

Items from
District Board Meeting
of February 8, 2016
including:
handouts,
“to be distributed”
documents, and
presentations

Alameda Health Care District
Board of Directors

February 8, 2016

Financial Report

David Cox,
Chief Financial Officer

Presentation Agenda

- Alameda Health System
 - Fiscal 2016 YTD Financial Performance
 - Business Unit Profitability (Heat Map)
 - Managed Care Contracting Status and Issues
 - Better II Performance Improvement Program
- Alameda Hospital Financial Report
 - Fiscal 2016 Year to Date Performance
- Parcel Tax Status Report

AHS Fiscal 2016 YTD Performance

	Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	\$ 806,041	\$ 808,689	\$ (2,649)	-0.3%	\$ 688,095
Outpatient service revenue	508,324	499,493	8,831	1.8%	357,699
Professional service revenue	118,478	126,179	(7,700)	-6.1%	125,156
Gross patient service revenue	1,432,843	1,434,361	(1,518)	-0.1%	1,170,950
Deductions from revenues	(1,161,628)	(1,152,403)	(9,226)	-0.8%	(924,992)
Capitation - HPAC	17,531	17,531	0	0.0%	17,020
Net patient service revenue	288,745	299,489	(10,744)	-3.6%	262,979
Supplemental revenue	150,934	138,220	12,714	9.2%	145,493
Net operating revenue	439,679	437,709	1,971	0.5%	408,471
Salaries and wages	202,699	206,776	4,077	2.0%	196,387
Employee benefits	83,584	83,578	(6)	0.0%	78,530
Registry	8,799	3,087	(5,712)	-185.0%	8,837
Contracted physician services	37,452	38,464	1,012	2.6%	36,584
Purchased services	37,650	31,327	(6,323)	-20.2%	34,560
Pharmaceuticals	11,598	9,775	(1,823)	-18.7%	11,641
Medical Supplies	16,321	15,750	(572)	-3.6%	15,564
Materials and supplies	8,143	8,006	(137)	-1.7%	8,872
Outside medical services	1,360	1,825	465	25.5%	3,325
General & administrative expenses	8,247	7,305	(942)	-12.9%	8,070
Repairs/maintenance/utilities	7,208	7,181	(27)	-0.4%	8,365
Building/equipment leases & rentals	4,338	4,172	(166)	-4.0%	4,773
Depreciation	6,741	7,177	436	6.1%	6,743
Total operating expense	434,141	424,423	(9,718)	-2.3%	422,251
Operating Income	5,538	13,285	(7,747)	-58.3%	(13,780)
Income	\$ 5,512	\$ 13,336	\$ (7,824)	-58.7%	\$ (13,836)
Operating Margin	1.3%	3.0%	-1.7%		-3.4%
EBIDA Margin	2.7%	4.7%	-2.0%		-1.8%
Collection % - NPSR	20.2%	20.9%	-0.7%		22.5%
Collection % - Total	30.7%	30.5%	0.2%		34.9%
Acute discharges	10,087	9,678	409	4.2%	9,687
Acute patient days	71,964	71,394	570	0.8%	67,964
Acute Average length of stay	7.13	7.38	0.25	3.4%	7.02
LTC patient days	53,023	53,954	(931)	-1.7%	52,395
Average daily census	679	681	(2)	-0.3%	654
Paid full time equivalents (FTE)	3,896	4,019	123	3.1%	3,965
Paid FTE's per adjusted occupied bed	4.67	4.99	0.32	6.4%	5.26
Worked hours per APD	14.43	14.69	0.26	1.8%	16.00
Compensation ratio	67.1%	67.0%	-0.1%		69.5%

Fiscal 2016 YTD Variance to Budget (Heat Map)

	Highland Hospital	Fairmont Campus	Behavioral Health	Ambulatory	San Leandro Hospital	Alameda Hospital	Professional Services	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%

Managed Care Contracting Update

Recently Completed or In Process

- Anthem Medi-Cal
- Care 1st (Medicare Advantage)
- Beacon (Psych)
- BAACN (The Network)
- HealthNet
- BHCS
- Alameda Alliance
- Contra Costa County Medi-Cal Managed Care

In Discussion/Non-Participating

- Affinity IPA (Alameda Health Partners)
- Affinity IPA (Stanford Medicare Advantage)
- Anthem Commercial
- Blue Shield Commercial
- Aetna Commercial

Other Initiatives – Conifer Managed Care Infrastructure.

