✓Included in the PDF posted on February 4, 2016
CLICK ON THE ORANGE ENCLOSURE LINK TO GO DIRECTLY TO THE AGENDA ITEM MATERIALS IN THIS PDF

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

SPECIAL MEETING AGENDA

Monday, February 8, 2016

OPEN SESSION: 5:30 P.M.

Location:

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

Office of the Clerk: (510) 814-4001 | (510) 473-0755

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 **(5:30 p.m. – Alameda Hospital, Dal Cielo Conference Room)** Robert Deutsch, MD

II. Roll Call

III. General Public Comments

IV. Regular Agenda

A. Alameda Health System and Alameda Hospital Updates

✓ 1) AHS Quarterly Reporting – Finance and Quality — Bonnie Panlasigui, CAO
- December 2015 AHS Financials ENCLOSURE (pages 3-21)
- FY 15-16 Parcel Tax Expenditures Update
- Quality Dashboard ENCLOSURE (pages 22-23)

2) Status: Long Term Capital Fund

3) AHS Follow-Up on Request for Additional Information on Support Services Allocation Methodology

4) Alameda Hospital CAO Report

B. Consent Agenda — **Action Items**

✓ 1) Acceptance of November 9, 2015 Minutes ENCLOSURE (pages 24-28)

✓ 2) Acceptance of January 18, 2016 Minutes ENCLOSURE (pages 29-32)

C. **Action Items**

✓ 1) Acceptance of FYE June 30, 2015 Audit ENCLOSURE (pages 33-51)

✓ 2) Election of Officers ENCLOSURE (pages 52-53)

✓ 3) Review and Approval of Engagement Letter with CHW, LLP for Accounting and Business Services ENCLOSURE (pages 54-58)

✓ 4) Selection of Executive Director Search Committee and Review of Proposed Charter ENCLOSURE (pages 60-61)

5) Acceptance of December 2015 District Financials TO BE DISTRIBUTED

6) Approval to Renew General and Excess Liability Insurance for Jaber Properties TO BE DISTRIBUTED

7) ACSDA Annual Meeting Attendance and /or Sponsorship TO BE DISTRIBUTED

D. District Updates & Operational Updates

✓ 1) Final Approved Bylaws ENCLOSURE (pages 62-79) — Thomas Driscoll

2) April 11, 2016 Agenda Preview — Kristen Thorson
INFORMATIONAL - SUBJECT TO CHANGE

a) Brown Act Presentation

b) Review and Approval of FY 2016-2017 District Budget

c) Review and Approval of AHS FY 2016-2017 Parcel Tax Budget

d) Acceptance of February 8, 2016 Minutes

e) Alameda Hospital CAO Report

3) Report on Alameda County Special District Association Meetings — Kristen Thorson

V. General Public Comments

VI. Board Comment

VII. Adjournment

Meeting Calendar 5:30 PM Open Session Dal Cielo Conference Room Alameda Hospital
April 11, 2016 June 6, 2016 August 1, 2016 October 3, 2016

MEMORANDUM

1411 East 31st Street
Oakland, CA 94602

TO: AHS Finance Committee
FROM: David Cox, Chief Financial Officer
DATE: January 27, 2015
SUBJECT: December 2015 Financial Report

AHS is reporting income of $361,000 for the month of December and, on a year to date basis, $5.5 million. Both of these results are below budget but a significant improvement from prior year performance. Patient activity is somewhat mixed and gross charges are just about at budget. However, our cash collections on patient accounts are well below budget, even though higher than prior year by about 10%. As a result we are recording a (3.6%) negative variance to budget on Net Revenues. This is being offset by very good performance on Supplemental Reimbursements, which are 9.2% favorable. Total Revenues are favorable to budget overall by 0.5%, or $1.97 million.

Expenses year to date are over budget by $9.7 million, or 2.3%, and includes unfavorable variances in Registry Use, Purchased Services, and Pharmaceuticals. Labor statistics are in line with budget overall, with Total FTE's of 3,896 below both budget and prior year, FTE's per AOB at 4.67, and the Compensation Ratio at 67.1%.

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Operating Margin	0.5%	2.1%	-1.6%		1.3%	3.0%	-1.7%		-3.4%
EBIDA Margin	1.9%	3.7%	-1.8%		2.7%	4.7%	-2.0%		-1.8%
Collection % - NPSR	19.4%	21.1%	-1.7%		20.2%	20.9%	-0.7%		22.5%
Collection % - Total	29.8%	30.6%	-0.8%		30.7%	30.5%	0.2%		34.9%
Acute discharges	1,805	1,631	174	10.7%	10,087	9,678	409	4.2%	9,687
Acute patient days	12,420	12,028	392	3.3%	71,964	71,394	570	0.8%	67,964
Acute Average length of stay	6.88	7.37	0.49	6.6%	7.13	7.38	0.25	3.4%	7.02
LTC patient days	8,986	9,090	(104)	-1.1%	53,023	53,954	(931)	-1.7%	52,395
Average daily census	691	681	10	1.5%	679	681	(2)	-0.3%	654
Acute adjusted patient days (APD)	14,353	13,146	1,207	9.2%	83,315	77,978	5,337	6.8%	70,396
LTC adjusted patient days (APD)	11,461	11,830	(369)	-3.1%	70,343	70,151	192	0.3%	68,327
Net operating revenue per acute API	$ 4,637	$ 5,262	$ (625)	-11.9%	$ 4,313	$ 4,717	$ (404)	-8.6%	$ 4,944
Expense per acute APD	$ 4,801	$ 5,070	$ 269	5.3%	$ 4,403	$ 4,568	$ 165	3.6%	$ 5,097
Oper income per acute APD	$ (164)	$ 192	$ (356)	-185.7%	$ (90)	$ 149	$ (239)	-160.2%	$ (152)
Net operating revenue per LTC APD	$ 623	$ 377	$ 246	65.4%	$ 304	$ 276	$ 28	10.1%	$ 187
Expense per LTC APD	$ 432	$ 464	$ 32	7.0%	$ 268	$ 311	$ 43	13.8%	$ 297
Oper income per LTC APD	$ 191	$ (88)	$ 278	-318.0%	$ 36	$ (35)	$ 71	-204.6%	$ (111)
Paid full time equivalents (FTE)	3,894	4,088	194	4.7%	3,896	4,019	123	3.1%	3,965
Paid FTE's per adjusted occupied bec	4.68	5.07	0.39	7.7%	4.67	4.99	0.32	6.4%	5.26
Worked hours per APD	14.56	15.11	0.55	3.6%	14.43	14.69	0.26	1.8%	16.00
Compensation ratio	67.5%	68.3%	0.8%		67.1%	67.0%	-0.1%		69.5%

In spite of the positive YTD performance, there are areas within AHS that are both positive and negative to budget, as indicated by the "Heat Map" below, which reports variances to budget in key areas. This schedule identifies the key **year to date** variances in Volume, Revenue Yield, Expenses, and Overall Performance across all business units as well as Consolidated Performance.

	Highland Hospital	Fairmont Campus	Behavioral Health	Ambulatory	San Leandro Hospital	Alameda Hospital	AHP	Support Services	Consolidated
Volume Indicators									
Average Daily Census	1.5%	-7.1%	0.0%	N/A	3.1%	6.6%		N/A	-0.3%
Discharges/Visits	6.8%	0.0%	5.5%	-8.1%	4.8%	-9.6%		N/A	4.2%
Gross Patient Revenue	0.3%	-7.3%	9.5%	-9.2%	-0.7%	1.1%		N/A	-0.1%
Outpatient Revenue	3.7%	-7.5%	29.0%	-8.3%	-8.2%	3.3%		N/A	1.8%
Yield Indicators									
Net Patient Service Revenue	-16.9%	27.1%	52.1%	-11.7%	-9.0%	8.5%		N/A	-3.6%
Supplemental Revenue	4.8%	-28.5%	11.5%	7.9%	100.9%	70.6%		N/A	9.2%
Net Operating Revenue	-12.0%	17.6%	43.7%	-10.4%	3.2%	16.3%		N/A	0.5%
Collection % Total	-3.3%	6.8%	9.4%	-0.4%	0.7%	3.5%		N/A	0.2%
Net Revenue Per Adjtd Pt Day/Visit	-14.4%	26.3%	30.2%	-2.5%	7.6%	-12.7%		N/A	-8.6%
Expense Indicators									
Total Expenses	-2.4%	7.9%	2.4%	-0.1%	1.8%	-2.2%		N/A	-2.3%
FTE's per Adj Occupied Bed	2.7%	-13.1%	9.5%	-5.9%	-4.5%	13.0%		N/A	6.4%
Compensation Ratio	-9.2%	16.1%	26.4%	-9.7%	4.9%	10.6%		N/A	-0.1%
Expenses per Adjusted Pt Day/Visit	0.4%	1.0%	11.7%	-8.9%	-2.4%	21.9%		N/A	3.6%
Overall Performance									
Operating Income	-47.6%	211.8%	1537.2%	-55.6%	277.4%	206.8%		-12.9%	-58.3%
Operating Margin	-11.7%	24.4%	33.1%	-14.0%	4.8%	11.2%		N/A	-1.7%
EBIDA Margin	-20.8%	30.6%	50.9%	-45.9%	11.0%	21.2%		N/A	-2.0%

The key takeaways from this report are:

- Volume – Activity at Highland, San Leandro, Behavioral Health (runs at capacity) and Alameda are at or above expected levels while Fairmont and Ambulatory continue to be lower than planned.
- Revenue Yield – Fairmont, Behavioral Health and Alameda stand out as favorable, while the remaining business units are below budget. We are currently reviewing FQHC reimbursement issues in our clinics with the assistance of HFS, and there may be some opportunities in this area.
- Expenses are negative at Highland and San Leandro, where registry costs are exceeding the budget. Our overall Compensation Ratio is negative by only (0.1%) YTD, having been impacted by the additional pension expense as mentioned in prior months. FTE's per Adjusted Occupied Bed (FTE's/AOB an efficiency measure) are favorable by 6.4% YTD and showing improvement each month.
- Overall Performance improved slightly with December income. YTD EBIDA margin is now at 2.7% against a target of 4.7%, a variance of (2.0%).

Highland Hospital

- I/P Average Daily Census was 3.1% higher than budget for the month at 135 and Adjusted Patient Days were 7.1% higher than budget. While emergency room visits were under budget, trauma cases were over budget 16% contributing to higher out-patient revenues.
- The collection ratio was negatively impacted by additional bad debt recognition.
- Operating expenses were over budget (3.0%) primarily due to registry and pharmaceutical costs.

Fairmont Hospital

- I/P Average Daily Census was below budget by (5.6%), yet with the higher than budgeted collection percentage, Net Patient Revenue continues to exceed expectations.
- Operating Expenses were over budget as the result of higher FTEs and a lower efficiency level as well as higher registry utilization.

Behavioral Health

- Acute Patient days were (0.3%) below budget for the month as length of stay returned to a level experienced in prior months. Strong O/P revenue performance continues to support a favorable Adjusted Patient Day volume.
- Revenue from O/P services exceeded budget by 24.4% (supported by higher partial hospitalization services) and along with a higher collection percentage, contributed to Net Patient revenue of $6.2 million.
- Operating expenses were under budget by 10.2% with that variance coming in Salary / Benefits.

Ambulatory

- Clinic Visits continue to run below budgeted levels, (13.5%) for December and (8.1%) YTD. Net patient revenue was impacted by the bad debt activity in the month and even though expenses came in under budget 6.7% the business unit incurred an operating loss substantially greater than budgeted.

Support Services

- Operating expenses were over budget ($1.8) million or (9.9%). The increased pension costs discussed in prior months are captured in this business unit. Purchased Services in Revenue Cycle departments are contributing to the variance and December had higher recruiting expenses.

San Leandro Hospital

- Net patient revenue once again performed better and exceeded budget 1.1% bringing the YTD variance down to a level (9.0%) below budget. Higher patient volumes and an improving collection percentage are the contributing factors.
- I/P discharges exceed budget for year to date as do patient days.
- Operating expenses exceeded budget for the month by (4.0%). Surgery stock increases contributed to the variance in the month.

Alameda Hospital

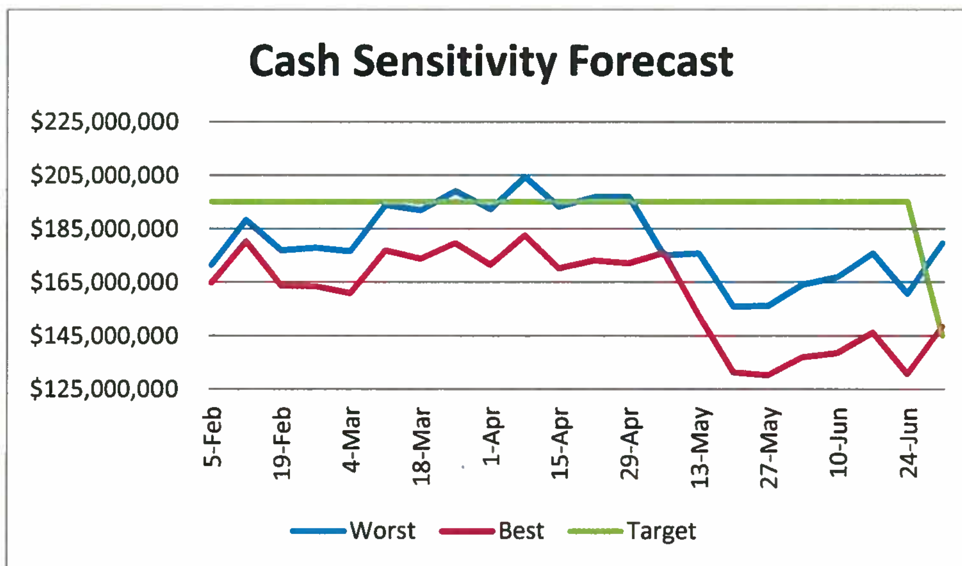
- I/P Average Daily Census exceeded budget in both the acute and LTC environments and professional services revenue provided $1.1 million of charge capture from prior months.
- Net Patient revenue was over budget 77.5% as the result of $3.5 million in recovered contractual allowances corrected with the Water's Edge accounts receivable.
- Operating expenses were (3.9%) over budget but are supported by the increase patient volume.

Balance Sheet Highlights

Net patient accounts receivables days are 88.5 and is slightly higher than the prior month. Days in Accounts payable are 71.4, an increase reflective of our smaller December distributions during a time of limited cash availability. It should be noted that various accounting changes have impacted the balance sheet as the result of FY2015 year-end audit adjustments. These include recording the AHS liabilities for the existing Pension Obligation Bonds and the change in recognition of the pension liability in accordance with GASB 68. The increase in Construction in Progress reflects equipment being purchased for the new Acute Tower.

County Relationship/Credit Agreement

AHS currently remains in compliance with the Interim Agreement, which on December 15, 2015 was extended. We have just been notified that Waiver payments have been delayed approximately two months. As a result of this information and the general uncertainties of the new program, we are providing a Best Case/Worst Case projection which indicates potential problems through March and April and non-compliance at June 30, 2016. We are continuing to develop alternative financing arrangements to close this gap while we complete negotiations on the Permanent Agreement.



Revenue Cycle Improvement Program

Cash collections have been relatively good through December considering the impact of short term claims delays with the recent conversion to ICD-10. We assistance from the County, we collected $12.2 million from our BHCS invoicing for the period Jul – Nov 2015. Cash receipts have been impacted by delays in payments from the Alameda Alliance and Medi-Cal, and we have also identified underpayment issues with BHCS, which are pursuing. The Contracts Module will be brought live in several phases during February, which will provide our patient financial services staff with information on how much we should be paid on each bill.

Current revenue cycle activities are focused on continued implementation of improved charge capture through our Revenue Integrity Department, implementation of a formal Denials Management Unit, and implementation of an Authorizations Process.

The other significant opportunity is in AHS' revenue cycle for professional (physician) revenue. Our immediate focus is on charge capture and we have implemented a new system (Ingenious Med) to accomplish this. The system is ICD-10 compliant and will also support improved clinical documentation. The Pro Fee Revenue Cycle department will also be taking operational responsibility for the front-end of our Ambulatory Clinics. Additionally, we have embarked on the implementation of a physician billing system that will resolve claims processing issues currently present in the Soarian physician billing module.

	AHS Cash Collected	Alameda Cash Collected	San Leandro Cash Collected	Total Cash Collected
Jul	37,506,834	6,176,034	5,217,947	48,900,815
Aug	31,381,977	7,507,343	4,182,524	43,071,844
Sep	31,400,846	6,422,516	4,686,032	42,509,394
Oct	34,280,689	9,503,312	4,942,535	48,726,535
Nov	24,959,223	5,805,161	5,193,121	35,957,504
Dec	43,268,176	7,781,443	4,911,641	55,961,260

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 143,275	$ 136,233	$ 7,042	5.2%	$ 806,041	$ 808,689	$ (2,649)	-0.3%	$ 688,095
Outpatient service revenue	87,553	84,544	3,009	3.6%	508,324	499,493	8,831	1.8%	357,699
Professional service revenue	22,234	21,942	292	1.3%	118,478	126,179	(7,700)	-6.1%	125,156
Gross patient service revenue	**253,062**	**242,719**	**10,342**	**4.3%**	**1,432,843**	**1,434,361**	**(1,518)**	**-0.1%**	**1,170,950**
Deductions from revenues	(206,900)	(194,371)	(12,528)	-6.4%	(1,161,628)	(1,152,403)	(9,226)	-0.8%	(924,992)
Capitation - HPAC	2,922	2,922	(0)	0.0%	17,531	17,531	0	0.0%	17,020
Net patient service revenue	**49,084**	**51,270**	**(2,186)**	**-4.3%**	**288,745**	**299,489**	**(10,744)**	**-3.6%**	**262,979**
Medi-Cal Waiver	6,750	5,828	922	15.8%	38,000	34,969	3,031	8.7%	42,000
Measure A, Parcel Tax, Other Support	9,878	8,848	1,031	11.6%	54,306	53,085	1,221	2.3%	50,958
CA Hospital Fee	-	200	(200)	-100.0%	1,411	1,200	211	17.6%	-
DSRIP Revenue	2,333	2,333	(0)	0.0%	15,241	14,000	1,241	8.9%	13,798
Supplemental Programs	6,171	4,430	1,741	39.3%	34,123	26,578	7,546	28.4%	30,720
Grants & Research Protocol	486	301	185	61.6%	2,928	1,804	1,124	62.3%	1,688
Other Operating Revenue	718	1,026	(308)	-30.0%	4,493	6,154	(1,660)	-27.0%	5,690
Incentives	72	72	0	0.0%	430	430	0	0.0%	639
Supplemental revenue	**26,407**	**23,037**	**3,371**	**14.6%**	**150,934**	**138,220**	**12,714**	**9.2%**	**145,493**
Net operating revenue	**75,491**	**74,306**	**1,185**	**1.6%**	**439,679**	**437,709**	**1,971**	**0.5%**	**408,471**
Salaries and wages	35,337	35,897	559	1.6%	202,699	206,776	4,077	2.0%	196,387
Employee benefits	13,764	14,146	382	2.7%	83,584	83,578	(6)	0.0%	78,530
Registry	1,883	704	(1,180)	-167.6%	8,799	3,087	(5,712)	-185.0%	8,837
Contracted physician services	5,945	6,454	509	7.9%	37,452	38,464	1,012	2.6%	36,584
Purchased services	6,065	5,277	(789)	-14.9%	37,650	31,327	(6,323)	-20.2%	34,560
Pharmaceuticals	2,733	1,658	(1,075)	-64.9%	11,598	9,775	(1,823)	-18.7%	11,641
Medical Supplies	2,671	2,657	(14)	-0.5%	16,321	15,750	(572)	-3.6%	15,564
Materials and supplies	1,473	1,343	(131)	-9.7%	8,143	8,006	(137)	-1.7%	8,872
Outside medical services	255	304	49	16.1%	1,360	1,825	465	25.5%	3,325
General & administrative expenses	1,710	1,165	(545)	-46.7%	8,247	7,305	(942)	-12.9%	8,070
Repairs/maintenance/utilities	1,415	1,244	(171)	-13.7%	7,208	7,181	(27)	-0.4%	8,365
Building/equipment leases & rentals	746	707	(39)	-5.6%	4,338	4,172	(166)	-4.0%	4,773
Depreciation	1,110	1,196	86	7.2%	6,741	7,177	436	6.1%	6,743
Total operating expense	**75,109**	**72,752**	**(2,357)**	**-3.2%**	**434,141**	**424,423**	**(9,718)**	**-2.3%**	**422,251**
Operating Income	**382**	**1,554**	**(1,172)**	**-75.4%**	**5,538**	**13,285**	**(7,747)**	**-58.3%**	**(13,780)**
Interest income/(expense) net	(49)	(19)	(30)	-156.2%	(192)	(115)	(77)	-67.1%	(221)
Support Services Allocation	-	-	-	0.0%	-	-	-	0.0%	-
Other Non-operating income(exp)	28	28	0	0.2%	165	165	0	0.2%	165
Income	**$ 361**	**$ 1,563**	**$ (1,202)**	**-76.9%**	**$ 5,512**	**$ 13,336**	**$ (7,824)**	**-58.7%**	**$ (13,836)**
Operating Margin	0.5%	2.1%	-1.6%		1.3%	3.0%	-1.7%		-3.4%
EBIDA Margin	1.9%	3.7%	-1.8%		2.7%	4.7%	-2.0%		-1.8%
Collection % - NPSR	19.4%	21.1%	-1.7%		20.2%	20.9%	-0.7%		22.5%
Collection % - Total	29.8%	30.6%	-0.8%		30.7%	30.5%	0.2%		34.9%
Acute discharges	1,805	1,631	174	10.7%	10,087	9,678	409	4.2%	9,687
Acute patient days	12,420	12,028	392	3.3%	71,964	71,394	570	0.8%	67,964
Acute Average length of stay	6.88	7.37	0.49	6.6%	7.13	7.38	0.25	3.4%	7.02
LTC patient days	8,986	9,090	(104)	-1.1%	53,023	53,954	(931)	-1.7%	52,395
Average daily census	691	681	10	1.5%	679	681	(2)	-0.3%	654
Acute adjusted patient days (APD)	14,353	13,146	1,207	9.2%	83,315	77,978	5,337	6.8%	70,396
LTC adjusted patient days (APD)	11,461	11,830	(369)	-3.1%	70,343	70,151	192	0.3%	68,327
Net operating revenue per acute APD	$ 4,637	$ 5,262	$ (625)	-11.9%	$ 4,313	$ 4,717	$ (404)	-8.6%	$ 4,944
Expense per acute APD	$ 4,801	$ 5,070	$ 269	5.3%	$ 4,403	$ 4,568	$ 165	3.6%	$ 5,097
Oper income per acute APD	$ (164)	$ 192	$ (356)	-185.7%	$ (90)	$ 149	$ (239)	-160.2%	$ (152)
Net operating revenue per LTC APD	$ 623	$ 377	$ 246	65.4%	$ 304	$ 276	$ 28	10.1%	$ 187
Expense per LTC APD	$ 432	$ 464	$ 32	7.0%	$ 268	$ 311	$ 43	13.8%	$ 297
Oper income per LTC APD	$ 191	$ (88)	$ 278	-318.0%	$ 36	$ (35)	$ 71	-204.6%	$ (111)
Paid full time equivalents (FTE)	3,894	4,088	194	4.7%	3,896	4,019	123	3.1%	3,965
Paid FTE's per adjusted occupied bed	4.68	5.07	0.39	7.7%	4.67	4.99	0.32	6.4%	5.26
Worked hours per APD	14.56	15.11	0.55	3.6%	14.43	14.69	0.26	1.8%	16.00
Compensation ratio	67.5%	68.3%	0.8%		67.1%	67.0%	-0.1%		69.5%

