Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT

BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Wednesday, March 9, 2011

(RESCHEDULED FROM MONDAY, MARCH 7, 2011)

6:00 p.m. (Closed)

7:30 p.m. (Open)

Location: Alameda Hospital (Dal Cielo Conference Room)
2070 Clinton Avenue, Alameda, CA 94501
Office of the Clerk: (510) 814-4001

Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address and present to the District Clerk. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.

I. Call to Order **(6:00 p.m. – 2 East Board Room)** — Jordan Battani

II. Roll Call — Kristen Thorson

III. Closed Session Agenda

A. Call to Order

B. Approval of Closed Session Minutes – February 7, 2011

C. Medical Executive Committee Report and Approval of Credentialing Recommendations — H & S Code Sec. 32155

D. Board Quality Committee Report (BQC) — H & S Code Sec. 32155

E. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions — Gov't Code Sec. 54957.6

F. Consultation with Legal Counsel Regarding Pending Litigation — Gov't Code Sec. 54956.9(a)

G. Discussion of Pooled Insurance Claims — Gov't Code Sec. 54956.95

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

1. Discussion of Hospital Trade Secrets applicable to development of new hospital services, programs and facilities. No action will be taken
2. Discussion of Hospital Trade Secrets applicable to development of new hospital services, programs and facilities. No action will be taken
3. Discussion of Hospital Trade Secrets applicable to development of new hospital services, programs and facilities. No action will be taken

I. Adjourn into Open Session

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

A. Announcements from Closed Session — Jordan Battani

V. Regular Agenda

A. Consent Agenda **ACTION ITEMS**

1) Approval of February 7, 2011 Regular Meeting Minutes [enclosure] **(PAGES 3-10)**
2) Acceptance of January 2011 Financial Statements [enclosure] **(PAGES 11-31)**
3) Approval of Wound Care Program Capital Budget and Operating Proforma [enclosure] **(PAGES 32-44)**
4) Approval of Wound Care Program Financing with Bank of Alameda [enclosure] **(PAGES 45-46)**
5) Approval to Renew the Line of Credit with the Bank of Alameda [enclosure] **(PAGES 47-48)**
6) Approval of Annual Use of Jaber Funds [enclosure] **(PAGES 49-58)**
7) Approval of Revisions to the Medical Staff CME Mission Statement [enclosure] **(PAGES 59-60)**
8) Approval of Resolution 2011 – 1I Line of Credit [enclosure] **(PAGES 61-62)**
9) Approval of Resolution 2011 – 2I Wound Care Term Loan [enclosure] **(PAGES 63-64)**

B. Action Items

1) Approval to Purchase of Electronic Health Record (EHR) Equipment from Emgence **ACTION ITEM** [ENCLOSURE] **(PAGES 65-67)** — Deborah E. Stebbins

C. President's Report — Jordan Battani

1) Compensation Survey Process Update
2) Appointment to Serve on a City Manager Interview Panel

D. Chief Executive Officer's Report — Deborah E. Stebbins

1) FYE 2011 Strategic Goals and Objectives Progress Update **INFORMATIONAL** [ENCLOSURE] (TO BE DISTRIBUTED)
2) Monthly Statistics **INFORMATIONAL**
3) Hospital Updates / Events **INFORMATIONAL**
4) Stroke Certification Update **INFORMATIONAL** — Mary Bond, RN

E. Finance and Management Committee Report

1) February 23, 2011 Committee Meeting Report **INFORMATIONAL** — J. Michael McCormick

F. Community Relations and Outreach Committee Report

1) February 22, 2011 Committee Meeting Report **INFORMATIONAL** — Stewart Chen, DC

G. Medical Staff President Report **INFORMATIONAL** — James Yeh, DO

VI. General Public Comments

VII. Board Comments

XIII. Adjournment

Alameda Hospital
CITY OF ALAMEDA HEALTH CARE DISTRICT

DRAFT

Minutes of the Board of Directors

February 7, 2011

Directors Present:		Medical Staff Present:	Legal Counsel Present:	Management Present:	Excused:
Jordan Battani	Elliott Gorelick	James Yeh, DO	Thomas Driscoll, Esq.	Deborah E. Stebbins	
Stewart Chen, DC	J. Michael McCormick			Kerry J. Easthope	
Robert Deutsch, MD				David Neapolitan	
				Mary Bond, RN	

Submitted by: Kristen Thorson

Topic	Discussion	Action / Follow-Up
I. Call to Order	Jordan Battani called the Open Session of the Board of Directors of the City of Alameda Health Care District to order at 6:12 p.m.	
II. Roll Call	Kristen Thorson called roll, noting that a quorum of Directors were present.	
III. Closed Session Agenda	The meeting was adjourned into Executive Closed Session at 6:13 p.m.	
IV. Reconvene to Public Session	The meeting was reconvened into public session at 7:41 p.m. Director Battani reported that the following actions were taken in Closed Session. A. Announcements from Closed Session 1. Closed Session Minutes – January 10, 2011 (Regular)	The Closed Session Minutes were approved.
	2. Board Quality Committee (BQC) Report – November 2010	The BQC report was accepted as presented.
	3. Medical Executive Committee Report and Approval of Credentialing Recommendations	The Medical Executive Committee Report and Credentialing Recommendations were approved as presented below.

Initial Appointments – Medical Staff

Name	Specialty	Affiliation
○ Ruby Chang, MD	Teleradiology	Bay Imaging Consultants
○ Claudine Dutaret, MD	Neurology	Privtae Practice
○ Sunil Gandi, MD	Teleradiology	Bay Imaging Consultants
○ Anthony Hoffman, DPM	Podiatry	Private Practice – Oakland
○ Joan King-Angell, MD	Internal Medicine	Kaiser
○ Elisa Lau, DO	Internal Medicine	AIM
○ Daniel Lucas, MD	Teleradiology	Bay Imaging Consultants
○ Richard Sigel, MD	Teleradiology	Bay Imaging Consultants
○ Kirk So, MD	Teleradiology	Bay Imaging Consultants
○ Christopher Tran, MD	Teleradiology	Bay Imaging Consultants
○ John Van Uden, MD	Teleradiology	Bay Imaging Consultants

Reappointments – Medical Staff

Name	Specialty	Staff Status	Appointment Period
○ Lisa Collins, MD	Anesthesiology	Active	03/01/11 – 02/28/13
○ Stephen Daane, MD	Plastic Surgery	Courtesy	03/01/11 – 02/28/13
○ Maria DeGuzman, MD	Anesthesiology	Courtesy	03/01/11 – 02/28/13
○ Robert Gingery, MD	Vascular Surgery	Active	03/01/11 – 02/28/13
○ Maryam Kermani, MD	Family Practice	Courtesy	03/01/11 – 02/28/13
○ Ming Kuan, MD	Hematology/Oncology	Courtesy	03/01/11 – 02/28/13
○ Mei Po Kung, MD	Internal Medicine	Courtesy	03/01/11 – 02/28/13
○ Craig Leong, MD	Ophthalmology	Courtesy	03/01/11 – 02/28/13
○ Anne Parker, MD	Pediatrics	Active	03/01/11 – 02/28/13
○ Anthony Poggio, DPM	Podiatry	Active	03/01/11 – 02/28/13
○ Subhransu Ray, MD	Ophthalmology	Courtesy	03/01/11 – 02/28/13
○ Yong-Yong Tam, MD	Emergency Medicine	Active	03/01/11 – 02/28/13
○ Jessie Xiong, MD	Pathology	Courtesy	03/01/11 – 02/28/13

Reappointment – Allied Health Professional Status

Name	Specialty	Appointment Period
○ Megan Palsa, PA-C	Physician Assistant	03/01/11 – 02/28/13
○ Brian Streiff, PA-C	Physician Assistant	03/01/11 – 02/28/13

Resignations

Name	Specialty
○ Annette Chenevey, CRNA	Nurse Anesthetist - Kaiser
○ Joshua Hatch, MD	Orthopedics - Kaiser
○ Mona Kamdar, MD	Anesthesiology – Kaiser
○ William Lichtman, MD	Orthopedics
○ Brent Sommer, CRNA	Nurse Anesthetist - Kaiser
○ Jonathan Svahn, MD	General Surgery - Kaiser

V. Regular Agenda

A. President's Report

1. Compensation Survey Process

Director Battani introduced Bill Hopkins, Senior Consultant at Integrated Healthcare Strategies, the firm that has been engaged to assess the executive compensation at the District. She reported that the compensation survey process was kicked-off at last month's meeting and in the interim; Mr. Hopkins has conducted phone interviews with each of the Board Members regarding executive compensation. Mr. Hopkins reviewed the presentation in the Board packet, including background on Integrated Healthcare Strategies, governance best practices, and total compensation review process. He then discussed with the Board different types of compensation philosophy as the next step of the survey process. Mr. Hopkins presented a summary of the interviews related to compensation philosophy and the Board to discussed decision points related to specific questions in the presentation to develop the District Board's compensation philosophy. The presentation on compensation philosophy will be posted with the Board packet on the website.

	B. Consent Agenda 1. Approval of January 10, 2011 Regular Meeting Minutes 2. Approval of Finance and Management Committee Structure and Purpose 3. Acceptance of November 2010 Financial Statements 4. Acceptance of December 2010 Financial Statements	Ms. Thorson informed the Board that there was a typo on the Consent Agenda and noted that the Acceptance of the November and December Financial Statements should be for 2010 not 2011 as printed on the agenda. Director Deutsch made a motion to approve the Consent Agenda as presented. Director McCormick seconded the motion. The motion carried unanimously.
	C. Action Items 1. Approval to Purchase Nihon Kohden ECG Monitoring System Mr. Easthope recommended the Board approve the acquisition of a new ECG monitoring system for the Telemetry and Critical Care Nursing Units. The recommended system is provided by Nihon Kohden in the amount of $296,333 plus sales tax & shipping. Mr. Easthope recommended that this capital acquisition be funded through the Banc of America master equipment lease that was established in May 2010 to fund the PACS and digital radiology upgrade project as well as to allow additional room to purchase other needed equipment upgrades. The total approved master equipment lease was for an amount up to $2.5 million and it is estimated that the PACS project and digital radiology upgrade will use approximately $1.8 million of this project. Discussions regarding the purchase of the Nihon Kohden ECG Monitoring System reflected the $10,000 per year support contract and the average 10 year life expectancy for the equipment.	Director Gorelick made a motion to approve the purchase of Nihon Kohden ECG Monitoring System. Director McCormick seconded the motion. The motion carried unanimously.
	D. Chief Executive Officer's Report 1. Stroke Certification Update Ms. Stebbins updated the Board on the status of the Hospital achieving stroke certification through the Joint Commission. All hospital employees will receive one-hour stroke training. All ECC/CCU	

employees and physicians will attend an eight (8) hour stroke training as part of the requirements of the Joint Commission. Within the next 30 days, Alameda Hospital will be submitting the application then awaiting feedback from the Joint Commission in regards to the site visit. The timeline for the site visit is currently five to six months. We are continuing the stroke screenings for the community over the next six months. A new stroke team has been designated.

2. Monthly Statistics

Ms. Stebbins reported that the January acute care census was 8% over budget. Sub-acute and South Shore census was below budget for the month of January. Patient days were lower than budget. Emergency visits were approximately 3.8% below budget for the month.

3. IT Projects Update

Ms. Stebbins updated the Board in regards to various IT Projects. She brought a summary of the major IT projects in progress to the Board in an informational handout enclosed in the Board Packet.

Ms. Stebbins stated that we are interviewing for the Interim IT Director position as well as looking at candidates for the direct position.

3. Hospital Updates / Events

Ms. Stebbins presented CCU volume trends and contribution margin comparison in response to email inquiries from Director Gorelick. The presentation will be posted with the Board packet.

E. Facilities Report

1. SB 1953 Seismic Compliance Update

As follow-up to last month's District Board Meeting, Mr. Easthope presented a SB 1953 Compliance Update. The update provided additional information regarding the District's Non-Structural Performance Category 2 (NPC-2) compliance status. According to the meeting in January, some items remained open in regards to the hospital completing all of the seismic work required to change its NPC status from NPC-1 to NPC-2 for all buildings as stipulated by SB 1953 and required by January 1, 2002. Clarification was provided that the deadline had passed before the hospital District was formed, but once the District was aware of the situation it submitted a plan for seismic

compliance to the State of California in June of 2004. The plan proposed that the District be granted an extension of time so that the District's NPC-1 buildings could be brought up to NPC-3 status by January 1, 2013. November 14, 2004 the State of California approved the proposal and granted the extension. Alameda Hospital remains fully licensed and accredited and has legal authority to operate. In addition to the presentation, a detailed memorandum was included in the board packet along with a summary of SB 499 Reports and a position paper "Earthquake-Compliant Hospital Buildings vs. Access to Care, California's Careful balancing Act".

2. Marina Village Space Planning

Mr. Easthope updated the Board on the status of the Wound Care Project, including financing, status of the lease agreement, the capital budget and operating proformas. Mr. Easthope stated that goal is to bring recommendations to the Finance and Management Committee on these items in February and then to the Board for final approval in March.