Better II Performance Improvement Initiative

		Total to Date	
Initiative Name	Target Savings	Identified Savings	Completed Savings
GPO	\$200,000	\$175,087	\$175,087
Laboratory Services	\$250,000	\$469,961	\$0
Organizational Design	\$1,100,000	\$2,416,787	\$2,088,787
Pharmacy 340b	\$675,000	\$1,278,819	\$1,067,391
Pharmacy Operations	\$565,000	\$1,337,168	\$414,668
Pharmacy Benefits Management	\$1,200,000	\$1,095,608	\$813,785
Physician Preference Items	\$210,000	\$610,646	\$75,530
Process Optimization	\$3,900,000	\$8,869,729	\$8,869,729
Purchased Services	\$700,000	\$1,796,796	\$477,734
	\$8,800,000	\$18,050,601	\$13,982,711

Alameda Hospital – Six Month Performance

	Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	\$ 132,957	\$ 135,977	\$ (3,020)	-2.2%	\$ 106,007
Outpatient service revenue	68,928	66,717	2,211	3.3%	51,639
Professional service revenue	3,575	600	2,975	496.0%	204
Gross Patient Service Revenue	205,459	203,294	2,166	1.1%	157,850
Deductions from revenues	(160,608)	(161,951)	1,344	0.8%	(119,764)
Capitation - HPAC	-	-	-	0.0%	-
Net Patient Service Revenue	44,852	41,342	3,509	8.5%	38,086
Medi-Cal Waiver	-	-	-	0.0%	-
Measure A, Parcel Tax, Other Support	2,586	2,585	1	0.0%	2,322
CA Hospital Fee	-	-	-	0.0%	-
DSRIP Revenue	-	-	-	0.0%	-
Supplemental Programs	7,119	3,256	3,863	118.6%	6,686
Grants & Research Protocol	-	-	-	0.0%	-
Other Operating Revenue	382	71	311	440.4%	68
Incentives	-	-	-	0.0%	-
Total Supplemental Revenue	10,087	5,912	4,175	70.6%	9,077
Net Operating Revenue	54,938	47,254	7,684	16.3%	47,163
Salaries and wages	21,638	22,948	1,310	5.7%	20,423
Employee benefits	6,677	7,440	763	10.3%	7,069
Registry	1,632	369	(1,263)	-342.8%	855
Contracted physician services	1,842	2,154	312	14.5%	2,187
Purchased services	4,801	3,540	(1,261)	-35.6%	3,223
Pharmaceuticals	1,276	1,047	(229)	-21.9%	1,189
Medical Supplies	3,451	2,822	(629)	-22.3%	2,576
Materials and supplies	1,063	754	(309)	-41.0%	984
Outside medical services	-	-	-	0.0%	-
General & administrative expenses	11	454	443	97.5%	973
Repairs/maintenance/utilities	601	791	190	24.0%	901
Building/equipment leases & rental	1,390	1,119	(271)	-24.2%	1,628
Depreciation	620	578	(42)	-7.3%	546
Total operating expense	45,002	44,015	(986)	-2.2%	42,554
Operating Income	9,937	3,239	6,698	206.8%	4,608
Interest income/(expense) net	2	-	2	100.0%	-
Support Services Allocation	(12,159)	(15,222)	(3,062)	-20.1%	(14,681)
Other Non-operating income(expense)	165	165	0	0.2%	165
Contribution	\$ (2,055)	\$ (11,818)	\$ 9,762	82.6%	\$ (9,908)