ALAMEDA HEALTH SYSTEM (consolidated)
Balance Sheet
For the Period Ended December 31, 2015
(In Thousands)

		Current Month	Prior Month	FY 2015
ASSETS				
Current assets:				
Cash & Cash Equivalents		$6,635	$10,364	$13,726
Cash Held in Trust		62	62	45
Net Patient Receivables		137,709	135,903	115,675
Due from County of Alameda & Others		63,786	45,888	10,563
Inventories		9,902	9,746	9,708
Prepaid expenses		2,117	4,208	1,182
Other receivables		37,315	35,298	36,974
TOTAL CURRENT ASSETS		**257,526**	**241,469**	**187,873**
Cash Held Board Designated		23,467	23,467	23,446
TOTAL RESTRICTED CASH		**23,467**	**23,467**	**23,446**
PROPERTY, PLANT & EQUIPMENT				
Construction in Process		8,502	7,805	3,413
Land, Buildings, Leasehold Improve		62,410	62,410	62,429
Equipment, Software		140,238	140,238	139,152
Subtotal - Property, Plant & Equipment		211,150	210,453	204,994
Less: Accumulated Depreciation		(133,289)	(132,178)	(126,548)
NET PROPERTY, PLANT & EQUIPMENT		**77,861**	**78,275**	**78,446**
DEFERRED OUTFLOWS OF RESOURCES		**103,487**	**105,221**	**113,889**
TOTAL ASSETS & DEFERRED OUTFLOWS		**$462,341**	**$448,432**	**$403,654**
LIABILITIES & NET ASSETS				
Accounts Payable		51,900	37,716	36,675
Compensation Related Liabilities		33,022	47,618	41,472
Estimated third-party settlements payable		14,609	14,609	11,984
Due to County of Alameda & State		19,113	1,875	1,306
Other Payables		12,413	11,808	11,725
TOTAL CURRENT LIABILITIES		**131,057**	**113,626**	**103,162**
Self Insurance Liability		25,788	25,698	25,421
Working Capital Loan		178,674	184,303	160,664
Pension and Postemployment Benefits		328,984	328,355	327,186
Other Long-term Liabilities		82,734	82,734	83,780
TOTAL LONG TERM LIABILITIES		**616,180**	**621,090**	**597,051**
DEFERRED INFLOWS OF RESOURCES		**23,377**	**22,350**	**17,226**
Capital Contribution - County		46,535	46,535	46,535
Capital Contribution - Foundation		6,020	6,020	6,020
Fund Balance -- Prior Years		(366,340)	(366,340)	(304,110)
Current Year Income / (Loss)		5,512	5,151	(62,230)
FUND BALANCE		**(308,273)**	**(308,634)**	**(313,785)**
TOTAL LIABILITIES, DEFERRED OUTFLOWS, & FUND BALANCE		**$462,341**	**$448,432**	**$403,654**
Days in Cash		2.7	4.8	6.1
Gross Days in AR		88.8	86.7	96.4
Net Days in AR		88.5	87.6	90.2
Current Ratio	>1.5	1.96	2.13	1.82

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Cash Flows
For the Period Ended December 31, 2015
(In Thousands)

	Current Month	Year-to Date
Operating Activities		
Net Income (Loss)	$361	$5,512
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,110	6,741
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient account receivables, net	(1,806)	(22,034)
(Increase)/Decrease Due from County of Alameda & Others	(17,898)	(53,223)
(Increase)/Decrease Inventories	(156)	(194)
(Increase)/Decrease Prepaid expenses	2,091	(935)
(Increase)/Decrease Other receivables	(2,017)	(341)
(Increase)/Decrease Deferred Outflows	1,734	10,402
(Decrease)/Increase in Accounts payable, accrued expenses and estimated third-party settlements	17,431	27,895
(Decrease)/Increase in Deferred Inflows	1,027	6,151
Net Cash Provided (Used) by operating activities	**1,877**	**(20,026)**
Investing Activities		
Change in Cash Held in Trust	0	(17)
Change in Restricted Cash	0	(21)
Net Purchases of property, plant and equipment	(696)	(6,156)
Change in Self-insurance, pension, and other long-term liabilities	719	1,119
Net Cash Provided (Used) by investing activities	**23**	**(5,075)**
Financing Activities		
Change in Working Capital Loan	(5,629)	18,010
Net Cash Provided (Used) by financing activities	(5,629)	18,010
Net increase/(decrease) in cash and cash equivalents	**(3,729)**	**(7,091)**
Cash and Equivalents at beginning of period	10,364	13,726
Cash and Equivalents at end of period	$6,635	$6,635

Alameda Health System
Statement of Revenues and Expenses
For the YTD Period Ended December 31, 2015
(In Thousands)

	Highland Hospital	Fairmont Campus	Behavioral Health	Ambulatory	San Leandro Hospital	Alameda Hospital	Professional Services	Support Services	Consolidated
Inpatient service revenue	$ 421,396	$ 75,244	$ 63,824	$ 1,182	$ 111,437	$ 132,957	$ -	$ -	$ 806,041
Outpatient service revenue	247,988	3,574	47,795	41,694	98,345	68,928	0	0	508,324
Professional service revenue	70,447	427	2,038	41,631	-	3,575	360	-	118,478
Gross Patient Service Revenue	**739,831**	**79,245**	**113,657**	**84,508**	**209,782**	**205,459**	**360**	**-**	**1,432,843**
Deductions from revenues	(625,839)	(57,243)	(75,892)	(62,752)	(179,006)	(160,608)	(289)	-	(1,161,628)
Capitation - HPAC	13,186	711	66	3,375	-	-	-	194	17,531
Net Patient Service Revenue	**127,178**	**22,713**	**37,831**	**25,131**	**30,776**	**44,852**	**71**	**194**	**288,745**
Medi-Cal Waiver	29,532	734	7,092	643	-	-	-	-	38,000
Measure A, Parcel Tax, Other Support	-	-	-	-	1,000	2,586	-	50,720	54,306
CA Hospital Fee	1,264	60	47	40	-	-	-	-	1,411
DSRIP Revenue	-	-	-	-	-	-	-	15,241	15,241
Supplemental Programs	12,204	1,786	27	80	7,278	7,119	-	5,630	34,123
Grants & Research Protocol	1,652	-	-	1,277	-	-	-	-	2,928
Other Operating Revenue	2,756	47	-	17	174	382	-	1,117	4,493
Incentives	-	-	-	-	-	-	-	430	430
Total Supplemental Revenue	**47,407**	**2,627**	**7,166**	**2,057**	**8,451**	**10,087**	**-**	**73,139**	**150,934**
Net Operating Revenue	**174,585**	**25,340**	**44,996**	**27,188**	**39,228**	**54,938**	**71**	**73,333**	**439,679**
Salaries and wages	77,736	13,449	20,641	22,289	19,654	21,638	-	27,292	202,699
Employee benefits	22,494	4,588	5,737	8,488	4,771	6,677	-	30,830	83,584
Registry	3,770	962	139	103	1,243	1,632	-	949	8,799
Contracted physician services	11,672	364	3,385	389	3,227	1,842	-	16,574	37,452
Purchased services	3,713	1,183	452	916	1,870	4,801	459	24,256	37,650
Pharmaceuticals	7,695	384	220	958	972	1,276	-	93	11,598
Medical Supplies	8,994	537	53	756	2,543	3,451	-	(13)	16,321
Materials and supplies	4,221	244	407	282	1,102	1,063	-	824	8,143
Outside medical services	-	-	-	-	-	-	-	1,360	1,360
General & administrative expenses	257	2	67	76	75	11	-	7,758	8,247
Repairs/maintenance/utilities	2,062	566	308	262	623	601	-	2,786	7,208
Building/equipment leases & rentals	1,325	27	-	1,089	123	1,390	-	384	4,338
Depreciation	745	23	47	538	443	620	-	4,325	6,741
Total operating expense	**144,683**	**22,330**	**31,457**	**36,146**	**36,647**	**45,002**	**459**	**117,418**	**434,141**
Operating Income	**29,902**	**3,010**	**13,539**	**(8,958)**	**2,581**	**9,937**	**(388)**	**(44,085)**	**5,538**
Interest income/(expense) net	-	-	-	-	21	2	-	(215)	(192)
Support Services Allocation	(59,139)	(7,588)	(7,953)	(20,111)	(9,897)	(12,159)	(57)	116,904	-
Other Non-operating income(expense)	-	-	-	-	-	165	-	-	165
Contribution/Income	**$ (29,237)**	**$ (4,578)**	**$ 5,586**	**$ (29,068)**	**$ (7,295)**	**$ (2,055)**	**$ (445)**	**$ 72,604**	**$ 5,512**
Operating Margin	17.1%	11.9%	30.1%	-32.9%	6.6%	18.1%	-547.1%	-60.1%	1.3%
EBIDA Margin	-16.3%	-18.0%	12.5%	-104.9%	-17.4%	-2.6%	-626.8%	104.6%	2.7%
Collection % - NPSR	17.2%	28.7%	33.3%	29.7%	14.7%	21.8%	19.7%		20.2%
Collection % - Total	23.6%	32.0%	39.6%	32.2%	18.7%	26.7%	19.7%		30.7%
Acute & SNF discharges	5,898	-	1,597		1,498	1,094			10,087
Acute & SNF patient days	24,477	21,592	12,554		6,098	7,243			71,964
Acute Average length of stay	4.15		7.86		4.07	6.62			7.13
Average daily census	133	117	68		33	210			679
Adjusted patient days (APD)	38,882	22,618	21,955		11,480	10,998			83,315
Net operating revenue per APD	$ 4,490	$ 1,120	$ 2,049		$ 3,417	$ 4,194			$ 4,313
Expense per APD	$ 3,721	$ 987	$ 1,433		$ 3,192	$ 3,049			$ 4,403
Oper income per APD	$ 769	$ 133	$ 617		$ 225	$ 1,145			$ (90)
Ambulatory Clinic Visits				24,451					
Visits per Clinic Day				1,111					
Net operating revenue per Visit				$ 120					
Expense per Visit				$ 232					
Oper income per Visit				$ (112)					
Paid full time equivalents (FTE)	1,360	298	329	474	349	535	-	551	3,896
Paid FTE's per adjusted occupied bed	6.44	2.42	2.76		5.59	1.68			4.67
Worked hours per APD	31.73	12.08	13.64		27.69	8.48			14.43
Compensation ratio	59.6%	75.0%	58.9%	113.6%	65.4%	54.5%	0.0%	80.6%	67.1%

ALAMEDA HEALTH SYSTEM (core)
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 97,703	$ 95,826	$ 1,877	2.0%	$ 561,646	$ 568,538	$ (6,892)	-1.2%	$ 504,263
Outpatient service revenue	60,563	55,227	5,336	9.7%	341,052	325,628	15,424	4.7%	247,680
Professional service revenue	21,004	21,832	(829)	-3.8%	114,544	125,553	(11,009)	-8.8%	124,840
Gross patient service revenue	**179,270**	**172,886**	**6,384**	**3.7%**	**1,017,242**	**1,019,719**	**(2,477)**	**-0.2%**	**876,782**
Deductions from revenues	(151,555)	(137,491)	(14,063)	-10.2%	(821,726)	(812,944)	(8,783)	-1.1%	(698,606)
Capitation - HPAC	2,922	2,922	(0)	0.0%	17,531	17,531	0	0.0%	17,020
Net patient service revenue	**30,637**	**38,316**	**(7,679)**	**-20.0%**	**213,046**	**224,306**	**(11,260)**	**-5.0%**	**195,196**
Medi-Cal Waiver	6,750	5,828	922	15.8%	38,000	34,969	3,031	8.7%	42,000
Measure A, Parcel Tax, Other Support	9,447	8,250	1,197	14.5%	50,720	49,500	1,220	2.5%	47,635
CA Hospital Fee	-	200	(200)	-100.0%	1,411	1,200	211	17.6%	-
DSRIP Revenue	2,333	2,333	(0)	0.0%	15,241	14,000	1,241	8.9%	13,798
Supplemental Programs	3,429	3,180	249	7.8%	19,727	19,078	648	3.4%	19,573
Grants & Research Protocol	486	301	185	61.6%	2,928	1,804	1,124	62.3%	1,688
Other Operating Revenue	672	1,004	(332)	-33.1%	3,938	6,027	(2,089)	-34.7%	5,575
Incentives	72	72	0	0.0%	430	430	0	0.0%	639
Supplemental revenue	**23,189**	**21,168**	**2,021**	**9.5%**	**132,396**	**127,008**	**5,388**	**4.2%**	**130,909**
Net operating revenue	**53,826**	**59,484**	**(5,658)**	**-9.5%**	**345,442**	**351,314**	**(5,872)**	**-1.7%**	**326,104**
Salaries and wages	28,229	28,359	130	0.5%	161,408	163,065	1,658	1.0%	157,697
Employee benefits	11,746	11,869	123	1.0%	72,136	70,131	(2,005)	-2.9%	66,582
Registry	1,282	579	(704)	-121.6%	5,924	2,344	(3,581)	-152.8%	7,228
Contracted physician services	5,144	5,647	503	8.9%	32,384	33,668	1,284	3.8%	31,049
Purchased services	4,585	4,276	(309)	-7.2%	30,520	25,344	(5,176)	-20.4%	28,286
Pharmaceuticals	2,193	1,357	(836)	-61.6%	9,350	7,980	(1,370)	-17.2%	9,518
Medical Supplies	1,775	1,801	26	1.5%	10,327	10,663	336	3.2%	10,587
Materials and supplies	1,109	1,098	(11)	-1.0%	5,979	6,551	573	8.7%	7,103
Outside medical services	255	304	49	16.1%	1,360	1,825	465	25.5%	3,325
General & administrative expenses	1,635	1,078	(557)	-51.7%	8,160	6,785	(1,375)	-20.3%	6,980
Repairs/maintenance/utilities	1,141	998	(143)	-14.3%	5,984	5,705	(279)	-4.9%	6,592
Building/equipment leases & rentals	442	504	62	12.3%	2,825	2,952	128	4.3%	3,013
Depreciation	933	943	10	1.0%	5,678	5,657	(21)	-0.4%	5,420
Total operating expense	**60,470**	**58,813**	**(1,657)**	**-2.8%**	**352,034**	**342,671**	**(9,362)**	**-2.7%**	**343,380**
Operating Income	**(6,644)**	**671**	**(7,315)**	**-1090.3%**	**(6,591)**	**8,643**	**(15,234)**	**-176.3%**	**(17,275)**
Interest income/(expense) net	(53)	(19)	(34)	-175.8%	(215)	(115)	(100)	-87.3%	(221)
Support Services Allocation	3,768	4,741	(973)	-20.5%	22,113	27,799	(5,686)	-20.5%	27,211
Other Non-operating income(expense)	-	-	-	0.0%	-	-	-	0.0%	-
Income	**$ (2,928)**	**$ 5,393**	**$ (8,322)**	**-154.3%**	**$ 15,307**	**$ 36,327**	**$ (21,020)**	**-57.9%**	**$ 9,714**
Operating Margin	-12.3%	1.1%			-1.9%	2.5%			-5.3%
EBIDA Margin	-3.8%	10.6%			6.0%	11.9%			4.6%
Collection % - NPSR	17.1%	22.2%			20.9%	22.0%			22.3%
Collection % - Total	30.0%	34.4%			34.0%	34.5%			37.2%
Acute discharges	1,345	1,186	159	13.4%	7,495	7,038	457	6.5%	7,158
Acute patient days	6,301	6,189	112	1.8%	37,031	36,738	293	0.8%	35,747
Acute Average length of stay	4.68	5.22	0.54	10.3%	4.94	5.22	0.28	5.4%	4.99
LTC patient days	3,677	3,907	(230)	-5.9%	21,592	23,190	(1,598)	-6.9%	21,633
Average daily census	322	326	(4)	-1.2%	319	326	(7)	-2.1%	312
Acute adjusted patient days (APD)	10,482	9,727	755	7.8%	60,837	57,710	3,127	5.4%	53,195
LTC adjusted patient days (APD)	3,804	4,092	(288)	-7.0%	22,618	24,293	(1,675)	-6.9%	22,580
Paid full time equivalents (FTE)	3,012	3,149	136	4.3%	3,012	3,097	84	2.7%	3,096
Paid FTE's per adjusted occupied bed	6.54	7.06	0.52	7.4%	6.64	6.95	0.31	4.5%	7.52
Worked hours per APD	29.10	31.57	2.48	7.8%	29.69	30.67	0.98	3.2%	34.69
Compensation ratio	76.7%	68.6%	-8.0%		69.3%	67.0%	-2.3%		71.0%

