	4.0%	209,100	216,935	7,835	3.6%
Operating Income	1,083	1,064	\$19	1.8%	(5,222)	1,814	(\$7,036)	-387.9%
Interest income	32	14	18	128.6%	56	42	14	33.3%
Interest expense	(52)	(76)	24	-31.6%	(155)	(228)	73	-32.0%
Other Non-operating income(expense)	28	29	(1)	-3.4%	83	86	(3)	-3.5%
Income	\$ 1,091	\$ 1,031	\$ 60	5.8%	\$ (5,238)	\$ 1,714	\$ (6,952)	-405.6%
Operating Margin	1.6%	1.5%			-2.6%	0.8%		
Collection %	20.5%	22.9%			20.9%	22.9%		
Acute & SNF discharges	1,680	1,773	(93)	-5.2%	5,026	5,427	(401)	-7.4%
Acute & SNF patient days	16,329	17,186	(857)	-5.0%	49,084	52,697	(3,613)	-6.9%
ALOS	9.72	9.69	0.03	0.3%	9.77	9.71	0.06	0.6%
ADC	544	573	(29)	-5.1%	534	573	(39)	-6.8%
Adjusted patient days	24,882	25,498	(616)	-2.4%	74,473	78,148	(3,675)	-4.7%
Adjusted discharges	2,560	2,631	(71)	-2.7%	7,626	8,048	(422)	-5.2%
Net operating revenue per adj discharge	\$ 27,083	\$ 27,426	\$ (343)	-1.3%	\$ 26,735	\$ 27,181	\$ (446)	-1.6%
Expense per adj discharge	\$ 26,660	\$ 27,022	\$ 362	1.3%	\$ 27,419	\$ 26,955	\$ (464)	-1.7%
Oper income per adj discharge	\$ 423	\$ 404	\$ 19	4.7%	\$ (685)	\$ 225	\$ (910)	-404.4%
Paid Full time equivalents	3,961	4,023	62	1.5%	3,925	4,043	118	2.9%
Paid FTE's per adjusted occupied bed	4.78	4.73	(0.05)	-1.1%	4.85	4.76	(0.09)	-1.9%
Salaries, benefits & registry % of net reven	66%	66%	0%		69%	66%	-3%	

ALAMEDA HEALTH SYSTEM
Statement of Revenues and Expenses
For the Period Ended September 30, 2014
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2014
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	\$ 86,132	\$ 84,040	\$ 2,092	2.5%	\$ 251,351	\$ 256,822	\$ (5,471)	-2.1%	\$ 211,342
Outpatient service revenue	42,378	38,500	3,878	10.1%	120,092	117,932	2,160	1.8%	103,655
Professional service revenue	22,152	21,508	644	3.0%	65,169	65,522	(353)	-0.5%	35,782
Gross patient service revenue	150,662	144,048	6,614	4.6%	436,612	440,276	(3,664)	-0.8%	350,779
Deductions from revenues	(120,345)	(111,533)	(8,812)	7.9%	(348,842)	(340,898)	(7,944)	2.3%	(286,569)
Net patient service revenue	30,317	32,515	(2,198)	-6.8%	87,770	99,378	(11,608)	-11.7%	64,210
Medi-Cal Waiver	7,000	7,667	(667)	-8.7%	21,000	23,000	(2,000)	-8.7%	22,500
Health Program of Alameda County	2,837	2,837	0	0.0%	8,510	8,510	0	0.0%	25,616
Measure A, Parcel Tax, Other Support	7,939	7,939	0	0.0%	23,818	23,818	0	0.0%	22,417
DSRIP Revenue	2,133	2,133	0	0.0%	6,399	6,399	0	0.0%	6,725
Supplemental Programs	7,005	4,128	2,877	69.7%	16,369	12,384	3,985	32.2%	11,384
Grants & Research Protocol	317	370	(53)	-14.3%	888	1,111	(223)	-20.1%	1,111
Other Operating Revenue	445	711	(266)	-37.4%	2,272	2,134	138	6.5%	1,860
Incentives	(85)	202	(287)	-142.1%	319	606	(287)	-47.4%	1,086
Net operating revenue	57,908	58,502	(594)	-1.0%	167,345	177,340	(9,995)	-5.6%	156,909
Salaries and wages	25,475	26,266	791	3.0%	76,735	80,003	3,268	4.1%	70,401
Employee benefits	10,461	10,758	297	2.8%	33,943	33,131	(812)	-2.5%	31,632
Registry	1,308	707	(601)	-85.0%	4,498	2,168	(2,330)	-107.5%	3,252
Contracted physician services	5,333	6,569	1,236	18.8%	15,729	19,706	3,977	20.2%	13,458
Purchased services	4,255	4,593	338	7.4%	12,851	13,798	947	6.9%	11,647
Pharmaceuticals	1,928	1,228	(700)	-57.0%	5,197	4,523	(674)	-14.9%	4,744
Medical Supplies	1,482	1,594	112	7.0%	4,875	4,827	(48)	-1.0%	4,871
Materials and supplies	976	1,234	258	20.9%	3,458	3,766	308	8.2%	3,276
Outside medical services	740	160	(580)	-362.5%	2,415	479	(1,936)	-404.2%	2,535
General & administrative expenses	1,033	1,091	58	5.3%	3,088	3,274	186	5.7%	2,748
Repairs/maintenance/utilities	1,161	1,267	106	8.4%	3,249	3,813	564	14.8%	2,520
Building/equipment leases & rentals	511	471	(40)	-8.5%	1,437	1,415	(22)	-1.6%	1,378
Depreciation	846	920	74	8.0%	2,731	2,759	28	1.0%	2,329
Total operating expense	55,509	56,858	1,349	2.4%	170,206	173,662	3,456	2.0%	154,791
Operating Income	2,399	1,644	\$755	45.9%	(2,861)	3,678	(\$6,539)	-177.8%	2,118
Interest income	32	13	19	146.2%	56	38	18	47.4%	34
Interest expense	(52)	(76)	(24)	31.6%	(155)	(228)	(73)	32.0%	(101)
Other Non-operating income(expense)	-	1	1	100.0%	-	2	2	100.0%	-
Income	\$ 2,379	\$ 1,582	\$ 797	50.4%	\$ (2,960)	\$ 3,490	\$ (6,450)	-184.8%	\$ 2,051
Operating Margin	4.1%	2.8%			-1.7%	2.1%			1.3%
Collection %	20.1%	22.6%			20.1%	22.6%			18.3%
Acute & SNF discharges	1,237	1,224	13	1.1%	3,757	3,746	11	0.3%	3,545
Acute & SNF patient days	9,444	9,937	(493)	-5.0%	28,709	30,468	(1,759)	-5.8%	28,557
ALOS	7.63	8.12	(0.49)	-6.0%	7.64	8.13	(0.49)	-6.0%	8.06
ADC	315	331	(16)	-4.8%	312	331	(19)	-5.7%	310
Adjusted patient days	14,091	14,489	(398)	-2.7%	42,426	44,459	(2,033)	-4.6%	42,563
Adjusted discharges	1,846	1,785	61	3.4%	5,552	5,466	86	1.6%	5,284
Net operating revenue per adj discharge	\$ 31,369	\$ 32,774	\$ (1,405)	-4.3%	\$ 30,141	\$ 32,444	\$ (2,303)	-7.1%	\$ 29,695
Expenses per adj discharge	\$ 30,070	\$ 31,853	\$ 1,783	5.6%	\$ 30,657	\$ 31,771	\$ 1,114	3.5%	\$ 29,294
Oper income per adj discharge	\$ 1,300	\$ 921	\$ 379	41.2%	\$ (515)	\$ 673	\$ (1,188)	-176.5%	\$ 401
Paid Full time equivalents	3,101	3,060	(41)	-1.3%	3,076	3,078	2	0.1%	2,878
Paid FTE's per adjusted occupied bed	6.60	6.34	(0.26)	-4.1%	6.67	6.37	(0.30)	-4.7%	6.22
Salaries, benefits & registry % of net reven	64%	64%	0%		69%	65%	-4%		67%

ALAMEDA HOSPITAL
Statement of Revenues and Expenses
For the Period Ended September 30, 2014
(In Thousands)

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	\$ 17,475	\$ 17,800	\$ (325)	-1.8%	\$ 51,492	\$ 54,461	\$ (2,969)	-5.5%
Outpatient service revenue	9,098	8,835	263	3.0%	26,021	27,244	(1,223)	-4.5%
Professional service revenue	-	-	0	0.0%	-	-	0	0.0%
Gross patient service revenue	26,573	26,635	(62)	-0.2%	77,513	81,705	(4,192)	-5.1%
Deductions from revenues	(20,800)	(20,132)	(668)	3.3%	(58,266)	(61,755)	3,489	-5.6%
Net patient service revenue	5,773	6,503	(730)	-11.2%	19,247	19,950	(703)	-3.5%
Measure A, Parcel Tax, Other Support	477	482	(5)	-1.0%	1,431	1,446	(15)	-1.0%
Supplemental Programs	-	373	(373)	-100.0%	-	1,118	(1,118)	-100.0%
Other Operating Revenue	6	37	(31)	-83.8%	27	112	(85)	-75.9%
Incentives	87	87	0	0.0%	260	260	0	0.0%
Net operating revenue	6,343	7,482	(1,139)	-15.2%	20,965	22,886	(1,921)	-8.4%
Salaries and wages	3,279	3,696	417	11.3%	9,762	11,327	1,565	13.8%
Employee benefits	996	1,132	136	12.0%	4,013	3,398	(615)	-18.1%
Registry	150	157	7	4.5%	335	481	146	30.4%
Contracted physician services	338	249	(89)	-35.7%	1,546	746	(800)	-107.2%
Purchased services	636	609	(27)	-4.4%	1,447	1,827	380	20.8%
Pharmaceuticals	164	242	78	32.2%	604	728	124	17.0%
Medical Supplies	335	315	(20)	-6.3%	1,249	964	(285)	-29.6%
Materials and supplies	100	256	156	60.9%	252	773	521	67.4%
Outside medical services	-	-	0	0.0%	-	-	0	0.0%
General & administrative expenses	238	181	(57)	-31.5%	524	544	20	3.7%
Repairs/maintenance/utilities	126	147	21	14.3%	399	440	41	9.3%
Building/equipment leases & rentals	266	232	(34)	-14.7%	684	696	12	1.7%
Depreciation	91	96	5	5.2%	273	287	14	4.9%
Total operating expense	6,719	7,312	593	8.1%	21,088	22,211	1,123	5.1%
Operating Income	(376)	170	(\$546)	-321.2%	(123)	675	(\$798)	-118.2%
Interest income	-	1	(1)	-100.0%	-	4	(4)	-100.0%
Interest expense	-	-	0	0.0%	-	-	0	0.0%
Other Non-operating income(expense)	28	28	0	0.0%	83	84	1	1.2%
Income	\$ (348)	\$ 199	\$ (547)	-274.9%	\$ (40)	\$ 763	\$ (803)	-105.2%
Operating Margin	-5.9%	2.3%			-0.6%	2.9%		
Collection %	21.7%	24.4%			24.8%	24.4%		
Acute & SNF discharges	203	264	(61)	-23.1%	623	808	(185)	-22.9%
Acute & SNF patient days	5,880	6,019	(139)	-2.3%	17,839	18,457	(618)	-3.3%
ALOS	28.97	22.80	6.17	27.1%	28.63	22.84	5.79	25.4%
ADC	196	201	(5)	-2.5%	194	201	(7)	-3.5%
Adjusted patient days	8,941	9,007	(66)	-0.7%	26,854	27,690	(836)	-3.0%
Adjusted discharges	309	395	(86)	-21.8%	938	1,212	(274)	-22.6%
Net operating revenue per adj discharge	\$ 20,528	\$ 18,942	\$ 1,586	8.4%	\$ 22,351	\$ 18,883	\$ 3,468	18.4%
Expense per adj discharge	\$ 21,744	\$ 18,511	\$ (3,233)	-17.5%	\$ 22,482	\$ 18,326	\$ (4,156)	-22.7%
Oper income per adj discharge	\$ (1,217)	\$ 430	\$ (1,647)	-383.0%	\$ (131)	\$ 557	\$ (688)	-123.5%
Paid Full time equivalents	526	570	44	7.7%	527	570	43	7.5%
Paid FTE's per adjusted occupied bed	1.76	1.90	0.14	7.4%	1.81	1.89	0.08	4.2%
Salaries, benefits & registry % of net revenue	70%	67%	-3%		67%	66%	-1%	