Alameda Hospital Six Month Ratios

	Year-To-Date				FY 2015
	Actual	Budget	Variance	% Variance	YTD
Operating Margin	18.1%	6.9%	11.2%		9.8%
EBIDA Margin	-2.6%	-23.8%	21.2%		-19.8%
Collection % - NPSR	21.8%	20.3%	1.5%		24.1%
Collection % - Total	26.7%	23.2%	3.5%		29.9%
Acute discharges	1,094	1,210	(116)	-9.6%	1,190
Acute patient days	7,243	5,562	1,681	30.2%	5,031
Acute Average length of stay	6.62	4.60	(2.02)	-43.9%	4.23
LTC patient days	31,431	30,764	667	2.2%	30,762
Average daily census	210	197	13	6.6%	195
Acute adjusted patient days (APD)	10,998	8,291	2,707	32.6%	7,482
LTC adjusted patient days (APD)	47,725	45,858	1,867	4.1%	45,747
Net operating revenue per acute APD	\$ 4,194	\$ 4,806	\$ (612)	-12.7%	
Expense per acute APD	\$ 3,049	\$ 3,907	\$ 858	21.9%	
Oper income per acute APD	\$ 1,145	\$ 900	\$ 245	27.2%	
Net operating revenue per LTC APD	\$ 185	\$ 161	\$ 23	14.4%	
Expense per LTC APD	\$ 240	\$ 254	\$ 13	5.2%	
Oper income per LTC APD	\$ (56)	\$ (92)	\$ 36	-39.6%	
Paid full time equivalents (FTE)	535	569	34	6.0%	535
Paid FTE's per adjusted occupied bed	1.68	1.93	0.25	13.0%	1.85
Worked hours per APD	8.48	9.60	1.11	11.6%	9.17
Compensation ratio	54.5%	65.1%	10.6%		60.1%

Support Service Allocation

	YTD - December
Accounting Total	1,348,970.82
Clinical Total	86,055.74
CSuite Total	660,830.22
Environmental Services Total	480,784.16
Facilities Total	2,430.91
Human Resources Total	4,611,383.55
IT Total	3,106,476.29
Public Relations Total	292,636.60
Quality Total	149,627.62
Revenue Cycle Total	1,376,559.49
System Total	43,675.51
Grand Total	12,159,430.90

Alameda Health District Parcel Tax

	City of Alameda Health Care District - Fiscal 2016 Budget Recommendation	Fiscal 2015 Budget	Revised and Approved at 9-14-15 Board Meeting	Purchased or Committed through 12/31/15
1	Estimated parcel tax receipts	\$ 5,784,199	\$ 5,830,966	\$ 5,830,966
2				
3	District budget allocation	613,527	400,130	-
4	District Clerk - 1.0 FTE		-	71,504
5	Repayment of loan plus accrued interest	1,598,438	-	-
6	Repayment of AH Foundation Loan	405,000	-	-
7	Facilities Projects	231,038	3,000,000	1,371,588
8	Capital Equipment	1,000,000	2,000,000	2,693,940
9	Accounts Payable Reduction	1,936,197		-
10	Long Term Capital Reserve	-	430,837	-
11				
12	Total Uses of Parcel Tax	\$ 5,784,199	\$ 5,830,966	\$ 4,137,031

Discussion



Alameda Hospital

A member of Alameda Health System

MEMORANDUM

2070 Clinton Avenue
Alameda, CA 94501

TO: Alameda Hospital Medical Staff, Leadership and Employees
City of Alameda Health Care District, AHS Board of Trustees

FROM: Bonnie Panlasigui, FACHE
Chief Administrative Officer

DATE: January 31, 2016

SUBJECT: A Year End Reflection

This time of year is perfect for looking back at past successes and looking forward to great opportunities. As we reflect on 2015, we have many accomplishments that are worthy of special attention. Here's a brief list summarizing some of the 2015 highlights. Enjoy!

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

Action	Outcome/Result
Implement LEAN performance improvement to be more efficient	A number of the leadership team members received LEAN process improvement training with focus on patient throughput from the ER to admitting floors. The time improved from 4.2 to 3.2 hours. Our next step in 2016 is to create a house wide patient flow committee to include all departments.
Identify system wide contracts	Alameda Health System went live with WestMed Ambulance as an inter-facility transferring system and 14 of their ambulances were wrapped with the AHS logo. The partnership has resulted in improved transportation between facilities.

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

Action	Outcome/Result
Decrease accounts payable	The aging accounts payable gradually went down from 10 million in 2014 to a rolling 1 million by the end of 2015. We are nearing the goal to keep vendors paid within a 90 day timeframe. The number of past due fees and penalties have gone down considerably and the departments have the

	supplies they need to serve patients.
Invest in capital equipment for the hospital	The surgery department nearly \$500,000 in a number of tools to improve services in GYN, Orthopedics, Ophthalmology and Pain Management services. The hospital invested almost \$800,000 in new beds and mattresses for the med/surg, tele and ICU areas. A number of equipment needs for providing patient care services were provided to departments and a renovation of the hospital patient rooms and corridors is soon to be completed in 2016.
Improve operating margin	As a system, AHS has improved the total operating margin from a negative 3% to 2%. Alameda Hospital's statistics have shown improvement with outpatient revenue improving by 3.3%, cash collection improving by 3.5%, net patient revenue improving by 8.5%. Our total expenses dropped by 2.2%.