HIGHLAND HOSPITAL
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 72,953	$ 71,157	$ 1,796	2.5%	$ 421,396	$ 422,336	$ (941)	-0.2%	$ 369,438
Outpatient service revenue	45,995	40,394	5,601	13.9%	247,988	239,237	8,751	3.7%	177,675
Professional service revenue	13,876	13,161	715	5.4%	70,447	75,805	(5,358)	-7.1%	72,809
Gross Patient Service Revenue	**132,824**	**124,712**	**8,112**	**6.5%**	**739,831**	**737,378**	**2,453**	**0.3%**	**619,922**
Deductions from revenues	(119,584)	(100,879)	(18,705)	-18.5%	(625,839)	(597,748)	(28,091)	-4.7%	(488,718)
Capitation - HPAC	2,405	2,247	158	7.0%	13,186	13,480	(294)	-2.2%	12,954
Net Patient Service Revenue	**15,645**	**26,080**	**(10,435)**	**-40.0%**	**127,178**	**153,110**	**(25,931)**	**-16.9%**	**144,158**
Medi-Cal Waiver	5,359	4,524	835	18.5%	29,532	27,144	2,388	8.8%	31,825
Measure A, Parcel Tax, Other Support	-	-	-	0.0%	-	-	-	0.0%	-
CA Hospital Fee	-	176	(176)	-100.0%	1,264	1,054	210	19.9%	-
DSRIP Revenue	-	-	-	0.0%	-	-	-	0.0%	-
Supplemental Programs	2,056	1,932	124	6.4%	12,204	11,593	611	5.3%	13,133
Grants & Research Protocol	303	103	200	193.2%	1,652	620	1,032	166.5%	619
Other Operating Revenue	462	806	(344)	-42.7%	2,756	4,836	(2,080)	-43.0%	4,365
Incentives	-	-	-	0.0%	-	-	-	0.0%	-
Total Supplemental Revenue	**8,179**	**7,541**	**638**	**8.5%**	**47,407**	**45,246**	**2,161**	**4.8%**	**49,943**
Net Operating Revenue	**23,824**	**33,621**	**(9,797)**	**-29.1%**	**174,585**	**198,356**	**(23,771)**	**-12.0%**	**194,101**
Salaries and wages	13,967	13,389	(578)	-4.3%	77,736	75,070	(2,666)	-3.6%	75,939
Employee benefits	3,432	3,963	531	13.4%	22,494	23,535	1,042	4.4%	21,856
Registry	921	402	(519)	-129.2%	3,770	1,292	(2,478)	-191.9%	5,332
Contracted physician services	1,826	2,188	362	16.5%	11,672	13,079	1,407	10.8%	11,704
Purchased services	477	659	182	27.6%	3,713	3,725	12	0.3%	4,299
Pharmaceuticals	1,966	1,073	(893)	-83.2%	7,695	6,374	(1,320)	-20.7%	7,669
Medical Supplies	1,532	1,563	31	2.0%	8,994	9,277	283	3.0%	9,189
Materials and supplies	773	651	(122)	-18.8%	4,221	3,877	(344)	-8.9%	4,837
Outside medical services	-	-	-	0.0%	-	-	-	0.0%	680
General & administrative expenses	55	90	35	39.2%	257	351	94	26.7%	231
Repairs/maintenance/utilities	267	478	211	44.2%	2,062	2,584	522	20.2%	3,111
Building/equipment leases & rentals	212	207	(4)	-2.1%	1,325	1,243	(81)	-6.6%	1,198
Depreciation	126	143	17	11.9%	745	859	114	13.3%	710
Total operating expense	**25,554**	**24,806**	**(747)**	**-3.0%**	**144,683**	**141,266**	**(3,416)**	**-2.4%**	**146,754**
Operating Income	**(1,730)**	**8,815**	**(10,545)**	**-119.6%**	**29,902**	**57,089**	**(27,187)**	**-47.6%**	**47,348**
Interest income/(expense) net	-	-	-	0.0%	-	-	-	0.0%	-
Support Services Allocation	(10,061)	(8,597)	1,465	17.0%	(59,139)	(49,076)	10,063	20.5%	(50,630)
Other Non-operating income(expense)	-	-	-	0.0%	-	-	-	0.0%	-
Contribution	**$ (11,791)**	**$ 218**	**$ (12,009)**	**-5499.6%**	**$ (29,237)**	**$ 8,013**	**$ (37,250)**	**-464.9%**	**$ (3,282)**
Operating Margin	-7.3%	26.2%	-33.5%		17.1%	28.8%	-11.7%		24.4%
EBIDA Margin	-49.0%	1.1%	-50.0%		-16.3%	4.5%	-20.8%		-1.3%
Collection % - NPSR	11.8%	20.9%	-9.1%		17.2%	20.8%	-3.6%		23.3%
Collection % - Total	17.9%	27.0%	-9.0%		23.6%	26.9%	-3.3%		31.3%
Acute discharges	1,078	931	147	15.8%	5,898	5,524	374	6.8%	5,707
Acute patient days	4,187	4,068	119	2.9%	24,477	24,150	327	1.4%	23,110
Acute Average length of stay	3.88	4.37	0.49	11.2%	4.15	4.37	0.22	5.0%	4.05
Average daily census	135	131	4	3.1%	133	131	2	1.5%	126
Acute adjusted patient days (APD)	6,827	6,377	450	7.1%	38,882	37,830	1,052	2.8%	34,224
Net operating revenue per acute APD	$ 3,490	$ 5,272	$ (1,783)	-33.8%	$ 4,490	$ 5,243	$ (753)	-14.4%	$ 5,671
Expense per acute APD	$ 3,743	$ 3,890	$ 147	3.8%	$ 3,721	$ 3,734	$ 13	0.4%	$ 4,288
Oper income per acute APD	$ (253)	$ 1,382	$ (1,636)	-118.3%	$ 769	$ 1,509	$ (740)	-49.0%	$ 1,383
Paid full time equivalents (FTE)	1,335	1,396	61	4.3%	1,360	1,361	1	0.0%	1,437
Paid FTE's per adjusted occupied bed	6.06	6.78	0.72	10.6%	6.44	6.62	0.18	2.7%	7.72
Worked hours per APD	29.88	32.43	2.55	7.9%	31.73	31.48	(0.25)	-0.8%	38.17
Compensation ratio	76.9%	52.8%	-24.1%		59.6%	50.4%	-9.2%		53.1%

FAIRMONT CAMPUS
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 13,898	$ 13,715	$ 183	1.3%	$ 75,244	$ 81,223	$ (5,979)	-7.4%	$ 70,473
Outpatient service revenue	481	651	(170)	-26.1%	3,574	3,864	(290)	-7.5%	3,086
Professional service revenue	114	69	45	64.2%	427	411	17	4.1%	390
Gross Patient Service Revenue	**14,493**	**14,436**	**57**	**0.4%**	**79,245**	**85,498**	**(6,253)**	**-7.3%**	**73,949**
Deductions from revenues	(8,490)	(11,462)	2,971	25.9%	(57,243)	(68,310)	11,067	16.2%	(62,909)
Capitation - HPAC	133	113	20	17.6%	711	681	30	4.4%	849
Net Patient Service Revenue	**6,137**	**3,088**	**3,049**	**98.7%**	**22,713**	**17,869**	**4,843**	**27.1%**	**11,889**
Medi-Cal Waiver	140	141	(1)	-0.4%	734	846	(111)	-13.2%	1,118
Measure A, Parcel Tax, Other Support	-	-	-	0.0%	-	-	-	0.0%	-
CA Hospital Fee	-	11	(11)	-100.0%	60	65	(5)	-7.9%	-
DSRIP Revenue	-	-	-	0.0%	-	-	-	0.0%	-
Supplemental Programs	299	453	(154)	-34.0%	1,786	2,719	(933)	-34.3%	87
Grants & Research Protocol	-	-	-	0.0%	-	-	-	0.0%	-
Other Operating Revenue	7	7	(1)	-6.9%	47	44	3	7.8%	42
Incentives	-	-	-	0.0%	-	-	-	0.0%	-
Total Supplemental Revenue	**446**	**612**	**(166)**	**-27.1%**	**2,627**	**3,674**	**(1,046)**	**-28.5%**	**1,247**
Net Operating Revenue	**6,583**	**3,700**	**2,883**	**77.9%**	**25,340**	**21,543**	**3,797**	**17.6%**	**13,136**
Salaries and wages	2,449	2,413	(35)	-1.5%	13,449	13,990	541	3.9%	12,128
Employee benefits	679	856	177	20.7%	4,588	5,103	514	10.1%	4,613
Registry	150	89	(61)	-68.9%	962	527	(435)	-82.5%	780
Contracted physician services	41	174	133	76.5%	364	1,043	679	65.1%	383
Purchased services	345	141	(204)	-144.9%	1,183	846	(338)	-39.9%	930
Pharmaceuticals	282	76	(206)	-271.6%	384	449	65	14.5%	449
Medical Supplies	89	88	(1)	-1.1%	537	522	(15)	-2.9%	524
Materials and supplies	53	165	112	67.8%	244	990	745	75.3%	373
Outside medical services	-	-	-	0.0%	-	-	-	0.0%	-
General & administrative expenses	-	8	8	100.0%	2	49	47	95.7%	7
Repairs/maintenance/utilities	115	109	(7)	-6.0%	566	653	87	13.3%	674
Building/equipment leases & rentals	5	5	0	5.7%	27	31	4	14.0%	30
Depreciation	4	6	2	32.3%	23	34	11	32.3%	25
Total operating expense	**4,212**	**4,130**	**(82)**	**-2.0%**	**22,330**	**24,236**	**1,906**	**7.9%**	**20,917**
Operating Income	**2,371**	**(430)**	**2,801**	**651.5%**	**3,010**	**(2,693)**	**5,703**	**211.8%**	**(7,781)**
Interest income/(expense) net	-	-	-	0.0%	-	-	-	0.0%	-
Support Services Allocation	(1,253)	(1,330)	(77)	-5.8%	(7,588)	(7,797)	(209)	-2.7%	(7,216)
Other Non-operating income(expense)	-	-	-	0.0%	-	-	-	0.0%	-
Contribution	**$ 1,118**	**$ (1,760)**	**$ 2,878**	**163.6%**	**$ (4,578)**	**$ (10,491)**	**$ 5,912**	**56.4%**	**$ (14,997)**
Operating Margin	36.0%	-11.6%	47.6%		11.9%	-12.5%	24.4%		-59.2%
EBIDA Margin	17.0%	-47.4%	64.5%		-18.0%	-48.5%	30.6%		-114.0%
Collection % - NPSR	42.3%	21.4%	21.0%		28.7%	20.9%	7.8%		16.1%
Collection % - Total	45.4%	25.6%	19.8%		32.0%	25.2%	6.8%		17.8%
LTC patient days	3,677	3,907	(230)	-5.9%	21,592	23,190	(1,598)	-6.9%	21,633
Average daily census	119	126	(7)	-5.6%	117	126	(9)	-7.1%	118
LTC adjusted patient days (APD)	3,804	4,092	(288)	-7.0%	22,618	24,293	(1,675)	-6.9%	22,580
Net operating revenue per LTC APD	$ 1,731	$ 904	$ 826	91.4%	$ 1,120	$ 887	$ 234	26.3%	$ 582
Expense per LTC APD	$ 1,107	$ 1,009	$ (98)	-9.7%	$ 987	$ 998	$ 10	1.0%	$ 926
Oper income per LTC APD	$ 623	$ (105)	$ 728	-693.3%	$ 133	$ (111)	$ 244	-220.0%	$ (345)
Paid full time equivalents (FTE)	319	289	(30)	-10.5%	298	282	(15)	-5.4%	283
Paid FTE's per adjusted occupied bed	2.60	2.19	(0.41)	-18.7%	2.42	2.14	(0.28)	-13.1%	2.31
Worked hours per APD	12.97	12.15	(0.81)	-6.7%	12.08	11.86	(0.22)	-1.9%	11.21
Compensation ratio	49.8%	90.8%	41.0%		75.0%	91.1%	16.1%		133.4%

JOHN GEORGE BEHAVIORAL HEALTH
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 10,661	$ 10,778	$ (116)	-1.1%	$ 63,824	$ 63,967	$ (142)	-0.2%	$ 63,692
Outpatient service revenue	7,769	6,247	1,522	24.4%	47,795	37,057	10,738	29.0%	31,922
Professional service revenue	480	463	17	3.6%	2,038	2,726	(688)	-25.3%	2,542
Gross Patient Service Revenue	**18,911**	**17,488**	**1,422**	**8.1%**	**113,657**	**103,749**	**9,908**	**9.5%**	**98,156**
Deductions from revenues	(12,720)	(13,331)	612	4.6%	(75,892)	(79,362)	3,470	4.4%	(79,413)
Capitation - HPAC	3	81	(78)	-96.1%	66	488	(423)	-86.6%	416
Net Patient Service Revenue	**6,194**	**4,239**	**1,955**	**46.1%**	**37,831**	**24,876**	**12,955**	**52.1%**	**19,158**
Medi-Cal Waiver	1,176	1,058	118	11.1%	7,092	6,349	743	11.7%	8,209
Measure A, Parcel Tax, Other Support	-	-	-	0.0%	-	-	-	0.0%	-
CA Hospital Fee	-	8	(8)	-100.0%	47	46	2	3.7%	-
DSRIP Revenue	-	-	-	0.0%	-	-	-	0.0%	-
Supplemental Programs	6	6	(0)	-3.5%	27	34	(8)	-22.4%	71
Grants & Research Protocol	-	-	-	0.0%	-	-	-	0.0%	-
Other Operating Revenue	-	-	-	0.0%	-	-	-	0.0%	-
Incentives	-	-	-	0.0%	-	-	-	0.0%	-
Total Supplemental Revenue	**1,182**	**1,071**	**110**	**10.3%**	**7,166**	**6,429**	**737**	**11.5%**	**8,279**
Net Operating Revenue	**7,376**	**5,310**	**2,065**	**38.9%**	**44,996**	**31,305**	**13,691**	**43.7%**	**27,437**
Salaries and wages	3,496	3,536	39	1.1%	20,641	20,470	(171)	-0.8%	18,877
Employee benefits	815	1,036	221	21.3%	5,737	6,174	437	7.1%	5,875
Registry	10	14	4	26.3%	139	83	(57)	-69.0%	346
Contracted physician services	550	678	128	18.8%	3,385	3,907	522	13.4%	3,092
Purchased services	(4)	31	35	112.9%	452	187	(265)	-142.1%	605
Pharmaceuticals	(148)	52	200	381.8%	220	314	94	30.0%	314
Medical Supplies	11	8	(3)	-44.9%	53	45	(8)	-18.2%	46
Materials and supplies	65	100	34	34.5%	407	595	188	31.6%	473
Outside medical services	-	-	-	0.0%	-	-	-	0.0%	-
General & administrative expenses	54	2	(52)	-2203.4%	67	14	(53)	-376.6%	21
Repairs/maintenance/utilities	109	71	(37)	-52.6%	308	428	119	27.9%	371
Building/equipment leases & rentals	-	-	-	0.0%	-	-	-	0.0%	-
Depreciation	8	5	(3)	-52.2%	47	30	(17)	-55.7%	25
Total operating expense	**4,968**	**5,534**	**566**	**10.2%**	**31,457**	**32,247**	**789**	**2.4%**	**30,045**
Operating Income	**2,408**	**(223)**	**2,631**	**1177.7%**	**13,539**	**(942)**	**14,481**	**1537.2%**	**(2,608)**
Interest income/(expense) net	-	-	-	0.0%	-	-	-	0.0%	-
Support Services Allocation	(1,358)	(1,906)	(548)	-28.8%	(7,953)	(11,111)	(3,158)	-28.4%	(10,365)
Other Non-operating income(expense)	-	-	-	0.0%	-	-	-	0.0%	-
Contribution	**$ 1,050**	**$ (2,130)**	**$ 3,180**	**149.3%**	**$ 5,586**	**$ (12,053)**	**$ 17,639**	**146.3%**	**$ (12,973)**
Operating Margin	32.6%	-4.2%	36.9%		30.1%	-3.0%	33.1%		-9.5%
EBIDA Margin	14.3%	-40.0%	54.4%		12.5%	-38.4%	50.9%		-47.2%
Collection % - NPSR	32.8%	24.2%	8.5%		33.3%	24.0%	9.3%		19.5%
Collection % - Total	39.0%	30.4%	8.6%		39.6%	30.2%	9.4%		28.0%
Acute discharges	267	255	12	4.7%	1,597	1,514	83	5.5%	1,451
Acute patient days	2,114	2,121	(7)	-0.3%	12,554	12,588	(34)	-0.3%	12,637
Acute Average length of stay	7.92	8.32	0.40	4.8%	7.86	8.31	0.45	5.4%	8.71
LTC patient days									
Average daily census	68	68	0	0.0%	68	68	0	0.0%	69
Acute adjusted patient days (APD)	3,655	3,350	305	9.1%	21,955	19,880	2,075	10.4%	18,971
LTC adjusted patient days (APD)									
Net operating revenue per acute APD	$ 2,018	$ 1,585	$ 433	27.3%	$ 2,049	$ 1,575	$ 475	30.2%	$ 1,446
Expense per acute APD	$ 1,359	$ 1,652	$ 293	17.7%	$ 1,433	$ 1,622	$ 189	11.7%	$ 1,584
Oper income per acute APD	$ 659	$ (67)	$ 725	-1087.8%	$ 617	$ (47)	$ 664	-1401.2%	$ (137)
Paid full time equivalents (FTE)	331	338	7	1.9%	329	329	(0)	-0.1%	316
Paid FTE's per adjusted occupied bed	2.81	3.12	0.31	9.9%	2.76	3.05	0.29	9.5%	3.07
Worked hours per APD	14.14	15.09	0.95	6.3%	13.64	14.64	1.00	6.8%	15.08
Compensation ratio	58.6%	86.4%	27.8%		58.9%	85.4%	26.4%		91.5%

AMBULATORY
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 191	$ 176	$ 14	8.2%	$ 1,182	$ 1,012	$ 171	16.9%	$ 660
Outpatient service revenue	6,317	7,934	(1,617)	-20.4%	41,694	45,470	(3,776)	-8.3%	34,997
Professional service revenue	6,533	8,138	(1,605)	-19.7%	41,631	46,611	(4,980)	-10.7%	49,098
Gross Patient Service Revenue	**13,042**	**16,249**	**(3,207)**	**-19.7%**	**84,508**	**93,093**	**(8,585)**	**-9.2%**	**84,755**
Deductions from revenues	(10,760)	(11,820)	1,059	9.0%	(62,752)	(67,524)	4,772	7.1%	(67,566)
Capitation - HPAC	381	480	(100)	-20.7%	3,375	2,882	493	17.1%	2,802
Net Patient Service Revenue	**2,662**	**4,910**	**(2,248)**	**-45.8%**	**25,131**	**28,451**	**(3,320)**	**-11.7%**	**19,991**
Medi-Cal Waiver	75	105	(30)	-28.9%	643	631	12	1.9%	848
Measure A, Parcel Tax, Other Support	-	-	-	0.0%	-	-	-	0.0%	-
CA Hospital Fee	-	6	(6)	-100.0%	40	35	5	14.2%	-
DSRIP Revenue	-	-	-	0.0%	-	-	-	0.0%	-
Supplemental Programs	7	7	(0)	-3.2%	80	45	35	78.7%	55
Grants & Research Protocol	183	197	(14)	-7.3%	1,277	1,184	93	7.8%	1,058
Other Operating Revenue	1	2	(1)	-61.8%	17	12	5	42.8%	33
Incentives	-	-	-	0.0%	-	-	-	0.0%	-
Total Supplemental Revenue	**266**	**318**	**(52)**	**-16.4%**	**2,057**	**1,907**	**150**	**7.9%**	**1,994**
Net Operating Revenue	**2,928**	**5,228**	**(2,300)**	**-44.0%**	**27,188**	**30,358**	**(3,170)**	**-10.4%**	**21,984**
Salaries and wages	3,686	3,788	103	2.7%	22,289	22,549	260	1.2%	23,380
Employee benefits	1,198	1,499	301	20.1%	8,488	8,993	505	5.6%	9,581
Registry	13	-	(13)	-100.0%	103	-	(103)	-100.0%	60
Contracted physician services	45	22	(23)	-104.0%	389	132	(257)	-193.8%	289
Purchased services	133	138	5	3.8%	916	811	(105)	-13.0%	673
Pharmaceuticals	93	141	49	34.4%	958	753	(205)	-27.3%	1,059
Medical Supplies	141	139	(3)	-2.0%	756	796	41	5.1%	819
Materials and supplies	37	51	14	28.2%	282	304	23	7.5%	373
Outside medical services	-	-	-	0.0%	-	-	-	0.0%	-
General & administrative expenses	6	15	9	61.4%	76	95	19	20.4%	111
Repairs/maintenance/utilities	61	30	(31)	-101.3%	262	182	(80)	-43.9%	192
Building/equipment leases & rentals	165	182	17	9.3%	1,089	1,089	0	0.0%	1,091
Depreciation	89	68	(21)	-31.0%	538	409	(129)	-31.4%	336
Total operating expense	**5,666**	**6,074**	**408**	**6.7%**	**36,146**	**36,115**	**(31)**	**-0.1%**	**37,964**
Operating Income	**(2,738)**	**(846)**	**(1,892)**	**-223.5%**	**(8,958)**	**(5,757)**	**(3,201)**	**-55.6%**	**(15,980)**
Interest income/(expense) net	-	-	-	0.0%	-	-	-	0.0%	-
Support Services Allocation	(3,466)	(2,115)	1,351	63.9%	(20,111)	(12,584)	7,527	59.8%	(13,098)
Other Non-operating income(expense)	-	-	-	0.0%	-	-	-	0.0%	-
Contribution	**$ (6,205)**	**$ (2,962)**	**$ (3,243)**	**-109.5%**	**$ (29,068)**	**$ (18,341)**	**$ (10,727)**	**-58.5%**	**$ (29,077)**
Operating Margin	-93.5%	-16.2%	-77.3%		-32.9%	-19.0%	-14.0%		-72.7%
EBIDA Margin	-208.9%	-55.3%	-153.5%		-104.9%	-59.1%	-45.9%		-130.7%
Collection % - NPSR	20.4%	30.2%	-9.8%		29.7%	30.6%	-0.8%		21.7%
Collection % - Total	22.4%	32.2%	-9.7%		32.2%	32.6%	-0.4%		24.3%
Ambulatory Clinic Visits	24,451	28,263	(3,812)	-13.5%	148,712	161,869	(13,157)	-8.1%	152,621
Visits per Clinic Day	1,111	1,285	(173)	-13.5%	1,180	1,285	(104)	-8.1%	1,211
Net operating revenue per Visit	$ 120	$ 185	$ (65)	-35.3%	$ 183	$ 188	$ (5)	-2.5%	$ 144
Expense per Visit	$ 232	$ 215	$ (17)	-7.8%	$ 243	$ 223	$ (20)	-8.9%	$ 249
Oper income per Visit	$ (112)	$ (30)	$ (82)	-274.0%	$ (60)	$ (36)	$ (25)	-69.4%	
Paid full time equivalents (FTE)	466	488	22	4.4%	474	487	13	2.7%	510
Paid FTE's per Visit	0.59	0.53	(0.06)	-10.5%	0.59	0.55	(0.03)	-5.9%	0.61
Worked hours per Visit	2.94	2.57	(0.37)	-14.2%	2.88	2.67	(0.21)	-7.8%	2.99
Compensation ratio	167.2%	101.1%	-66.1%		113.6%	103.9%	-9.7%		150.2%