ALAMEDA HEALTH SYSTEM
ALAMEDA CAMPUS - Patient Volumes
For the month ending September 30, 2014
 Fiscal 2015

	ACTUAL	BUDGET	VARIANCE	%	YTD	BUDGET	Variance	% Var
INPATIENT VOLUMES								
Acute Admissions	205	212	(7)	-3%	395	371	24	6%
Acute Patient Days	794	1,013	(219)	-22%	2,351	3,107	(756)	-24%
Average daily census	26.5	33.8	7.3	22%	25.6	33.8	8.2	24%
Acute Length of Stay	3.9	4.8	0.9	19%	6.0	8.4	2.4	29%
<hr/>								
Long Term Care Admissions	22	23	(1)	-4%	49	46	3	7%
Long Term Care Patient Days	5,086	5,006	80	2%	15,495	15,350	145	1%
Average daily census	169.5	166.9	(2.6)	-2%	168.4	166.8	(1.6)	-1%
Long Term Length of Stay	24.8	23.6	(1.2)	-5%	39.2	41.4	2.2	5%
<hr/>								
EMERGENCY & URGENT CARE								
ED-HGH Pts Seen	1,513	1,395	118	8%	4,443	4,277	166	4%
<hr/>								
SURGERIES								
Inpatient	59	75	(16)	-21%	157	213	(56)	-26%
Outpatient	137	180	(43)	-24%	399	609	(210)	-34%
Total Surgeries	196	255	(59)	-23%	556	822	(266)	-32%
<hr/>								
ANCILLARIES								
Cardiology and Interventional Rad	660	660	-	0%	1,903	1,903	-	0%
Clinical Lab & Blood Bank	12,391	12,391	-	0%	37,188	37,188	-	0%
Imaging Services	2,055	2,134	(79)	-4%	6,249	6,548	(299)	-5%
Pharmacy	7,129	4,774	2,355	49%	21,838	14,640	7,198	49%
Other Ancillaries	274	162	112	69%	714	496	218	44%
<hr/>								
THERAPIES								
Occupational	734	771	(37)	-5%	2,156	2,367	(211)	-9%
Physical Therapy	2,263	2,158	105	5%	7,033	6,618	415	6%
<hr/>								
AMBULATORY CLINIC								
Cardio clinic	coming	coming			coming	coming		
Ortho Clinic	592	452	140	31%	1,821	1,378	443	32%
Specialty Care	coming	coming			coming	coming		
<hr/>								
OTHER STATISTICS								
Outpatient Factor	1.525	1.503	0.022		1.510	1.503	0.007	
<hr/>								
ACUTE PATIENT DAYS								
AHD CORONARY CARE UNIT (CCU)	119	148	(29)	-20%	351	454	(103)	-23%
AHD DEFINITIVE OBSERVATION	332	366	(34)	-9%	1,046	1,122	(76)	-7%
AHD 3RD WEST MED SURG	343	499	(156)	-31%	954	1,531	(577)	-38%
Total Acute Patient Days	794	1,013	(219)	-22%	2,351	3,107	(756)	-24%
<hr/>								
AHD Observation Days	41	75	(34)	-45%	128	211	(83)	-39%
<hr/>								
SKILLED NURSING AND SUBACUTE PATIENT DAYS								
AHD SUB ACUTE 2ND FLOOR	986	968	18	2%	2,962	2,968	(6)	0%
AHD SOUTH SHORE SNF	734	718	16	2%	2,187	2,202	(15)	-1%
AHD WATERS EDGE SNF	3,366	3,320	46	1%	10,346	10,180	166	2%
Total Long Term Care Patient Days	5,086	5,006	80	2%	15,495	15,350	145	1%

ALAMEDA HEALTH SYSTEM
ALAMEDA CAMPUS - Patient Volumes
For the month ending September 30, 2014
 Fiscal 2015

	ACTUAL	BUDGET	VARIANCE	%	YTD	BUDGET	Variance	% Var
ANCILLARIES								
Cardiology and Interventional Rad								
3300-IP EKG Tests	290	290	-	0%	903	903	-	0%
3304-OP EKG Tests	370	370	-	0%	1,000	1,000	-	0%
Total Cardiology Volume	660	660	-	0%	1,903	1,903	-	0%
Clinical Lab & Blood Bank								
3200-IP Laboratory Tests	6,193	6,193	-	0%	18,943	18,943	-	0%
3204-OP Laboratory Tests	6,198	6,198	-	0%	18,245	18,245	-	0%
Total Lab & Blood Bank volume	12,391	12,391	-	0%	37,188	37,188	-	0%
Imaging Services								
3500-IP X-Rays	227	232	(5)	-2%	764	712	52	7%
3504-OP X-Rays	1,267	1,339	(72)	-5%	3,796	4,107	(311)	-8%
3600-IP MRIs	18	17	1	6%	53	53	-	0%
3604-OP MRIs	91	75	16	21%	229	229	-	0%
3700-IP Sonograms	30	18	12	67%	75	56	19	34%
3704-OP Sonograms	137	159	(22)	-14%	493	487	6	1%
3800-IP CAT Scans	39	42	(3)	-7%	118	130	(12)	-9%
3804-OP CAT Scans	246	252	(6)	-2%	721	774	(53)	-7%
Total Imaging volume	2,055	2,134	(79)	-4%	6,249	6,548	(299)	-5%
THERAPIES & OTHER								
Occupational Therapy								
5500-IP OT Treatments	182	510	(328)	-64%	500	1,566	(1,066)	-68%
5504-OP OT Treatments	552	261	291	111%	1,656	801	855	107%
Total Occupational Therapy volume	734	771	(37)	-5%	2,156	2,367	(211)	-9%
Physical Therapy								
5400-IP PT Treatments	598	700	(102)	-15%	1,626	2,146	(520)	-24%
5404-OP PT Treatments	1,665	1,458	207	14%	5,407	4,472	935	21%
Total Physical Therapy volume	2,263	2,158	105	5%	7,033	6,618	415	6%
Speech Therapy								
6600-IP Treatments	149	148	1	1%	359	454	(95)	-21%
6604-OP Treatments	125	14	111	793%	355	42	313	745%
Total Speech Therapy volume	274	162	112	69%	714	496	218	44%
SURGICAL CASES BY TYPE								
	Fiscal 2015	Fiscal 2014	Delta	% change	Fiscal 2015	Fiscal 2014	Delta	% change
Gastroenterology	26	23	3	13%	83	69	14	20%
General	63	72	(9)	-13%	191	238	(47)	-20%
GYN	11	-	11	0%	30	-	30	0%
Minor Procedure	14	16	(2)	-13%	25	46	(21)	-46%
Ophthalmology	47	44	3	7%	124	146	(22)	-15%
Orthopedics	7	-	7	0%	23	-	23	0%
Pain	27	-	27	0%	79	-	79	0%
Urology	1	-	1	0%	1	-	1	0%
Total surgical cases	196	155	41	26%	556	499	57	11%

ALAMEDA HEALTH SYSTEM (consolidated)

Balance Sheet

For the Period Ended September 30, 2014

(In Thousands)

	Current Month	Prior Month	FY 2014
ASSETS			
Current assets:			
Cash & Cash Equivalents	\$3,148	\$5,040	\$22,885
Cash Held in Trust	28	30	43
Net Patient Receivables	145,405	149,122	141,601
Due from County of Alameda & Others	65,160	73,786	64,108
Inventories	6,527	5,632	5,649
Prepaid expenses	2,398	2,236	2,429
Other receivables	155,907	143,098	114,767
TOTAL CURRENT ASSETS	378,573	378,944	351,482
Restricted Cash Hospital Fee	0	0	7,389
Cash Held Board Designated	23,287	23,287	23,287
TOTAL RESTRICTED CASH	23,287	23,287	30,676
PROPERTY, PLANT & EQUIPMENT			
Land, Buildings, Leasehold Improve, CIP	74,448	73,847	72,113
Equipment, Software	130,776	129,470	128,781
Subtotal - Property, Plant & Equipment	205,224	203,317	200,894
Less: Accumulated Depreciation	(117,446)	(116,351)	(113,963)
NET PROPERTY, PLANT & EQUIPMENT	87,778	86,966	86,931
TOTAL ASSETS	\$489,638	\$489,197	\$469,089
LIABILITIES & NET ASSETS			
Working Capital Loan - Current Portion	\$0	\$0	\$0
Accounts Payable	78,258	65,805	51,078
Compensation Related Liabilities	36,937	37,909	42,909
Estimated third-party settlements payable	78,933	79,299	74,148
Due to County of Alameda & State	16,885	15,462	12,886
Other Payables	28,903	27,234	26,424
TOTAL CURRENT LIABILITIES	239,916	225,709	207,445
Self Insurance Liability	20,352	20,352	20,352
Working Capital Loan - Long-term Portion	183,480	198,734	192,566
Pension and Postemployment	61,276	60,876	58,876
Other Long-term Liabilities	11,808	11,808	11,808
TOTAL LONG TERM LIABILITIES	276,916	291,770	283,602
TOTAL LIABILITIES	516,832	517,479	491,047
Capital Contribution - County	46,535	46,535	46,535
Capital Contribution - Foundation	6,020	6,020	6,020
Fund Balance -- Prior Years	(74,513)	(74,513)	(51,905)
Current Year Income / (Loss)	(5,236)	(6,324)	(22,608)
FUND BALANCE	(27,194)	(28,282)	(21,958)
TOTAL LIABILITIES & FUND BALANCE	\$489,638	\$489,197	\$469,089
Days in Cash	1	2	10
Gross Days in AR	110	115	117
Net Days in AR	110	130	130
Current Ratio	>1.5	0.95	0.95