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

Action	Outcome/Result
Quality of services provided in long term care	The long term care units including sub acute floors, south shore SNF and Waters Edge Rehabilitation has successfully been awarded the highest rating given by CMS for quality of care at five-stars. This is a drastic improvement from 3 stars one year prior.
Stroke Gold Plus Award	Alameda Hospital has been an accredited primary stroke center since 2012, was recently recognized two years in a row in the US News and World Report as a gold plus stroke center, one of the highest accolades possible for stroke care services.
Improve quality metrics such as patient falls & HAPUs	There were ZERO HAPUs for the past year in 2015 and ZERO falls with injuries, a decrease from four falls with injuries in 2014.
Achieve a strong position with regulatory agencies	CMS (Centers for Medicare and Medicaid Services) selected Alameda Hospital to be surveyed as a pilot called a patient safety initiative validation survey. Although the initial survey resulted in difficult findings, but we quickly pulled the leadership team together to make improvements and the validation survey was very successful.
Implement system wide tools to improve patient care	ICD-10 training was successfully rolled out to the medical staff and the MIDAS event reporting system was rolled out to our leadership team for better trending and tracking of unusual occurrences. Ansoos web-scheduler was implemented for improved access to schedules for our nursing team to help with decreasing sick calls.

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

Action	Outcome/Result
Improve the overall rating of long term care	The long term care units including sub acute floors, south

services	shore SNF and Waters Edge Rehabilitation all received the 98 th percentile in patient/family perception through the My Interview survey tool.
Improve collection of data for acute care patient satisfaction data	In April, Alameda Hospital officially went from NRC Picker to Press Ganey, the vendor that calls patients after discharge from our hospital to collect information regarding their stay.
Improve the hardwiring of evidence based tools to improve patient perception	Although the overall satisfaction rating of the hospital has not shown a sustained improvement, the acute care nursing leadership has been focusing on hardwiring hourly rounding and bedside shift report. We anticipate the patient perception scores to improve as nurses become more comfortable with the practice and validation is continued.

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

Action	Outcome/Result
Develop a new hospital ad campaign	The marketing team successfully rolled out brand new print ads and TV commercials featuring our services with the theme "Always Here For You". This helped improve top of mind awareness and helped bring in additional growth in the ER volume and inpatient admissions.
Increase visibility of Alameda Hospital with business leaders	We participated in 25 community outreach events, increasing the presence of Alameda Hospital at key functions with the Chamber of Commerce, local Kiwanis club and other key community groups. Alameda Hospital CAO joined the Chamber of Commerce Government Relations and Economic Development Committee.

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

Action	Outcome/Result
Hiring of additional employees to decrease overtime and improve productivity	<ul style="list-style-type: none"> We have hired 67 new employees including 17 in the nursing department, 15 in long term care and 35 in other departments
Bring additional key roles in leadership	<ul style="list-style-type: none"> In March, we promoted Michael Yep to Manager of the Rehab therapy department. In June, we welcomed our new Manager of Patient Access Services, Stephanie Dyer. In June, we welcomed our new Manager of Health Information Management, Tavinder Kazla. In July, we welcomed our new Director of Nursing, Barbara VanDuren. In November, we promoted John Michaelides to Radiology Manager.
Recognition of employees	<ul style="list-style-type: none"> A total of 51 employees were recognized for their years of service at the Annual Service Award held at the Greek Orthodox Cathedral. A special recognition was given to the 27 employees who have worked at our

hospital for over 20 years.

- In May, the Daisy Award for Nursing Excellence was given to Nelia Dacio, a tele nurse.
- Over 200 shining star cards have been shared with employees going the extra mile.
- Tony Corica received the Kate Creedon Award after over 40 years of service to Alameda Hospital.