SAN LEANDRO HOSPITAL

Statement of Revenues and Expenses

For the Period Ended December 31, 2015

(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 22,008	$ 17,499	$ 4,509	25.8%	$ 111,437	$ 104,174	$ 7,264	7.0%	$ 77,826
Outpatient service revenue	16,567	18,025	(1,458)	-8.1%	98,345	107,149	(8,804)	-8.2%	58,380
Professional service revenue	-	-	-	0.0%	-	-	-	0.0%	-
Gross Patient Service Revenue	**38,575**	**35,525**	**3,051**	**8.6%**	**209,782**	**211,322**	**(1,540)**	**-0.7%**	**136,206**
Deductions from revenues	(32,573)	(29,585)	(2,988)	-10.1%	(179,006)	(177,508)	(1,498)	-0.8%	(106,621)
Capitation - HPAC	-	-	-	0.0%	-	-	-	0.0%	-
Net Patient Service Revenue	**6,003**	**5,940**	**63**	**1.1%**	**30,776**	**33,815**	**(3,038)**	**-9.0%**	**29,585**
Medi-Cal Waiver	-	-	-	0.0%	-	-	-	0.0%	-
Measure A, Parcel Tax, Other Support	-	167	(167)	-100.0%	1,000	1,000	(0)	0.0%	1,000
CA Hospital Fee	-	-	-	0.0%	-	-	-	0.0%	-
DSRIP Revenue	-	-	-	0.0%	-	-	-	0.0%	-
Supplemental Programs	993	525	468	89.1%	7,278	3,150	4,127	131.0%	4,461
Grants & Research Protocol	-	-	-	0.0%	-	-	-	0.0%	-
Other Operating Revenue	(22)	9	(32)	-338.6%	174	56	117	208.1%	47
Incentives	-	-	-	0.0%	-	-	-	0.0%	-
Total Supplemental Revenue	**970**	**701**	**269**	**38.4%**	**8,451**	**4,207**	**4,245**	**100.9%**	**5,507**
Net Operating Revenue	**6,973**	**6,641**	**332**	**5.0%**	**39,228**	**38,021**	**1,206**	**3.2%**	**35,092**
Salaries and wages	3,416	3,533	117	3.3%	19,654	20,409	755	3.7%	18,267
Employee benefits	893	1,027	134	13.0%	4,771	5,961	1,190	20.0%	4,879
Registry	275	63	(211)	-334.4%	1,243	375	(868)	-231.4%	753
Contracted physician services	501	445	(56)	-12.7%	3,227	2,642	(584)	-22.1%	3,349
Purchased services	348	409	61	14.8%	1,870	2,443	574	23.5%	3,051
Pharmaceuticals	186	126	(60)	-47.9%	972	748	(225)	-30.0%	934
Medical Supplies	564	381	(182)	-47.8%	2,543	2,264	(279)	-12.3%	2,401
Materials and supplies	207	118	(89)	-75.8%	1,102	700	(401)	-57.3%	784
Outside medical services	-	-	-	0.0%	-	-	-	0.0%	-
General & administrative expenses	5	11	6	56.3%	75	66	(9)	-14.0%	118
Repairs/maintenance/utilities	166	114	(52)	-45.5%	623	685	62	9.0%	873
Building/equipment leases & rentals	25	17	(8)	-50.1%	123	100	(23)	-22.6%	132
Depreciation	73	157	84	53.5%	443	942	499	53.0%	777
Total operating expense	**6,659**	**6,401**	**(259)**	**-4.0%**	**36,647**	**37,337**	**691**	**1.8%**	**36,317**
Operating Income	**314**	**240**	**73**	**30.6%**	**2,581**	**684**	**1,897**	**277.4%**	**(1,225)**
Interest income/(expense) net	3	-	3	100.0%	21	-	21	100.0%	-
Support Services Allocation	(1,661)	(2,130)	(468)	-22.0%	(9,897)	(12,440)	(2,543)	-20.4%	(12,529)
Other Non-operating income(expense)	-	-	-	0.0%	-	-	-	0.0%	-
Contribution	**$ (1,344)**	**$ (1,890)**	**$ 545**	**28.9%**	**$ (7,295)**	**$ (11,756)**	**$ 4,461**	**37.9%**	**$ (13,755)**
Operating Margin	4.5%	3.6%	0.9%		6.6%	1.8%	4.8%		-3.5%
EBIDA Margin	-18.2%	-26.1%	7.9%		-17.4%	-28.4%	11.0%		-37.0%
Collection % - NPSR	15.6%	16.7%	-1.2%		14.7%	16.0%	-1.3%		21.7%
Collection % - Total	18.1%	18.7%	-0.6%		18.7%	18.0%	0.7%		25.8%
Acute discharges	277	241	36	14.9%	1,498	1,430	68	4.8%	1,339
Acute patient days	1,122	995	127	12.8%	6,098	5,904	194	3.3%	5,553
Acute Average length of stay	4.05	4.13	0.08	1.9%	4.07	4.13	0.06	1.5%	4.15
Average daily census	36	32	4	12.5%	33	32	1	3.1%	30
Acute adjusted patient days (APD)	1,967	2,020	(53)	-2.6%	11,480	11,977	(497)	-4.1%	9,719
Net operating revenue per acute APD	$ 3,545	$ 3,288	$ 257	7.8%	$ 3,417	$ 3,175	$ 243	7.6%	$ 3,611
Expense per acute APD	$ 3,386	$ 3,169	$ (217)	-6.8%	$ 3,192	$ 3,117	$ (75)	-2.4%	$ 3,737
Oper income per acute APD	$ 159	$ 119	$ 40	-33.6%	$ 225	$ 57	$ 168	-294.7%	$ (126)
Paid full time equivalents (FTE)	348	356	8	2.2%	349	348	(0)	-0.1%	334
Paid FTE's per adjusted occupied bed	5.49	5.47	(0.02)	-0.4%	5.59	5.35	(0.24)	-4.5%	6.32
Worked hours per APD	27.53	28.01	0.48	1.7%	27.69	27.33	(0.36)	-1.3%	31.43
Compensation ratio	65.7%	69.6%	3.9%		65.4%	70.3%	4.9%		68.1%

ALAMEDA HOSPITAL
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 23,563	$ 22,908	$ 656	2.9%	$ 132,957	$ 135,977	$ (3,020)	-2.2%	$ 106,007
Outpatient service revenue	10,423	11,292	(869)	-7.7%	68,928	66,717	2,211	3.3%	51,639
Professional service revenue	1,232	105	1,127	1076.5%	3,575	600	2,975	496.0%	204
Gross Patient Service Revenue	**35,219**	**34,304**	**914**	**2.7%**	**205,459**	**203,294**	**2,166**	**1.1%**	**157,850**
Deductions from revenues	(22,774)	(27,295)	4,521	16.6%	(160,608)	(161,951)	1,344	0.8%	(119,764)
Capitation - HPAC	-	-	-	0.0%	-	-	-	0.0%	-
Net Patient Service Revenue	**12,444**	**7,009**	**5,435**	**77.5%**	**44,852**	**41,342**	**3,509**	**8.5%**	**38,086**
Medi-Cal Waiver	-	-	-	0.0%	-	-	-	0.0%	-
Measure A, Parcel Tax, Other Support	431	431	0	0.0%	2,586	2,585	1	0.0%	2,322
CA Hospital Fee	-	-	-	0.0%	-	-	-	0.0%	-
DSRIP Revenue	-	-	-	0.0%	-	-	-	0.0%	-
Supplemental Programs	1,749	543	1,207	222.3%	7,119	3,256	3,863	118.6%	6,686
Grants & Research Protocol	-	-	-	0.0%	-	-	-	0.0%	-
Other Operating Revenue	68	12	56	477.7%	382	71	311	440.4%	68
Incentives	-	-	-	0.0%	-	-	-	0.0%	-
Total Supplemental Revenue	**2,248**	**985**	**1,263**	**128.2%**	**10,087**	**5,912**	**4,175**	**70.6%**	**9,077**
Net Operating Revenue	**14,693**	**7,995**	**6,698**	**83.8%**	**54,938**	**47,254**	**7,684**	**16.3%**	**47,163**
Salaries and wages	3,693	3,945	252	6.4%	21,638	22,948	1,310	5.7%	20,423
Employee benefits	1,125	1,242	118	9.5%	6,677	7,440	763	10.3%	7,069
Registry	327	62	(265)	-426.0%	1,632	369	(1,263)	-342.8%	855
Contracted physician services	300	363	63	17.4%	1,842	2,154	312	14.5%	2,187
Purchased services	917	592	(325)	-54.9%	4,801	3,540	(1,261)	-35.6%	3,223
Pharmaceuticals	353	174	(179)	-102.5%	1,276	1,047	(229)	-21.9%	1,189
Medical Supplies	332	475	142	30.0%	3,451	2,822	(629)	-22.3%	2,576
Materials and supplies	157	127	(30)	-23.9%	1,063	754	(309)	-41.0%	984
Outside medical services	-	-	-	0.0%	-	-	-	0.0%	-
General & administrative expenses	69	76	6	8.4%	11	454	443	97.5%	973
Repairs/maintenance/utilities	108	132	24	18.2%	601	791	190	24.0%	901
Building/equipment leases & rentals	279	187	(93)	-49.7%	1,390	1,119	(271)	-24.2%	1,628
Depreciation	104	96	(8)	-8.4%	620	578	(42)	-7.3%	546
Total operating expense	**7,765**	**7,471**	**(294)**	**-3.9%**	**45,002**	**44,015**	**(986)**	**-2.2%**	**42,554**
Operating Income	**6,928**	**524**	**6,404**	**1222.5%**	**9,937**	**3,239**	**6,698**	**206.8%**	**4,608**
Interest income/(expense) net	0	-	0	100.0%	2	-	2	100.0%	-
Support Services Allocation	(2,096)	(2,588)	(492)	-19.0%	(12,159)	(15,222)	(3,062)	-20.1%	(14,681)
Other Non-operating income(expense)	28	28	0	0.2%	165	165	0	0.2%	165
Contribution	**$ 4,860**	**$ (2,037)**	**$ 6,897**	**338.6%**	**$ (2,055)**	**$ (11,818)**	**$ 9,762**	**82.6%**	**$ (9,908)**
Operating Margin	47.2%	6.6%	40.6%		18.1%	6.9%	11.2%		9.8%
EBIDA Margin	33.8%	-24.3%	58.1%		-2.6%	-23.8%	21.2%		-19.8%
Collection % - NPSR	35.3%	20.4%	14.9%		21.8%	20.3%	1.5%		24.1%
Collection % - Total	41.7%	23.3%	18.4%		26.7%	23.2%	3.5%		29.9%
Acute discharges	183	204	(21)	-10.3%	1,094	1,210	(116)	-9.6%	1,190
Acute patient days	1,320	937	383	40.9%	7,243	5,562	1,681	30.2%	5,031
Acute Average length of stay	7.21	4.59	(2.62)	-57.1%	6.62	4.60	(2.02)	-43.9%	4.23
LTC patient days	5,309	5,183	126	2.4%	31,431	30,764	667	2.2%	30,762
Average daily census	214	197	17	8.6%	210	197	13	6.6%	195
Acute adjusted patient days (APD)	1,904	1,399	505	36.1%	10,998	8,291	2,707	32.6%	7,482
LTC adjusted patient days (APD)	7,657	7,738	(81)	-1.0%	47,725	45,858	1,867	4.1%	45,747
Net operating revenue per acute APD	$ 6,480	$ 4,821	$ 1,659	34.4%	$ 4,194	$ 4,806	$ (612)	-12.7%	
Expense per acute APD	$ 3,035	$ 3,931	$ 896	22.8%	$ 3,049	$ 3,907	$ 858	21.9%	
Oper income per acute APD	$ 3,445	$ 890	$ 2,555	287.1%	$ 1,145	$ 900	$ 245	27.2%	
Net operating revenue per LTC APD	$ 308	$ 162	$ 146	90.3%	$ 185	$ 161	$ 23	14.4%	
Expense per LTC APD	$ 259	$ 255	$ (5)	-1.8%	$ 240	$ 254	$ 13	5.2%	
Oper income per LTC APD	$ 48	$ (93)	$ 141	-151.7%	$ (56)	$ (92)	$ 36	-39.6%	
Paid full time equivalents (FTE)	533	578	45	7.8%	535	569	34	6.0%	535
Paid FTE's per adjusted occupied bed	1.73	1.96	0.23	11.7%	1.68	1.93	0.25	13.0%	1.85
Worked hours per APD	8.78	9.76	0.98	10.0%	8.48	9.60	1.11	11.6%	9.17
Compensation ratio	35.0%	65.7%	30.7%		54.5%	65.1%	10.6%		60.1%

Professional Services
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%
Outpatient service revenue	-	-	0	0.0%	-	-	0	0.0%
Professional service revenue	(2)	4	(7)	-154.2%	360	26	334	1276.7%
Gross Patient Service Revenue	**(2)**	**4**	**(7)**	**-154.2%**	**360**	**26**	**334**	**1276.7%**
Deductions from revenues	2	-	2	100.0%	(289)	-	(289)	-100.0%
Capitation - HPAC	-	-	-	0.0%	-	-	-	0.0%
Net Patient Service Revenue	**(0)**	**4**	**(5)**	**-111.1%**	**71**	**26**	**45**	**171.4%**
Medi-Cal Waiver	-	-	-	0.0%	-	-	-	0.0%
Measure A, Parcel Tax, Other Support	-	-	-	0.0%	-	-	-	0.0%
CA Hospital Fee	-	-	-	0.0%	-	-	-	0.0%
DSRIP Revenue	-	-	-	0.0%	-	-	-	0.0%
Supplemental Programs	-	182	(182)	-100.0%	-	1,093	(1,093)	-100.0%
Grants & Research Protocol	-	-	-	0.0%	-	-	-	0.0%
Other Operating Revenue	-	-	-	0.0%	-	-	-	0.0%
Incentives	-	-	-	0.0%	-	-	-	0.0%
Total Supplemental Revenue	**-**	**182**	**(182)**	**-100.0%**	**-**	**1,093**	**(1,093)**	**-100.0%**
Net Operating Revenue	**(0)**	**186**	**(187)**	**-100.3%**	**71**	**1,119**	**(1,048)**	**-93.7%**
Salaries and wages	-	60	60	100.0%	-	354	354	100.0%
Employee benefits	-	7	7	100.0%	-	45	45	100.0%
Registry	-	-	-	0.0%	-	-	-	0.0%
Contracted physician services	-	-	-	0.0%	-	-	-	0.0%
Purchased services	215	-	(215)	-100.0%	459	-	(459)	-100.0%
Pharmaceuticals	-	-	-	0.0%	-	-	-	0.0%
Medical Supplies	-	-	-	0.0%	-	-	-	0.0%
Materials and supplies	-	-	-	0.0%	-	-	-	0.0%
Outside medical services	-	-	-	0.0%	-	-	-	0.0%
General & administrative expenses	-	-	-	0.0%	-	-	-	0.0%
Repairs/maintenance/utilities	-	-	-	0.0%	-	-	-	0.0%
Building/equipment leases & rentals	-	-	-	0.0%	-	-	-	0.0%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Total operating expense	**215**	**67**	**(148)**	**-221.1%**	**459**	**399**	**(60)**	**-15.0%**
Operating Income	**(216)**	**119**	**(335)**	**-280.6%**	**(388)**	**720**	**(1,108)**	**-153.9%**
Interest income/(expense) net	-	-	-	0.0%	-	-	-	0.0%
Support Services Allocation	(11)	(23)	(12)	-53.3%	(57)	(138)	(81)	-59.0%
Other Non-operating income(expense)	-	-	-	0.0%	-	-	-	0.0%
Contribution	**$ (226)**	**$ 96**	**$ (323)**	**-335.1%**	**$ (445)**	**$ 582**	**$ (1,027)**	**-176.4%**

SUPPORT SERVICES
Statement of Revenues and Expenses
For the Period Ended December 31, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
Outpatient service revenue	0	0	0	0.0%	0	0	0	0.0%	0
Professional service revenue	-	-	-	0.0%	-	-	-	0.0%	-
Gross Patient Service Revenue	-	-	-	**0.0%**	-	-	-	**0.0%**	-
Deductions from revenues	-	-	-	0.0%	-	-	-	0.0%	-
Capitation - HPAC	-	-	-	0.0%	194	-	194	100.0%	-
Net Patient Service Revenue	-	-	-	**0.0%**	**194**	-	**194**	**100.0%**	-
Medi-Cal Waiver	-	-	-	0.0%	-	-	-	0.0%	-
Measure A, Parcel Tax, Other Support	9,447	8,250	1,197	14.5%	50,720	49,500	1,220	2.5%	47,635
CA Hospital Fee	-	-	-	0.0%	-	-	-	0.0%	-
DSRIP Revenue	2,333	2,333	(0)	0.0%	15,241	14,000	1,241	8.9%	13,798
Supplemental Programs	1,061	781	280	35.8%	5,630	4,688	943	20.1%	6,228
Grants & Research Protocol	-	0	(0)	-100.0%	-	0	(0)	-100.0%	11
Other Operating Revenue	203	189	13	7.1%	1,117	1,135	(18)	-1.6%	1,135
Incentives	72	72	0	0.0%	430	430	0	0.0%	639
Total Supplemental Revenue	**13,116**	**11,625**	**1,490**	**12.8%**	**73,139**	**69,753**	**3,386**	**4.9%**	**69,446**
Net Operating Revenue	**13,116**	**11,625**	**1,490**	**12.8%**	**73,333**	**69,753**	**3,580**	**5.1%**	**69,446**
Salaries and wages	4,631	5,233	601	11.5%	27,292	30,986	3,694	11.9%	27,374
Employee benefits	5,622	4,515	(1,107)	-24.5%	30,830	26,326	(4,504)	-17.1%	24,658
Registry	189	74	(114)	-154.2%	949	442	(507)	-114.8%	710
Contracted physician services	2,681	2,585	(97)	-3.7%	16,574	15,507	(1,066)	-6.9%	15,580
Purchased services	3,633	3,307	(327)	-9.9%	24,256	19,775	(4,481)	-22.7%	21,779
Pharmaceuticals	1	15	14	96.4%	93	90	(3)	-3.5%	26
Medical Supplies	1	4	3	69.3%	(13)	23	36	156.2%	10
Materials and supplies	181	131	(50)	-38.0%	824	785	(39)	-5.0%	1,047
Outside medical services	255	304	49	16.1%	1,360	1,825	465	25.5%	2,645
General & administrative expenses	1,520	962	(558)	-58.0%	7,758	6,275	(1,482)	-23.6%	6,609
Repairs/maintenance/utilities	589	310	(279)	-90.2%	2,786	1,859	(927)	-49.9%	2,244
Building/equipment leases & rentals	61	110	49	44.5%	384	588	205	34.8%	694
Depreciation	706	721	15	2.0%	4,325	4,324	(1)	0.0%	4,324
Total operating expense	**20,071**	**18,270**	**(1,801)**	**-9.9%**	**117,418**	**108,807**	**(8,611)**	**-7.9%**	**107,700**
Operating Income	**(6,955)**	**(6,644)**	**(311)**	**-4.7%**	**(44,085)**	**(39,054)**	**(5,031)**	**-12.9%**	**(38,254)**
Interest income/(expense) net	(53)	(19)	(34)	-175.8%	(215)	(115)	(100)	-87.3%	(221)
Support Services Allocation	19,907	18,689	(1,217)	-6.5%	116,904	108,367	(8,537)	-7.9%	108,520
Other Non-operating income(expense)	-	-	-	0.0%	-	-	-	0.0%	-
Contribution	**$ 12,899**	**$ 12,026**	**$ 873**	**7.3%**	**$ 72,604**	**$ 69,199**	**$ 3,406**	**4.9%**	**$ 70,044**
Operating Margin	-53.0%	-57.2%			-60.1%	-56.0%			-55.1%
EBIDA Margin	103.3%	109.5%			104.6%	105.2%			106.8%
Collection % - NPSR									#DIV/0!
Collection % - Total									
Acute discharges									
Acute patient days									
Acute Average length of stay									
LTC patient days									
Average daily census									
Acute adjusted patient days (APD)									
LTC adjusted patient days (APD)									
Net operating revenue per acute APD									
Expense per acute APD									
Oper income per acute APD									
Net operating revenue per LTC APD									
Expense per LTC APD									
Oper income per LTC APD									
Paid full time equivalents (FTE)	561	639	78	12.1%	551	637	86	13.5%	550
Compensation ratio	79.6%	84.5%	4.9%		80.6%	82.8%	2.2%		75.9%
Support Costs % of Total Revenue	26.6%	24.6%	-2.0%		26.7%	24.9%	-1.8%		26.4%