ALAMEDA HEALTH SYSTEM (consolidated)**Statement of Cash Flows**

For the Period Ended September 30, 2014

(In Thousands)

	<u>Current Month</u>	<u>Year-to Date</u>
Operating Activities		
Net Income (Loss)	\$1,091	(\$5,238)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,096	3,484
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient account receivables, net	3,717	(3,804)
(Increase)/Decrease Due from County of Alameda & Others	8,626	(1,052)
(Increase)/Decrease Inventories	(895)	(878)
(Increase)/Decrease Prepaid expenses	(162)	31
(Increase)/Decrease Other receivables	(12,809)	(41,140)
(Decrease)/Increase in Accounts payable, accrued expenses and estimated third-party settlements	14,204	32,467
Net Cash Provided (Used) by operating activities	14,868	(16,130)
Investing Activities		
Change in Cash Held in Trust	2	15
Change in Restricted Cash	0	7,389
Net Purchases of property, plant and equipment	(1,908)	(4,331)
Change in Self-insurance, pension, and other long-term liabilities	400	2,400
Net Cash Provided (Used) by investing activities	(1,506)	5,473
Financing Activities		
Change in Working Capital Loan	(15,254)	(9,086)
Net Cash Provided (Used) by financing activities	(15,254)	(9,086)
Net increase/(decrease) in cash and cash equivalents	(1,892)	(19,743)
Cash and Equivalents at beginning of period	5,040	22,885
Cash and Equivalents at end of period	\$3,148	\$3,142



MEMORANDUM

1411 East 31st Street
Oakland, CA 94602

TO: AHS Finance Committee
FROM: David Cox, Chief Financial Officer
DATE: November 14, 2014
SUBJECT: October Financial Report

For the month of October, AHS is reporting a profit of \$59,000, which is below budget but a significant improvement from prior months. Overall patient activity has increased somewhat – with Adjusted Discharges below budget by 2.2% compared to the YTD 4.4% - but charge capture has continued to improve. Gross charges were 5.8% favorable to budget, even with the negative volume variance, and we positive in all categories. Outpatient gross charges were over budget by 16.1% and YTD, we are now overall positive by 0.4%.

Our estimated collection ratio on these charges is about the same as YTD, at 21.1%, and below the budget of 22.9%. This is due to our current payer mix and the budget assumptions regarding improvements in the revenue cycle. Nevertheless, with improved charge capture, our estimated net revenues have improved compared to budget.

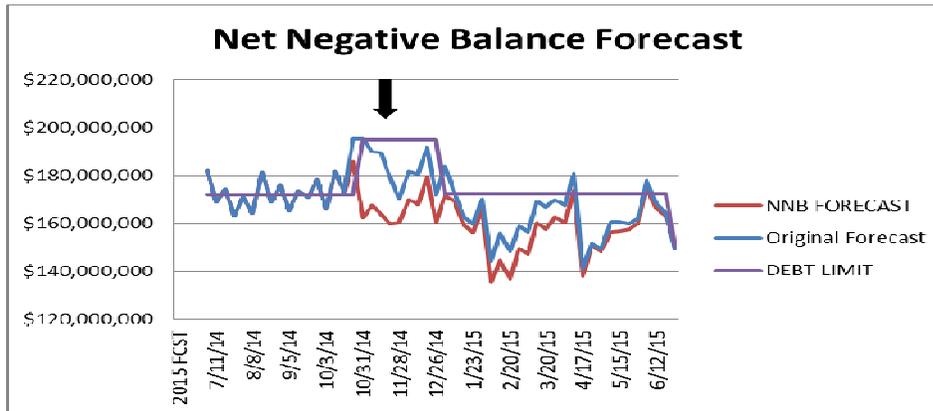
Total operating expenses increased during the month on higher volumes, but are still below budget at 1.1% for the month and 3.0% year to date. Our expenses per adjusted discharge (a key industry metric), are over budget by 1.5% YTD, and Salaries and Benefits as a Percent of Net Revenues are at 69% YTD, well over the budget of 66.0%.

	Month-To-Date				Year-To-Date			
	Actual	Budget	Var	% Var	Actual	Budget	Var	% Var
Adjusted discharges	2,655	2,711	(56)	-2.1%	10,283	10,759	(476)	-4.4%
Net operating revenue per adj discharge	\$ 26,918	\$ 27,238	\$ (320)	-1.2%	\$ 26,777	\$ 27,195	\$ (418)	-1.5%
Expense per adj discharge	\$ 26,893	\$ 26,626	\$ (267)	-1.0%	\$ 27,278	\$ 26,872	\$ (406)	-1.5%
Oper income per adj discharge	\$ 24	\$ 612	\$ (588)	-96.1%	\$ (501)	\$ 323	\$ (824)	-255.1%
EBITDA	\$ 1,148	\$ 2,687	\$ (1,539)	-57.3%	\$ (588)	\$ 7,585	\$ (8,173)	-107.8%
Paid Full time equivalents	3,906	4,030	124	3.1%	3,907	4,045	138	3.4%
Paid FTE's per adjusted occupied bed	4.58	4.72	0.14	3.0%	4.76	4.76	-	0.0%
Salaries, benefits & registry % of net reve	68.0%	65.0%	-3.0%		69.0%	66.0%	-3.0%	

In terms of Business Unit performance, AHS reported a gain of \$1.5 million, San Leandro a loss of \$1.4 million, and Alameda Hospital essentially at breakeven.

Cash Management/County Relationship

An Interim Agreement was completed with the County and AHS is in compliance with the current Net Negative Balance Limit of \$195 million; we are currently at about \$170 million NNB. Our collections on patient accounts has been improving and we received the expected DSRIP and Medi-Cal Waiver funds slightly early.



The Interim Agreement contains certain performance requirements, presented below, and AHS is in compliance.

	REQUIREMENT	STATUS
1	AHS will provide the A/C, CAO and HCSA with a comprehensive cash-flow report on a weekly basis ... and any financial information deemed necessary.	AHS is providing a detailed cash forecast on a weekly basis.
2	AHS will provide the A/C with an report on Accounts Payable on a weekly basis, including a summary of the priority of payments and the rationale.	AHS is providing a detailed report on Accounts Payable and our repayment plan on a weekly basis.
3	AHS will present an evaluation of fiscal status and progress of the A/P Reduction Plan to the Auditor/Controller, CAO, and HCSA monthly beginning Nov. 1, 2014; AHS will present the evaluation to the Health Committee on Nov. 10 and Dec. 8.	AHS will make the required presentations.
4	AHS will work with the A/C, CAO and, HCSA to develop a comprehensive strategic financial and operating plan through June 30, 2015 that will set aside resources needed to meet debt targets and shall include contingency plans for continued successful operations.	AHS is working with the County/HCSA Consultant to complete the required analysis and is completing its own plans to achieve the required level of performance.

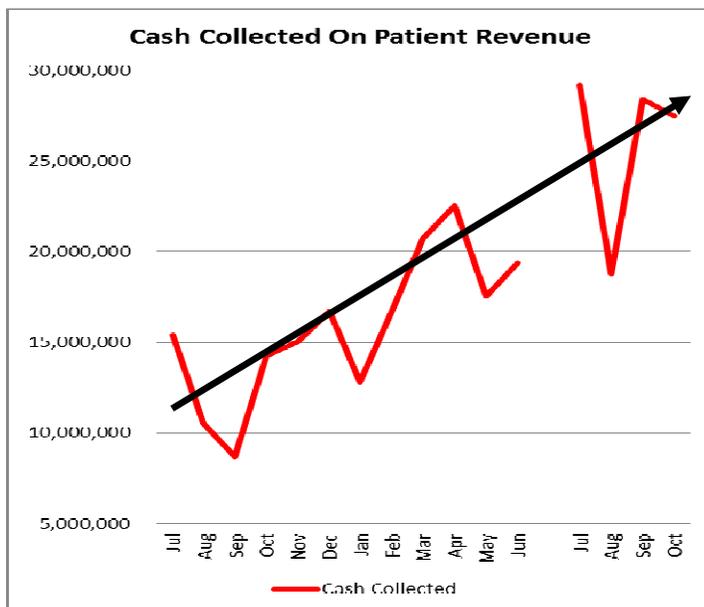
Requirement #4 above is worth discussing. It includes an external assessment of our strategic and operating plans – which is underway – and development of a plan to ensure that we meet our financial obligations. Separately, but in concert with that, management has initiated the development of a comprehensive performance improvement plan that is currently under development and summarized below.

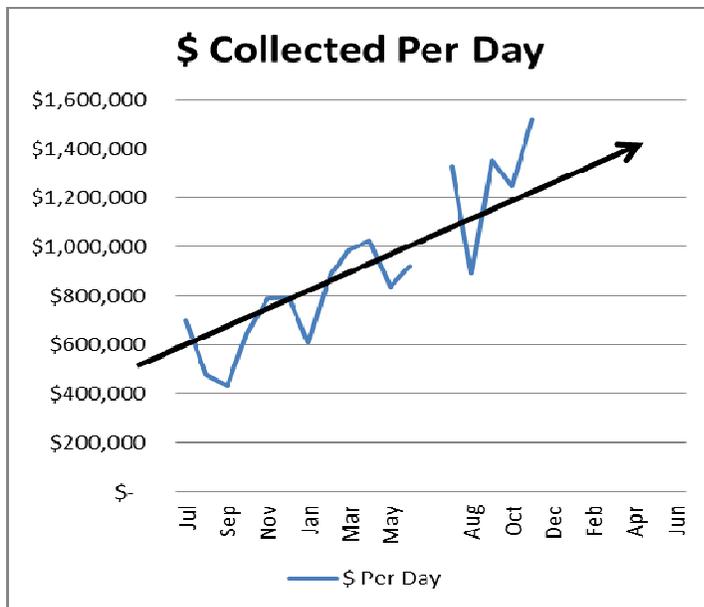
Revenue Cycle Improvement Program

We are making progress on our revenue cycle, but it is a daunting task. It is difficult to describe easily, but the Soarian system requires much of the work that was previously done on the back end (Patient Financial Services) to be done on the Front End (either in Registration or in the Operating Departments). The resources were not shifted to do this and training was not provided in many cases. In addition, the new system design uncovered many internal process issues that need to be changed. There are other issues related to proper enrollment procedures that prevented us from billing at all for some services; e.g., Inpatient Physician Services for Medi-Cal.

The result of this is that Claims did not pass easily through the system, accumulated in various edit exception reports, work not worked, and then timed out as too old to bill. But, as I said, we are making progress, and I'd like to list some of them:

- We understand the problem.
- We have a detailed work plan that allows us to prioritize and systematically work them.
- We have competent leadership in place to implement the required changes.
- Charge capture appears to be improving.
- Cash Collections appear to be improving.
- Net Accounts Receivable (at AHS) appear to be coming down.
- San Leandro cash collections are on track and A/R is stable.
- Alameda Hospital A/R is still growing, but we have the required Medi-Cal NPI, we have submitted the required Treatment Authorization Requests (TAR's) to Medi-Cal, and we expect to be able to bill and then collect approximately \$10 million by early January.
- We have completed the reorganization of Patient Financial Services.
- We believe that we have a short term fix to the IP Medi-Cal Professional Fee issue.