Mr. Easthope stated that the Hospital is currently working with the Bank of Alameda to fund the $900,000 capital budget for program start up costs through a term loan. More information will be forthcoming to the Finance and Management Committee in February.

In addition, the Foundation has agreed to contribute $100,000 toward the capital budget and build out of the wound care program as well as a term loan of $225,000 if needed. Mr. Easthope and Ms. Stebbins extended their appreciation to the Foundation for their continued support of the hospital and new program development.

F. Medical Staff President Report

Dr. Yeh informed the Board that the Medical Staff CME program for the month will be presented by Wendy Stock, PhD, Clinical Psychologist, on February 22nd. She will be speaking on the topic of collaborative approaches to the treatment of sexual dysfunction. David Bonovich, MD will lecture on Tuesday, February 8th. The topic is "Medical and Endovascular Management of Intercranial Aneurisms". Dr. Yeh also informed the Board that physicians are currently meeting to discuss the EHR system on a monthly basis. He also announced that the Annual Post-Holiday Party sponsored by the Medical Staff was a success with an attendance of about 230 and extended his gratitude to Dr. Deutsch for organizing the event.

	G. Community Relations and Outreach Committee Report – January 25, 2011 Committee Meeting Report Director Chen stated that the Structure and Purpose of the committee was to be reviewed but was deferred to the next meeting due to a lack of a quorum. Staff will be sending letters to the committee members regarding their interest in continuing to serve on the committee. The Committee is also reviewing the membership and looking to recruit new members. Community advocate, Jeff Cambra, presented to the committee plans for a Webster Street Cultural Festival currently being planned for May 22, 2011. Alameda Hospital is collaborating with the City, youth collaborative and other agencies to tackle youth obesity in the City. The Hospital is also offering free stroke screenings through June 2011. He gave praise to the staff for their organization of the screenings and stated that the people in attendance were very appreciative of the free screening. In addition to the screenings, a stroke awareness campaign has begun with eBlasts, postcard direct mailings, and ads in the Alameda Journal and Alameda Magazine.	
	H. Finance and Management Committee Report – January 26, 2011 Committee Meeting Report Director McCormick stated that the November and December Financials were reviewed at the meeting, noting that Average Daily Census was 3.7% greater than budgeted in November and 0.8% greater than budget in December. For the month of November, we had a profit of $133,000 vs. a budgeted profit of $61,000. For the month of December, we had a profit of $134,000 vs. a budgeted profit of $239,000. On a year-to-date basis, we have a loss of $49,000 vs. a budgeted profit of $571,000. In addition, he updated the committee on the IGT (Intergovernmental Transfer) status stating that CMAC has been disbanded and that the legislature will be taking over the IGT program. Director McCormick deferred to David Neapolitan for discussion on cash flow. As follow-up to questions regarding cash management in December from Director Gorelick, Mr. Neapolitan gave an overview of the cash management process at Alameda Hospital. He also noted the parcel tax installments are received three times per year and those funds are allocated to be used in 12 equal installments of $429,000. Alameda Hospital has used $2.6 million as of December of 2010 for operations, capital investments, and financing. The concern regarding our cash position was explained in part by several issues that occurred in the month of November and December, including holidays slowed cash receipts, there were delays in Medi-Cal settlements of approximately $2.5 million and also delays in Medicare payments due to a CMS modification to their claims processing system that caused inpatient claims to be inappropriately denied.	

	Presentation will be included with the Board packet on the website. Mr. Neapolitan also responded to Director Gorelick's questions regarding the process for the IGT funds stating that the IGT has to happen by June 30, 2011. The IGT funds will now be available to 46 hospitals in California. He stated that based on the proposed model that the Hospital would have to extend $750,000 to receive approximately $1 million back through the IGT. Director Gorelick asked if the current accruals for the IGT of $187,000/month will be stopped due to the change in the program and the decrease in dollars that the hospital is now anticipating. Mr. Neapolitan stated that the accruals would stop in January.	
VI. General Public Comments	Phyllis Weiss, Human Resources Director, announced the Employee Tenure Recognition Event on February 28, 2011.	
X. Board Comments	None	
XII. Adjournment	A motion was made to adjourn the meeting and being no further business, the meeting was adjourned at 10:02 p.m.	

Attest:

Jordan Battani
President

Elliott Gorelick
Secretary

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING JANUARY 31, 2011

CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
JANUARY 31, 2011

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ALAMEDA HOSPITAL
MANAGEMENT DISCUSSION AND ANALYSIS
JANUARY, 2011

The management of the Alameda Hospital (the "Hospital") has prepared this discussion and analysis in order to provide an overview of the Hospital's performance for the period ending January 31, 2011 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments.* The intent of this document is to provide additional information on the Hospital's financial performance as a whole.

Financial Overview as of January, 2011

- Gross patient revenue for the month of January was less than budget by $573,000 or 2.7%. Both inpatient and outpatient revenues were less than budgeted 0.3% and 7.5% for the month, respectively. On adjusted patient day basis gross patient revenue was 0.1% greater than budgeted at $5,393 compared to a budgeted amount of $5,388 for the month of January.

- Total patient days for the month were 2,652 compared to the prior month's total patient days of 2,658 and the prior year's 2,532 total patient days. The average daily acute care census was 31.7 compared to a budget of 29.4 and an actual average daily census of 31.3 in the prior month; the average daily Sub-Acute census was 31.2 versus a budget of 33.5 and 32.4 in the prior month and the Skilled Nursing program had an average daily census of 22.7 versus a budget of 23.0 and prior month census of 22.0, respectively.

- Emergency Care Center (ECC) visits were 1,461 or 3.8% less than the budgeted 1,519 visits and were 1.9% less than the prior year's visits of 1,489.

- Total surgery cases were less than budgeted expectations for the month at 138 cases versus the budgeted 166 cases. The current month's surgical volume was 7.8% greater than the same month prior year's 128 cases.

- Outpatient registrations were 16.8% below budgeted targets at 2,008 but were 5.1% greater than the prior month's 1,911 outpatient visits.

- Combined excess revenue over expenses (profit) for January was $24,000 versus a budgeted excess of revenue over expenses (profit) of $28,000. This brings our year-to-date loss to $26,000 versus a budgeted profit of $599,000.

Total assets increased by $289,000 from the prior month as a result of an increase in current assets of $204,000, an increase in net fixed assets of $76,000 and an increase in restricted contributions of $9,000. The following items make up the decrease in current assets:

- Total unrestricted cash and cash equivalents for January decreased by $814,000 and days cash on hand including restricted use funds decreased to 4.6 days on hand in January from 7.5 days on hand in December.

- Net patient accounts receivable increased in January by $788,000 compared to an increase of $764,000 in December. Day's in outstanding receivables decreased slightly to 64.7 at January 31, 2011 from 64.9 at December 31, 2010. Collections in January totaled $4.6 million compared to $4.1 million in December.

- Third-Party Payer Settlements receivable increased by $181,000 as a result of an accrual of $160,000 for additional reimbursements to be received as a result of the update to the facilities long-term care Medi-Cal rates that are retroactive to August 1, 2010 for SNF and Sub-Acute services.

Total liabilities increased by $237,000 compared to a decrease of $1,020,000 in the prior month. This increase in the current month was the result of the following:

- Accounts payable and accrued expenses increased by $168,000 while payroll and accrued expenses increased by $548,000. As a result of this increase of $716,000 offset by a slight increase in average daily expenses as of January 31st, the average payment period increased in January to 66.0 from 62.8 as of December 31, 2010.

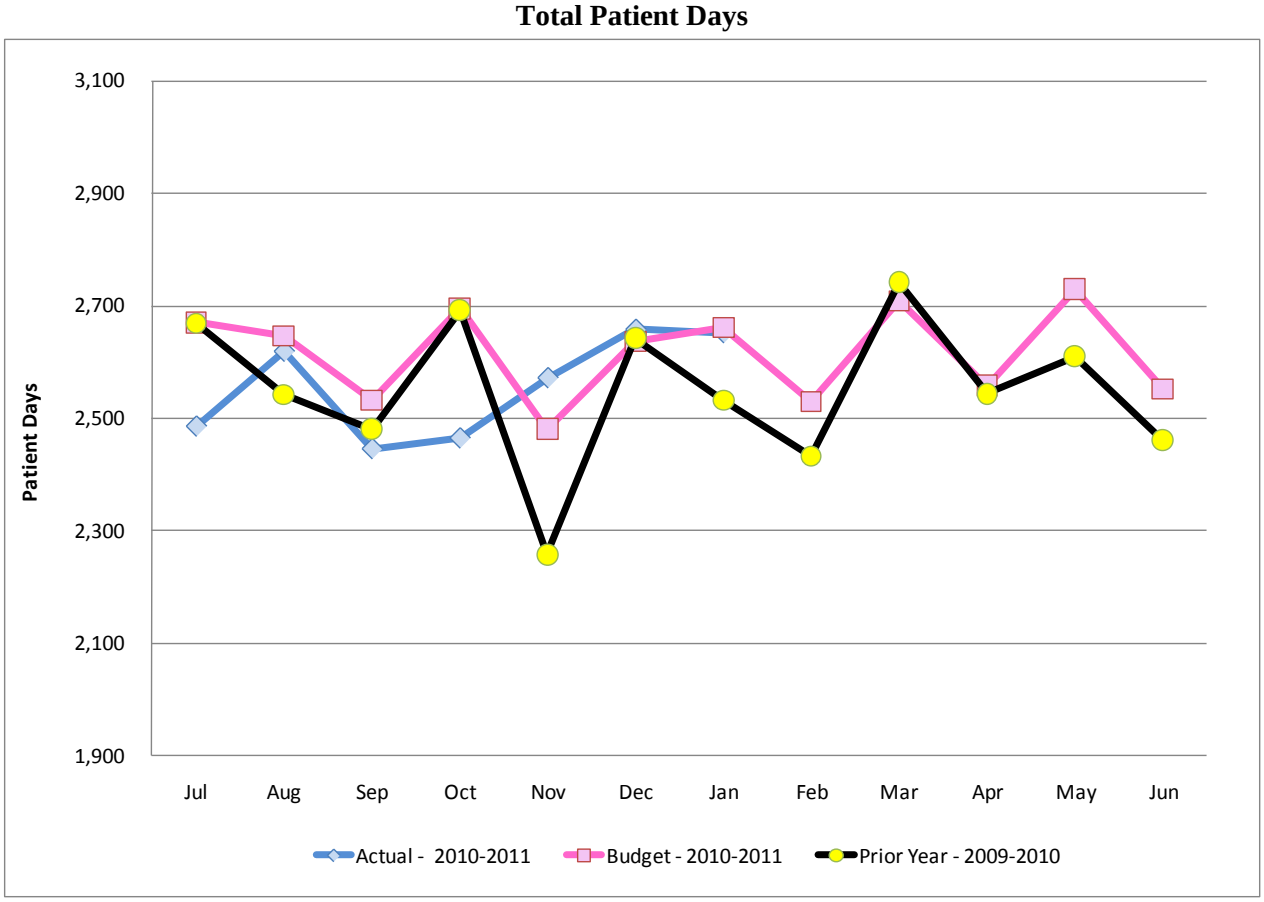
- Payroll and benefit related accruals increased by $548,000 from the prior month. This increase was primarily the result of an increase in accrued payroll and related payroll tax and benefit accruals of $433,000 and an increase in accrued time off of $99,000.

- Other liabilities decreased by $478,000 as a result of the amortization of one-twelfth of the annual parcel tax revenues for the 2011 fiscal year.

Volumes

The combined actual daily census was 85.6 versus a budget of 85.9 or 0.4% or 0.3 patients per day unfavorable variance. The current month's overall slightly unfavorable variance from the budgeted census was the result of an acute care services average daily census that exceeded budget in the acute care areas by 2.4 patients per day or 8.1%. The Sub-Acute and Skilled Nursing programs were below budgeted expectations with an average daily census of 31.2 versus the budgeted 33.5 and 22.7 versus the budgeted average daily census of 23.0, respectively.