Pillar	Metric	Target	Alameda Health System	Highland	John George	Fairmont	San Leandro	Alameda	Ambulatory	Core	Highland Wellness Center	Eastmont Wellness Center	Hayward Wellness Center	Newark Wellness Center
Access	Primary Care 3rd Next Available	10 days	NA	29	NA	NA	NA	NA	32	NA	29	46	38	9
	Specialty Care 3rd Next Available	14 days	NA	NA	NA	NA	NA	TBD	NA	NA	TBD	TBD	NA	NA
Sustainability	Operating Margin Ratio	3%	1.3%	17.1%	30.1%	11.9%	6.6%	18.1%	-32.9%	-1.9%	NA	NA	NA	NA
	EBIDA Margin Ratio	5%	2.7%	-16.3%	12.5%	-18%	-17.4%	-2.6%	-104.9%	6.0%	NA	NA	NA	NA
	Net Days in Accounts Receivable	75	88.5	NA	NA	NA	92.9	86.3	NA	88.2	NA	NA	NA	NA
	Cash Collections as % of Net Patient Revenue	100%	95.3%	NA	NA	NA	94.7%	96.3%	NA	95.2%	NA	NA	NA	NA
	% Billed Accounts Receivable (AR) >90 Days	< 30%	TBD	NA	NA	NA	TBD	TBD	NA	TBD	NA	NA	NA	NA
	Labor Cost as % of Total Net Revenue	< 65%	67.5%	59.7%	58.9%	81.4%	65.4%	54.5%	113.6%	69.8%	NA	NA	NA	NA
	FTE's per Adjusted Occupied Bed	< 5.0	4.67	6.44	2.76	2.42	5.59	1.68	0.59	6.64	NA	NA	NA	NA
	Cost per Adjusted Patient Day	< $28,500	4,403	3,721	1,433	987	3,192	3,049	243	NA	NA	NA	NA	NA
	Inpatient Payer Mix	No Target												
	Medicare		32.1%	24.1%	31.4%	22.1%	50.8%	48.1%	NA	25.0%	NA	NA	NA	NA
	Medi-Cal		50.7%	60.8%	57.4%	73.0%	8.2%	38.4%	NA	61.8%	NA	NA	NA	NA
	Other Gov		5.5%	2.4%	2.4%	2.8%	25.5%	1.2%	NA	2.4%	NA	NA	NA	NA
	Insurance		9.5%	9.9%	7.4%	2.0%	15.0%	9.2%	NA	8.5%	NA	NA	NA	NA
	Self Pay		2.2%	2.8%	1.4%	0.1%	0.5%	3.1%	NA	2.3%	NA	NA	NA	NA
	Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	NA	100.0%	NA	NA	NA	NA
	Outpatient Payer Mix	No Target												
	Medicare		22.7%	12.4%	56.4%	16.8%	26.1%	37.6%	13.6%	18.9%	13.9%	4.1%	1.4%	1.7%
	Medi-Cal		43.4%	61.1%	31.3%	57.4%	7.7%	24.3%	66.3%	57.5%	65.5%	89.2%	92.9%	90.9%
	Other Gov		15.9%	11.2%	0.6%	18.4%	43.4%	2.3%	18.5%	10.6%	19.0%	6.5%	5.6%	7.4%
	Insurance		10.4%	6.4%	6.0%	3.7%	16.9%	25.2%	0.8%	5.6%	0.8%	0.2%	0.1%	0.0%
	Self Pay		7.6%	8.9%	5.7%	3.7%	5.9%	10.6%	0.8%	7.4%	0.8%	0.0%	0.0%	0.0%
	Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Assigned MediCal Managed Care Enrollees	35,000	61,610	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Clinic Visits	No Target	154,843	88,234	NA	586	NA	6,131	148,712	148,712	88,234	32,151	14,485	13,256
	Accounts Payable	Report	20,744,547	NA	NA	NA	1,583,931	1,744,097	NA	17,416,519	NA	NA	NA	NA
	Total Professional Services Revenue	TBD	118,478,420	70,447,425	2,037,517	427,237	0	3,574,968	41,631,448	114,768,023	23,242,504	10,231,822	4,155,972	3,899,379
	Total Professional Services Billed	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Quality	Incidence of Preventable Harm	0.85 incidents per 1000 patient days	0.56	0.77	0.00	0.00	0.44	0.55	NA	NA	NA	NA	NA	NA
Service	Inpatient Overall Satisfaction	76% Top Box	NA	62.4%	88.7%	71.9%	70.5%	60.4%	NA	NA	NA	NA	NA	NA
	Outpatient Overall Satisfaction	92.5% Top Box	NA	NA	NA	NA	NA	NA	63.0%	NA	57.8%	73.7%	67.3%	59.2%
Work Force	Employee Engagement	4	3.9	3.9	4.0	0.0	4.0	0.0	0.0	0.0	0.0	4.0	3.9	4.4
	Physician Engagement	4	3.7	3.7	3.3	0.0	3.9	0.0	0.0	0.0	0.0	3.6	3.5	4.5

Alameda Hospital Balanced Score Card (FY 2016)

QUALITY INDICATORS	AH BASELINE FY15	YTD FY16	AH CURRENT PERFORMANCE						BENCHMARK /GOAL	COMPAR-ISON ORG.
			Sep-15	n	Oct-15	n	Nov-15	n		
I. 30-Day Readmissions (all diagnoses):										
30-Day Readmissions (# of readmits # of total admissions)	5.47%	**10.01%**	9.68%	15/155	16.50%	34/206	6.71%	11/164	15.80%	HSAG/ CMS(CA)
II. Medication Errors:										
Acute (# errors / doses dispensed)	0.07%	**0.06%**	0.08%	17/ 22,446	0.04%	11/ 25,015	0.05%	11/ 23,868	0.10%	AH
Acute (# errors / 100 patient days)	1.55	**1.19**	1.56	17/1090	0.82	11/1335	0.81	11/1363	TBD	TBD
LTC (# errors / 100 patient days)	0.051	**0.030**	0.054	3/5350	0.000	0/5243	0.100	5/5015	TBD	TBD
III. HAPU:										
Acute: patients w/ at least 1 HAPU per 1,000 pt days	0.35	**0.00**	0	0/1078	0	0/1343	0	0/1364	1.27	CALNOC
Total number of HAPUS Long-Term Care (Sub-Acute; SSC; WE)	0.23	**0.61**	0.78	4/5107	0.76	4/5243	0.58	3/5104	2.54	NE
IV. Falls (per 1000 patient days):										
Acute (CCU/TELE/3W/ED)	1.02	**0.52**	0.40	1/2523	0.00	0/2876	0.36	1/2757	2.89	CALNOC
Long-Term Care (Sub-Acute; SSC; WE)	1.99	**1.68**	1.17	6/5107	1.72	9/5243	1.17	6/5104	5.78	MQI
V. Infection Prevention:										
Catheter Associated Urinary Tract Infections (per catheter days)	0%	**0%**	0%	0/99	0%	0/136	n/a	n/a	0.56%	NHSN
Hand Hygiene (percent compliance)	91%	**94%**	94%	156/166	90%	171/190	n/a	n/a	90%	TJC
Surgical Site Infections (per inpatient elective orthopedic procedures)	0%	**0%**	0%	24	0%	0/(n/a)	n/a	n/a	0.00%	NHSN
VI. Core Measures (percent compliance):										
Inpatient Perfect Care (All or None)	94.68%	93.30%	95.00%	120	82.89%	76	TBD		90%	AHS TNM
Acute Myocardial Infarction Measure Set Perfect Care	100%	N/A	N/A		N/A		TBD		90%	AHS True North
Immunizations Measure Set Perfect	94.60%	91%	N/A		81.13%	53	TBD		90%	AHS TNM
Stroke Measure Set Perfect Care	94.00%	**87%**	75%	12	91%	11	TBD		90%	AHS TNM
Tobacco Cessation Measure Set	75.71%	**80.15%**	89%	38	90%	20	TBD		90%	TBD
Venous Thromboembolism Measure Set Perfect Care	98.26%	**97.8%**	97%	108	96%	47	TBD		90%	AHS True North
OP-5 Median Time from ED Arrival to ECG	16	**17**	14	5	4	1	n/a	0	10	CMS / TJC
VII. HCAHPS (Top Box Percent):										
Communication with Nurses	69.5	**68.2**	62.7	13	66.2	19	67.1	20	74.2	Press Ganey
Communication with Doctors	75.4	**75.3**	57.7	13	70.6	19	74.1	19	81.6	Press Ganey
Staff Responsiveness	53.9	**55.5**	54.5	13	47.6	18	35.6	18	57.2	Press Ganey
Hospital Environment	49.9	**52.7**	74.9	13	46.7	19	49.4	19	58.1	Press Ganey
Pain Management	58.1	**56.0**	70.3	10	45.3	13	59.6	14	64.3	Press Ganey
Communication about Medications	47.6	**49.3**	74.7	7	54.4	6	26.9	13	53.0	Press Ganey
Discharge Information	78.5	**80.9**	86.2	12	68.6	17	95.8	18	89.2	Press Ganey
Care Transitions	44.1	**38.2**	31.3	13	29.5	19	41.1	19	46.2	Press Ganey
Rate the Hospital 9 or 10	55.3	**48.9**	28.0	13	41.6	18	60.4	19	68.3	Press Ganey
Recommend Hospital	60.6	**58.1**	34.1	13	53.5	19	74.5	19	63.8	Press Ganey
VIII. ED Turn-Around-Times (TAT):										
Door ➡ Doctor Time (min)	28	**27**	29	956	27	1005	23	585	31	AHS True
Door ➡ Admit (hrs)	4.4	**4.5**	4.7	160	4.6	222	4.5	173	2.8	AHS True
IX. Stroke (Mean Times):										
Door ➡ CT for Code Stroke	22	**34**	**14**	5	21	4	16	3	25	Am St Assoc
Door ➡ Alteplase	**54**	**66**	NC		76	3	66	1	60	Am St Assoc

Note: Some metrics take up to 90 days to be compiled. * Tobacco Core Measures data collection did not start until January 2015.

DP=Data pending/ NA = Not Available / NC = No Cases / NE = Not Established/ TBD = To Be Determined

Green = Meets or exceeds goal; Yellow = Just below goal; Red = Significantly below goal

Alameda Hospital Balanced Score Card (FY 2016)

I. 30-Day Readmissions: (all diagnoses):

· **Successes:** Readmissions are down. Readmissions are calculated using readmission for any condition.

· **Continuing Opportunities for Improvement:** We did not find any trends on how the readmissions could have been prevented. AHS needs to develop Standard Work for readmissions reporting.

II. Medication Errors:

· **Continuing Opportunities for Improvement:** Work with nursing to make sure all Medicine Errors are entered into MedMarx.

III. HAPU:

· **Successes:** There have been no HAPUs for acute patients in coded data for ten months.

· **Successes:** The rate of LTC HAPUs continues to be low and far below the national benchmark. The successful LTC HAPU programs has healed three HAPUs on very complex sub-acute patients.

IV. FALLS:

· **Successes:** no falls were reported in occurrence management for October.

· **Successes:** continuing attention to the Falling Star program has reduced the number of Falls. All falls this month were at Water's Edge. These falls were related to the rehabilitation component of Water's Edge.

V. Infection Prevention:

· Data was not available.

VI. Core Measures:

· Starting with January 2015 discharges the Center for Medicare & Medicaid Services (CMS) will be retiring several chart abstracted measures including: Acute Myocardial Infarction (AMI-7a), Venous Thromboembolism (VTE-1, VTE-2, and VTE-3), and Stroke (STK-1, STK-2, STK-3, STK-5, STK-6, STK-8, and STK-10). The remaining chart abstracted measures are reduced to Stroke (STK-4), Venous Thromboembolism (VTE-5 & VTE-6), and Flu Immunization (IMM-2).
Please note that only two thirds of October cases have been abstracted due to ICD-10 implementation and eCQM validation; compliance scores for October will change by the following Senior Leader Visibility Report submission.

· **Successes: the** Venous Thromboembolism Measure Set Perfect Care was 96% for October.

· **Continuing Opportunities for Improvement** – Fall-outs Continuing Measures – 11: Seven (7) fallouts are due to a flu vaccination distribution issue. The flu vaccine was ordered but not available in the AH pharmacy until the end of October. Production or distribution limitations require documentation that meets CMS requirements in order to be excluded from the sampled population. Steps are being taken to ensure that there is training around vaccine distribution issues and documentation. Both during the their stay and at discharge.

VII. HCAHPS:

· Performance for "Rate the Hospital" is recovering from a twelve month low in September. Provider communication is prominent in AH's top five priority index items. Focus on physician interaction and Teach Back method will improve patients' perspective of how well doctors answered questions about their care. Hourly rounding and the "Adopt a Room" scripting will also be key in improving communication and anticipating patient needs. Discharge Information jumped from 68.6 to 95.8, while Communication about Medications dipped to 54.4 to 26.9.

VIII. ED Turn-Around-Times

· **Successes:** The monthly median Door to Doctor as measured by CEP continues to be below goal.

· **Continuing Opportunities for Improvement:** Door to Admit times continue to be high and are not meeting goals. Inpatient nursing staffing issues are causing patients to be boarded in the ED. There are also vacant nursing positions. A new nurse manager will be started in January. AHS needs to develop Standard Work on how Door-to-Doctor is measured across the system.

IX. Stroke Mean Times:

· Door to CT for Code Stroke: November times were 11, 16, and 21 minutes.

· Door to Alteplase: Alteplase was given 1 time in November with a door to drug time of 66 minutes. Minor delay due to neurologist requesting MRI in addition to head CT.

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, November 9, 2015 Regular Meeting

Board Members Present		Legal Counsel Present	Excused
Robert Deutsch, MD Tracy Jensen Jim Meyers, DrPH	Kathryn Sáenz Duke Michael Williams	Thomas Driscoll, Esq.	N/A
Submitted by: Kristen Thorson, District Clerk			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:35 p.m.	
II. Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.	
IV. Regular Agenda		
	A. Swearing-In | Oath of Office of Appointed District Board Member – Michael Williams	Michael Williams read the Oath of Office, was sworn into office and was seated with the Board of Directors.
	B. Special Presentations	
	1) Adoption of Resolution 2015-4: Special recognition of J. Michael McCormick Director Deutsch read the Resolution that recognized J. Michael McCormick for his service with the District Board of Directors, Alameda Hospital and the community of Alameda.	The Board did not formally adopt the resolution. It will take formal action at its next meeting.
	2) Petaluma Health Care District (PHCD) In response to an earlier invitation from the District Board, PHCD Board President Elece Hemple, and Chief Executive Officer Ramona Faith, presented an overview of the Petaluma Health Care District's structure and activities. It is an award-winning, community based healthcare district that convenes an 80 member advisory group, and works closely with the hospital it owns but has not managed for the past 18 years. Several members of the board and the public engaged in Q-A with the presenters after their prepared remarks. Copies of the presentation are available online with the Board packet or from the District Clerk.	No action taken

DRAFT

Topic	Discussion	Action / Follow-Up
C.	Consent Agenda Director Jensen noted that on page 29 of the packet and the August 3, 2015 Minutes, fourth paragraph under *2) Discussion on Next Steps for Recruitment of Support Personnel for District Operations,* there was an incomplete sentence. The Board agreed to strike that sentence form the minutes. The Clerk will make that correction for the record.	Director Jensen moved and Director Sáenz Duke seconded to accept the consent agenda, with the one revision suggested for August 3 minutes. The motion carried with two abstentions (Meyers and Williams)..
	1) Acceptance of August 3, 2015 Minutes	
	2) Acceptance of September 14, 2015 Minutes	
	3) Acceptance of October 7, 2015 Minutes	
	4) Acceptance of October 26, 2015 Minutes	
D.	Action Items	
	1) Nomination and Appointment of Two District Representatives to the City of Alameda / City of Alameda Health Care District (CAHCD) Liaison Committee Director Deutsch referred to memo on page 31 of the board packet and the Board discussed the process for nominating. There was discussion about the process and timing of the appointment prior to Election of Officers.	Director Jensen moved and Director Meyers seconded to appoint two representatives to the CAHCD Liaison committee with the City of Alameda, and that one of those representatives be the President and the other be appointed during the annual election of Officers. Motion approved unanimously.
	2) Acceptance of the September 30, 2015 Financial Statements Director Deutsch and Ms. Thorson presented the financial statements, noting that the financials are accrual based per the recommendation of accounting consultants. There was a variance in utilities due to a budgeting error. The Board requested a brief summary as part of the next set of financials to explain variances such as this.	Director Jensen moved and Director Sáenz Duke seconded to accept the Financial Statements. The motion carried with two abstentions (Meyers, Williams).
	3) Acceptance of the Vision 2015 Report and Recommendations Director Deutsch requested that the report be given and then any specific action on any recommendations be considered individually by the Board. Director Meyers and Director Sáenz Duke presented pages 36-72 of the Board packet and their Vision 2015 final report. After some general discussion about how to best to proceed, Mr. Driscoll advised that the Board	After discussion involving all directors, Director Williams moved and Director Sáenz Duke seconded to adopt the Vision 2015 Report's mission statement by revising bullets #2 and #4 on page 50 of the packet as

DRAFT

Topic	Discussion	Action / Follow-Up
	could accept the report as a whole, or take separate actions on the following items, 1) mission statement, 2) proposed bylaws (to be reviewed at next meeting), 3) Executive Director job description, 4) District Clerk/Administrative Associate job description and 5) Lead agent for Community Health. Director Meyers had a question regarding a one week public notice requirement for revising By Laws. It was agreed to have the Board's Counsel review the Vision 2015 report's suggested By Laws changes and make any revisions or corrections he deemed appropriate, then post that text at least one week prior to the next board meeting. Director Deutsch recommended that an additional liaison position be added to the By Laws: Alameda Hospital Liaison. This position would focus on issues relating to quality of care at Alameda Hospital. He also asked if any of the other Board members had suggested additions, revisions, or deletions to the current bylaws; no others were offered at that time. It was agreed to postpone any further discussion of by laws revisions until the next board meeting.	follows: • "Collect, disburse, review and ~~oversee~~ educate the community on use of parcel taxes collected under the authority of the District." • "And, to do any and all other acts and things necessary to carry out the provision of the~~se~~ Bylaws and the Local Health Care District Law." Director Meyers moved and Director Sáenz Duke seconded to accept the process as written on pages 53-54 with the provision that any expenditure of funds or engagement of executive search firm for hiring an Executive Director and District Clerk/ Associate Assistant would require an action made by the Board in open session. The motion carried with 4-1 (Jensen). Director Jensen moved and Director Williams seconded to accept the Vision 2015 Final Report with no further action on any further recommendations in the report. Motion approved unanimously.
At 7:52 p.m. Director Meyers left the meeting due to a family emergency.		
E.	Alameda Health System and Alameda Hospital Update	
	1) Alameda Health System Board of Trustees Report Director Jensen reported that the AHS Trustees and Executive Team have met with the County Board of Supervisors to discuss common goals, history, and communication	No action taken.

DRAFT

Topic	Discussion	Action / Follow-Up
	2) Chief Administrative Officer Report	
	a. Alameda Hospital Seismic Update Bobby Smith, AHS Construction Project Manager presented an update on the Seismic status for Alameda Hospital. Refer to pages 73-78 in the Board packet for presentation.	No action taken.
	b. Alameda Hospital Update i. Follow-Up on Request for Additional Information on Support Services Allocation Methodology David Cox, CFO had to leave the meeting. The discussion on the Request for Additional Information on Support Services Allocation Methodology will be deferred to a future meeting. Ms. Panlasigui reported on her recent presentation to the Alameda Chamber of Commerce Government Relations and Economic Development Committee. She summarized some recent uses of parcel tax revenues at Alameda Hospital, such capital projects, and purchase of equipment such as the new ICU and telemetry beds. She also announced that non-represented employees at Alameda Hospital are receiving a 5% wage increase (restoring a rollback from many years ago) and also a merit-based increase of 1%-5%.	No action taken.
F.	District Updates and Operational Updates	
	1) President's Report a. January 2015 Agenda Preview (Date TBD) 1. Election of Officers, including Review of Bylaws Section, Officer Roles and Responsibilities 2. Brown Act Education 3. Board Communication (Verbal/Written)	No action taken.
	2) Discussion on Timing for Joint District /Hospital Presentation to Alameda City Council, Including Presenter(s)	No action taken.
	3) Alameda County Special District Association Follow-Up Ms. Thorson referred to page 79 in the Board packet. Ms. Thorson noted that she will attend the meetings as the representative from the District and the Board of Directors will attend as their schedules permit. Ms. Thorson will provide updates to the Board on a regular basis.	No action taken.
III.	**General Public Comments**	None

DRAFT

Topic		Discussion	Action / Follow-Up
IV.	**Board Comments**		None
V.	**Adjournment** Being no further business the meeting was adjourned at 8:10 p.m.		