However, we still have a lot of work to do. These are the highest priority initiatives currently underway:

- **Contracts Module** – Rebuilding the Contracts Module to reflect actual payment rates and rules for Medicare, Medi-Cal, Commercial, and other payers. The system is designed to reconcile actual with expected payments, and if the module is not built correctly, we can't verify correct payments.
- **Financial Clearance Unit** – A major issue is our failure to obtain authorizations for procedures in advance, which results in denied claims. We are designing a new unit of 2 to 3 people to focus on this issue for the entire house, as this step is frequently missed in the operating departments.
- **Registration Accuracy** – A large percentage of our patients are registered under the wrong insurance plan, which results in wasted effort, denials, rework, and lost revenue due to timely filing requirements. We are reviewing our procedures and providing additional training.
- **Error Billing Exception Worklist (EBEW)** – These are all of the claims held up in the front end of the system (there are more on the back end). We have reduced it from \$150 million (gross) to about \$60 million, but need to get it down to under \$10 million. We have identified owners for each of the edits, are training them on how to work the edits, and are reconfiguring our systems and processes to minimize the errors going forward.
- **Revenue Integrity** – This unit is responsible for maintenance of the Charge Description Master, pricing, and charge capture procedures in the hospital. However, it is severely understaffed and, as a result, we have severe charge capture issues in many areas of the organization, which results in lost revenue. We are recruiting a Director for the department and will be adding staff in this area, as it is vital to our success.

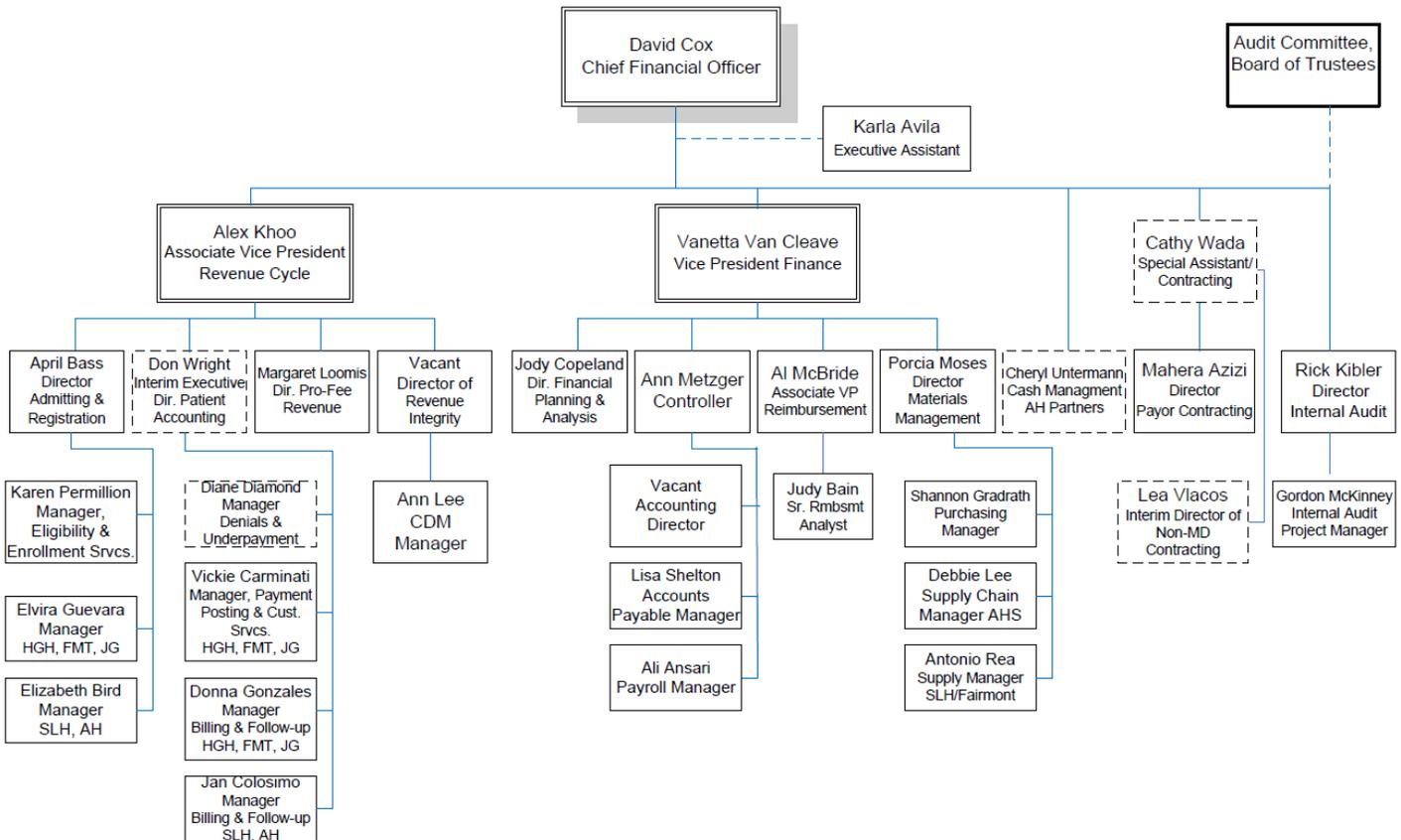
- Operating Room Charge Capture – We have a large number of surgical implants and other devices that have not been entered into our Item Master and therefore cannot be billed. The process to enter new items into the system does not work well. We believe that we have a significant revenue opportunity in this area.
- Physician Inpatient Medi-Cal Billing – We are solving the NPI issue which has prevented billing for these services.
- Ambulatory Clinic Schedules – These are being redone to open up the schedules to facilitate greater throughput, improved patient satisfaction, and improved revenue.
- Patient Financial Services – Achieving operating objectives under the organization structure.
- Denials Management – Assigning temporary staff (the Clean Up Crew) to work old denials and designing a denials management unit. This involves system as well as process changes.
- Correspondence Distribution – Right now, there is no process to scan and file patient correspondence to the correct accounts in the system. This greatly complicates account follow up and resolution.

This is a partial list, but it provides an idea of the scope of the problem. Again, I believe that we are making good progress.

Finance Department Organization Structure

The current organization structure for the Finance Department is below. I will provide comment at the meeting, and many of these individuals will be in attendance.

ALAMEDA HEALTH SYSTEM FINANCIAL SERVICES DIVISION



Updated November 2014

ALAMEDA HEALTH SYSTEM (consolidated)

Statement of Revenues and Expenses

For the Period Ended October 31, 2014

(In Thousands)

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	\$ 121,660	\$ 119,403	\$ 2,257	1.9%	\$ 461,248	\$ 472,533	\$ (11,285)	-2.4%
Outpatient service revenue	67,877	58,473	9,404	16.1%	243,531	229,021	14,510	6.3%
Professional service revenue	22,571	22,538	33	0.1%	87,740	88,060	(320)	-0.4%
Gross patient service revenue	212,108	200,414	11,694	5.8%	792,519	789,614	2,905	0.4%
Deductions from revenues	(167,331)	(154,463)	(12,868)	8.3%	(626,191)	(608,582)	(17,609)	2.9%
Net patient service revenue	44,777	45,951	(1,174)	-2.6%	166,328	181,032	(14,704)	-8.1%
Medi-Cal Waiver	7,000	7,667	(667)	-8.7%	28,000	30,667	(2,667)	-8.7%
Health Program of Alameda County	2,837	2,837	0	0.0%	11,347	11,347	0	0.0%
Measure A, Parcel Tax, Other Support	8,236	9,005	(769)	-8.5%	34,485	36,018	(1,533)	-4.3%
CA Hospital Fee	-	-	0	0.0%	-	-	0	0.0%
DSRIP Revenue	2,133	2,133	0	0.0%	8,532	8,532	0	0.0%
Supplemental Programs	5,182	4,834	348	7.2%	21,551	19,337	2,214	11.4%
Grants & Research Protocol	290	370	(80)	-21.6%	1,178	1,481	(303)	-20.5%
Other Operating Revenue	991	756	235	31.1%	3,324	3,023	301	10.0%
Incentives	20	289	(269)	-93.1%	599	1,155	(556)	-48.1%
Net operating revenue	71,466	73,842	(2,376)	-3.2%	275,344	292,592	(17,248)	-5.9%
Salaries and wages	33,929	34,032	103	0.3%	128,936	135,669	6,733	5.0%
Employee benefits	13,471	13,156	(315)	-2.4%	54,135	53,613	(522)	-1.0%
Registry	1,499	1,066	(433)	-40.6%	6,645	4,117	(2,528)	-61.4%
Contracted physician services	5,765	7,384	1,619	21.9%	24,624	29,547	4,923	16.7%
Purchased services	5,739	5,837	98	1.7%	21,583	23,453	1,870	8.0%
Pharmaceuticals	1,673	1,780	107	6.0%	7,984	7,494	(490)	-6.5%
Medical Supplies	2,532	2,360	(172)	-7.3%	9,754	9,257	(497)	-5.4%
Materials and supplies	1,421	1,759	338	19.2%	5,636	6,748	1,112	16.5%
Outside medical services	675	160	(515)	-321.9%	3,089	639	(2,450)	-383.4%
General & administrative expenses	1,510	1,318	(192)	-14.6%	5,187	5,271	84	1.6%
Repairs/maintenance/utilities	1,222	1,567	345	22.0%	5,313	6,262	949	15.2%
Building/equipment leases & rentals	882	736	(146)	-19.8%	3,046	2,937	(109)	-3.7%
Depreciation	1,084	1,028	(56)	-5.4%	4,568	4,110	(458)	-11.1%
Total operating expense	71,402	72,183	781	1.1%	280,500	289,117	8,617	3.0%
Operating Income	64	1,659	(\$1,595)	-96.1%	(5,156)	3,475	(\$8,631)	-248.4%
Interest income	19	14	5	35.7%	75	55	20	36.4%
Interest expense	(52)	(76)	24	-31.6%	(207)	(304)	97	-31.9%
Other Non-operating income(expense)	28	29	(1)	-3.4%	111	114	(3)	-2.6%
Income	\$ 59	\$ 1,626	\$ (1,567)	-96.4%	\$ (5,177)	\$ 3,340	\$ (8,517)	-255.0%
Operating Margin	0.1%	2.2%			-1.9%	1.2%		
Collection %	21.1%	22.9%			21.0%	22.9%		
Acute & SNF discharges	1,728	1,820	(92)	-5.1%	6,796	7,247	(451)	-6.2%
Acute & SNF patient days	16,761	17,771	(1,010)	-5.7%	65,852	70,468	(4,616)	-6.6%
ALOS	9.70	9.76	(0.06)	-0.6%	9.69	9.72	(0.03)	-0.3%
ADC	541	573	(32)	-5.6%	535	573	(38)	-6.6%
Adjusted patient days	26,112	26,474	(362)	-1.4%	100,621	104,621	(4,000)	-3.8%
Adjusted discharges	2,692	2,711	(19)	-0.7%	10,384	10,759	(375)	-3.5%
Net operating revenue per adj discharge	\$ 26,548	\$ 27,238	\$ (690)	-2.5%	\$ 26,516	\$ 27,195	\$ (679)	-2.5%
Expense per adj discharge	\$ 26,524	\$ 26,626	\$ 102	0.4%	\$ 27,013	\$ 26,872	\$ (141)	-0.5%
Oper income per adj discharge	\$ 24	\$ 612	\$ (588)	-96.1%	\$ (497)	\$ 323	\$ (820)	-253.9%
EBITDA	\$ 1,148	\$ 2,687	\$ (1,539)	-57.3%	\$ (588)	\$ 7,585	\$ (8,173)	-107.8%
Paid Full time equivalents	3,906	4,030	124	3.1%	3,907	4,045	138	3.4%
Paid FTE's per adjusted occupied bed	4.64	4.72	0.08	1.7%	4.78	4.76	(0.02)	-0.4%
Salaries, benefits & registry % of net rever	68%	65%	-3%		69%	66%	-3%	