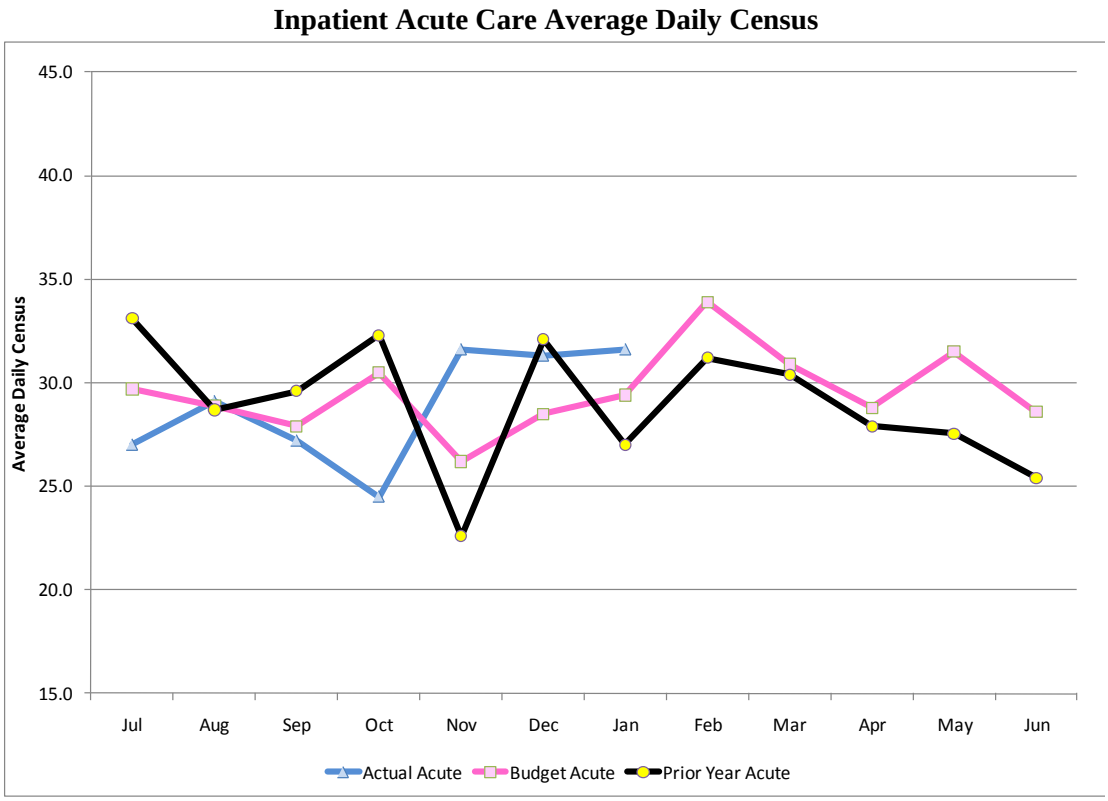
The graph below shows the total patient days by month for fiscal year 2011 compared to the operating budget and fiscal year 2010 actual.



The various inpatient components of our inpatient volumes for the month of January are discussed in the following sections.

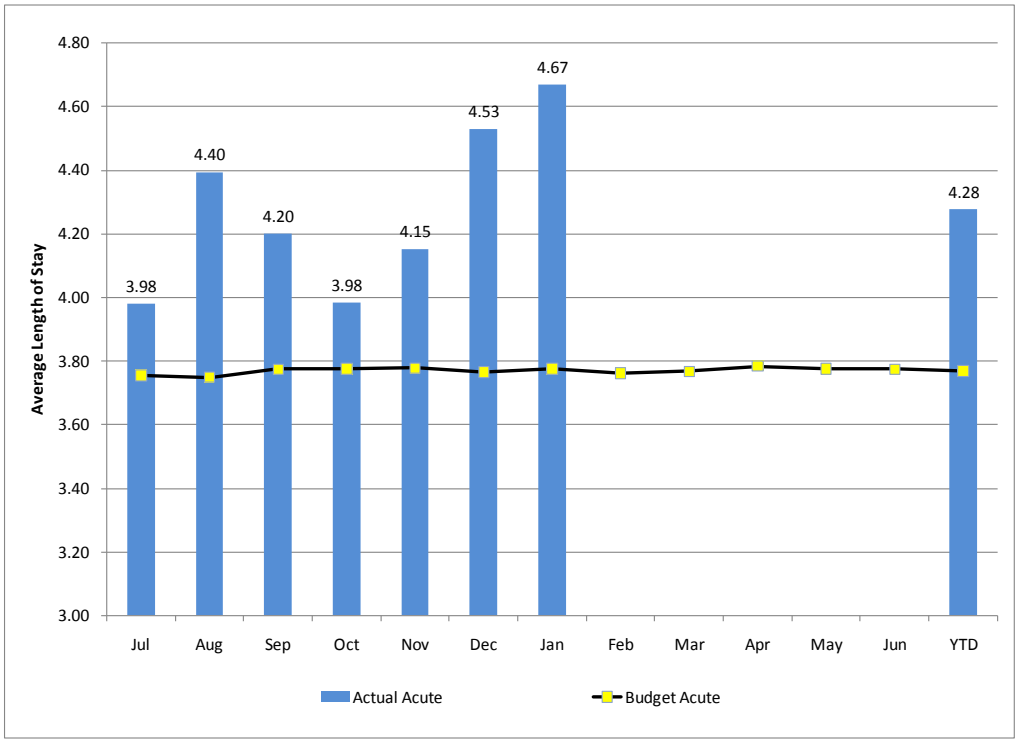
Acute Care

The acute care patient days were 8.1% (71 days) greater than budgeted and were on 17.2% greater than the prior year's average daily census of 27.00. The acute care program is comprised of the Critical Care Unit (5.1 ADC, 29.2% favorable to budget), Definitive Observation Unit (8.1 ADC, 31.5% unfavorable to budget) and Med/Surg Units (18.6 ADC, 37.2% favorable to budget). The graph below shows the inpatient acute care census by month for the current fiscal year, the operating budget and prior fiscal year actual.



The average length of stay (ALOS) increased from that of the prior month to 4.67 days for the month of January bringing the year-to-date average to 4.28 versus the budgeted FY 2011 average of 3.77. The graph on the following page shows the ALOS by month and the budgeted ALOS for fiscal year 2011.

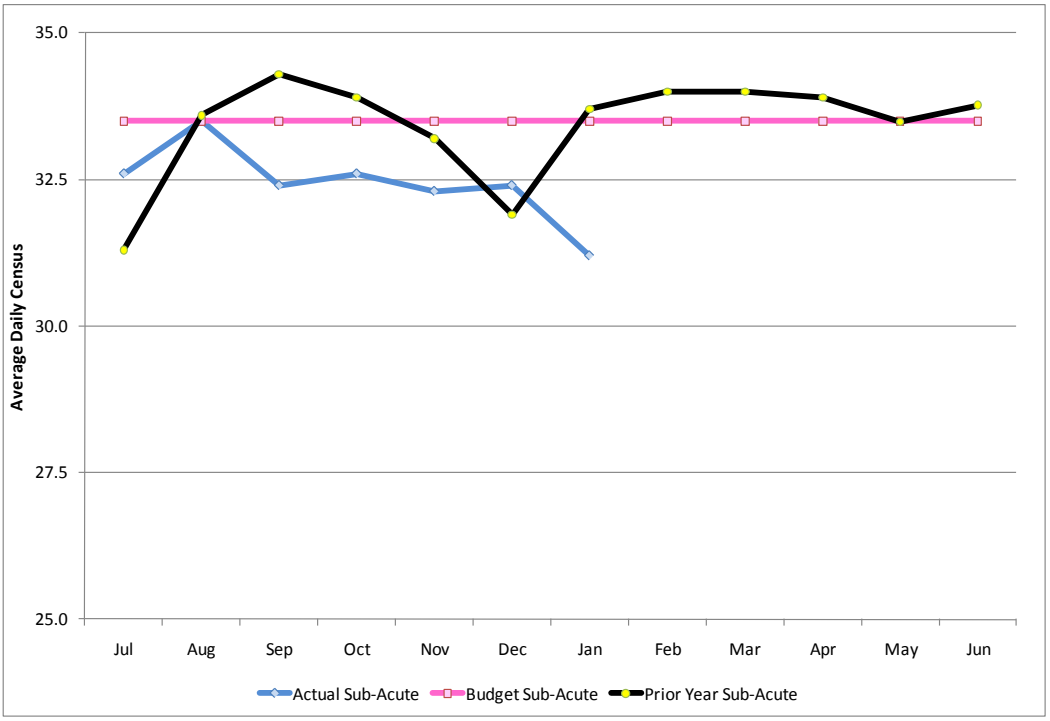
Average Length of Stay



Sub-Acute Care

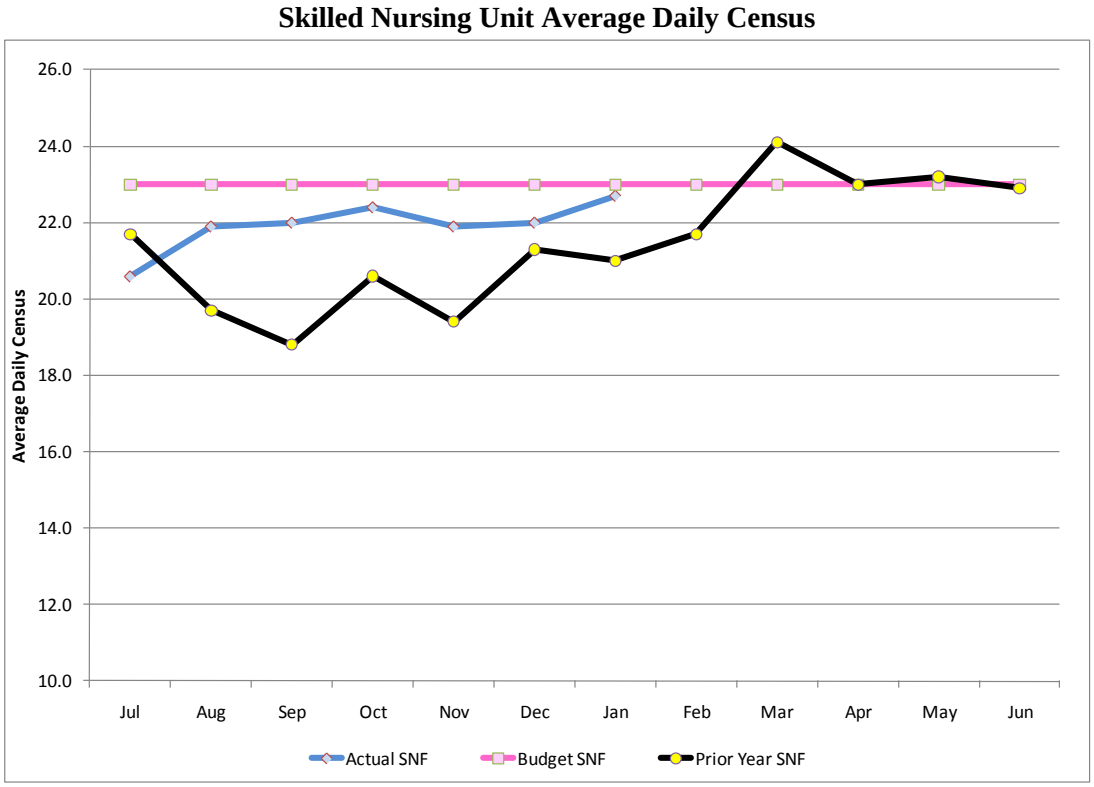
The Sub-Acute program patient days were below budgeted projections with an average daily census of 31.2 for the month of January which was budgeted for an average daily census of 33.5. The graph below shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.

Sub-Acute Care Average Daily Census



Skilled Nursing Care

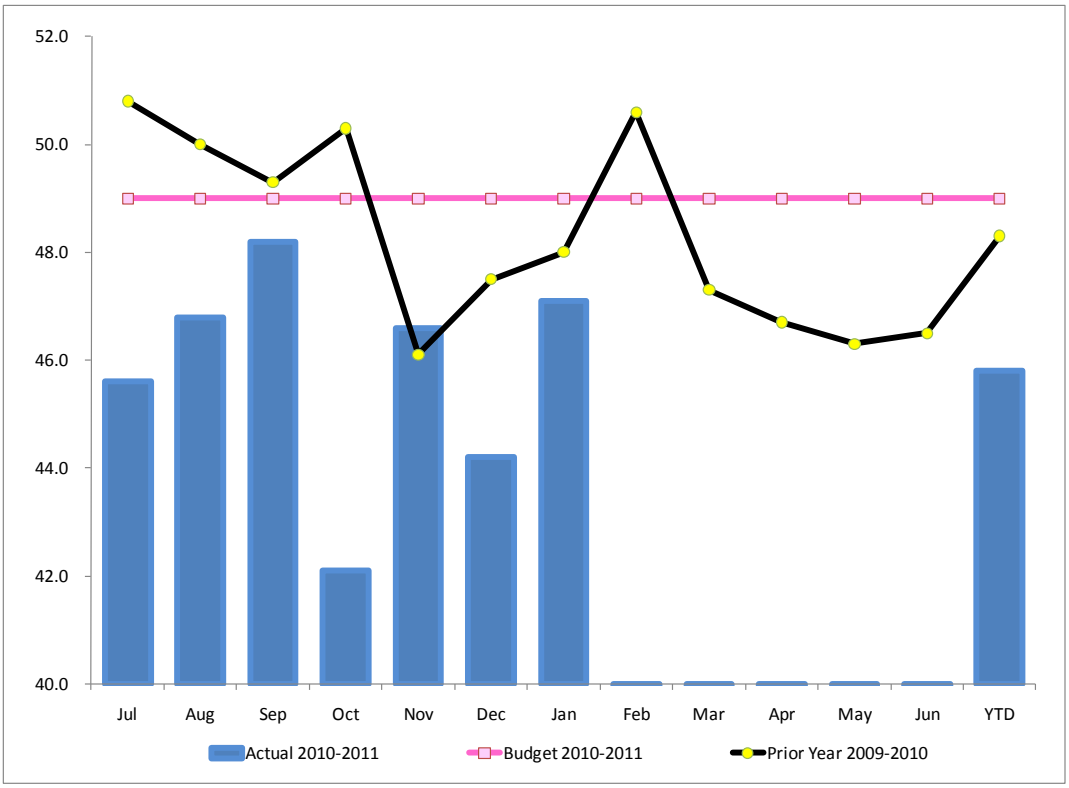
The Skilled Nursing Unit (South Shore) patient days were 1.3% or 9 patient days less than budgeted for the month of January. Comparing performance to the prior year this program remains slightly greater than the prior year's performance for the first seven months of fiscal year 2011 that has had an average daily census of 21.9 versus 20.4 in fiscal year 2010. The following graph shows the Skilled Nursing Unit monthly average daily census as compared to budget and the prior year.