Attest:

Robert Deutsch, MD
1st Vice President
Acting President

Kathryn Sáenz Duke
Secretary

DRAFT

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, January 18, 2015 Regular Meeting

Board Members Present		Legal Counsel Present	Excused / Absent
Robert Deutsch, MD Tracy Jensen	Kathryn Sáenz Duke Michael Williams	Thomas Driscoll, Esq.	Jim Meyers, DrPH
Submitted by: Kristen Thorson, District Clerk			

DRAFT

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:36 p.m.	
II. Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.	
IV. Regular Agenda		
A. Consent Agenda		
	1) Adoption of Resolution 2015-4: Special recognition of J. Michael McCormick	Director Sáenz Duke moved and Director Jensen seconded to accept the consent agenda as presented. The motion carried.
B. ACTION ITEMS		
	1) Recommendation for Parcel Tax Transfer to Alameda Health System	Director Jensen moved and Director Williams seconded to approve the transfer of $2,889,017.70 to Alameda Health System. The motion carried with one abstention (Deutsch).
	2) Review, Discussion and Approval of Bylaws Revisions Approved Changes (additions noted in red underline and or deletions noted in red strikethrough): Article II, Section 3. Powers C. The Board of Directors shall have control of and be responsible for the management of all operations and affairs of this District and its facilities according to the best	Director Jensen moved and Director Sáenz Duke seconded to adopt the revisions to the bylaws with changes noted in the minutes. The motion carried.

Topic	Discussion	Action / Follow-Up
	interests of the public health. Notwithstanding the preceding sentence, eEffective May 1, 2014, pursuant to the terms of the JPA, the District turned over the license and day-to-day operations of Alameda Hospital to AHS. Nevertheless, should the District once again become the licensed operator of any health care facilities, it shall make and enforce all rules and regulations necessary for the proper administration, governance, protection and maintenance of any such health care facilities that may be under its jurisdiction. D. The Board of Directors may employ any officers or employees, including legal counsel, the Board of Directors deems necessary to properly carry on the business of the District. Should the District again become the operator of a healthcare facility with an organized Medical Staff, tThe Board of Directors shall determine membership on the Medical Staff, as well as approve the Bylaws for the self-governance of an organized Medical Staff, as provided in Article VI of these District Bylaws The Board of Directors will approve Medical Staff Bylaws, Rules and Regulations, Policies and Procedures, and other guidelines, which address the obligations and duties of the Medical Staff, regarding the provision, evaluation, and review of professional care within any hospital or other health care facilities operated by the District. Article III, Section 4, Secretary D. To serve, or cause to be served, all notices required either by law or these Bylaws., and iIn 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. Article V., Executive Director, Section 1. Selection The Board of Directors may select, employ and give the necessary authority to, a competent Executive Director ("Executive Director" or "ED") who shall be responsible for overseeing and directing the day-to-day management and operation of the District. In performing this task, the ED shall be held responsible for the administration of the District in all its activities and departments, subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. At least annually, the Board, or one or more of its duly authorized members, shall evaluate and review the performance of, and provide appropriate and timely feedback to, the ED.	
	3) Election of Officers	Election of Officers was deferred to the next meeting.

Topic	Discussion	Action / Follow-Up
C.	District Updates & Operational Updates	
	1) Review of November 9, 2015 Minutes	No action taken.
	2) Brown Act Education and Discussion	Agenda item was deferred t the next regular meeting which is scheduled for April 11, 2016.
	3) Discussion of Board Communication (Written/Verbal)	No action taken.
	4) President's Report	
	a. February 1, 2016 Agenda Preview 1. AHS Follow-Up on Request for Additional Information 2. AHS Quarterly Reporting 3. Alameda Hospital CAO Report 4. FYE June 30, 3015 Audit 5. December 2015 & YTD District Financials 6. Review and Approval of Engagement Letter with CHW, LLP for Accounting and Business Consulting Services 7. Executive Director Search Committee Update / Follow-Up from November 9, 2015 8. Verbal Report on Alameda County Special District Association Meetings	The Auditor, Rick Jackson will be available by phone for questions relating to the audit. Director Jensen requested the meeting be moved to an alternate date due to a personal conflict. The Board discussed moving the meeting to February 8, 2016. The District Clerk will poll the Board to confirm February 8, 2106.
III.	**General Public Comments** Tony Corica, Director of Physician Relations for Alameda Health System announced that he was retiring after 40 years working at Alameda Hospital on February 1, 2016.	No action taken.
IV.	**Board Comments** Director Deutsch commented that Mr. Corica is truly the soul of Alameda Hospital and the community.	No action taken.
V.	**Adjournment** Being no further business the meeting was adjourned at 6:36 p.m.	

Attest:

Robert Deutsch, MD
1st Vice President

Kathryn Sáenz Duke
Secretary

Acting President

DRAFT

Audited Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2015

Audited Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2015

Management's Discussion and Analysis 1

Report of Independent Auditors 3

Balance Sheets 5

Statements of Revenues, Expenses, and Changes in Net Position 6

Statements of Cash Flows 7

Notes to Financial Statements 9

Management's Discussion and Analysis

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2015

The management of the City of Alameda Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2015 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 District's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2015 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

Financial Highlights

For the first full year of operations ending June 30, 2015 (without patient care activities), the District took in $5.7 million in parcel taxes from the County of Alameda and $174,000 in rental and other income. District expenses were $846,000 and transfers to the Alameda Health System were $3.6 million, leaving the District with an increase in net position for the year of $1.5 million.

For the year ended June 30, 2014, from July 1, 2013 through April 30, 2014, the District continued to operate the Alameda Hospital. Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors through a joint powers agreement. The agreement called for the transfer of specific assets and liabilities of the District to AHS which were related to the operations of the Alameda Hospital. The District maintained ownership of the Alameda Hospital land and real property (buildings and fixed equipment). The transfer included, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action, together with all the rights and privileges in any way belonging thereto, free and clear of all encumbrances. Through this affiliation, the District will continue to support the providing of health care services to those individuals, primarily, who reside in the local geographic area.

The District will also continue to operate as a health care district which will allow for the continued collection of parcel taxes and certain rental income from which the District will pay certain operating expenses. Excess earnings will be remitted to AHS in order to support the operations of the Alameda Hospital by AHS.

Balance Sheet

As of June 30, 2015, the District's current assets are comprised of $292,794 in operating cash, $291,854 in parcel taxes receivable due from the County of Alameda, and $88,075 of prepaid expenses, most of which will expire during the next fiscal year. Other assets include cash and cash equivalents of $255,304 which are restricted for specific purposes and $3,650,181 of capital assets, net of accumulated depreciation. Current liabilities of the District include $26,940 of current maturities of debt borrowings and $5,653 of various accounts payable due to certain vendors. Long-term debt borrowings amount to $1,031,855.

As of June 30, 2014, the District's current assets are comprised of $30,136 in operating cash and $291,283 in parcel taxes receivable. Other assets include cash and cash equivalents of $323,821 which are restricted for specific purposes and $4,089,001 of capital assets, net of accumulated depreciation. Current liabilities of the District include $1,525,808 of current maturities of debt borrowings and $117,592 of various accounts payable due to certain vendors and to AHS. Long-term debt borrowings amount to $1,058,793

Statements of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2015 and 2014, the District realized an increase in net position of $1,479,471 and a decrease in net position of $(3,592,182), respectively. The 2015 year approximated budget and expectations while the 2014 year was the year which had 10 months of continued patient care operations which contributed greatly to that year's decrease in net position.

As previously mentioned, the District operated Alameda Hospital through April 30, 2014. At that time, the District suffered a $3.7 million loss from total District transactions. From May 1, 2014 to June 30, 2014, the District, after turning over hospital operations to AHS, was able to realize a small gain from District operations of just over $100,000 to end the year with an approximate $3.6 million loss.

The District annual budget going forward, without the operations of the Hospital, has been set at $5.78 million in revenue from parcel taxes and $167,000 in rental income. Operating expenses are expected to be approximately $600,000 a year. The approximate excess of approximately $5.3 million will be remitted to AHS to help support the operations of the Alameda Hospital, formerly operated by the District.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership
1111 East Herndon Avenue, Suite 211, Fresno, California 93720
Voice: (559) 431-7708 Fax: (559) 431-7685 Email: rjctcpa@aol.com

Report of Independent Auditors

The Board of Directors
City of Alameda Health Care District
Alameda, California

We have audited the accompanying financial statements of the City of Alameda Health Care District, (the District) which comprise the balance sheets as of June 30, 2015 and 2014, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, except for the matters discussed above, the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2014, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

JWT & Associates, LLP

Fresno, California
November 20, 2015

Balance Sheets

CITY OF ALAMEDA HEALTH CARE DISTRICT

	June 30	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	$ 292,794	$ 30,136
Other receivables	291,854	291,283
Prepaid expenses and deposits	88,075	
Total current assets	672,723	321,419
Assets limited as to use	255,304	323,821
Capital assets, net of accumulated depreciation	3,650,181	4,089,001
	4,578,208	4,734,241
Deferred outflows of resources	16,433	18,674
	$ 4,594,641	$ 4,752,915
Liabilities		
Current liabilities:		
Current maturities of debt borrowings	$ 26,940	$ 1,525,808
Accounts payable and accrued expenses	5,653	117,592
Total current liabilities	32,593	1,643,400
Debt borrowings, net of current maturities	1,031,855	1,058,793
	1,064,448	2,702,193
Deferred inflows of resources		
Net position		
Invested in capital assets, net of related debt	3,650,181	4,089,001
Restricted, by contributors	255,304	323,821
Unrestricted (deficit)	(375,292)	(2,362,100)
Total net position	3,530,193	2,050,722
	$ 4,594,641	$ 4,752,915

See accompanying notes and auditor's report

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	2015	2014
Operating revenues		
Net patient service revenue		$ 62,305,265
Other operating revenue	$ 172,112	2,070,492
Total operating revenues	172,112	64,375,757
Operating expenses		
Salaries and wages		36,577,714
Registry		1,730,225
Employee benefits		10,803,522
Professional fees	113,103	4,749,710
Supplies	3,906	8,204,653
Purchased services	11,113	5,607,165
Building and equipment rent	22,150	2,033,350
Utilities and phone	7,148	833,217
Insurance	82,515	354,358
Depreciation and amortization	455,541	1,030,310
Other operating expenses	79,170	1,232,147
Total operating expenses	774,646	73,156,371
Operating loss	(602,534)	(8,780,614)
Nonoperating revenues (expenses)		
District tax revenues	5,737,100	5,111,449
Investment income	1,990	13,941
Interest expense	(71,360)	(238,461)
Other non-operating income		301,503
Transfers to AHS	(3,585,725)	
Total nonoperating revenues (expenses)	2,082,005	5,188,432
Increase (decrease) in net position	1,479,471	(3,592,182)
Net position at beginning of the year	2,050,722	5,642,904
Net position at end of the year	$ 3,530,193	$ 2,050,722

See accompanying notes and auditor's report

Statements of Cash Flows

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	2015	2014
Cash flows from operating activities:		
Cash received from patients and third-parties on behalf of patients		$ 70,550,188
Cash received from operations, other than patient services	$ 171,541	2,551,258
Cash payments to suppliers and contractors	(519,119)	(35,321,637)
Cash payments to employees and benefit programs		(52,664,388)
Net cash (used in) operating activities	(347,578)	(14,884,579)
Cash flows from noncapital financing activities:		
District tax revenues	5,737,100	5,111,449
Transfers to AHS	(3,585,725)	
Grants, contributions and other nonoperating revenues		301,503
Net cash provided by noncapital financing activities	2,151,375	5,412,952
Cash flows from capital financing activities:		
Purchase and transfer of capital assets, net of loss on disposals	(14,480)	4,429,666
Proceeds from debt borrowings		1,500,000
Principal payments on debt borrowings	(1,525,806)	(1,006,970)
Interest payments on debt borrowings	(71,360)	(238,461)
Net cash (used in) capital financing activities	(1,611,646)	4,684,235
Cash flows from investing activities:		
Net change in assets limited as to use and other assets	68,517	(134,066)
Investment income	1,990	13,941
Net cash provided by (used in) investing activities	70,507	(120,125)
Net increase in cash and cash equivalents	262,658	(4,907,517)
Cash and cash equivalents at beginning of year	30,136	4,937,653
Cash and cash equivalents at end of year	$ 292,794	$ 30,136

See accompanying notes and auditor's report

Statements of Cash Flows (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	2015	2014
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss)	$ (602,534)	$ (8,780,614)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	455,541	1,030,310
Provision for bad debts		7,938,532
Changes in operating assets and liabilities:		
Patient accounts receivables		4,413,466
Other receivables	(571)	6,212,035
Inventories		1,266,892
Prepaid expenses and deposits	(88,075)	458,826
Accounts payable and accrued expenses	(111,939)	(11,588,233)
Accrued payroll and related liabilities		(5,283,152)
Estimated third party payor settlements		(4,107,075)
Deferred inflows of resources		(5,731,269)
Health insurance claims payable (IBNR)		(714,297)
Net cash provided by operating activities	$ (347,578)	$(14,884,579)

See accompanying notes and auditor's report

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: The City of Alameda Health Care District, (d.b.a. Alameda District), heretofore referred to as (the District) is a public entity organized under Local District District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the boundaries of the health care district to specified terms of office. The District is located in Alameda, California.

Through April 30, 2014, the District operated Alameda Hospital (the Hospital), which comprised a 100-bed acute care facility, a 35-bed sub acute unit within the Hospital, a 26-bed skilled nursing facility adjacent to the Hospital campus and another 120-bed skilled nursing facility near the Hospital campus which the District took over operations of in August, 2012. Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors, through a joint powers agreement (the affiliation agreement). Through this affiliation with AHS, the District will continue to provide health care services primarily to individuals who reside in the local geographic area.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

Management's Discussion and Analysis: The management's discussion and analysis is a narrative introduction and analytical overview of the District's financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management's discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Recent Pronouncements: The District has incorporated the following recent GASB issued statements within this financial statement presentation: (1) GASB 61 - *The Financial Reporting Entity: Omnibus* which helps better define financial presentation and component units; GASB 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which supercedes GASB 20; GASB 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position - which establishes new standards involving consumption of net position and the acquisition of net position, both of which are applicable to future periods as well as further defining net position (formerly net assets); and is reviewing the impact of GASB 65 - *Items Previously Reported as Assets and Liabilities* once it is adopted next year as it may cause restatement of the June 30, 2013 net position by restating amounts related to unamortized debt issuance costs previously reported as assets. For purposes of financial statement presentation, deferred outflows are shown with the assets of the District on the balance sheet and deferred inflows are considered deferred revenues and grouped with the liabilities of the District on the balance sheet. No other adoptions of these pronouncements materially affected the District's financial statements.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

Assets Limited as to Use: Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

Risk Management: The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters. In the case of employee health coverage, the District is self-insured for those claims and is discussed further in the footnotes.

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 40 years for buildings and improvements, and 3 to 10 years for major moveable equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2015 and 2014, the District has determined that no capital assets are impaired.

Net Position: Net position is presented in three categories. The first category is net position "invested in capital assets, net of related debt". This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is "restricted" net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is "unrestricted" net position. This category consists of net position that does not meet the definition or criteria of the previous two categories.

District Tax Revenues: The District receives much of its financial support from parcel taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Parcel taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Parcel taxes are considered delinquent on the day following each payment due date.

Operating Revenues and Expenses: The District's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

NOTE B - CASH AND CASH EQUIVALENTS

As of June 30, 2015 and 2014, the District had deposits invested in various financial institutions in the form of cash and cash equivalents in the amounts of $548,098 and $353,957 respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for $250,000 per account that is federally insured.

The CGC and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

NOTE C - NET PATIENT SERVICE REVENUES

The District had agreements with third-party payors that provide for payments at amounts different from its established rates. Effective May 1, 2014, those agreements transferred to AHS according to the affiliation agreement. A summary of the payment arrangements with major third-party payors follows:

Medicare: Payments for inpatient acute care services rendered to Medicare program beneficiaries are based on prospectively determined rates, which vary accordingly to the patient diagnostic classification system. Outpatient services are paid under an outpatient classification system subject to certain limitations. Certain reimbursement areas are still subject to final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. At June 30, 2013, cost reports through June 30, 2010 have been final settled. Effective May 1, 2014, all open settlements with Medicare were transferred to AHS per agreement.

Medi-Cal: For traditional Medi-Cal (non-HMO) services, payments for inpatient services rendered to patients were made based on reasonable costs through May 5, 2010. Effective May 6, 2010, the District entered into a contract under the Selective Provider Contracting Program administered by the California Medical Assistance Commission (CMAC), to receive payments for inpatient services based upon an established rate. The District was paid at an interim rate with final settlement determined after submission of annual cost reports and audits thereof by Medi-Cal. Effective October, 2011, the District returned to a cost-based program. At June 30, 2013, cost reports through June 30, 2011, have been final settled. Outpatient payments are based on a pre-determined fee schedule and Medi-Cal HMO services are paid on a pre-determined rate and are not subject to cost reimbursement. Effective May 1, 2014, all open settlements with the State were transferred to AHS per agreement.

NOTE C - NET PATIENT SERVICE REVENUES (continued)

Other: Payments for services rendered to other than Medicare and Medi-Cal patients are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

Net patient service revenues for the year ended June 30, 2014 are summarized below by service line. There were no patient revenues for the year ended June 30, 2015.

Patient services	$270,247,719
Gross patient service revenues	270,247,719
Less deductions from revenue and related allowances	(207,942,454)
Net patient service revenues	$ 62,305,265

Medicare and Medi-Cal revenue accounts for approximately 40% of the District's net patient revenues for each year. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Effective May 1, 2014, all patient revenues were transferred to AHS per agreement.

NOTE D - CONCENTRATION OF CREDIT RISK

The District receives approximately 97% of their revenues from the County of Alameda under the parcel taxing program. These funds are used to support operations and meet required debt service agreements. Parcel taxes are levied by the County on the District's behalf during the year. Parcel taxes are secured by properties within the District, management believes that there is no credit risk associated with these parcel taxes.

NOTE E - OTHER RECEIVABLES

Other receivables as were comprised of the following Alameda County parcel taxes in the amounts of $291,854 and $291,283 as of June 30, 2015 and 2014, respectively.

NOTE F - ASSETS LIMITED AS TO USE

Assets limited as to use are related to the Jaber agreement as described in Note G and were comprised of cash and cash equivalents in the amounts of $255,304 and $323,821 as of June 30, 2015 and 2014, respectively.

NOTE G - CAPITAL ASSETS

The District received two parcels of improved rental-real estate by court order dated December 3, 2003, pursuant to the terms of the Alice M. Jaber 1992 Trust. As successor to the former non-profit Alameda Hospital, the District has agreed to abide by the terms of the Trust Agreement. The Trust Agreement and the will of Alice M. Jaber require the District to account for the property as part of the Abraham Jaber and Mary A. Jaber Memorial Fund. Among other things, the District is prohibited from selling all or any portion of the parcels received until after the death of certain named family members and, if the property is sold, it may not be sold to any descendant, spouse or relative to the third degree of any such descendant of a named family member. The net carrying value of this property is $849,828 and $909,792 at June 30, 2015 and 2014, respectively. Capital assets as of June 30, 2015 and 2014 were comprised of the following:

	Balance at June 30, 2014	Transfers & Additions	Retirements	Balance at June 30, 2015
Land and land improvements	$ 1,376,954			$ 1,376,954
Buildings and improvements	25,505,075	$ 14,960		25,520,035
Equipment	3,739,728			3,739,728
Construction-in-progress				
Totals at historical cost	30,621,757	14,960		30,636,717
Less accumulated depreciation	(26,532,756)	453,780		(26,986,536)
Capital assets, net	$ 4,089,001	$ (438,820)	$	$ 3,650,181

	Balance at June 30, 2013	Transfers & Additions	Retirements	Balance at June 30, 2014
Land and land improvements	$ 1,376,954			$ 1,376,954
Buildings and improvements	25,003,463	$ 501,612		25,505,075
Equipment	20,266,871	(16,527,143)		3,739,728
Construction-in-progress	3,531,248	(3,531,248)		
Totals at historical cost	50,178,536	(19,556,779)		30,621,757
Less accumulated depreciation	(40,632,368)	14,099,612		(26,532,756)
Capital assets, net	$ 9,546,168	$ (5,457,167)	$	$ 4,089,001

NOTE H - DEBT BORROWINGS

As of June 30, 2015 and 2014, debt borrowings were as follows:

	2015	2014
Note payable to a AHS; principal and interest at 5.25% due upon receipt of December, 2014 parcel taxes, collateralized by District taxes:		$ 1,500,000
Note payable to a bank; principal and interest at 4.75% due in monthly installments of $6,457 through October 15, 2022; collateralized by District property:	$ 1,058,795	1,084,601
Other debt borrowings		
	1,058,795	2,584,601
Less current maturities of debt borrowings	(26,940)	(1,525,808)
	$ 1,031,855	$ 1,058,793

Future principal maturities for debt borrowings for the next succeeding years are: $26,940 in 2016; $28,405 in 2017; $29,804 in 2018; $31,271 in 2019; and $32,688 in 2020.