ALAMEDA HEALTH SYSTEM
Statement of Revenues and Expenses
For the Period Ended October 31, 2014
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2014
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	\$ 90,471	\$ 86,655	\$ 3,816	4.4%	\$ 341,822	\$ 343,477	\$ (1,655)	-0.5%	\$ 287,195
Outpatient service revenue	47,213	40,081	7,132	17.8%	167,305	158,013	9,292	5.9%	138,521
Professional service revenue	22,571	22,538	33	0.1%	87,740	88,060	(320)	-0.4%	49,829
Gross patient service revenue	160,255	149,274	10,981	7.4%	596,867	589,550	7,317	1.2%	475,545
Deductions from revenues	(126,952)	(115,580)	(11,372)	9.8%	(475,794)	(456,478)	(19,316)	4.2%	(389,074)
Net patient service revenue	33,303	33,694	(391)	-1.2%	121,073	133,072	(11,999)	-9.0%	86,471
Medi-Cal Waiver	7,000	7,667	(667)	-8.7%	28,000	30,667	(2,667)	-8.7%	30,000
Health Program of Alameda County	2,837	2,837	0	0.0%	11,347	11,347	0	0.0%	34,386
Measure A, Parcel Tax, Other Support	7,939	7,939	0	0.0%	31,757	31,757	0	0.0%	30,000
DSRIP Revenue	2,133	2,133	0	0.0%	8,532	8,532	0	0.0%	8,967
Supplemental Programs	5,182	4,128	1,054	25.5%	21,551	16,512	5,039	30.5%	15,179
Grants & Research Protocol	290	370	(80)	-21.6%	1,178	1,481	(303)	-20.5%	1,443
Other Operating Revenue	980	711	269	37.8%	3,253	2,846	407	14.3%	2,463
Incentives	106	202	(96)	-47.5%	426	808	(382)	-47.3%	1,448
Net operating revenue	59,770	59,681	89	0.1%	227,117	237,022	(9,905)	-4.2%	210,357
Salaries and wages	26,947	26,793	(154)	-0.6%	103,682	106,796	3,114	2.9%	93,807
Employee benefits	11,377	10,757	(620)	-5.8%	45,520	43,889	(1,631)	-3.7%	41,865
Registry	1,300	769	(531)	-69.1%	5,765	2,936	(2,829)	-96.4%	4,814
Contracted physician services	5,124	6,564	1,440	21.9%	20,753	26,270	5,517	21.0%	18,305
Purchased services	4,791	4,562	(229)	-5.0%	17,642	18,360	718	3.9%	17,355
Pharmaceuticals	1,327	1,381	54	3.9%	6,524	5,905	(619)	-10.5%	6,339
Medical Supplies	1,760	1,657	(103)	-6.2%	6,635	6,484	(151)	-2.3%	6,756
Materials and supplies	1,120	1,350	230	17.0%	4,578	5,115	537	10.5%	4,429
Outside medical services	675	160	(515)	-321.9%	3,089	639	(2,450)	-383.4%	3,212
General & administrative expenses	1,432	1,092	(340)	-31.1%	4,520	4,365	(155)	-3.6%	4,259
Repairs/maintenance/utilities	994	1,273	279	21.9%	4,243	5,086	843	16.6%	3,626
Building/equipment leases & rentals	559	473	(86)	-18.2%	1,996	1,888	(108)	-5.7%	1,815
Depreciation	835	920	85	9.2%	3,565	3,678	113	3.1%	3,316
Total operating expense	58,241	57,751	(490)	-0.8%	228,512	231,411	2,899	1.3%	209,898
Operating Income	1,529	1,930	(\$401)	-20.8%	(1,395)	5,611	(\$7,006)	-124.9%	459
Interest income	19	13	6	46.2%	75	50	25	50.0%	51
Interest expense	(52)	(76)	(24)	31.6%	(207)	(304)	(97)	31.9%	(134)
Other Non-operating income(expense)	-	1	1	100.0%	-	2	2	100.0%	-
Income	\$ 1,496	\$ 1,868	\$ (372)	-19.9%	\$ (1,527)	\$ 5,359	\$ (6,886)	-128.5%	\$ 376
Operating Margin	2.6%	3.2%			-0.6%	2.4%			0.2%
Collection %	20.8%	22.6%			20.3%	22.6%			18.2%
Acute & SNF discharges	1,275	1,254	21	1.7%	5,032	5,000	32	0.6%	4,683
Acute & SNF patient days	9,681	10,281	(600)	-5.8%	38,390	40,749	(2,359)	-5.8%	38,071
ALOS	7.59	8.20	(0.61)	-7.4%	7.63	8.15	(0.52)	-6.4%	8.13
ADC	312	332	(20)	-6.0%	312	331	(19)	-5.7%	310
Adjusted patient days	14,733	15,036	(303)	-2.0%	57,180	59,495	(2,315)	-3.9%	56,434
Adjusted discharges	1,940	1,834	106	5.8%	7,495	7,300	195	2.7%	6,942
Net operating revenue per adj discharge	\$ 30,809	\$ 32,541	\$ (1,732)	-5.3%	\$ 30,302	\$ 32,469	\$ (2,167)	-6.7%	\$ 30,302
Expenses per adj discharge	\$ 30,021	\$ 31,489	\$ 1,468	4.7%	\$ 30,489	\$ 31,700	\$ 1,211	3.8%	\$ 30,236
Oper income per adj discharge	\$ 788	\$ 1,052	\$ (264)	-25.1%	\$ (186)	\$ 769	\$ (955)	-124.2%	\$ 66
EBITDA	\$ 2,364	\$ 2,850	\$ (486)	-17.1%	\$ 2,170	\$ 9,289	\$ (7,119)	-76.6%	
Paid Full time equivalents	3,050	3,068	18	0.6%	3,056	3,080	24	0.8%	2,897
Paid FTE's per adjusted occupied bed	6.42	6.33	(0.09)	-1.4%	6.57	6.37	(0.20)	-3.1%	6.31
Salaries, benefits & registry % of net rever	66%	64%	-2%		68%	65%	-3%		67%

ALAMEDA HOSPITAL
Statement of Revenues and Expenses
For the Period Ended October 31, 2014
(In Thousands)

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	\$ 18,748	\$ 18,403	\$ 345	1.9%	\$ 70,240	\$ 72,864	\$ (2,624)	-3.6%
Outpatient service revenue	9,658	9,349	309	3.3%	35,679	36,592	(913)	-2.5%
Professional service revenue	-	-	0	0.0%	-	-	0	0.0%
Gross patient service revenue	28,406	27,752	654	2.4%	105,919	109,456	(3,537)	-3.2%
Deductions from revenues	(21,782)	(20,975)	(807)	3.8%	(80,049)	(82,730)	2,681	-3.2%
Net patient service revenue	6,624	6,777	(153)	-2.3%	25,870	26,726	(856)	-3.2%
Measure A, Parcel Tax, Other Support	297	482	(185)	-38.4%	1,728	1,928	(200)	-10.4%
Supplemental Programs	-	373	(373)	-100.0%	-	1,491	(1,491)	-100.0%
Other Operating Revenue	9	37	(28)	-75.7%	36	150	(114)	-76.0%
Incentives	(87)	87	(174)	-200.0%	173	347	(174)	-50.1%
Net operating revenue	6,843	7,756	(913)	-11.8%	27,807	30,642	(2,835)	-9.3%
Salaries and wages	3,717	3,815	98	2.6%	13,479	15,142	1,663	11.0%
Employee benefits	1,260	1,133	(127)	-11.2%	5,273	4,531	(742)	-16.4%
Registry	133	162	29	17.9%	468	643	175	27.2%
Contracted physician services	149	249	100	40.2%	1,795	995	(800)	-80.4%
Purchased services	407	610	203	33.3%	1,855	2,437	582	23.9%
Pharmaceuticals	182	243	61	25.1%	786	970	184	19.0%
Medical Supplies	321	327	6	1.8%	1,569	1,291	(278)	-21.5%
Materials and supplies	232	258	26	10.1%	485	1,031	546	53.0%
Outside medical services	-	-	0	0.0%	-	-	0	0.0%
General & administrative expenses	37	181	144	79.6%	561	726	165	22.7%
Repairs/maintenance/utilities	82	147	65	44.2%	481	587	106	18.1%
Building/equipment leases & rentals	290	232	(58)	-25.0%	974	929	(45)	-4.8%
Depreciation	91	96	5	5.2%	364	383	19	5.0%
Total operating expense	6,901	7,453	552	7.4%	28,090	29,665	1,575	5.3%
Operating Income	(58)	303	(\$361)	-119.1%	(283)	977	(\$1,260)	-129.0%
Interest income	-	1	(1)	-100.0%	-	5	(5)	-100.0%
Interest expense	-	-	0	0.0%	-	-	0	0.0%
Other Non-operating income(expense)	28	28	0	0.0%	111	112	1	0.9%
Income	\$ (30)	\$ 332	\$ (362)	-109.0%	\$ (172)	\$ 1,094	\$ (1,266)	-115.7%
Operating Margin	-0.8%	3.9%			-1.0%	3.2%		
Collection %	23.3%	24.4%			24.4%	24.4%		
Acute & SNF discharges	235	272	(37)	-13.6%	900	1,080	(180)	-16.7%
Acute & SNF patient days	6,135	6,219	(84)	-1.4%	23,981	24,676	(695)	-2.8%
ALOS	26.11	22.86	3.25	14.2%	26.65	22.85	3.80	16.6%
ADC	198	201	(3)	-1.5%	195	201	(6)	-3.0%
Adjusted patient days	9,295	9,378	(83)	-0.9%	36,162	37,068	(906)	-2.4%
Adjusted discharges	356	410	(54)	-13.2%	1,357	1,622	(265)	-16.3%
Net operating revenue per adj discharge	\$ 19,222	\$ 18,917	\$ 305	1.6%	\$ 20,492	\$ 18,891	\$ 1,601	8.5%
Expense per adj discharge	\$ 19,385	\$ 18,178	\$ (1,207)	-6.6%	\$ 20,700	\$ 18,289	\$ (2,411)	-13.2%
Oper income per adj discharge	\$ (163)	\$ 739	\$ (902)	-122.1%	\$ (209)	\$ 602	\$ (811)	-134.7%
EBITDA	\$ 33	\$ 399	\$ (366)	-91.7%	\$ 81	\$ 1,360	\$ (1,279)	-94.0%
Paid Full time equivalents	525	570	45	7.9%	527	570	43	7.5%
Paid FTE's per adjusted occupied bed	1.75	1.88	0.13	6.9%	1.79	1.89	0.10	5.3%
Salaries, benefits & registry % of net rever	75%	66%	-9%		69%	66%	-3%	