Details of FY2016 Expenditures of Parcel Tax Dollars

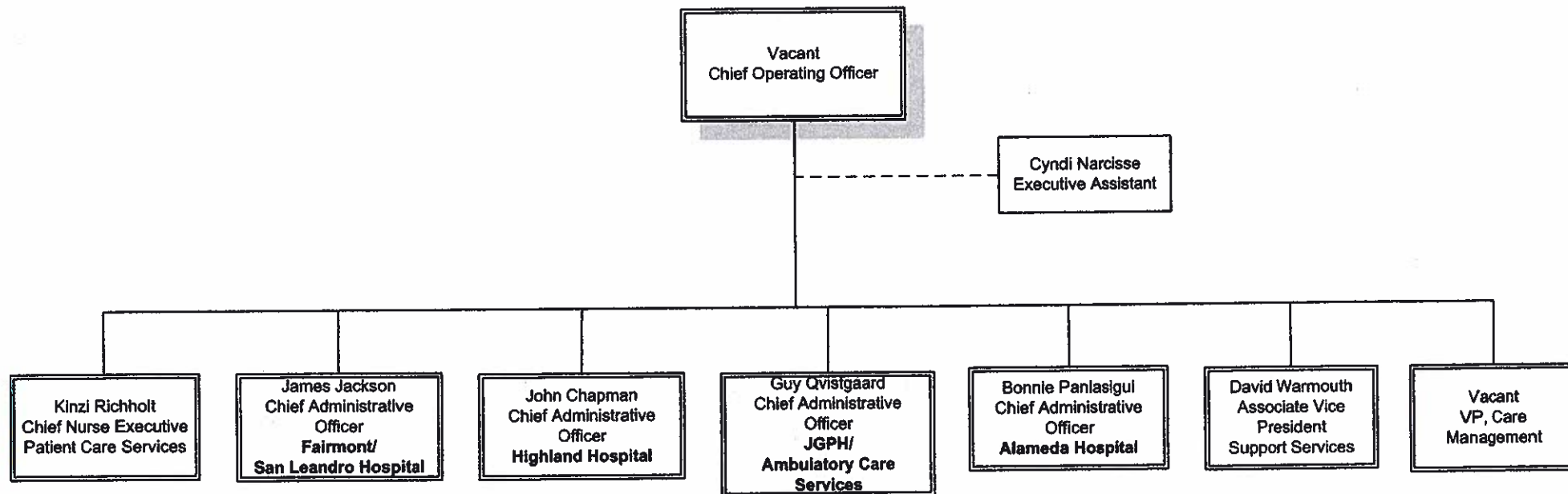
Alameda Hospital Capital Equipment Item	Department	Approved/Spent to Date
Acute Care Replacement Beds & Mattresses	ICU/MedSurg/Tele	\$ 629,110
Stretchers/Gurneys	Surgery/ER/Radiology	\$ 35,005
Ortho Arthroscopy equipment	Surgery	\$ 110,322
Eye YAG lazer	Surgery	\$ 53,900
Yellowfin Stirrups and Martin Arm	Surgery	\$ 15,066
Ortho Hana Table	Surgery	\$ 83,314
Ortho Large/Small Drill	Surgery	\$ 99,811
GYN Myosure unit and fluid management	Surgery	\$ 25,085
Adult Crash Carts	ICU/MedSurg/Tele/ER	\$ 15,433
Isolation Carts	ICU/MedSurg/Tele/ER	\$ 10,864
Cryostat	Laboratory	\$ 28,243
Alaris Pumps	ICU/MedSurg/Tele/ER	\$ 708,025
Zoll Defibrillator w/ pulse oximeter	ER	\$ 9,535
Communication Whiteboards	ICU/MedSurg/Tele/ER	\$ 7,000
Surgical Stryker Towers	Surgery	\$ 297,680
TOTAL		\$ 2,128,393

Alameda Hospital Capital Facilities Item	Department	Approved/Spent to Date
Swamp Cooler for kitchen	Waters Edge	\$ 6,204
Bay Area Bone & Joint/General Surgery buildout	OP Clinical Services	\$ 265,526
Hospital renovation	All Departments	\$ 933,141
SB-90 Seismic Retrofit Preparation	Kitchen/Cafeteria	\$ 129,844
Medical air compressor intake	Plant Operations	\$ 59,301
Replace steam boiler	Plant Operations	\$ 28,563
Parking lot resurfacing and restriping	Plant Operations	\$ 220,739
Exterior signage	Plant Operations	\$ 200,000
TOTAL		\$ 1,843,318