NOTE I - RELATED PARTY TRANSACTIONS

The Alameda Hospital Foundation (the Foundation), has been established as a nonprofit public benefit corporation under the Internal Revenue Code Section 501 c (3) to solicit contributions on behalf of the District. Substantially all funds raised except for funds required for operation of the Foundation, are distributed to the District or held for the benefit of the District. The Foundation's funds, which represent the Foundation's unrestricted resources, are distributed to the District in amounts and in period determined by the Foundation's Board of Trustees, who may also restrict the use of funds for District property and equipment replacement or expansion, reimbursement of expenses, or other specific purposes. Donations in this regard were $203,300 for the years ended June 30, 2013. There were no donations through April 30, 2014. Effective May 1, 2014, any further donations by the Foundation will be made directly to AHS according to the affiliation agreement. The Foundation is not considered a component unit of the District as the Foundation, in the absence of donor restrictions, has complete and discretionary control over the amounts, the timing, and the use of its donations to the District and management does not consider the assets to be material to the District.

NOTE J - RETIREMENT PLANS

As the District no longer has employees, there were no related retirement plans in place as of June 30, 2015. For 2014, all contributions have been transferred to AHS according to the affiliation agreement as AHS has assumed stewardship over all retirement plans for the former Alameda Hospital employees. The District no longer employeed as of May 1, 2014.

NOTE K - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2015 and 2014, the District has no commitments under any construction-in-progress projects for various remodeling, major repair, certain expansion projects on the District's premises.

Operating Leases: The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2015 and 2014, were $22,150 and $2,033,350, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2015 and 2014 are not considered material as AHS has assumed responsibility for the significant leases associated with patient care effective May 1, 2014 according to the affiliation agreement. Other District lease or rent agreements that have initial or remaining lease terms in excess of one year are not considered material.

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2015 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

Risk Management Insurance Programs: AHS has assumed responsibility for all employee-related insurance programs effective May 1, 2014. The District has purchased tail coverage on other specific types of insurance where appropriate in conjunction with the affiliation agreement in order to prevent any lapse in coverage.

Seismic Retrofit: The California District Facilities Seismic Safety Act (SB 1953) specifies certain requirements that must be met at various dates in order to increase the probability that a California District can maintain uninterrupted operations following a major earthquake. Effective May 1, 2014, AHS has assumed responsibility for seismic retrofit according to the affiliation agreement.

NOTE L - AFFILIATION AGREEMENT

District management has had ongoing financial challenges operating a small general acute care District with 24-hour emergency services in this very competitive health care environment. The current and future changes brought about by healthcare reform at both the State and Federal levels, as well as other regulatory requirements and reimbursement reductions greatly compounded the challenges facing the District. Furthermore, the District is in need of capital resources to assist with required seismic retrofits, electronic health record implementation and other deferred facility and equipment replacements. Due to this situation, the District Board of Directors executed an affiliation agreement with a local health care system during the year ended June 30, 2014.

Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors through a joint powers agreement. The agreement called for the transfer of specific assets and liabilities of the District to AHS which were related to the operations of the Alameda Hospital. The District maintained ownership of the Alameda Hospital land and real property (buildings and fixed equipment). The transfer included, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action, together with all the rights and privileges in any way belonging thereto, free and clear of all encumbrances. Through this affiliation, the District will continue to support the providing of health care services to those individuals, primarily, who reside in the local geographic area.

Transfers made to AHS related to this affiliation agreement for the year ended June 30, 2015 amounted to $3,585,725.

NOTE M - DISCONTINUED OPERATIONS

The District discontinued operating the Alameda Hospital effective April 30, 2014. The loss from these discontinued operations was approximately $3.7 million at that time.

The District will continue to operate as a health care district which will allow for the continued collection of parcel taxes and certain rental income from which the District will pay certain operating expenses. Excess earnings will be remitted to AHS in order to support the operations of the Alameda Hospital by AHS.

NOTE N - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through November 20, 2015, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

Date: February 8, 2016

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

From: Kristen Thorson, District Clerk

Subject: Election of District Officers

The annual election of City of Alameda Health Care District Officers is scheduled to take place at the February 8, 2016 Board Meeting

Article III, Section 1., Officers of the District Bylaws provides for the election of District Officers. 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.

The following is a list of the current officers:

Current Office	Board Member Name
President	Vacant[1]
1st Vice President	Robert Deutsch, MD
2nd Vice President	Tracy Jensen
Treasurer	Vacant[2]
Secretary	Kathryn Sáenz Duke

[1] Vacant due to resignation of J. Michael McCormick from the Board on September 1, 2015
[2] Vacant due to the resignation from the Office of Treasurer by Jim Meyers, DrPH on December 23, 2015

Acting President, Robert Deutsch, MD will ask for nominations for each office beginning with President and proceed with discussion and voting for each office. The nominations, discussion and voting will continue in the following order outlined below.

Please note from the Bylaws: *"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."*

There are eight (8) and five (5) members of the Board of Directors.

Offices
President
1st Vice President
2nd Vice President
Secretary
Treasurer
Alameda Health System Liaison
Community Health Liaison
Alameda Hospital Liaison

DATE: February 8, 2016

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Review and Approval of Engagement Letter with CHW, LLP for Accounting and Business Services

---

Action

Approval of Engagement Letter with CHW, LLP for accounting and business services at a monthly rate of $1,000.

Background

The District has an agreement with KHJC & Partners for accounting consulting and services. In 2015, the consultant formed a professional accounting firm with two other partners. The new firm name is CHW, LLP. CHW is systematically getting all clients to re-contract under the new name.

The new agreement proposes a monthly rate of $1,000 and increase of $250 over the previous agreement. The increase is primarily due to the level of assistance required in preparing the financials on a monthly basis. The consultant ensures that expenses and revenues are being accounted for appropriately, prepares the financials, analyzes the Jaber property statements, provides business consultation as well as performs checks and balances for the District's accounting activities.

I believe the services provided by the firm are needed. With the addition of an Executive Director and full-time Clerk the level of assistance needed may be reduced but until that time the firm provides a needed function for the District.

The additional expenditure of $1,750 for seven months (December 2016 – June 2017) is not budgeted under the Accounting line item however the District saved $1,500 in travel expenses for the annual audit and there are several line items under budget for the year that would cover the remaining $250 of additional expense.

Note that the agreement may be terminated at any time without cause with 60 day notice.

Enclosed is a copy of the agreement for reference.

CHW LLP
Healthcare Audit, Tax & Consulting Services

7797 First Street, #15, Fresno, California 93720
Phone: 559.549.5400 Email: info@chwllp.org

December 1, 2015

Kristen S. Thorson
District Clerk
City of Alameda Health Care District
2070 Clinton Ave,
Alameda CA 94501

RE: Engagement Letter for Accounting and Business Consulting Services

Dear Ms. Thorson:

After speaking with you, regarding *City of Alameda Health Care District's* need for professional accounting and business consulting services we have prepared an engagement letter for your review outlining our professional services that our firm CHW, LLPwill perform for City of *Alameda Health Care District* (District). We understand that the District is a California Health Care District organized under California Local Health District Law, California Health and Safety Code 32000 *et seq*. The District entered into a Joint Powers Agreement with Alameda Health System "AHS" effectively transitioning the operating control of the hospital operation and hospital assets to AHS. Due to the transition the District is in need of monthly accounting and reporting assistance.

Professional Services:

Our firm will assist the District by providing accounting and consulting services as outlined in Exhibit B. Exhibit B has been provided to illuminate scope, deliverables and our expectations of the District.

Our staff of professionals will provide verbal consultations and/or written reports as directed by the District on issues relating to the accounting and consulting project.

Timing:

Our staff will begin upon return of the executed Engagement Letter. Our timely completion depends on the level and timing of assistance you provide us in accumulating information and responding to our inquiries. District acknowledges that any inaccuracies or delays in providing this information or the responses may result in an untimely report filing. Our professional staff will be available for telephone or personal conferences as requested by the District. All written reports or evaluations will be provided to the District in a timely manner subject to the limitations set forth in this paragraph.

Other Matters:

This engagement is not intended to evaluate the effectiveness of your controls over compliance with Medicare, Medicaid, IRS or other laws or regulations, or the degree of compliance with those laws or regulations. You agree to advise us of any adverse communications from regulators or third parties, including legal counsel, which may affect compliance with laws and regulations related to your reports.

Other Matters (continued):

You agree to assume full responsibility for the substantive outcomes and results of the services provided by CHW, LLP, as described in this engagement letter. This includes, without limitation, any findings that may result. Nothing in this agreement and nothing in our statements to you will or should be construed as a promise or guarantee about the outcome of your engagement. We make no such promises or guarantees.

Our engagement is not designed or intended to prevent or detect errors, fraud, illegal acts or misappropriation of assets, although if detected, we will promptly report same to the District. The District is responsible for establishing and maintaining effective internal control over financial reporting and setting the proper tone; creating and maintaining a culture of honesty and high ethical standards; and establishing appropriate controls to prevent, deter and detect fraud, illegal acts and/or noncompliance with laws and regulations. Because of the limits in any internal control structure, errors, fraud, illegal acts or instances of noncompliance may occur and not be detected. Likewise, existing procedures could in the future become inadequate because of changes in conditions or deterioration in design or operation. It is also possible that employees, consultants or others involved in the operation of the District might circumvent controls or management may override the system.

You agree to be truthful with us, to cooperate with and be responsive to us, to keep us informed of all material changes in facts affecting this engagement, to abide by this agreement, and to pay our bills on time. You agree that if you violate any of your duties, we may withdraw from this engagement and be entitled to payment for all work done prior to withdrawal.

You agree to indemnify and hold harmless CHW, LLP and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement, except to the extent resulting from the negligent, intentional or deliberate misconduct of CHW, LLP personnel. Any liability of CHW, LLP and its personnel to you is limited to the total amount of the fees you paid for this engagement as liquidated damages.

Our engagement letter compensation is based on completion of the intended scope of project and dedicated time to this project. Either of us may terminate these services at any time. Both of us must agree, in writing, to any future modifications or extensions. If services are terminated, you agree to pay us for time expended to date plus charges for travel, long-distance telephone, copies, etc., through the date the termination is effective.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect. This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and CHW, LLP.

If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, we agree to make available to the Secretary of Health and Human Services, or to the Comptroller General, or any of their duly authorized representatives such of our billing records as are necessary to certify the nature and extent of our services, until the expiration of four years after the furnishing of these services.

Professional Fees:

Our professional fees are based on hourly rates times the number of hours incurred to perform the work requested by the District. Hourly rates range from $95.00 to $245.00. Notwithstanding the previous sentence, we have proposed a monthly flat rate as set forth on Exhibit A. Any out-of-pocket expenses will be made only with the prior written approval of the District and will be billed to the District in addition to the proposed engagement fee; we expect these expenses to be minimal.

Our pricing for this engagement and our fee structure is based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt.

If our work is suspended or terminated as a result of non-payment, you agree we will not be responsible for any consequences to you.

If this Engagement letter meets with your satisfaction, please sign below and return to:

CHW, LLP
7797 N First St., #15
Fresno, CA 93720

We look forward to serving you. Please give me a call if you have any questions or concerns regarding this Engagement Letter. Our phone number is (559) 549-5400, extension 5 and fax (559) 431-7685.

CHW, LLP		J. Michael McCormick, President City of Alameda Health Care District	
____________________	__________	____________________________	__________
Signature	Date	Signature	Date

City of Alameda Health Care District
Exhibit A

The monthly rate for professional time in preparation, planning and providing general accounting, reporting and business consultation is $1,000 per month.

Travel and out of pocket expenses are in addition to the professional fee arrangement and will be made only with the prior written approval of the District.

The agreement will be initially for a period of 12 months from date signed. Nevertheless, either party may terminate this agreement at any time without cause with a 60 day notice.

City of Alameda Health Care District
Exhibit B

SCOPE of WORK

- Assist in transitioning from the detailed books that were required by the District when it operated its hospital to (and assist in setting up) initial, functioning books of account (QuickBooks) for the District as now configured.
    - Including: two on-site training sessions by CHW staff with the District Clerk.
- Provide general accounting services and review of detailed accounting transactions.
- Provide monthly reporting of the District's financial activities. The financial statements will include a Balance Sheet, Statement of Operation and Statement of Cash Flows.
- Make ourselves available to address any accounting or reporting transaction inquiry from management.
- Provide observations and recommendations related to the accounting practices and procedures of the District that promote efficient and accurate financial reporting.

DELIVERABLES

- Provide reasonable access to consultant by phone, email or fax.
- Prepare financial statements which include a Balance Sheet, Statement of Operation and Statement of Cash Flows. This reporting will be completed monthly.
- Complete the review and reconciliation of all cash accounts between bank and District's books and records.

DATE: February 8, 2016

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Selection of Executive Director Search Committee and Review of Proposed Charter

---

Recommendation

I propose that the President (elected on February 8, 2016) select a Search Committee at the meeting and then review and discuss the proposed charter with the full board to determine next steps.

Background

At the November 9, 2015 Meeting of the District Board, a general process and timeline for the selection of an Executive Director was approved as indicated below.

Approve the draft ED Job Description	Approved 11/9/15
Board President to Select Search Committee to Oversee Executive Hiring Firm Process • Make Job Description changes as needed • Complete search process in February – with identification of at least two finalists for full board interview process	
Special Board Meeting in February for final interview of candidates and board vote	
Hire a new Executive Director by March 2016	

Director Sáenz Duke has drafted a proposed charter (attached) for the Search Committee. This draft is intended as a starting point for discussion by the Board as they move forward in the selection of an Executive Director.

Charter for an Ad Hoc ED Search Sub?- Committee

The Board appoints two members to act as an ED Search Committee with the following scope of work:

a) To work with the District Board members to plan and implement a search for the District's first Executive Director. This would be a .5 FTE position specifically supported by the FY 2015-16 District budget;

b) To regularly report to, and solicit input from the Board on, the design and progress of this search;

c) To select and work with an appropriately experienced executive search consultant to help draft a job description and carry out the ED search;

d) To pay the search consultant only with funds specifically approved by the Board for ED Search use;

e) To communicate with and involve the entire Board in choosing criteria for the final candidates for the ED position,

f) To develop a process for appropriately involving District board members, plus possibly Alameda community members and/or current or former AHS staff, in selecting one or more final candidates for the ED position,

g) To bring to the board at a public meeting the name and qualifications of the ED candidate(s) proposed by the Search Committee,

h) To aim to complete the ED selection process and have a new ED in place at the District by June 1.

DRAFT

CITY OF ALAMEDA
HEALTH CARE DISTRICT
BYLAWS

Adopted November, 2003

Amended January 18, 2016

CITY OF ALAMEDA HEALTH CARE DISTRICT
BYLAWS

ARTICLE I

NAME & ADDRESS, AUTHORITY, PURPOSE & SCOPE

Section 1. Name & Address

A. The name of this District shall be the "City of Alameda Health Care District."

B. The principal office for the transaction of business of the District is 2070 Clinton Avenue, Alameda, Alameda County, California.

C. These Bylaws shall be known as the "District Bylaws."

D. The City of Alameda Health Care District may be referred to as "the District" in these Bylaws.

Section 2. Authority

A. On April 9, 2002, registered voters in the City of Alameda, by greater than two-thirds vote, created the City of Alameda Health Care District. The measure was authorized for vote by both Title 5, Division 3 of the Government Code, hereinafter described as the Cortese-Knox-Hertzberg Local Government Reorganization Act, and by the Alameda County Local Agency Formation Commission in accordance with the provisions of Division 23 of the Health and Safety Code, hereinafter described as the Local Health Care District Law.

B. The District was organized on July 1, 2002 and has operated under the authority of the Local Health Care District Law since that date.

C. To facilitate the preservation of Alameda Hospital as a health care resource in Alameda County, the District and the Alameda Health System ("AHS) entered into a Joint Powers Agreement ("JPA") on November 26, 2013, pursuant to which they agreed, by the joint exercise of their common statutory powers, to operate health care facilities in the District and, effective May 1, 2014, to provide for the continuing operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital, which included, among other things, responsibilities for licensure, governance, operation, administration, financial management and maintenance (including, but not limited to, compliance with ongoing regulatory and seismic requirements to the extent set forth therein) of Alameda Hospital, all for the benefit of the communities that both parties serve.

D. These Bylaws are adopted in conformance with and subject to the provisions of the Local Health Care District Law. In the event of a conflict between these Bylaws and the Local Health Care District Law, the latter shall prevail.

Section 3. Mission & Scope

A. The City of Alameda Healthcare District's Mission is:

- Oversee the maintenance and operation of, a District-owned hospital and other District-owned health care facilities.
- Collect, disburse, review and educate the community on the use of parcel taxes collected under the authority of the District.
- To be a leader for the health and well-being of the residents of and visitors to the District.
- And, to do any and all other acts and things necessary to carry out the provisions of the Health Care District Bylaws and the Local Health Care District Law.

B. Title to Property. The title to all property of the District shall be vested in the District, and the signature of the President authorized at any meeting of the Board of Directors shall constitute the proper authority for the acquisition or sale of property, or for the investment or other disposal of funds which are subject to the control of the District.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Eligibility, Number of Directors

The Board of Directors shall have five (5) members each of whom shall reside in the District and shall be registered to vote in the District.

Section 2. Election

A. An election shall be held on the first Tuesday after the first Monday in November in each even-numbered year except during the first year of the District's organization.

B. The election of the Board of Directors shall be conducted as provided in the Local Health Care District Law, the Uniform District Election Law and the Elections Code, as applicable.

Section 3. Powers

A. The Board of Directors shall have all of the powers given to it by the Local Health Care District Law.

B. These Bylaws shall prevail in the event of conflict with any Constitution, Bylaws, Rules or Regulations of any District controlled facility or organization.

C. The Board of Directors shall have control of and be responsible for the management of all operations and affairs of this District and its facilities according to the best interests of the public health. Notwithstanding the preceding sentence, e~~E~~ffective May 1, 2014, pursuant to the terms of the JPA, the District turned over the license and day-to-day operations of Alameda Hospital to AHS. Nevertheless, should the District once again become the licensed operator of any health care facilities, it shall make and enforce all rules and regulations necessary for the proper administration, governance, protection and maintenance of any such health care facilities that may be under its jurisdiction.

D. The members of the Board of Directors shall not exercise the authority of the District unless they are acting in their official capacity as members of the Board of Directors during Board of Director meetings, or meetings of authorized committees of the Board of Directors.

E. The Board of Directors shall ensure that, whenever the District is the licensed operator of health care facilities, the physicians and surgeons, including osteopathic physicians, and podiatrists, and dentists, and other persons granted privileges at District facilities (the "Medical Staff") are organized into one integrated self-governing Medical Staff under the Medical Staff Bylaws approved by the Board of Directors.

F. The Board of Directors may employ any officers or employees, including legal counsel, the Board of Directors deems necessary to properly carry on the business of the District. Should the District again become the operator of a a healthcare facility with an organized Medical Staff, ~~T~~the Board of Directors shall determine membership on the Medical Staff, as well as approve the Bylaws for the self-governance of an organized Medical Staff, as provided in Article VI of these District Bylaws The Board of Directors will approve Medical Staff Bylaws, Rules and Regulations, Policies and Procedures, and other guidelines, which address the obligations and duties of the Medical Staff, regarding the provision, evaluation, and review of professional care within any hospital or other health care facilities operated by the District.

Section 4. Compensation

Notwithstanding their ability to pay themselves for attendance at Board meetings, as provided in Section 32103 of the California Health and Safety Code, the members of the Board of Directors shall, unless the Board resolves to do otherwise, serve without compensation; but in any event each Director shall be allowed to seek reimbursement

for actual and necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board of Directors.

Section 5. Employment Restriction

No member of the Board of Directors can be hired by the District in the capacity of an employee, an independent contractor, or otherwise, for one year after the Board member has ceased to be a member of the Board of Directors. This prohibition shall not apply to any member who, at the inception of his/her term of office, was an employee or independent contractor of the District and terminated such employment or independent contractor status upon the commencement of his/her term. In accordance with Section 53227 of the California Government Code, no member of the District Board of Directors may be an employee of the District during the Director's term of office.