ALAMEDA HEALTH SYSTEM
ALAMEDA CAMPUS - Patient Volumes
For the month ending October 31, 2014
Fiscal 2015

	ACTUAL	BUDGET	VARIANCE	%	YTD	BUDGET	Variance	% Var
INPATIENT VOLUMES								
Acute Admissions	205	212	(7)	-3%	395	371	24	6%
Acute Patient Days	644	1,047	(403)	-38%	2,002	4,154	(2,152)	-52%
Average daily census	20.8	33.8	13.0	38%	16.3	33.8	17.5	52%
Acute Length of Stay	3.1	4.9	1.8	37%	5.1	11.2	6.1	54%
Long Term Care Admissions	22	23	(1)	-4%	49	46	3	7%
Long Term Care Patient Days	5,153	5,172	(19)	0%	20,648	20,522	126	1%
Average daily census	166.2	166.8	0.6	0%	167.9	166.8	(1.1)	-1%
Long Term Length of Stay	25.1	24.4	(0.7)	-3%	52.3	55.3	3.0	5%
EMERGENCY & URGENT CARE								
ED-HGH Pts Seen	1,390	1,441	(51)	-4%	5,863	5,718	145	3%
SURGERIES								
Inpatient	60	47	13	28%	217	186	31	17%
Outpatient	197	136	61	45%	596	540	56	10%
Total Surgeries	257	183	74	40%	813	726	87	12%
ANCILLARIES								
Cardiology and Interventional Rad	574	534	40	7%	2,284	2,118	166	8%
Clinical Lab & Blood Bank	10,729	11,900	(1,171)	-10%	44,628	47,213	(2,585)	-5%
Imaging Services	225	2,207	(1,982)	-90%	6,473	8,755	(2,282)	-26%
Pharmacy	7,367	-	7,367	#DIV/0!	29,205	-	29,205	#DIV/0!
Other Ancillaries	34	167	(133)	-80%	201	663	(462)	-70%
THERAPIES								
Occupational	300	798	(498)	-62%	1,037	3,165	(2,128)	-67%
Physical Therapy	2,059	2,230	(171)	-8%	6,248	8,848	(2,600)	-29%
AMBULATORY CLINIC								
Cardio clinic	coming	coming			coming	coming		
Ortho Clinic	637	612	25	4%	2,470	2,428	42	2%
Specialty Care	coming	coming			coming	coming		
OTHER STATISTICS								
Outpatient Factor	1.525	1.503	0.022		1.510	1.503	0.007	
ACUTE PATIENT DAYS								
AHD CORONARY CARE UNIT (CCU)	146	153	(7)	-5%	497	607	(110)	-18%
AHD DEFINITIVE OBSERVATION	33	378	(345)	-91%	86	1,500	(1,414)	-94%
AHD 3RD WEST MED SURG	465	516	(51)	-10%	1,419	2,047	(628)	-31%
Total Acute Patient Days	644	1,047	(403)	-38%	2,002	4,154	(2,152)	-52%
AHD Observation Days	55	133	(78)	-59%	281	519	(238)	-46%
SKILLED NURSING AND SUBACUTE PATIENT DAYS								
AHD SUB ACUTE 2ND FLOOR	1,022	1,000	22	2%	3,984	3,968	16	0%
AHD SOUTH SHORE SNF	765	742	23	3%	2,952	2,944	8	0%
AHD WATERS EDGE SNF	3,366	3,430	(64)	-2%	13,712	13,610	102	1%
Total Long Term Care Patient Days	5,153	5,172	(19)	0%	20,648	20,522	126	1%

ALAMEDA HEALTH SYSTEM
ALAMEDA CAMPUS - Patient Volumes
For the month ending October 31, 2014
Fiscal 2015

	ACTUAL	BUDGET	VARIANCE	%	YTD	BUDGET	Variance	% Var
ANCILLARIES								
Cardiology and Interventional Rad								
3300-IP EKG Tests	463	453	10	2%	1,850	1,797	53	3%
3304-OP EKG Tests	111	81	30	37%	434	321	113	35%
	-----	-----	-----	-----	-----	-----	-----	-----
Total Cardiology Volume	574	534	40	7%	2,284	2,118	166	8%
Clinical Lab & Blood Bank								
3200-IP Laboratory Tests	8,578	9,693	(1,115)	-12%	37,193	38,458	(1,265)	-3%
3204-OP Laboratory Tests	2,151	2,207	(56)	-3%	7,435	8,755	(1,320)	-15%
	-----	-----	-----	-----	-----	-----	-----	-----
Total Lab & Blood Bank volume	10,729	11,900	(1,171)	-10%	44,628	47,213	(2,585)	-5%
Imaging Services								
3500-IP X-Rays	41	240	(199)	-83%	805	952	(147)	-15%
3504-OP X-Rays	119	1,384	(1,265)	-91%	3,915	5,491	(1,576)	-29%
3600-IP MRIs	3	18	(15)	-83%	56	71	(15)	-21%
3604-OP MRIs	12	77	(65)	-84%	241	306	(65)	-21%
3700-IP Sonograms	3	19	(16)	-84%	78	75	3	4%
3704-OP Sonograms	19	164	(145)	-88%	511	651	(140)	-22%
3800-IP CAT Scans	8	44	(36)	-82%	126	174	(48)	-28%
3804-OP CAT Scans	20	261	(241)	-92%	741	1,035	(294)	-28%
	-----	-----	-----	-----	-----	-----	-----	-----
Total Imaging volume	225	2,207	(1,982)	-90%	6,473	8,755	(2,282)	-26%
THERAPIES & OTHER								
Occupational Therapy								
5500-IP OT Treatments	97	528	(431)	-82%	308	2,094	(1,786)	-85%
5504-OP OT Treatments	203	270	(67)	-25%	729	1,071	(342)	-32%
	-----	-----	-----	-----	-----	-----	-----	-----
Total Occupational Therapy volume	300	798	(498)	-62%	1,037	3,165	(2,128)	-67%
Physical Therapy								
5400-IP PT Treatments	353	723	(370)	-51%	1,235	2,869	(1,634)	-57%
5404-OP PT Treatments	1,706	1,507	199	13%	5,013	5,979	(966)	-16%
	-----	-----	-----	-----	-----	-----	-----	-----
Total Physical Therapy volume	2,059	2,230	(171)	-8%	6,248	8,848	(2,600)	-29%
Speech Therapy								
6600-IP Treatments	34	153	(119)	-78%	166	607	(441)	-73%
6604-OP Treatments	-	14	(14)	-100%	35	56	(21)	-38%
	-----	-----	-----	-----	-----	-----	-----	-----
Total Speech Therapy volume	34	167	(133)	-80%	201	663	(462)	-70%

ALAMEDA HEALTH SYSTEM (consolidated)

Balance Sheet

For the Period Ended October 31, 2014

(In Thousands)

	Current Month	Prior Month	FY 2014
ASSETS			
Current assets:			
Cash & Cash Equivalents	\$1,862	\$3,328	\$23,064
Cash Held in Trust	39	28	43
Net Patient Receivables	136,775	129,663	125,860
Due from County of Alameda & Others	79,571	73,442	72,389
Inventories	8,541	9,534	8,656
Prepaid expenses	2,123	2,398	2,429
Other receivables	148,914	153,775	112,635
TOTAL CURRENT ASSETS	377,825	372,168	345,076
Restricted Cash Hospital Fee	0	0	7,397
Cash Held Board Designated	23,385	23,385	23,378
TOTAL RESTRICTED CASH	23,385	23,385	30,775
PROPERTY, PLANT & EQUIPMENT			
Land, Buildings, Leasehold Improve, CIP	76,659	74,669	72,334
Equipment, Software	130,722	130,741	128,746
Subtotal - Property, Plant & Equipment	207,381	205,410	201,080
Less: Accumulated Depreciation	(118,636)	(117,552)	(114,069)
NET PROPERTY, PLANT & EQUIPMENT	88,745	87,858	87,011
TOTAL ASSETS	\$489,955	\$483,411	\$462,862
LIABILITIES & NET ASSETS			
Working Capital Loan - Current Portion	\$0	\$0	\$0
Accounts Payable	73,154	78,643	51,464
Compensation Related Liabilities	40,465	36,937	42,909
Estimated third-party settlements payable	72,734	79,032	74,247
Due to County of Alameda & State	29,017	17,800	13,801
Other Payables	23,189	21,931	19,453
TOTAL CURRENT LIABILITIES	238,559	234,343	201,874
Self Insurance Liability	20,459	20,459	20,459
Working Capital Loan - Long-term Portion	185,547	184,076	193,161
Pension and Postemployment	61,995	61,195	58,795
Other Long-term Liabilities	11,808	11,808	11,808
TOTAL LONG TERM LIABILITIES	279,809	277,538	284,223
TOTAL LIABILITIES	518,368	511,881	486,097
Capital Contribution - County	46,535	46,535	46,535
Capital Contribution - Foundation	6,020	6,020	6,020
Fund Balance -- Prior Years	(75,789)	(75,789)	(51,905)
Current Year Income / (Loss)	(5,179)	(5,236)	(23,885)
FUND BALANCE	(28,413)	(28,470)	(23,235)
TOTAL LIABILITIES & FUND BALANCE	\$489,955	\$483,411	\$462,862
Days in Cash	1	1	10
Gross Days in AR	107	110	118
Net Days in AR	99	98	97
Current Ratio	>1.5	0.95	0.94

ALAMEDA HEALTH SYSTEM (consolidated)**Statement of Cash Flows**

For the Period Ended October 31, 2014

(In Thousands)

	<u>Current Month</u>	<u>Year-to Date</u>
Operating Activities		
Net Income (Loss)	\$59	(\$5,177)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,084	4,568
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient account receivables, net	(7,112)	(10,915)
(Increase)/Decrease Due from County of Alameda & Others	(6,129)	(7,182)
(Increase)/Decrease Inventories	993	115
(Increase)/Decrease Prepaid expenses	275	306
(Increase)/Decrease Other receivables	4,861	(36,279)
(Decrease)/Increase in Accounts payable, accrued expenses and estimated third-party settlements	4,213	36,681
Net Cash Provided (Used) by operating activities	(1,756)	(17,883)
Investing Activities		
Change in Cash Held in Trust	(11)	4
Change in Restricted Cash	0	7,390
Net Purchases of property, plant and equipment	(1,971)	(6,302)
Change in Self-insurance, pension, and other long-term liabilities	800	3,200
Net Cash Provided (Used) by investing activities	(1,182)	4,292
Financing Activities		
Change in Working Capital Loan	1,471	(7,614)
Net Cash Provided (Used) by financing activities	1,471	(7,614)
Net increase/(decrease) in cash and cash equivalents	(1,467)	(21,205)
Cash and Equivalents at beginning of period	3,328	23,064
Cash and Equivalents at end of period	\$1,861	\$1,859



2070 Clinton Avenue
Alameda, CA 94501

DATE: November 20, 2014

FOR: December 1, 2014 – District Board Meeting

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

FROM: David Warmouth, AVP of Support Services, Highland Hospital
Mike Toftley, Construction Manager, JTECH HCM
Bonnie Panlasigui, Chief Administrative Officer

SUBJECT: Overview of Alameda Hospital SPC Upgrade / Kitchen Relocation Project

This information is provided to the District Board as an information item and at the request of District Board President, J. Michael McCormick. Regular updates to the District Board will be provided as we progress with these seismic projects.