Emergency Care Center (ECC)

Emergency Care Center visits in January totaled 1,461 and were 3.8% or only 58 visits less than budgeted for the month with 16.5% of these visits resulting in inpatient admissions versus 16.0% in December. In January there were 262 ambulance arrivals versus 277 in the prior month, a decrease of 5.4%. Of the 262 ambulance arrivals in the current month 150 or 57.3% were from Alameda Fire Department (AFD) ambulances. The graph on the following page shows the Emergency Care Centers average visits per day for fiscal year 2011 as compared to budget and the prior year performance.

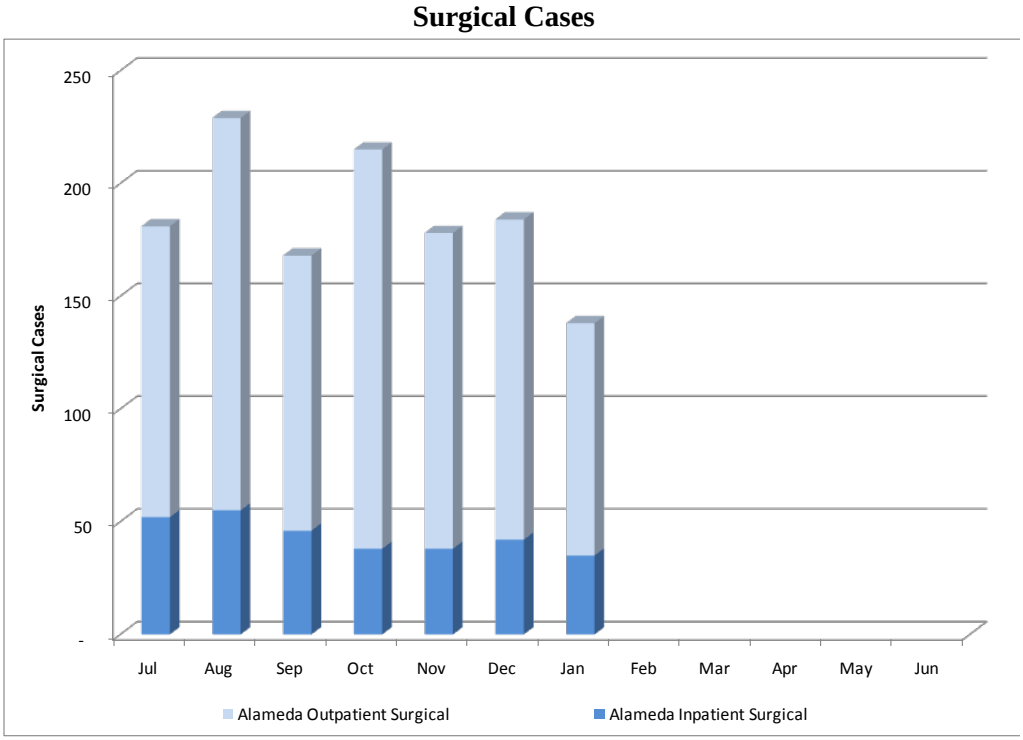
Emergency Care Center Visits per Day



Surgery

Surgery cases were 138 versus the 166 budgeted cases and 128 cases in the prior year. In January, surgery cases decreased over the prior month by 25.0%. The decrease of 46 cases over the prior month was the result of a decrease of 7 and 39 inpatient and outpatient cases, respectively. Inpatient and outpatient cases totaled 35 and 103 versus 42 and 142 in January and December, respectively. The decrease in cases from the prior month was driven by decreases in General Surgical (23), Ophthalmology (15), Gastro Intestinal (6) and Orthopedic (5) cases.

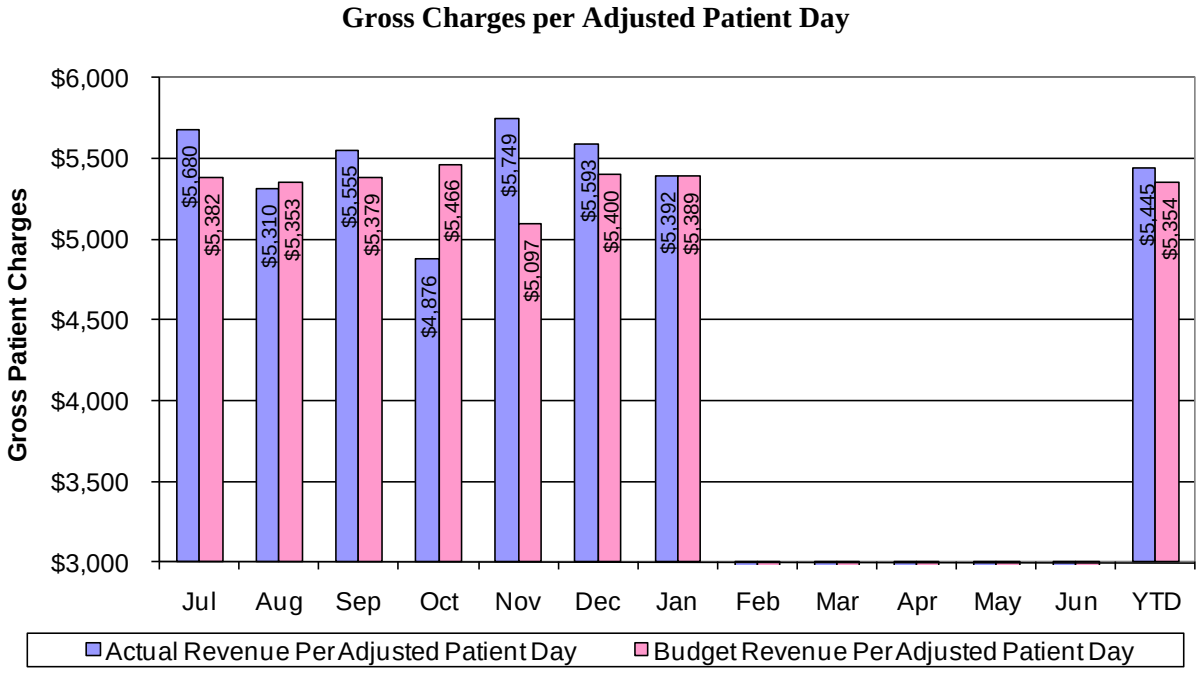
The graph on the following page shows the number of inpatient and outpatient surgical cases by month for fiscal year 2011.



Income Statement

Gross Patient Charges

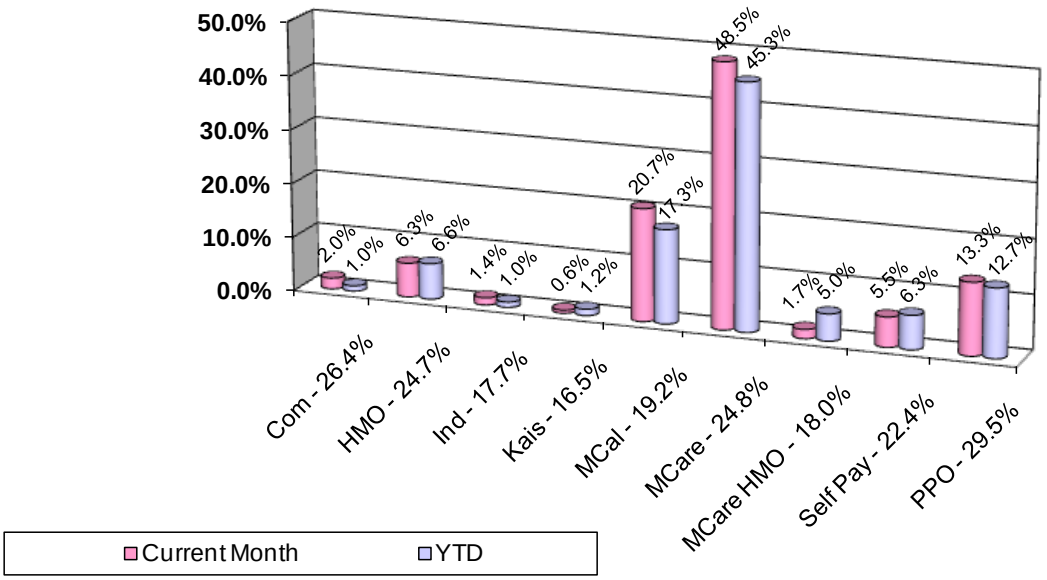
Gross patient charges in January were less than budgeted by $573,000. This unfavorable variance was comprised of an unfavorable variance of $42,000 and $530,000 in inpatient and outpatient revenues, respectively. On an adjusted patient day basis total patient revenue was $5,393 versus the budgeted $5,388 or a favorable variance of 0.1% from budget for the month of January. The following table shows the hospitals monthly gross revenue per adjusted patient day by month and year-to-date for fiscal year 2011 compared to budget.



Payor Mix

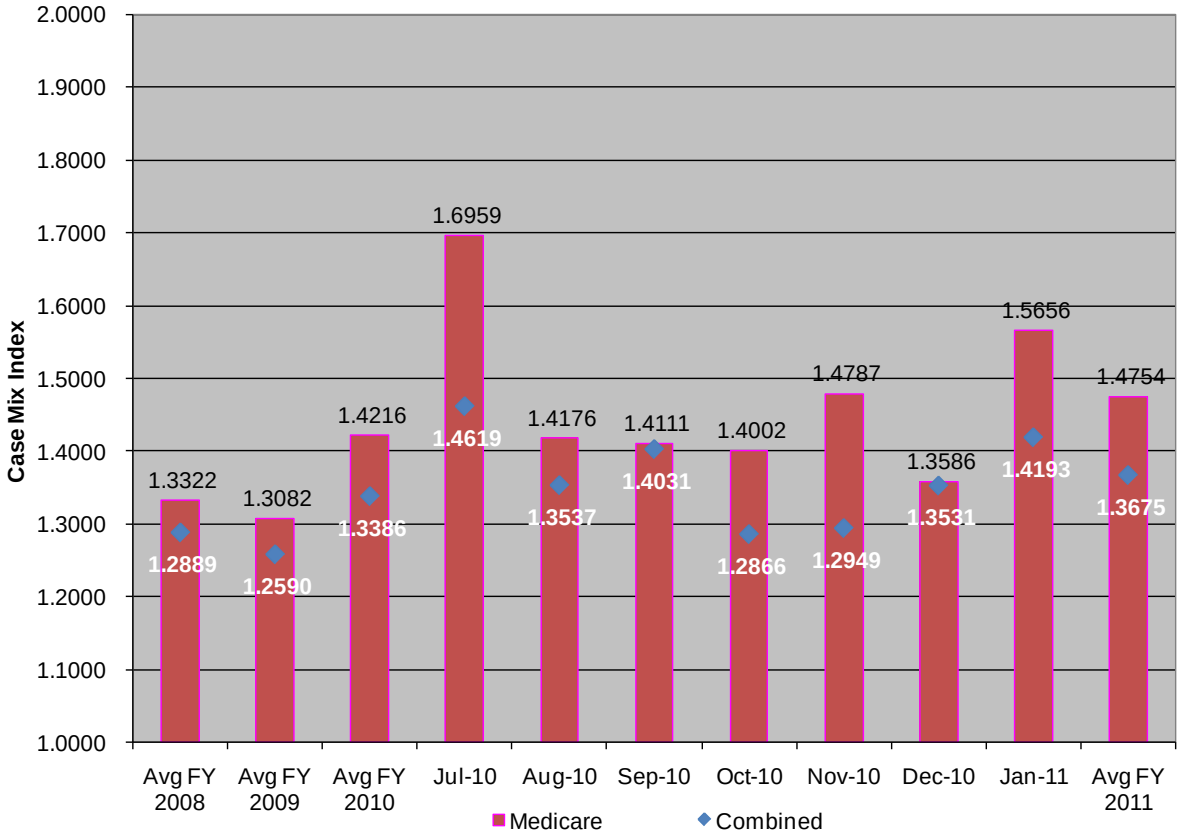
Combined inpatient and outpatient acute care Medicare and Medicare Advantage total gross revenue in January made up 50.2% of the months total gross patient revenue. Combined Medicare revenue was followed by Medi-Cal Traditional and Medi-Cal HMO utilization at 20.7%, HMO/PPO utilization at 19.6% and self pay at 5.5%. The graph below shows the percentage of gross revenues generated by each of the major payors for the current month and fiscal year to date as well as the current months estimated reimbursement for each payor for the combined inpatient and outpatient acute care services.