Section 6. Vacancies

Any vacancy upon the Board of Directors may be filled by appointment by the remaining members of the Board of Directors, for such term and under such conditions as may be specified by law, in accordance with Government Code Section 1780.

Section 7. Meetings

A. The regular meetings of the Board of Directors of the District shall be held at such time and place as are established by the Board of Directors.

B. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board of Directors and shall be noticed in accordance with Article II.8.C below. The Board of Directors may not consider any business not stated in the agenda for the special meeting.

C. All of the sessions of the Board of Directors, whether regular or special, shall be conducted in accordance with the Local Health Care District Law and Title 5, Division 2, Chapter 9 of the California Government Code hereinafter referred to as the "Brown Act."

D. A quorum for conducting all matters before the Board of Directors shall be three (3) Directors.

E. No vote by the Board of Directors, whether preliminary or final, may be taken by secret ballot.

Section 8. Notice

A. The Secretary, or the Secretary's designee, shall post an agenda containing a brief, general description of each item of business to be transacted or discussed at a meeting of the Board of Directors in a visible location that is freely accessible to the public, at least 72 hours in advance of any regular meeting of the Board of Directors. The agenda will also include the time and place of the meeting.

B. To the extent that the District maintains a public website, the Secretary, or the Secretary's designee, shall endeavor to electronically post an agenda on said website prior to the date of the meeting.

C. In the event that the Board of Directors calls a special meeting, the Secretary shall post the agenda, except that the agenda shall be posted at least 24 hours in advance. In addition, the Secretary shall deliver written notice to each member of the Board, and to each local newspaper of general circulation, at least 24 hours in advance of the time of the meeting as specified in the notice.

D. The President of the Board, in consultation with the ED of the District, shall determine the agenda, provided that any two Board members may specify that an item be on the agenda.

E. The requirements of this section shall not apply where the Board of Directors declares an emergency situation or other exception in accordance with California Government Code Sections 54954.2 or 54956.5.

ARTICLE III

OFFICERS

Section 1. Officers

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

B. Any Director may hold two offices if a majority of the Board elects that Director to both of those positions. However, the President, First Vice-President, and Second Vice-President positions must be held by three different people.

C. All officer positions shall be filled by election from the membership of the Board of Directors.

D. 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.

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

F. 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.

G. Officers will report to the full District Board on any significant developments involving District staff, community outreach involving the District, or interactions with the Alameda Health System Board or senior staff.

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 publicly approved decisions of the Board of Directors, general responsibility for the affairs of the District.

5. Provide ~~to~~ the District's Executive Director with general supervisory input during the year, in accordance with publicly approved decisions of the Board of Directors and/or consultation with a duly appointed District liaison. This supervision shall include attention to significant employment activities such as performance appraisals, disciplinary activities, and salary and benefits negotiations.

6. 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~~ ~~i~~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.~~E. 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 disbursal of the funds in the treasury.

B. The Treasurer shall be responsible for the general oversight of the financial affairs of the District, including, but not limited to oversight of the receiving and depositing of 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 District staff shall implement, and carry out the day to day aspects of the District's financial affairs.

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

Section 6. Alameda Health System (AHS) Liaison

A. As authorized by section 3.1 of the Joint Powers Agreement entered into by Alameda Health System (AHS) and the City of Alameda Health Care District, the District may nominate one designee to serve as a voting member of the AHS Board of directors.

B. Upon approval of the nomination by the County Board of Supervisors, the appointee will be a voting member of the AHS Board of Directors, and shall be the District's AHS Liaison, serving as the primary conduit of information between the Board of AHS and the Board of the District.

C. The AHS Liaison shall consistently attend meetings of the Boards of both AHS and the District, and keep each Board informed of decisions or other developments that are relevant to the other Board and their key staff. However, the AHS Liaison shall not disclose to either Board any information that has been discussed within closed session of one of the Boards, or information that is otherwise subject to confidentiality protection.

D. The AHS Liaison shall always act in the best interests of the District, and will notify the District Board if there is a situation known to be or likely to become a conflict between the AHS Liaison's loyalties to the District and to the AHS Board or other health-related entity.

Section 7. Community Health Liaison

A. The Community Health Liaison shall be a major conduit of information between the Board and its staff in matters involving community health assessment and improvement activities.

B. The Community Health Liaison will regularly meet with District staff and other community leaders or groups to accomplish the mission of the District.

Section 8. Alameda Hospital Liaison

A. The Alameda Hospital Liaison shall be a major conduit of information between the Board and its staff in matters involving the operation, programs, services and quality of care under the auspices of Alameda Hospital.

B. The Alameda Hospital Liaison will have regular dialogue with District staff and with the Alameda Hospital Chief Administrative Officer, and will keep the Board informed of

decisions or other developments that are relevant to accomplishing the mission of the District.

ARTICLE IV

EXECUTIVE DIRECTOR

Section 1. Selection

The Board of Directors may select, employ and give the necessary authority to, a competent Executive Director ("Executive Director" or "ED") who shall be responsible for overseeing and directing the day-to-day management and operation of the District. In performing this task, the ED shall be held responsible for the administration of the District in all its activities and departments, subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. At least annually, the Board, or one or more of its duly authorized members, shall evaluate and review the performance of, and provide appropriate and timely feedback to, the ED.

Section 2. Authority and Duties

The authority and duties of the Executive Director, or if none, the President, shall be:

A. To act as the duly authorized representative of the Board of Directors in all matters in which the Board has not formally designated some other person.

B. To develop a plan for organizing the personnel and other operational staff of the District and to establish procedures for the internal operation of the District, each of which will be submitted to the Board of Directors for approval,

C. To prepare an annual budget showing the expected receipts and expenditures, as required by the Board of Directors.

D. To select, employ, supervise and discharge all employees as are necessary for carrying on the normal functions of the District and its facilities, if any. Notwithstanding the above, all employees of the District ultimately serve at the pleasure of the Board of Directors.

E. To supervise all business affairs, such as records of financial transactions, the collection of accounts, and the purchase and issuance of supplies.

F. To ensure that all funds are collected and expended to the District's best possible advantage while acknowledging and abiding by all legal and contractual obligations undertaken by the District.

G. To promote a high level of cooperation with the Chief Administrative Officer of Alameda Hospital and other Alameda Health System leaders whose responsibilities affect the delivery of health care and health-related services and the maintenance and operation of related facilities within the District.

H. To submit reports reviewing the professional services and financial activities of the District periodically to the Board of Directors or its authorized committees.

I. To prepare and submit any special reports requested by the Board of Directors or its authorized committees in accordance with their instructions.

J. To provide staff support for the Board and its committees necessary to complete their missions.

K. To attend all meetings of the Board of Directors.

L. To attend the meetings of any committee the Board of Directors determines requires the ED's regular attendance.

M. To work with Board members, as appropriate, to liaise with other public agencies and elected officials. Working with legal counsel and other information resources, to help the District stay in compliance with the Local Health Care District Law and the Ralph M. Brown Act.

N. To assist the District Board in staying informed about the changing realities of the health care financing, delivery, and quality of care assessment environment in which the District and its health facilities operate.

M. To perform any other duties that may be necessary in the best interest of the District.

ARTICLE V

COMMITTEES

Section 1. <u>Committees Generally</u>

A. The Board of Directors may, by resolution, establish one or more committees and delegate to such committees any aspect of the authority of the Board of Directors. Membership and chairmanship of such committees shall be appointed by the Board. The Board of Directors shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted.

B. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of members present at which a quorum is present shall be the act of the committee.

C. Unless the Board of Directors or the committee shall otherwise provide, the regular and special meetings and other actions of any Committee shall be governed by the same requirements set forth in Article II, Sections 7 and 8 applicable to meetings and actions of the Board of Directors.

D. Each committee shall keep written records of it proceedings and regularly report its activities to the Board of Directors as required by the Board of Directors.

ARTICLE VI

MEDICAL STAFF

(If the District is the licensed operator of
one or more Health Care Facilities)

Section 1. Organization and Bylaws

A. The Medical Staff shall organize itself and adopt bylaws (the "Medical Staff Bylaws") consistent with the District Bylaws, for the purpose of discharging its obligation under applicable laws and regulations, and for the purpose of governing itself with respect to the professional services provided in the facilities of the District. The Medical Staff Bylaws shall provide for appropriate officers and clinical organization.

B. The Medical Staff Bylaws shall describe the credentialing process by which eligibility for Medical Staff membership and privileges shall be determined, including criteria for the grant of membership and privileges that are consistent with the District Bylaws.

C. The Medical Staff Bylaws shall provide that the Medical Staff, or a committee or committees thereof, shall assess the credentials and qualifications of all applicants for initial Medical Staff membership, for reappointment to the Medical Staff, and for privileges, and shall submit to the Board of Directors recommendations thereon, and shall provide for reappointment no less frequently than biennially.

D. The Medical Staff shall also adopt Rules and Regulations, consistent with the Medical Staff Bylaws, providing for the conduct of the organizational activities of the Medical Staff.

E. The Medical Staff Bylaws, and the Medical Staff Rules and Regulations, shall be subject to approval of the Board of Directors, and any proposed amendment thereto shall be effective only upon approval by the Board of Directors, which approval shall not be unreasonably withheld.

Section 2. Conflicts With Medical Staff Bylaws

The Joint Commission prohibits inconsistencies between the District Bylaws and the Medical Staff Bylaws. Inconsistencies, if any, between the District and the Medical Staff Bylaws will be resolved in accordance with applicable procedures in the Medical Staff Bylaws.

Section 3. Nature of Medical Staff Membership

Medical Staff membership is a privilege, and not a right, that shall be granted only to professionally qualified practitioners who clearly and continuously meet the standards and requirements set forth herein and in the Bylaws of the Medical Staff.

Section 4. Qualifications for Membership

A. Only physicians and surgeons, dentists, and podiatrists who:

1. Demonstrate and document their licensure, education, training, experience, current professional competence, character, ethics, and physical and mental health status so as to establish to the satisfaction of the Medical Staff and the Board of Directors that they are qualified, and that any patients treated by them within the facilities of the District will be provided quality medical care meeting the standards of the Medical Staff and the District; and

2. Demonstrate that they adhere to the ethics of their respective professions and that they are able to practice collegially and cooperatively with others so as to contribute to the quality of medical care, and so as not to adversely affect any District health care facility and/or District operations; and

3. Confirm that they have secured that level of professional liability coverage as may be required by the District; and

4. Establish that they are willing to participate in and effectively discharge those professional responsibilities set forth in these Bylaws and in the Medical Staff Bylaws, shall be deemed to possess basic qualifications for membership on the Medical Staff.

B. No practitioner shall be entitled to membership on the Medical Staff, or shall be granted any clinical privilege, solely by virtue of the fact that he or she is duly licensed to practice in this State or in any other state, or that he or she is a member of any professional organization, or that he or she was granted in the past, or enjoys in the present, such membership at another hospital.

C. The decision to grant Medical Staff membership and privileges represents a recognition of the individual qualifications of the concerned practitioner, and does not in any way limit the power of the Board of Directors, in accord with the discretion conferred by the Local Health Care District Law or otherwise, to enter into any

agreement with one or more qualified practitioners granting specific or exclusive responsibility for the provision of certain health care services to patients.

Section 5. Appointment to Medical Staff

All appointments and reappointments to the Medical Staff shall be made by the Board of Directors, in keeping with any pertinent standards promulgated by the Joint Commission. Final responsibility for appointment and for the grant of formal privileges, or the denial or termination thereof, shall rest with the Board of Directors.

A. No applicant shall be denied Medical Staff membership and/or clinical privileges on the basis of sex, race, color, ethnic or national origin, religious affiliation, or sexual preference. No duly licensed physician or surgeon shall be excluded from Medical Staff membership based solely upon licensure by the Osteopathic Medical Board of California.

B. Any completed, written application for appointment to the Medical Staff shall be considered by the Medical Staff in accord with the procedures described in the Medical Staff Bylaws, and any related Rules and Regulations or policies, and, upon completion of consideration by the Medical Staff, the Medical Staff shall make a report and recommendation regarding such application to the Board of Directors. This recommendation will also include a recommendation regarding the specific clinical privileges requested by the practitioner.

C. Subject to the provisions in the Medical Staff Bylaws and the District Bylaws regarding judicial review committee hearings and appellate reviews, upon receipt of the report and recommendation of the Medical Staff, the Board of Directors shall take action upon the application and shall cause notice of its actions to be provided to the applicant and to the Medical Staff within time frames that are consistent with the Medical Staff Bylaws. Whenever the Board of Directors does not concur in a favorable Medical Staff recommendation regarding the grant of Medical Staff membership or clinical privileges, the matter will be referred to the Joint Conference Committee, or comparable committee, for review before final action is taken by the Board of Directors.

Section 6. Medical Staff Meetings and Medical Records

A. The Bylaws of the Medical Staff shall provide for Medical Staff meetings that are held in accordance with the standards of the Joint Commission.

B. Accurate, legible, and complete medical records shall be prepared and maintained for all patients, and shall be a basis for review and analysis of the care provided within the facilities of the District.

C. For these purposes, medical records include, but are not limited to, identification data, personal and family history, history of present illness, physical examination, special examinations, professional or working diagnoses, treatment, gross

and microscopic pathological findings, progress notes, final diagnosis, condition on discharge, and other matters as the Medical Staff shall determine.

Section 7. Corrective Action

A. If the Medical Executive Committee fails to investigate or take corrective action in accordance with Article VIII of the Medical Staff Bylaws, and the failure is contrary to the weight of the evidence, the Board of Directors may direct the Medical Executive Committee to initiate investigation or corrective action, but only after consultation with the Medical Executive Committee. If the Medical Executive Committee fails to take action in response to that Board of Directors direction, the Board of Directors may initiate action, but this corrective action (1) must comply with these Bylaws and with Articles VIII and IX of the Medical Staff Bylaws and (2) may only be taken after written notice of such action is provided to the Medical Executive Committee. The Board of Directors shall inform the Medical Executive Committee in writing of its action.

Section 8. Precautionary Action

A. If the President of the Medical Staff, members of the Medical Executive Committee and the Chairman of the Service Committee (or designee) in which the member holds privileges are not available to impose a precautionary restriction or suspension of a member's membership or clinical privileges, the Board of Directors (or designee) may immediately restrict or suspend a member's privileges if a failure to do so is likely to result in an imminent danger to the health of any patient, prospective patient, or other person, provided that the Board of Directors (or designee) made reasonable attempts to contact the President of the Medical Staff, members of the Medical Executive Committee and the Chairman of the Service Committee (or designee) before the restriction or suspension.

B. Such restriction or suspension is subject to ratification by the Medical Executive Committee. If the Medical Executive Committee does not ratify the restriction or suspension within two (2) working days, excluding weekends and holidays, the precautionary restriction or suspension shall terminate automatically.

Section 9. Action on Peer Review Matters

A. In all peer review matters, the Board of Directors shall give great weight to the recommendations of the Medical Staff's committees, shall act exclusively in the interest of maintaining and enhancing patient care, and in no event, shall act in an arbitrary or capricious manner.

Section 10. Medical Staff Hearings

A. When the Board of Directors conducts a judicial review committee hearing under the Medical Staff Bylaws, the term "Medical Executive Committee" in Article IX of the Medical Staff Bylaws shall de deemed to refer to the Board of Directors in all cases

when the Board of Directors or its authorized officers, directors or committees took the action or rendered the decision that resulted in a hearing being requested.

Section 11. Appellate Review

A. The Board of Directors shall provide for appellate review of any qualifying decision of a Medical Staff hearing committee according to the procedures set forth, in detail below. This appellate review may be conducted by either the Board of Directors or a committee or other designate thereof, and shall be conducted consistent with the requirements of California Business and Professions Code Section 809.4, or successor provisions.

B. The appellate review process shall include the following:

1. Time For Request for Appellate Review: Within thirty (30) days after receipt of the decision of the Medical Staff hearing committee, either the concerned practitioner, or the Medical Executive Committee or the Board of Directors, if applicable, may request an appellate review. A written request for that review shall be delivered to the President of the Medical Staff, the Chief Executive Officer, and to the other party in the hearing. If a request for appellate review is not presented within that period, the parties shall be deemed to have waived any rights to appellate review. The decision of the Board of Directors following a waiver shall constitute the final action of the District.

2. Grounds For Appellate Review: A written request for appellate review shall include a specification of the grounds for review as well as a concise statement of the arguments in support of the appeal. The permissible grounds for appeal from the Medical Staff hearing shall be: (1) substantial failure to comply with procedures required by Bylaws; (2) the decision was arbitrary and capricious; (3) the evidence introduced at the Medical Staff hearing committee did not support the committee's findings; (4) the Medical Staff hearing committee's findings did not support the committee's decision; (5) the decision was inconsistent with applicable law.

3. Time, Place, and Notice: If an appellate review is to be conducted, the Board of Directors shall, within thirty (30) days after receipt of a qualifying request for appellate review, schedule the date and cause notice to be given to each party. The date for completion of the appellate review shall ordinarily not be more than sixty (60) days from the date of such receipt of that request, provided, however, that when a request for appellate review concerns a practitioner who is under a suspension or other corrective action which has already taken effect, the appellate review shall be held as soon as the arrangements may reasonably be made. The time for appellate review may be extended by the Board of Directors, or its Chair, or any designated appellate review committee or hearing officer, for good cause.

4. Appellate Review Body: The Board of Directors may sit as the appellate review body, or it may appoint an appellate review committee composed of members of the Board of Directors, or it may designate an individual to serve as an appellate officer. Knowledge of the matter involved shall not preclude a member from

serving as member of the appellate review body or the appellate officer, so long as that member or person did not take part in a prior hearing on the same matter. The appellate review body may also select an attorney at law to assist it in the proceeding, but that attorney shall not be entitled to vote with respect to the appeal.

5. Appeal Procedure: The proceeding by the appellate review body shall be in the nature of an appellate review based upon the record of the hearing generated at the Medical Staff hearing, provided that the appellate review body may accept additional oral or written evidence, subject to a foundational showing that such evidence could not have been made available to the Medical Staff hearing committee in the exercise of reasonable diligence, and subject to the same rights of cross-examination or confrontation provided at the Medical Staff hearing; or the appellate review body may remand the matter to the Medical Staff hearing committee for the taking of further evidence and for decision. The concerned practitioner and the Medical Executive Committee shall have the right to present a written statement in support of its position on appeal. During the appeal, each party or representative shall have the right to appear personally before the Board of Directors or the appellate review body, for the purpose of presenting oral argument, and responding to questions in accordance with procedures to be established by the Board of Directors or appellate review body. Each party shall have the right to be represented by legal counsel. The Board of Directors or the appellate review body shall determine the procedures to be observed during that meeting and may limit, or otherwise determine, the role of legal counsel. The appellate review body may then conduct, at a time convenient to itself, deliberations outside the presence of the appellant and respondent and their representatives. The appellate review body, if other than the Board of Directors, shall present to the Board of Directors its written recommendations as to whether the Board of Directors should affirm, modify, or reverse the Medical Staff hearing committee decision, or remand the matter to the Medical Staff hearing committee for further review and consideration.

6. Decision:

a. Except as otherwise provided herein, within thirty (30) days after the conclusion of any appellate meeting, the Board of Directors shall render a decision in writing, including a statement of the basis for the decision, and shall transmit copies thereof to each side involved in the appeal within time frames that are consistent with the Medical Staff Bylaws. The Board of Directors' decision shall be final.

b. The Board of Directors may affirm, modify, or reverse the decision of the Medical Staff hearing committee or remand the matter to that committee for reconsideration. If the matter is remanded to the Medical Staff hearing committee for further review and recommendation, that committee shall be requested to promptly conduct its review and issue any appropriate decision and report.

c. Right To One Hearing: No member or applicant shall be entitled to more than one evidentiary hearing and one appellate review on any matter that shall have been the subject of adverse action or recommendation.

ARTICLE VII
RULES OF CONDUCT

Roberts Rules of Order, Revised Edition, shall control all parliamentary issues not addressed in these Bylaws or in applicable laws of the State of California.

ARTICLE VIII
REVIEW AND AMENDMENT OF BYLAWS

Section 1. The Board of Directors shall review these Bylaws in their entirety at least every two (2) years to ensure that they comply with all provisions of the Local Health Care District Law, and continue to meet the needs and serve the purposes of the District.

Section 2. These Bylaws may be amended by affirmative vote of a majority of the members of the Board of Directors during any regular or special meeting of the Board of Directors, provided a full statement of such proposed amendment shall have been sent to each Board member not less than seven (7) days prior to the meeting.

Section 3. Affirmative action may be taken to amend these Bylaws by unanimous vote of the entire Board membership at any regular or special meeting of the Board of Directors which is properly noticed under the Brown Act, in which event the provision for seven (7) days' notice shall not apply.

ADOPTION OF BYLAWS

Originally passed and adopted at a meeting of the Board of Directors of the City of Alameda Health Care District, duly held September 23, 2002, amended on October 14, 2002, November 10, 2003, July _, 2004, August 19, 2014, and January 18, 2016.