The SPC Upgrade and Kitchen Relocation project located at Alameda Hospital, West Wing and Stephens Wing Buildings at 2070 Clinton Avenue in Alameda, CA 94501 consists of two increments. Within those increments there will be multiple phases, much coordination, and an extraordinary amount of infection control due to the extent of work to demolish the ground floor. The project is currently in the OSHPD agency review phase.

Agency Review milestones to date:

Increment 1		Increment 2	
Date	Status	Date	Status
06/15/2010	Original Submission	08/16/2010	Original Submission
02/28/2011	Back Check #1	02/28/2011	Back Check #1
09/21/2011	Back Check #2	12/16/2011	Approved
In Progress	Back Check #3		

OSHPD approval to begin Increment 1 is expected in early 2015. Once started, each Increment is expected to be approximately 10 months in duration. Construction must be complete by January 1, 2018.

The original 2010 budget estimated the total project cost to be ~ \$10.3 Million. The entire project is being reviewed by JKL who was engaged through JTEC, the construction management firm. An updated estimate outlining Increment #1, Increment #2, and a total project summary is expected to be available by end of year.

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: November 26, 2014
For: December 1, 2014 – District Board Meeting
To: City of Alameda Health Care District, Board of Directors
From: J. Michael McCormick, President
Kristen S. Thorson, District Clerk
Subject: District Operational Updates

Board Orientation / Refresher Course

At the request of several Board members, a Board Orientation / Refresher Course will be scheduled in December or early January. We welcome suggestions as to format; (duration, documents to review/provide, topics for in depth discussion, etc.) and can discuss your ideas at the Board meeting or you can provide suggestions via email to the District Clerk. Listed below is a sample of possible agenda items.

- History 101 (Hospital and District)
- Why Affiliate and How We Got Here
- Understanding the Affiliation & JPA
- District Structure
- Ralph M. Brown Act, Public Records Act & Confidentiality
- Board Member “Obligations”

District Office Update

The tenant improvements at the District office (888 Willow Street) have been completed and the office is now ready for furniture. Furniture will include just the basics at this time including 1-2 desks, conference table, chairs and filing cabinets. The District Clerk will be resourceful in looking at new and used furniture for the space to be as economical as possible. Additional furniture will be added as needed.

Regulatory Items

AB1234 Ethics Training

As a reminder, elected or appointed officials are required to take a two (2) hour mandatory AB1234 Ethics Training upon appointment/election and then receive training every two years thereafter. If you have questions about your specific due dates, please contact the District Clerk.

Statement of Economic Interest Statement - Form 700

Elected and appointed officials must file a Statement of Economic Interest Statement (Form 700) when assuming office, leaving office and annually. Filing of Form 700 will be due on or before April 1, 2015. Notices will be sent out in January by the District Clerk. Forms are to be filed with the District Clerk.

FYE, June 30, 2014 Audit

The FYE, June 30, 2014 Audit has begun with the collection of documents, data and information. Rick Jackson will be onsite in December and will be working closely with the Accounting team at Alameda Health System. This audit will include ten (10) months of hospital operations and 2 months of District only operations.

Community Advisory Committee Update

The Community Advisory Committee has not met since September and will plan to meet in January. District Clerk, in coordination with the Co-Chairs, will be coordinating a survey of the current membership to determine 1) interest in serving on the committee with the new structure, 2) membership strengths and any potential areas of weakness, and 3) interest in participation on sub-committees.

Letter to the Community

We have discussed putting together a letter to the community/ newsletter in January 2015 to inform the community about the status of the District, including an update on the affiliation, how the parcel tax will be used for Alameda Hospital and a thank you to the community for their continued support. We welcome suggestions as to content and can discuss more at the District Board meeting and at the next Community Advisory Committee.

Annual Election of Officers

The annual election of officers is scheduled to take place at the January District Board meeting. Below is a list of current officers and an excerpt from the by-laws regarding the duties of each office.

President	J. Michael McCormick
1st Vice President	Robert Deutsch, MD
2 nd Vice President	Vacant
Treasurer	Lynn Bratchett, RN (vacant as of December 1, 2014)
Secretary	Tracy Jensen

ARTICLE I

OFFICERS

Section 1. Officers

A. The officers of this District shall be President, First Vice-President, Second Vice-President, Secretary, Treasurer, and such other officers as the Board of Directors shall determine are necessary and appropriate.

B. The offices of President, First Vice-President, Second Vice-President and Secretary shall be filled by election from the membership of the Board of Directors. The office of Treasurer may or may not be filled by a member of the Board of Directors.

C. Each officer shall be elected upon receiving a majority vote with each member of the Board of Directors having one vote. In the event that there is no majority for a single office, the candidate with the fewest votes shall be eliminated from candidacy and a runoff election with the remaining candidates shall take place. In the event that more than two candidates have an equal number of votes, the office shall be selected by random lot.

D. Officers shall be elected at such regular Board meeting as is specified by the Board.

E. Officers shall hold their office for terms of one (1) year or until such time as a successor is elected. An officer may be removed from office by a majority of the Board of Directors at any time. Officers may serve consecutive terms.

Section 2. President

A. The President shall perform the following duties:

1. Preside over the meetings of the Board of Directors;

2. Sign and execute (jointly with the Secretary where appropriate), in the name of the District, all contracts and conveyances and all other instruments in writing that have been authorized by the Board of Directors;

3. Subject to any duly-adopted Policy of the Board regarding the signing of checks, exercise the power to co-sign, with the Secretary checks drawn on the funds of the District whenever:

a. There is no person authorized by resolution of the Board of Directors to sign checks on behalf of the District regarding a particular matter; or

b. It is appropriate or necessary for the President and Secretary to sign a check drawn on District funds.

4. Have, subject to the advice and control of the Board of Directors, general responsibility for the affairs of the District, and generally discharge all other duties that shall be required of the President by the Bylaws of the District.

B. If at any time, the President is unable to act as President, the Vice Presidents, in the order hereinafter set forth, shall take the President's place and perform the President's duties; and if the Vice Presidents are also unable to act, the Board may appoint someone else to do so, in whom shall be vested, temporarily, all the functions and duties of the office of the President.

Section 3. Vice-Presidents

A. In the absence of the President or given the inability of the President to serve, the First Vice-President, or in the First Vice-President's absence, the Second Vice-President, shall perform the duties of the President.

B. Perform such reasonable duties as may be required by the members of the Board of Directors or by the President.

Section 4. Secretary

The Secretary shall have the following duties:

A. To act as Secretary of the District and the Board of Directors.

B. To be responsible for the proper keeping of the records of all actions, proceedings, and minutes of meetings of the Board of Directors.

C. To be responsible for the proper recording, and maintaining in a special book or file for such purpose, all ordinances and resolutions of the Board of Directors (other than amendments to these Bylaws) pertaining to policy or administrative matters of the District and its facilities.

D. To serve, or cause to be served, all notices required either by law or these Bylaws, and in the event of the Secretary's absence, inability, refusal or neglect to do so, such notices may be served by any person so directed by the President or Board of Directors.

E. To have custody of the seal of this District and the obligation to use it under the direction of the Board of Directors.

F. To perform such other duties as pertain to the Secretary's office and as are prescribed by the Board of Directors.

Section 5. Treasurer

A. The Board of Directors shall establish its own treasury and shall appoint a Treasurer charged with the safekeeping and disbursement of the funds in the treasury.

B. The Board of Directors shall fix the amount of bond to be given by the Treasurer and shall provide for the payment of the premium therefor.

C. The Treasurer, who may or may not be a member of the Board of Directors, shall be selected by the Board of Directors based upon his or her competence, skill, and expertise.

D. The Treasurer shall be responsible for the general oversight of the financial affairs of the District, including, but not limited to receiving and depositing all funds accruing to the District, coordinating and overseeing the proper levy and collection of the District's annual parcel tax, performance of all duties incident to the office of Treasurer and such other duties as may be delegated or assigned to him or her by the Board of Directors, provided, however, that the Chief Financial Officer of the District shall implement, and carry out the day to day aspects of the District's financial affairs.

E. The Treasurer shall maintain active and regular contact with the administrative staff for the purpose of obtaining that information necessary to carry out his or her duties.