Combined Acute Care Services Payor Mix



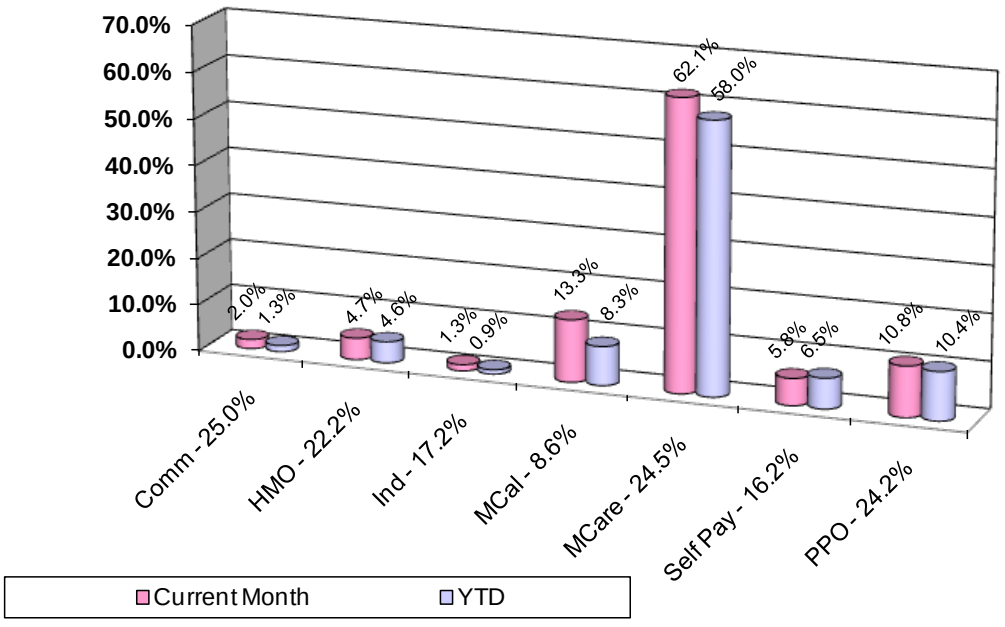
The inpatient acute care current month gross Medicare and Medicare Advantage charges made up 62.1% of our total inpatient acute care gross revenues followed by HMO/PPO at 15.5%, Medi-Cal and Medi-Cal HMO at 13.3% and Self Pay at 5.8% of the inpatient acute care revenue. The hospitals overall Case Mix Index (CMI) increased to 1.4193 from 1.3531 in the prior month and the Medicare CMI increased over the prior month from 1.3586 in December to 1.5656 in January. In January there was one (1) outlier case in the month. The estimated Medicare reimbursement increased to 24.6% in January versus 23.0% in December. The graph on the following page shows the CMI for the hospital during the current fiscal year as compared to the prior three fiscal years.

Case Mix Index Comparison



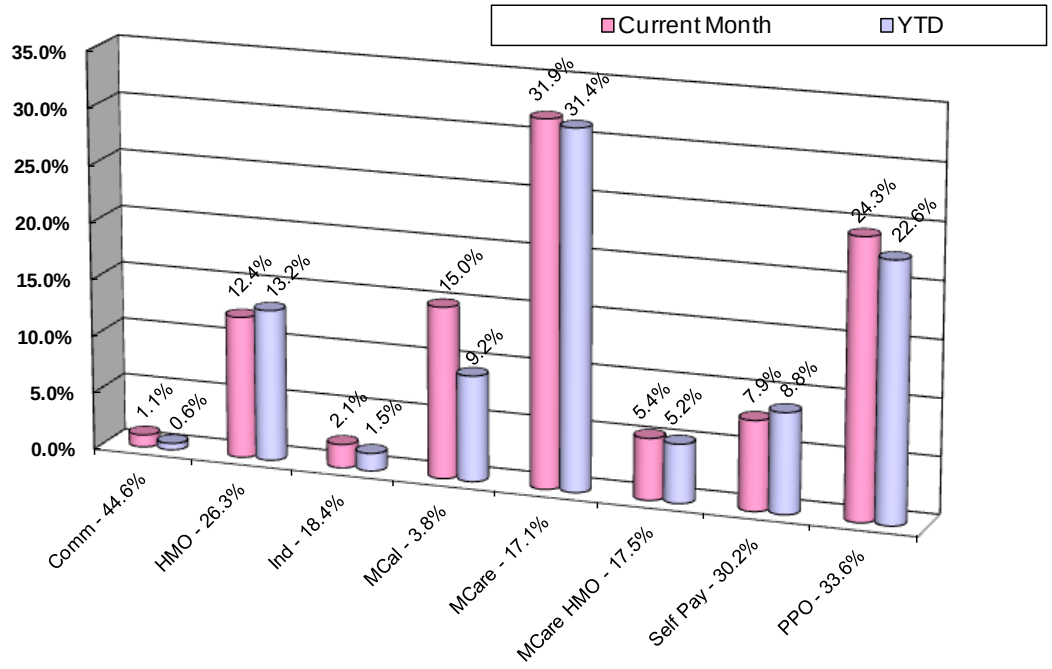
The overall net inpatient revenue percentage increased from the prior month to 24.9% in January versus 20.7% in December. The graph below shows inpatient acute care current month and year to date payor mix and current month estimated net revenue percentages for fiscal year 2011.

Inpatient Acute Care Payor Mix



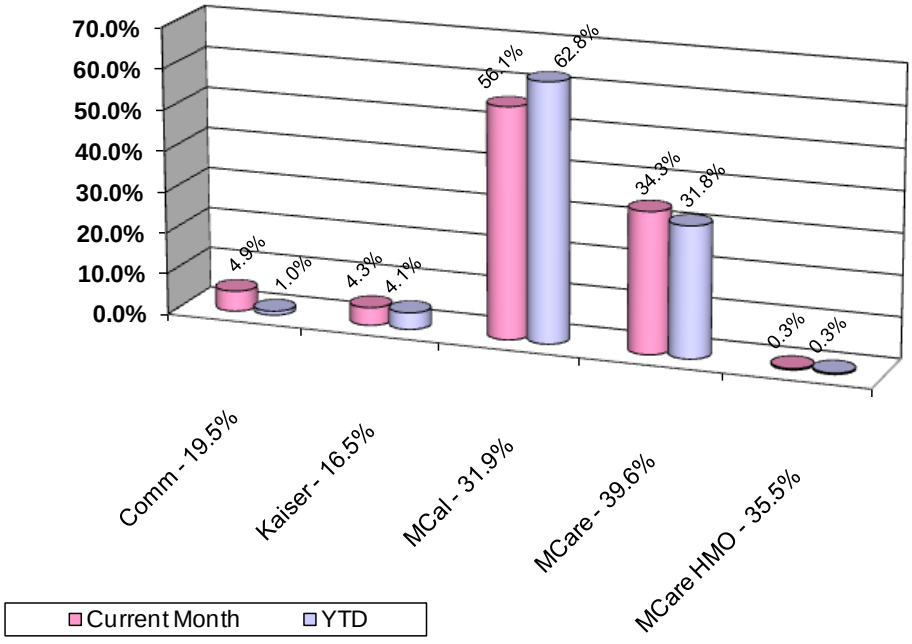
The outpatient gross revenue payor mix for January was comprised of 37.3% Medicare and Medicare Advantage, 36.7% HMO/PPO, 15.0% Medi-Cal and Medi-Cal HMO, and 7.9% self pay. The graph below shows the current month and fiscal year to date outpatient payor mix and the current months estimated level of reimbursement for each payor.

Outpatient Services Payor Mix



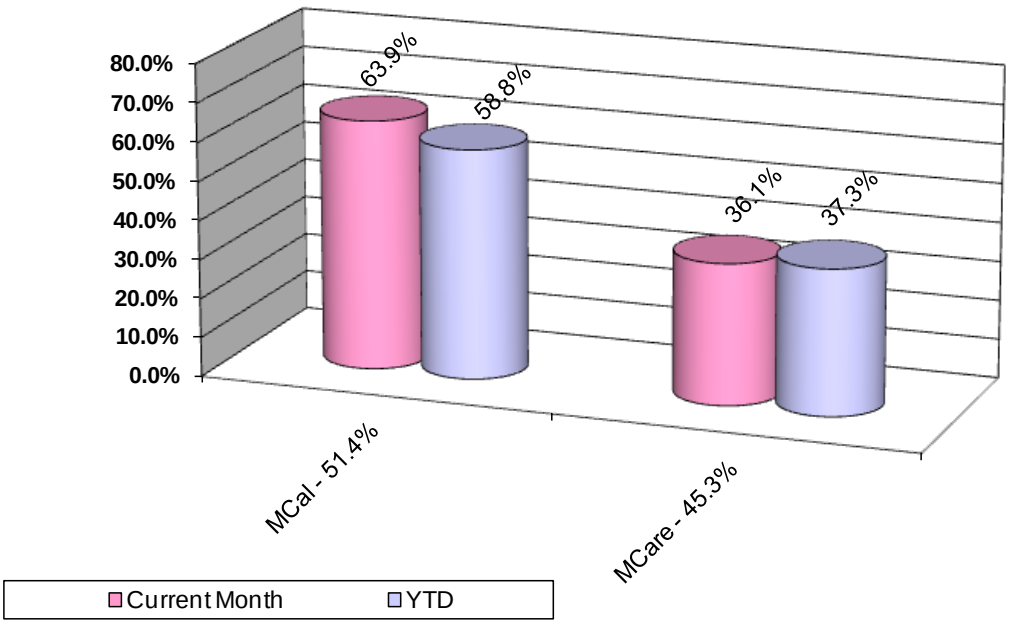
In January the Sub-Acute care program again was dominated by Medi-Cal utilization of 56.1% versus 54.1% in December. The graph below shows the payor mix for the current month and fiscal year to date and the current months estimated reimbursement rate for each payor.

Inpatient Sub-Acute Care Payor Mix



In January the Skilled Nursing program was again comprised primarily of Medi-Cal at 63.9% and Medicare at 36.1%. The graph below shows the current month and fiscal year to date skilled nursing payor mix and the current months estimated level of reimbursement for each payor.

Inpatient Skilled Nursing Payor Mix



Deductions from Revenue

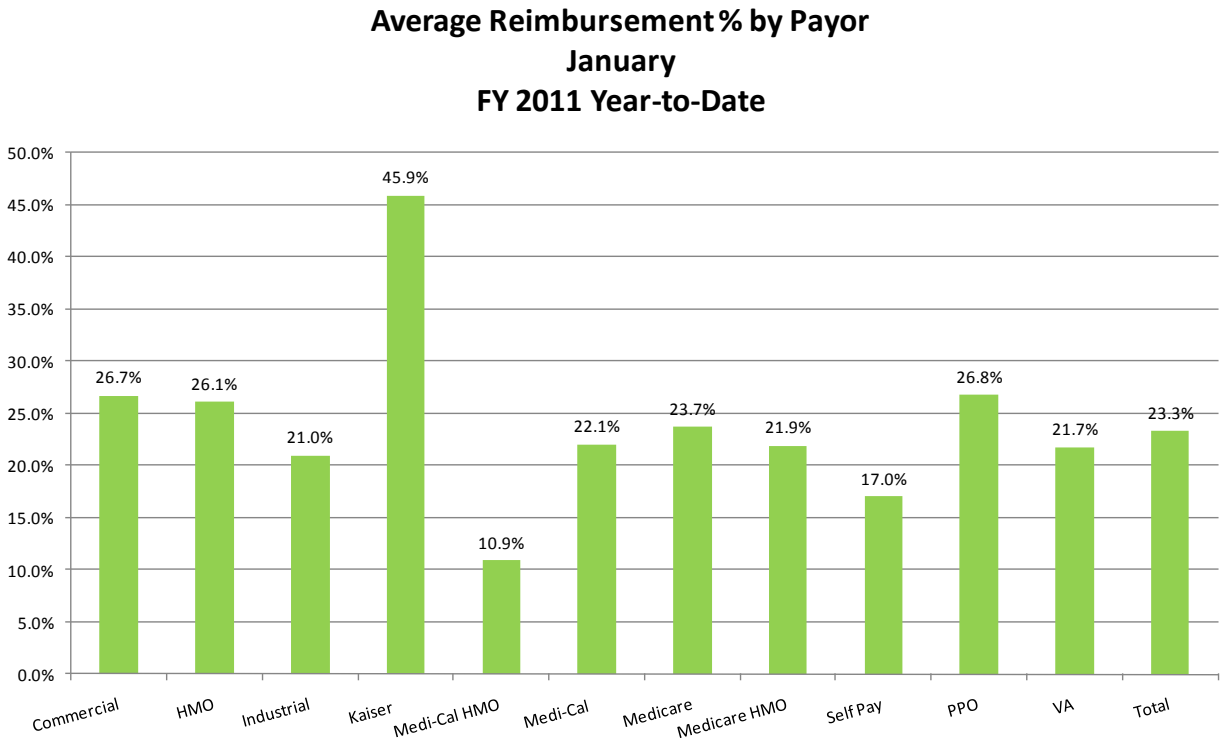
Contractual allowances are computed as deductions from gross patient revenues based on the difference between gross patient charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare, Medi-Cal and other third party payors such as Blue Cross. In the month of January contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 72.6% versus the budgeted 75.4%.