TOTAL Equipment + Facilities Expenses	\$ 3,971,711
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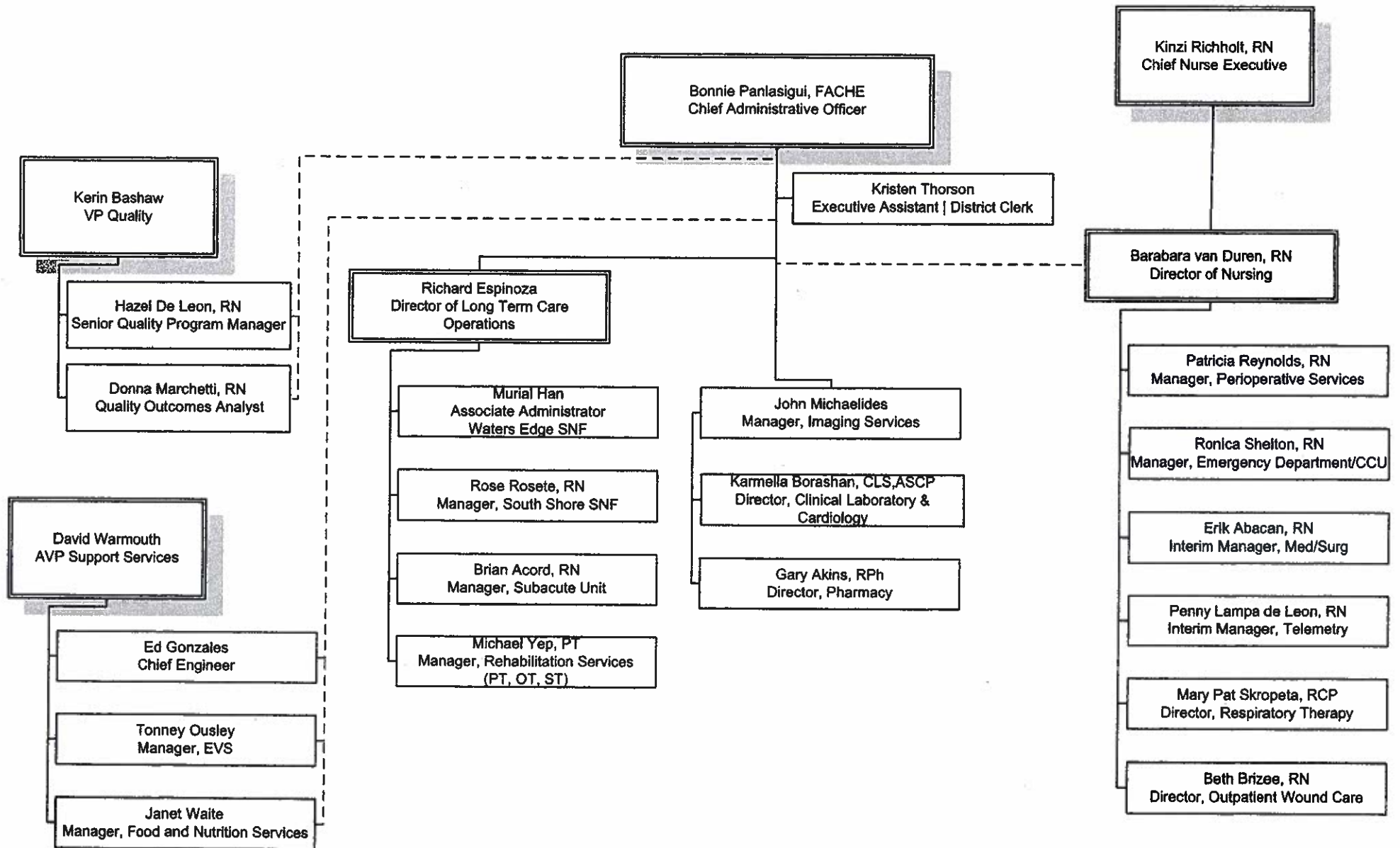
Alameda Hospital Foundation Contributions		
Hospital Lobby Furniture	Plant Operations	\$ 37,820
Patient room sleeper chairs	Plant Operations	\$ 80,000
Wireless on Wheels computers for acute care units	IT	\$ 82,180
		\$ 200,000

ALAMEDA HEALTH SYSTEM OPERATIONS DIVISION



ALAMEDA HEALTH SYSTEM

ALAMEDA HOSPITAL



ALAMEDA HEALTH SYSTEM ORGANIZATIONAL CHART