Handouts and/or
“to be distributed”
items from
District Board Meeting

CITY OF ALAMEDA HEALTH CARE
DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, October 6, 2014 Regular Meeting

Board Members Present	Legal Counsel Present	AHS Management / Guests	Excused
Lynn Bratchett, RN Robert Deutsch, MD J. Michael McCormick, President Tracy Jensen Kathryn Sáenz Duke	Thomas Driscoll, Esq.	Deborah E. Stebbins, CAO, Alameda Hospital	
Submitted by: Kristen Thorson, District Clerk and Heather Reyes, Administrative Secretary			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 7:00 p.m.	
II. Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.	
III. General Public Comment	No Comments	
IV. Adjourn into Executive Closed Session	The meeting was adjourned into Executive Closed Session at 7:01 p.m.	
V. Closed Session Agenda		
VI. Reconvene to Public Session	The meeting was reconvened into public session at 7:41 p.m.	
	A. Announcements from Closed Session President McCormick announced that the Minutes from July 9, 2014 were approved in closed session.	
VII. <u>Special Recognition</u>		

A. Action Items	<p>1) Adoption of Resolutions No. 2014-9L and 2014-10L recognizing Jordan Battani & Deborah E. Stebbins</p> <p>President McCormick recognized the elected officials at the meeting, Marilyn Ezzy Ashcraft, Vice Mayor, Lena Tam, Councilmember, and Mike McMahon, AUSD School Board Member. President McCormick read the resolution recognizing Jordan Battani. Director Deutsch read the resolution recognizing Deborah E. Stebbins. The following guests then thanked and recognized Ms. Battani and Ms. Stebbins for their service to Alameda Hospital and to the City of Alameda Health Care District.</p>	<p>Director Deutsch made a motion to adopt Resolution 2014-9L. Director Jensen seconded the motion. The motion carried.</p> <p>Director Jensen made a motion to adopt Resolution 2014-10L. Director Bratchett seconded the motion. The motion carried.</p>
<ol style="list-style-type: none"> 1. Honorable Rob Bonta, Assemblymember, State of California 2. Carladenise Edwards, Chief Strategy Officer, AHS 3. Lena Tam, City Council Member 4. Marilyn Ezzy Ashcraft, Vice Mayor 5. David Sayen, CMS Region VI Regional Director 6. David Burton 	<ol style="list-style-type: none"> 7. Don Stebbins 8. Tracy Jensen, Director 9. Richard Espinoza, Director of Longer Term Care Operations and Rehabilitation Services 10. Lynn Bratchett, Director 11. Kristen Thorson, Executive Assistant/district Clerk 12. Tony Corica, Community and Physician Relations Manager 	
A short break was taken and open session was reconvened at 8:31 pm		
VIII. <u>Regular Agenda</u>		
A. Consent Agenda	2) Approval of August 19, 2014 Minutes (Special)	Director Jensen made a motion to approve the August 19, 2014 Minutes as presented. Director Bratchett seconded the motion. The motion carried.
The order of the agenda was adjusted and Item C, Alameda Health System and Alameda Hospital Update was taken next.		
C. Alameda Health System and Alameda Hospital Update		
	<p>1) Chief Administrative Officer Report – August 2014</p> <p>Ms. Stebbins presented her report found on pages 24-26 of the packet.</p>	No action taken.
	<p>2) Quality Report</p> <p>Ms. Stebbins presented the Quality Report as presented on pages 27-35 of the packet.</p>	No action taken.

The report included the Quality Process Improvement Business Plan.	
<p>3) Financial Report</p> <p>a. Approval of FY2015 Parcel Tax Budget</p> <p>David Cox, Chief Financial Officer, presented the Financial report which included financial results as of August 2014, the annual capital and operating budget for Alameda Hospital, an update on the \$2.5 M pre-affiliation loan), and an update on the Alameda hospital benefit/pension plans</p> <p>Mr. Cox then present the annual parcel tax budget as required by the Joint Powers Agreement as found on page 47 of the packet. Director Deutsch temporarily left the meeting during this discussion.</p> <p>Director Deutsch returned to the meeting after the discussion was completed.</p>	<p>Director Jensen made a motion to approve the FY 2015 Parcel Tax Budget. Director Bratchett seconded the motion. The motion carried 4-1 (Deutsch, recused)</p>
B. Action Items	
<p>1) Biennial review and Approval of revision to Conflict of Interest Code: 2014A</p>	<p>Director Jensen made a motion to approve the Biennial review and Approval of revision to Conflict of Interest Code: 2014A. Director Deutsch t seconded the motion. The motion carried.</p>
<p>2) Approval of Revisions to the Community Relations and Outreach Committee Structure</p> <p>Director Jensen reviewed the revisions as presented.</p>	<p>Director Bratchett made a motion to approve the Revisions to the Community relations and Outreach Committee Structure. Director Deutsch seconded the motion. The motion carried.</p>
<p>3) Approval to Engage KHJC & Partners for District Book Keeping Services</p> <p>President McCormick expressed concerns over data back-up and potential issues resulting from losing data. The District Clerk will follow-up on his concerns. The motion was made contingent on ensuring that the data back-up process was adequate and the District Clerk would communicate with President McCormick as to the plan.</p>	<p>Director Jensen made a motion to engage to KHJC & Partners for District Book Keeping Services. Director Bratchett seconded the motion. The motion carried.</p>

<p>4) Adoption of Resolution 2014-11L transfer of Benefits Plans</p>	<p>Director Bratchett made a motion to adopt Resolution 2014-11L transfer of Benefits Plans. Director Deutsch seconded the motion. The motion carried.</p>
<p>D. District Board President's Report 1) Update on AHS Committee Appointments</p>	
<p>E. District Business and Updates 1) District Bylaws The bylaws were presented as a final review of the changes that were made at the August meeting. 2) Alameda Health System Board of Trustee Report Director Jensen reported that her first meeting as the newly appointed Board of Trustee occurred on September 30. At the meeting the Board of Trustees approved a revenue cycle improvement initiative to reduce expenses throughout the system. She also reported that the Board of Trustees accepted the resignation of Wright Lassiter, CEO effective December 12, 2014. A search committee was appointed to look for an interim CEO and to begin the process of a permanent CEO for the system. 3) Community Advisory Committee Report Director Jensen recapped the discussion and action item approving the revisions to the committee structure on page 14-17 of the packet.</p>	<p>No action was taken.</p>
<p>I. General Public Comment</p>	<p>No general public comments</p>
<p>II. Board Comments</p>	<p>No board comments</p>
<p>III. Adjournment Being no further business the meeting was adjourned at 9:43 p.m.</p>	

Attest: _____

J. Michael McCormick
President

Tracy Jensen
Secretary



2070 Clinton Avenue
Alameda, CA 94501

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

FROM: Bonnie Panlasigui, FACHE
Chief Administrative Officer

DATE: December 1, 2014

SUBJECT: Alameda Hospital Update – November 2014

True North Goal 1: Access: Be a leader in access to quality, affordable care

Action	Goal	% Complete	Next Steps
Implement LEAN Performance Improvement to be more efficient and increase access	Q3 J-M 2015		The focus on our LEAN performance improvement will be in our two major entry points: the emergency room and operating room. Currently the team is identifying the major opportunities for improvement. In Feb 2015, the entire leadership team will be trained on LEAN strategies that will help eliminate waste in a process and improve quality by removing unnecessary steps.

True North Goal 2: Sustainability: Be an organization with an investment grade credit rating

Action	Goal	% Complete	Next Steps
Positive financial standing with all vendors for all supplies and services	Q3 J-M 2015		Accounts Payable reduction plan: By end of the year, will pay off 120 day balances and by January, pay of 60 day balances. By end of Q3, we are expected to be current with all balances. The senior team at Alameda Hospital has a weekly call with Accounts Payable to help facilitate the high priority vendors by department.
Partner with Med Assets BETTER2 Initiative to bring expenses to be lower than revenue per adjusted patient day	Q4 A-J 2015		Over a period of four years, our plan is to achieve a cost savings of 80 million (10% of operating budget). Immediate savings goal (now - June 30, 2015): \$20M Short term savings goal (Jan '15 – Jun '16): \$24M Long term savings goal (Jul '16 – Jun '19): \$46M

True North Goal 3: Integration: Achieve zero preventative harm and produce the best achievable outcomes

Action	Goal	% Complete	Next Steps
Implement a daily Leadership Safety Huddle	Q2 O-D 2015	100% (ongoing)	As an identified best practice in high performing organizations, our leadership team has started a daily leadership safety huddle to bring an open dialogue on safety issues impacted in the last 24 hours and to communicate high priority safety concerns for the day related to equipment, supplies, computer/IT throughout the organization.
Receive recognition for quality outcomes from national organizations	N/A	FYI	Alameda Hospital has been the recipient of several quality awards including: a successful Joint Commission Lab Survey, Susan Baranoski Founder's Award for excellence in advances in skin and wound care, CALNOC Award for sustained excellence in reducing hospital acquired conditions and Heart Failure Gold Plus Quality Achievement Award

True North Goal 4: Experience: Be the best to stay well, heal, and receive care

Action	Goal	% Complete	Next Steps
Utilize the Studer Group to learn tools to improve employee engagement and patient satisfaction	Q2 O-D 2015	25% (ongoing)	The Studer Group is an organization that helps teach evidence based leadership standards to leaders. Currently the leadership team has been trained on communication tools to improve employee engagement that includes rounding for outcomes, stoplight reports, and thank you cards. The Studer Group Coach comes monthly and will be coaching the team in AIDET communication. Next steps include a focus on improving the patient perception.
Improve publicly reported HCAHPS patient satisfaction scores	Q4 A-J 2015		In the process of moving from NRC Picker surveyors to Press Ganey surveyors to be consistent with AHS. The areas of focus include: nurse communication, staff responsiveness, pain management, med communication. The overall rating of the hospital is at 57.1% top box (9 or 10), placing AH in far below the 75 th percentile goal of 76% top box. A team is being developed to focus on our goal to be higher than the 75 th percentile by Q4 2015.

True North Goal 5: Network: Provide the highest rated community health program

Action	Goal	% Complete	Next Steps
Re-engage "Project Island" to grow volume and services at Alameda Hospital	Q3 J-M 2015		The major service lines being discussed to grow include a focus on the aging population, orthopedic services and other outpatient elective types of services including urology and gynecology. Planning a scheduler's event in December to share facts on services offered and gain insight from the schedulers' perspective. Starting a Volume Committee that focuses on monitoring trends in referral patterns year over year.

Community Outreach	N/A	FYI	<p>The annual community health fair was held on Oct 25 and served a total of 750 adults and 250 children. Approximately 450 free flu shots and 150 bike helmets were provided to children.</p> <p>The 29th Annual Alameda Hospital Foundation Gala was held on Nov 8 at the Rock Wall Wine Company and raised \$50,000 with 140 people in attendance. The evening honored OBGYN Carol Gerdes, MD.</p> <p>The quarterly community stroke risk assessment on Nov 14 provided over 50 free stroke risk assessments to the community.</p>
--------------------	-----	-----	--

True North Goal 6: Workforce: Be the best place to learn and work

Action	Goal	% Complete	Next Steps
Employee Engagement Pulse Survey	Q4 A-J 2015		On Dec 1 – Dec 19, Alameda Hospital will be rolling out a pulse survey to all employees asking for their feedback regarding their work environment. This will serve as baseline data as the hospital has not rolled out an engagement survey since 2009. The leadership team will create action plans in January based on the results. The annual engagement survey will be held in May 2015.
Physician Engagement	Q4 A-J 2015	ongoing	The immediate focus in December will be on physician engagement and listening to their suggestions and feedback regarding what is working well and what opportunities for improvement are needed. Currently planning a dinner with AHS executive leadership (CMO, Quality VP and COO), Alameda Hospital CAO and the Chairs of the medical staff committees. More to come on physician engagement. The annual physician engagement survey will be in May 2015.

Statistics & Volumes

Surgical volume from Highland Hospital from January through August 2014 is listed below by service. These cases are in addition to normal volumes done by Alameda Hospital based physicians

SERVICE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Grand Total
Gastroenterology										1	1
Gynecology				2	3	7	10	9	11	17	59
Hand				1							1
Ophthalmology				5	3	3	5	4		5	25
Orthopedic	5	1	3	2	5	3	2	14	7	5	47
Pain Management	20	21	26	35	29	28	15	37	27	42	280
Podiatry					1						1
Urology									1		1
Grand Total	25	22	29	45	41	41	32	64	46	70	415

Daily Dashboard for the month of November is attached for reference.

Alameda Hospital

FY2015 True North Metrics