Net Patient Service Revenue

Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. This difference reflects what the anticipated cash payments the Hospital is expecting to receive for the services provided. In addition, included in year to date net patient service revenue are the estimated amounts to be received from participation in the State of California's Intergovernmental Transfer Program, $180,000 per month and $1,080,000 for the six month ended December 31, 2010. As a result of changes that are now anticipated to occur which includes the inclusion of all forty-six (46) California district hospitals in the fiscal year 2011 IGT program no additional accruals will be made for the remainder of FY 2011 as it is estimated that the amount accrued to date will approximate the ultimate amount to be received in fiscal year 2011.

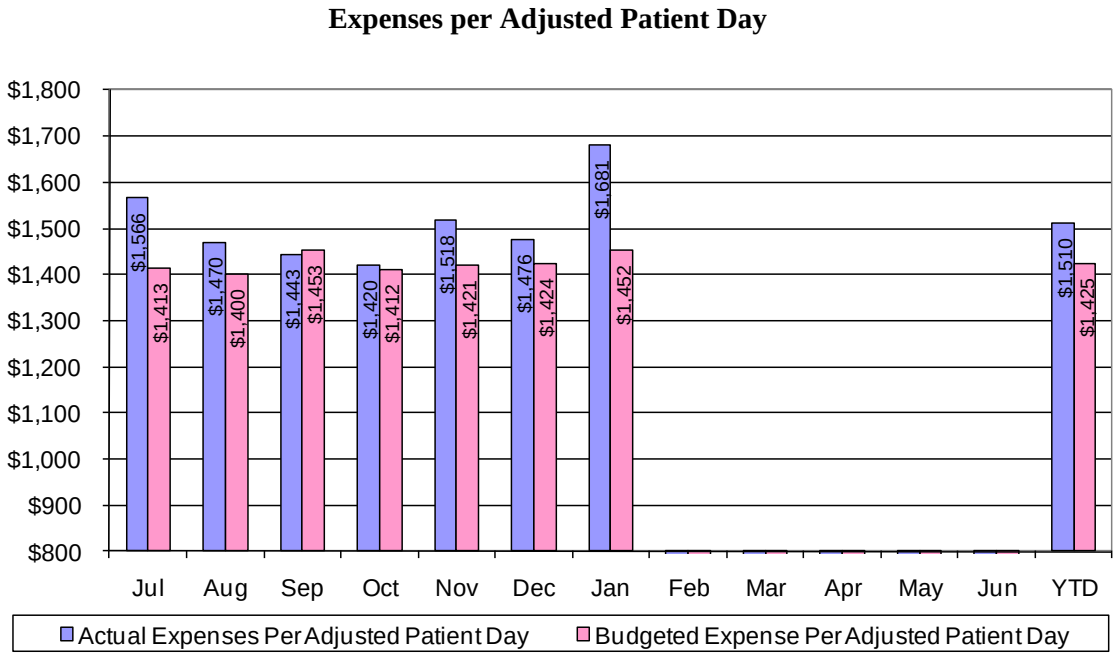
Also included in January, based upon the notification of the new long term care program Medi-Cal rates (Sub-Acute and SNF) for fiscal year 2011 an accrual of $160,000 was included in the month to reflect the estimated retroactive amounts to be received in the last half of fiscal year 2011 for services rendered to Medi-Cal beneficiaries in these long-term care programs on or after August 1, 2010.

The graph on the following page shows the level of reimbursement that the Hospital has estimated for fiscal year 2011 by major payor category.



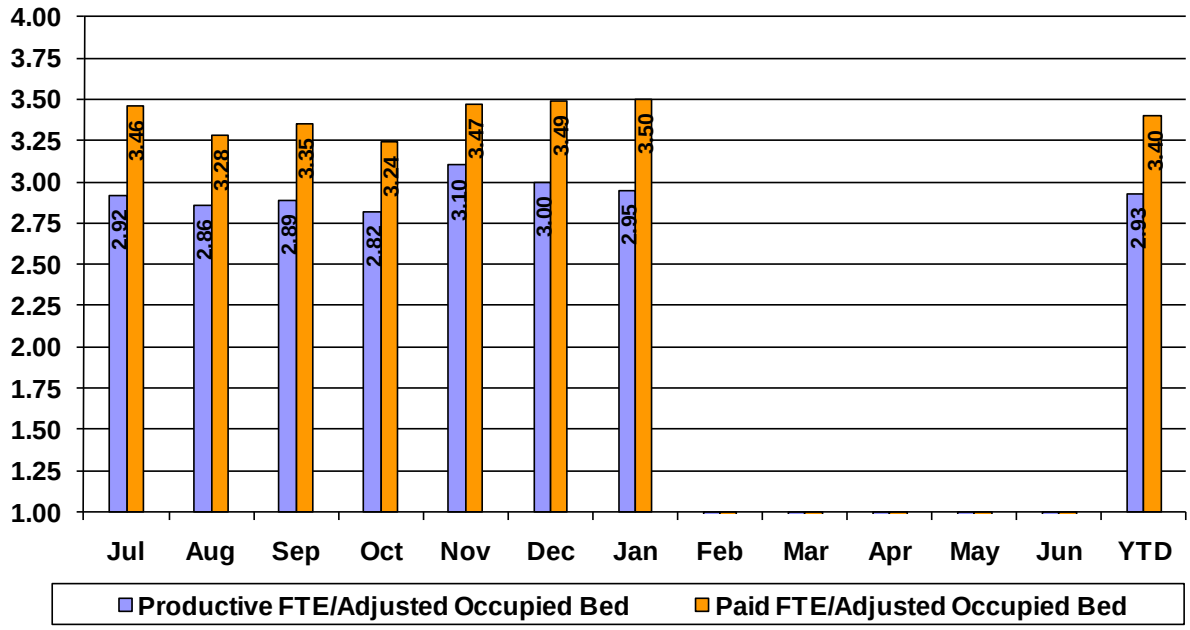
Total Operating Expenses

Total operating expenses were greater than the fixed budget by $458,000 or 7.9%. On an adjusted patient day basis, our cost per adjusted patient day was $1,612 which was $160 per adjusted patient day unfavorable to budget. This variance in expenses per adjusted patient day was primarily the result of an unfavorable variance in salaries and registry costs of $133 per adjusted patient day. The graph below shows the actual hospital operating expenses on an adjusted patient day basis for the 2011 fiscal year by month as compared to budget and is followed by explanations of the significant areas of variance that were experienced in the current month.



Salary and Registry Expenses
Salary and registry costs combined were unfavorable to the fixed budget by $429,000 and were unfavorable to budgeted levels on a per adjusted patient day basis by $133 or 17.3%. This unfavorable variance was the result of unfavorable variances in nursing staffing and greater than budgeted registry utilization in several hospital departments. On an adjusted occupied bed basis, productive FTE's were unfavorable to budget by 2.8% at 2.95 FTE's versus the budgeted 2.87 FTE's. The graph below shows the productive and paid FTE's per adjusted occupied bed for FY 2011 by month.

FTE's per Adjusted Occupied Bed



Benefits
Benefits were unfavorable to the fixed budget by $37,000 or 4.1% and $16 or 7.0% on an adjusted patient day basis. This unfavorable variance was the result of greater than budgeted group health insurance claims ($62,000), differences in budgeted payroll taxes ($51,000) offset by lower than budgeted time off accruals ($45,000) and lower workers insurance expense ($25,000).

Professional Fees
Professional fees were lower than budgeted by $57,000 as a result of the delay in the estimated start-up of the Wound Care program that was budgeted to begin in January 2011 ($29,000) and lower than budgeted non-medical professional fees ($27,000).

Purchased Services
Purchased services were $25,000 favorable to the fixed budget and $4 per adjusted patient day favorable to budget in the month of January. This favorable variance was the result of favorable variances of $4,000 in medical purchased services expenses, $6,000 in non-medical purchased services expenses and $15,000 in repairs and maintenance expenses.

Rents and Leases
Rents and leases were $43,000 favorable to the fixed budget and $10 per adjusted patient day favorable to budget for the month of January. This favorable variance was primarily the result of lower than budgeted rental expense related to the PACS and Digital Radiology upgrade project ($31,000). This project will not be completed until the end of the fiscal year due to Office of Statewide Health Planning delays. Favorable

variances were also seen in the Respiratory Services department ($6,000) as a result of a new lease agreement that was negotiated with a new ventilator supplier.

Other Operating Expenses

Other operating expenses were $102,000 unfavorable to the fixed budget and $27 per adjusted patient day in the month of January. This unfavorable variance was primarily the result of the cost associated with the November elections ($42,000), the recruitment expense associated with the new nursing director of long-term care programs ($26,000) and lab staffing ($21,000).

The following pages include the detailed financial statements for the seven months ended January 31, 2011, of fiscal year 2011.

ALAMEDA HOSPITAL
KEY STATISTICS
JANUARY 2011

	ACTUAL JANUARY 2011	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	JANUARY 2010	YTD JANUARY 2011	YTD FIXED BUDGET	VARIANCE	%	YTD JANUARY 2010
Discharges:										
Total Acute	210	241	(31)	-12.9%	230	1,452	1,640	(188)	-11.5%	1,690
Total Sub-Acute	3	2	1	50.0%	1	15	11	4	36.4%	10
Total Skilled Nursing	7	12	(5)	-41.7%	9	50	87	(37)	-42.5%	81
	220	255	(35)	-13.7%	240	1,517	1,738	(221)	-12.7%	1,781
Patient Days:										
Total Acute	981	910	71	7.8%	837	6,211	6,179	32	0.5%	6,312
Total Sub-Acute	967	1,039	(72)	-6.9%	1,044	6,971	7,202	(231)	-3.2%	7,122
Total Skilled Nursing	704	713	(9)	-1.3%	651	4,716	4,945	(229)	-4.6%	4,383
	2,652	2,662	(10)	-0.4%	2,532	17,898	18,326	(428)	-2.3%	17,817
Average Length of Stay										
Total Acute	4.67	3.78	0.90	23.7%	3.64	4.28	3.77	0.51	13.5%	3.73
Average Daily Census										
Total Acute	31.65	29.35	2.37	8.1%	27.00	28.89	28.74	0.15	0.5%	29.36
Total Sub-Acute	31.19	33.52	(2.40)	-7.2%	33.68	32.42	33.50	(1.07)	-3.2%	33.13
Total Skilled Nursing	22.71	23.00	(0.30)	-1.3%	21.00	21.93	23.00	(1.07)	-4.6%	20.39
	85.55	85.87	(0.33)	-0.4%	81.68	83.25	85.24	(0.93)	-1.1%	82.87
Emergency Room Visits	1,461	1,519	(58)	-3.8%	1,489	9,842	10,538	(696)	-6.6%	10,507
Outpatient Registrations	2,008	2,414	(406)	-16.8%	2,847	13,818	15,254	(1,436)	-9.4%	17,904
Surgery Cases:										
Inpatient	35	50	(15)	-30.0%	60	306	349	(43)	-12.3%	418
Outpatient	103	116	(13)	-11.2%	372	987	1,003	(16)	-1.6%	2,969
	138	166	(28)	-16.9%	432	1,293	1,352	(59)	-4.4%	3,387
Kaiser Inpatient Cases	-	-	-	-	10	-	-	-	-	69
Kaiser Eye Cases	-	-	-	-	156	-	-	-	-	1,103
Kaiser Outpatient Cases	-	-	-	-	138	-	-	-	-	1,113
Total Kaiser Cases	-	-	-	-	304	-	-	-	-	2,285
% Kaiser Cases	0.0%	0.0%			70.4%	0.0%	0.0%			67.5%
Adjusted Occupied Bed	124.15	126.98	2.83	2.2%	139.10	123.55	128.47	(4.92)	-3.8%	144.94
Productive FTE	366.17	364.20	(1.97)	-0.5%	356.78	364.83	365.16	0.33	0.1%	391.89
Total FTE	434.54	415.15	(19.39)	-4.7%	434.53	422.18	415.75	(6.43)	-1.5%	448.42
Productive FTE/Adj. Occ. Bed	2.95	2.87	(0.08)	-2.8%	2.56	2.95	2.84	(0.11)	-3.9%	2.70
Total FTE/ Adj. Occ. Bed	3.50	3.27	(0.23)	-7.1%	3.12	3.42	3.24	(0.18)	-5.6%	3.09

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City of Alameda Health Care District
Statements of Financial Position
January 31, 2011
$ in thousands

	Current Month	Prior Month	Prior Year End
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 10,339	$ 824,459	$ 3,480,668
Patient Accounts Receivable, net	11,458,132	10,669,772	9,558,147
Other Receivables	4,344,795	4,330,040	6,654,035
Third-Party Payer Settlement Receivables	695,240	513,847	374,557
Inventories	1,138,088	1,141,407	1,149,706
Prepaids and Other	712,399	675,214	453,872
Total Current Assets	18,358,993	18,154,739	21,670,985
Assets Limited as to Use, net	547,821	539,259	476,630
Property, Plant and Equipment, net	7,528,001	7,451,772	6,993,735
Total Assets	**$ 26,434,815**	**$ 26,145,770**	**$ 29,141,350**
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	$ 416,000	$ 418,224	$ 450,831
Accounts Payable and Accrued Expenses	6,747,786	6,580,094	6,112,296
Payroll Related Accruals	4,804,155	4,256,191	4,351,133
Deferred Revenue	2,390,196	2,868,061	5,736,951
Employee Health Related Accruals	581,363	543,701	645,750
Third-Party Payer Settlement Payable	290,000	290,000	500,000
Total Current Liabilities	15,229,500	14,956,271	17,796,961
Long Term Debt, net	1,004,828	1,041,216	1,236,831
Total Liabilities	16,234,328	15,997,487	19,033,792
Net Assets:			
Unrestricted	9,555,090	9,511,448	9,560,928
Temporarily Restricted	645,397	636,835	546,630
Total Net Assets	10,200,487	10,148,283	10,107,558
Total Liabilities and Net Assets	**$ 26,434,815**	**$ 26,145,770**	**$ 29,141,350**

City of Alameda Health Care District

Statements of Operations

January 31, 2011

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Patient Days	2,652	2,662	(10)	-0.4%	2,532	17,898	18,326	(428)	-2.3%	17,817
Discharges	220	255	(35)	-13.7%	240	1,517	1,737	(220)	-12.7%	1,780
ADC (Average Daily Census)	85.5	85.9	(0.32)	-0.4%	81.7	83	85.2	(1.99)	-2.3%	82.9
CMI (Case Mix Index)	1.4193				1.3205	1.3675				1.3122
Revenues										
Gross Inpatient Revenues	$ 14,301	$ 14,343	$ (42)	-0.3%	$ 13,758	$ 97,582	$ 98,124	$ (542)	-0.6%	$ 97,749
Gross Outpatient Revenues	6,509	7,039	(530)	-7.5%	9,698	47,616	49,769	(2,152)	-4.3%	73,188
Total Gross Revenues	20,810	21,382	(573)	-2.7%	23,456	145,198	147,892	(2,694)	-1.8%	170,937
Contractual Deductions	14,432	15,346	914	6.0%	17,305	103,608	106,130	2,522	2.4%	127,117
Bad Debts	490	625	135	21.6%	315	4,264	4,419	155	3.5%	3,651
Charity and Other Adjustments	183	156	(27)	-17.3%	27	1,069	1,105	36	3.3%	364
Net Patient Revenues	5,704	5,255	449	8.5%	5,809	36,258	36,238	19	0.1%	39,805
Net Patient Revenue %	27.4%	24.6%			24.8%	25.0%	24.5%			23.3%
Net Clinic Revenue	32	28	4	15.4%	4	207	195	12	6.1%	67
Other Operating Revenue	11	14	(3)	-24.0%	48	69	97	(28)	-28.4%	332
Total Revenues	**5,747**	**5,297**	**450**	8.5%	**5,861**	**36,534**	**36,530**	**4**	0.0%	**40,204**
Expenses										
Salaries	3,225	2,876	(348)	-12.1%	3,337	20,884	19,793	(1,091)	-5.5%	22,463
Registry	251	169	(81)	-48.0%	119	1,390	1,193	(196)	-16.4%	1,135
Benefits	942	905	(37)	-4.1%	1,047	5,538	6,150	612	9.9%	6,526
Professional Fees	290	347	57	16.5%	297	2,118	2,228	110	4.9%	2,117
Supplies	703	691	(12)	-1.7%	768	5,114	4,894	(221)	-4.5%	6,149
Purchased Services	362	387	25	6.5%	348	2,633	2,723	90	3.3%	2,754
Rents and Leases	68	111	43	38.8%	62	476	526	50	9.5%	476
Utilities and Telephone	76	73	(3)	-3.7%	73	432	507	75	14.8%	496
Insurance	32	36	4	10.0%	41	220	251	31	12.4%	309
Depreciation and amortization	78	73	(4)	-5.6%	103	565	513	(52)	-10.1%	714
Other Opertaing Expenses	194	92	(102)	-110.0%	82	637	583	(54)	-9.3%	608
Total Expenses	**6,219**	**5,761**	**(458)**	-7.9%	**6,278**	**40,006**	**39,361**	**(646)**	-1.6%	**43,745**
Operating gain (loss)	**(472)**	**(464)**	**(8)**	-1.7%	**(417)**	**(3,472)**	**(2,830)**	**(642)**	22.7%	**(3,542)**
Non-Operating Income / (Expense)										
Parcel Taxes	481	478	3	0.5%	478	3,349	3,358	(9)	-0.3%	3,358
Investment Income	1	-	1	0.0%	2	8	-	8	0.0%	11
Interest Expense	(10)	(8)	(2)	-25.4%	(8)	(63)	(84)	21	-25.3%	(61)
Other Income / (Expense)	25	22	3	11.3%	22	153	155	(2)	-1.6%	159
Net Non-Operating Income / (Expense)	**496**	**492**	**4**	**0.8%**	**494**	**3,447**	**3,429**	**18**	**0.5%**	**3,468**
Excess of Revenues Over Expenses	**$ 24**	**$ 28**	**$ (4)**	**-14.8%**	**$ 77**	**$ (26)**	**$ 599**	**$ (625)**	**-104.3%**	**$ (74)**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day

January 31, 2011

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 3,706	$ 3,614	$ 92	2.5%	$ 3,187	$ 3,664	$ 3,552	$ 112	3.1%	$ 3,137
Gross Outpatient Revenues	1,687	1,774	(87)	-4.9%	2,247	1,788	1,802	(14)	-0.8%	2,349
Total Gross Revenues	5,393	5,388	4	0.1%	5,434	5,452	5,354	98	1.8%	5,486
Contractual Deductions	3,740	3,867	127	3.3%	4,009	3,890	3,842	(48)	-1.3%	4,080
Bad Debts	127	157	31	19.4%	73	160	160	(0)	-0.1%	117
Charity and Other Adjustments	48	39	(8)	-20.6%	6	40	40	(0)	-0.3%	12
Net Patient Revenues	1,478	1,324	154	11.6%	1,346	1,361	1,312	49	3.8%	1,278
Net Patient Revenue %	27.4%	24.6%			24.8%	25.0%	24.5%			23.3%
Net Clinic Revenue	8	7	1	18.6%	1	8	7	1	10.0%	2
Other Operating Revenue	3	3	(1)	-21.9%	11	3	4	(1)	-25.8%	11
Total Revenues	**1,489**	**1,335**	**154**	11.6%	**1,358**	**1,372**	**1,323**	**49**	3.7%	**1,291**
Expenses										
Salaries	836	725	(111)	-15.3%	773	784	717	(68)	-9.4%	721
Registry	65	43	(22)	-52.2%	27	52	43	(9)	-20.8%	36
Benefits	244	228	(16)	-7.0%	242	208	223	15	6.6%	209
Professional Fees	75	87	12	14.2%	69	80	81	1	1.4%	68
Supplies	182	174	(8)	-4.6%	178	192	177	(15)	-8.4%	197
Purchased Services	94	97	4	3.8%	81	99	99	(0)	-0.3%	88
Rents and Leases	18	28	10	37.1%	14	18	19	1	6.1%	15
Utilities and Telephone	20	18	(1)	-6.7%	17	16	18	2	11.6%	16
Insurance	8	9	1	7.5%	10	8	9	1	9.2%	10
Depreciation and Amortization	20	19	(2)	-8.6%	24	21	19	(3)	-14.2%	23
Other Operating Expenses	50	23	(27)	-116.0%	19	24	21	(3)	-13.3%	20
Total Expenses	**1,612**	**1,452**	**(160)**	-11.0%	**1,454**	**1,502**	**1,425**	**(77)**	-5.4%	**1,404**
Operating Gain / (Loss)	**(122)**	**(117)**	**(5)**	-4.6%	**(97)**	**(130)**	**(102)**	**(28)**	27.3%	**(113)**
Net Non-Operating Income / (Expense)	**129**	**124**	**4**	**3.6%**	**114**	**129**	**124**	**5**	**4.2%**	**111**
Excess of Revenues Over Expenses	**$ 6**	**$ 7**	**$ (1)**	-12.3%	**$ 18**	**$ (1)**	**$ 22**	**$ (23)**	-103.2%	**$ (2)**

City of Alameda Health Care District
Statement of Cash Flows
For the Seven Months Ended January 31, 2011
$ in thousands

	Current Month	Year-to-Date
Cash flows from operating activities		
Net Income / (Loss)	$ 23,873	$ (25,606)
Items not requiring the use of cash:		
Depreciation and amortization	77,538	$ 565,056
Changes in certain assets and liabilities:		
Patient accounts receivable, net	(788,360)	(1,899,985)
Other Receivables	(14,755)	2,309,240
Third-Party Payer Settlements Receivable	(181,393)	(530,683)
Inventories	3,319	11,618
Prepaids and Other	(37,185)	(258,527)
Accounts payable and accrued liabilities	167,692	635,490
Payroll Related Accruals	547,964	453,022
Employee Health Plan Accruals	37,662	(64,387)
Deferred Revenues	(477,865)	(3,346,755)
Cash provided by (used in) operating activities	(641,510)	(2,151,517)
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(8,562)	(71,191)
Additions to Property, Plant and Equipment	(153,767)	(1,099,322)
Other	19,769	19,768
Cash provided by (used in) investing activities	(142,560)	(1,150,745)
Cash flows from financing activities		
Net Change in Long-Term Debt	(38,612)	(266,834)
Net Change in Restricted Funds	8,562	98,767
Cash provided by (used in) financing and fundraising activities	(30,050)	(168,067)
Net increase (decrease) in cash and cash equivalents	(814,120)	(3,470,329)
Cash and cash equivalents at beginning of period	824,459	3,480,668
Cash and cash equivalents at end of period	$ 10,339	$ 10,339

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: March 9, 2011

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

THROUGH: Finance and Management Committee

FROM: Kerry Easthope, Associate Administrator

SUBJECT: Approval of Wound Care Capital Budget and Operating Proforma

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Recommendation:

Hospital Administration and the Finance and Management Committee recommend that the Board of Directors approve the following two recommendations with regards to the proposed new Wound Care Program. The first is for approval of the capital budget required to build out the center and the second is to approve the operating budget and five year financial proforma.

Capital Budget:

Hospital Administration is recommending that the City of Alameda Health Care District Finance Committee review and approve the attached budget for the build-out of a Wound Care Center located at 815 Atlantic Ave, Suite 100, Alameda California. The proposed total recommended budget is $870,698, to renovate approximately 4,200sq/ ft. including 400 sq. ft. of common area that will later be shared by another program in the near future. This total includes the following cost categories:

Category		Amount
Design & Engineering	$	63,950
Permits & Utilities		16,250
Construction Cost		562,429
Furniture & Fixtures		69.000
Project Administration		45,500
Owners Contingency 15%		113,569
Total	**$**	**870,698**

The construction portion of this project will be put out for public bid as required. We feel confident that competent and competitive bids for this project be within this budget estimate. Furthermore, management will bring a recommendation for a construction contractor to the board for approval, prior to entering into a contract for this work.

Financing for the capital budget portion of this project has been secured through contributions by the Alameda Hospital Foundation and through a five year term loan with the Bank of Alameda (to be presented as a separate Action Item).

Operating Budget and Five Year Financial Proforma:

Secondly, it is being recommended that the committee approve the enclosed operating budget and five year financial proforma for the Wound Care program. This budget was prepared with input from Accelecare based upon their experience with operating over 40 Wound Care centers across the country, as well as our own understanding of our internal and local payor mix, reimbursement contracts, and operating expenses.

The financial proforma projects that this new program will generate the following Cash Flow from operations as well as Net Income from operations for each of the first five years as indicated below:

Year of Operation	Net Cash Flow	Net Income
Year 1	$ 3,353	51,775
Year 2	192,898	247,449
Year 3	253,615	315,289
Year 4	271,277	340,179
Year 5	280,719	357,284
Five Year Total	**$ 1,001,559**	**1,311,977**

The above financial results are only for the wound care program itself and do not include additional ancillary services and revenues that are anticipated once this program is in full operation. It is estimated that ancillary service net revenue could produce approximately **$336,000 in year one and increasing to approximately $550,000 by year five *(see page 9)***. It is believed that these numbers are conservative given the limited provision of chronic wound care services in the greater service area and the expressed interest by a number of physicians in the community, many of whom are not currently on our medical staff.

Likewise, the rent expense line item only reflects the space used by the Wound Care Clinic (approximately 4,000 square. feet). Administration is in the process of performing due diligence for another potential revenue generating program that would occupy the remainder of the initial leased space (approximately 6,600 square feet). Until this occurs, the additional overhead cost to be assumed by the Hospital will be just over $100,000 per year and will be incorporated into next years operating budget. *Note: per the terms of the lease agreement, the Base Rent charge will not begin until 9 months after execution of the lease.*

Background:

As part of the District's strategic plan, management has been actively engaged in pursuing new business and growth opportunities. As has been presented and discussed in prior meetings, one such program is the development of a wound care program in conjunction with Accelecare Wound Centers, Inc. Accelecare manages over 40 wound care centers across the country and provides expertise with the operational and clinical management of this service.

In addition, the Hospital is in need of additional clinical space to meet growth and expansion needs of the future and there is very limited space available on the island that would meet these needs. Securing a lease that provides the initial space needed for wound care, with the option to expand in the future will provide the Hospital with options and opportunity that is needed in the future. Specifically, we are looking at Marina Village as a location where to expand and enhance our Rehabilitation Services, establishment and/or relocation of physician offices, and other clinical and administrative functions that do not need to be located within the Hospital buildings.

Discussion:

The wound care program construction budget was developed with input from several individuals and entities. Pound Management, our project management firm took the lead and was responsible for providing design plans and scope of work data to various construction contractors who submitted bids for this work. Terry Harden Architects provided basic schematic designs and program requirement information that was important for those providing cost estimates. In addition, we involved a medical gas installation and supply company to determine the cost and requirements for the bulk oxygen component of this project.

This project will operate as a department of the Hospital and will therefore be an OSHPD 3 project and will require survey and licensure by the California Department of Public Health. We did meet with the city building department, and we believe that these plans will be reviewed locally. We are still working to schedule a meeting with the city fire inspector to discuss our plans for the bulk oxygen container.

Even though there is a fairly significant initial capital outlay, investment in a new revenue generating program with projected positive contribution margin, it is imperative for the Hospital to strengthen its financial position. There has been overwhelming physician support for this type of program, from both Alameda Hospital physicians, as well as, physicians from the surrounding market. With the professional management and expertise brought to the table with Accelecare, we are confident that this will be a successful and financially rewarding program.

	ITEM	VALUE	COMMENTS
2.00	**Design and Engineering:**		
2.01	Survey	$1,000	May be required to site bulk LOX pad /easement issue
2.02	Geotechnical	$0	None
2.03	Civil	$0	None
2.04	Architectural	$60,000	
2.05	Structural	$0	None
2.06	Mechanical	$1,200	Review and report of (E) roof top equipment (if needed)
2.07	Electrical, data, fire alarm and security	$0	None - Design build
2.08	Landscape	$0	None
2.09	Title 24	$250	Energy compliance
2.10	Other consultants	$0	?
2.11	Reimbursables	$1,500	Copies of plansets - archival and construction docs
	Sub-total:	$63,950	
3.00	**Permits and Utilities:**		
3.01	Planning Dept.	$0	
3.02	Public Works	$0	
3.03	Building Dept.	$15,000	Estimate
3.04	School Fees	$0	No new area being added
3.05	Connection fees - water, fire water & sewer	$0	All in place
3.06	Fire Marshall	$750	Estimate
3.07	Utilities - electric & gas	$0	All in place
3.08	Telephone, CATV	$500	Estimate
3.09	SWPPP	$0	
	Sub-total:	$16,250	
4.00	**Construction Costs:**		
4.01	Hazmat	$0	
4.02	General Contractor:	$485,521	Rossi Builders conceptual estimate
4.03	Specialty items - oxygen distribution incl cert.	$61,408	Pad, enclosure, manifolds, piping, alarms, valves and exhaust
4.04	Specialty testing/ Inspections	$500	Anchors at H chambers
4.05	Misc - owner supplied, contractor installed	$5,000	Paper towel disp / waste containers / dispensers
4.05	Signage	$10,000	Alameda H std. - exterior, room numbers and way finding
	Sub-total:	$562,429	
5.00	**Furniture Fixtures & Equipment:**		
5.01	Telephone system	$8,000	Small office system -15 handset capacity and switch
5.02	Computer system	$25,000	New server, 9 new workstations 3 printers, 1 fax/scan/copy/print
5.03	Audio / Visual systems	$1,500	TV in waiting area
5.04	Security / Surveillance system	$3,000	Basic, monitored, motion detector front and rear doors
5.05	Furniture / Equipment / Lockers	$30,000	Budget - chairs, exam chairs, exam stools, linen carts, lockers
5.06	Plants / Art Work	$1,500	
	Sub-total:	$69,000	
6.00	**Administration:**		
6.01	Project management	$43,000	Heavy on construction admin. (incls add for Legacy)
6.02	Insurance	$2,500	Builders risk
6.03	Moving Costs	$0	
	Sub-total:	$45,500	
7.00	**Contingency**		
7.01	Owners Contingency	$113,569	15%
	Total Project Budget:	$870,698	

Comprehensive Wound Care Program

Hospital Pro Forma - Flexible Pricing Options

Presented to

Alameda Hospital
Alameda, CA

CONFIDENTIAL AND PROPRIETARY

Market Opportunity Assessment

Purpose: To ensure that there is a sufficient patient population to sustain a profitable Advanced Wound Center

Population	
Primary Service Population	507,000
Secondary Service Population	-
Total Adjusted Population*	**507,000**

**Adjusted SSA population to 1/4 impact of PSA on a per capita basis.*

Assumptions	
Diabetes prevalence in primary population	*6.90%*
Percent of diabetic patients that will develop a wound	*15%*
Percent of primary population with Diabetic Ulcers	**1.04%**
Percent of primary population with Venous Stasis Ulcers	**0.35%**
Percent of primary population with Decubitus Ulcers	**0.85%**

Wound Care Patients	
Diabetic Ulcers	5,247
Venous Stasis Ulcers	1,775
Decubitus Ulcers	4,310
Total Patients	**11,331**

Service Area Penetration		**Patients**
Penetration @	10%	**1,133**
Penetration @	15%	**1,700**
Penetration @	20%	**2,266**

Current projections (New Patients)		**Penetration**
Year 1	250	**2%**
Year 2	350	**3%**
Year 3	385	**3%**
Year 4	397	**4%**
Year 5	409	**4%**

Start-Up Cost Overview

Capital Description	Investment		Depreciation Schedule
Hyperbaric Oxygen Chambers with Flat Panel TV's	Provided by Accelecare Wound Centers		
Examination Chairs (4)	Provided by Accelecare Wound Centers		
Digital Cameras	Provided by Accelecare Wound Centers		
Minor Medical Equipment	$	75,000	5
Furniture	$	75,000	5
Build-Out Costs	$	650,000	20
Oxygen Connection	$	70,000	20
Total Capital Investment	**$**	**870,000**	

Minor Medical Equipment Description	Office Equipment/Furniture
One gurney for patients who must be treated recumbent	Desks
Mini Refrigerator	Patient chart binders
Wall mounted X-ray view box	Chart rack and forms holder
Glucose monitors / Accucheck	Physician's Desk Reference
Stethoscopes	File Cabinets
BP cuffs	Billing / Charge computer
Otoscope	Waiting Room furniture
Electronic thermometer	Couches
Wheelchairs (oversized and regular)	Chairs
Stainless steel – shelf utility carts	Tables
Dirty instrument trays	Pictures
Portable pulse oximeter	Magazine Rack
Wound debridement instruments	Miscellaneous office supplies
Air lift stools	Dry erase board
Mayo stands	Fax machine
Linen hamper	Copy machine
Crash cart if indicated	
4 desk top computers	
1 laptop	

APC Model

CONFIDENTIAL AND PROPRIETARY

APC Model: ***Wound Care Revenue***

	Year 1	Year 2	Year 3	Year 4	Year 5
Patient volume					
New Wound Care patients per year	250	350	385	397	409
Average visits per patient	10	10	10	10	10
Total patient visits per year	2,500	3,500	3,850	3,970	4,090
Patient mix					
Medicare / Federal Payments	65%	65%	65%	65%	65%
Commercial / Private	25%	25%	25%	25%	25%
Medicaid / Other	10%	10%	10%	10%	10%
Self Pay	0%	0%	0%	0%	0%
Reimbursement					
Medicare / Federal	$ 283.88	$ 283.88	$ 283.88	$ 283.88	$ 283.88
Commercial / Private	$ 297.22	$ 297.22	$ 297.22	$ 297.22	$ 297.22
Medicaid / Other	$ 197.75	$ 197.75	$ 197.75	$ 197.75	$ 197.75
Self Pay	$ 97.05	$ 97.05	$ 97.05	$ 97.05	$ 97.05
Wage Index adjustment	1.6059	1.6059	1.6059	1.6059	1.6059
Commercial / Private fee v. Medicare	4.3X	4.3X	4.3X	4.3X	4.3X
Commercial / Private contractual adjustment	76%	76%	76%	76%	76%
Medicaid / Other	84%	84%	84%	84%	84%
Self Pay	92%	92%	92%	92%	92%
Revenue					
Medicare / Federal	$ 461,305	$ 645,826	$ 710,409	$ 732,552	$ 754,694
Commercial / Private	$ 185,765	$ 260,071	$ 286,079	$ 294,995	$ 303,912
Medicaid / Other	$ 49,436	$ 69,211	$ 76,132	$ 78,505	$ 80,878
Self Pay	$ -	$ -	$ -	$ -	$ -
Total Revenue	**$ 696,506**	**$ 975,109**	**$ 1,072,620**	**$ 1,106,052**	**$ 1,139,484**
Management fees (Accelecare)					
Percent of Medicare APC	50%	50%	50%	50%	50%
Fee per visit	$ -	$ -	$ -	$ -	$ -
Monthly Management Fee	$ -	$ -	$ -	$ -	$ -
Total fees	$ 323,242	$ 452,538	$ 497,792	$ 513,308	$ 528,824
Net Revenue to Hospital	***$ 373,264***	***$ 522,570***	***$ 574,827***	***$ 592,744***	***$ 610,661***

***APC Model:* Hyperbaric O_2 Therapy Revenue**

	Year 1	Year 2	Year 3	Year 4	Year 5
Patient volume					
New HBOT patients per year	33	46	50	52	53
Average treatments per patient	28	28	28	28	28
Total patient treatments per year*	910	1,288	1,400	1,456	1,484
Patient mix					
Medicare / Federal Payments	65%	65%	65%	65%	65%
Commercial / Private	25%	25%	25%	25%	25%
Medicaid / Other	10%	10%	10%	10%	10%
Self Pay	0%	0%	0%	0%	0%
Reimbursement					
Medicare / Federal (per 30 min unit)	$ 143.16	$ 143.16	$ 143.16	$ 143.16	$ 143.16
Commercial / Private (per 30 min unit)	$ 149.89	$ 149.89	$ 149.89	$ 149.89	$ 149.89
Medicaid / Other (per 30 min unit)	$ 99.72	$ 99.72	$ 99.72	$ 99.72	$ 99.72
Self Pay	$ 48.94	$ 48.94	$ 48.94	$ 48.94	$ 48.94
Average units per treatment	4	4	4	4	4
Wage Index adjustment	1.6059	1.6059	1.6059	1.6059	1.6059
Commercial / Private fee v. Medicare	4.3X	4.3X	4.3X	4.3X	4.3X
Commercial / Private contractual adjustment	76%	76%	76%	76%	76%
Medicaid / Other	84%	84%	84%	84%	84%
Self Pay	92%	92%	92%	92%	92%
Revenue					
Medicare / Federal	$ 338,712	$ 479,408	$ 521,095	$ 541,939	$ 552,361
Commercial / Private	$ 136,398	$ 193,055	$ 209,843	$ 218,237	$ 222,433
Medicaid / Other	$ 36,299	$ 51,376	$ 55,844	$ 58,078	$ 59,195
Self Pay	$ -	$ -	$ -	$ -	$ -
Total Revenue	**$ 511,408**	**$ 723,839**	**$ 786,782**	**$ 818,253**	**$ 833,989**
Management fees (Accelecare)					
Percent of Medicare APC	50%	50%	50%	50%	50%
Fee per unit	$ -	$ -	$ -	$ -	$ -
Total fees	$ 260,548	$ 368,775	$ 400,843	$ 416,876	$ 424,893
Net Revenue to Hospital	***$ 250,861***	***$ 355,064***	***$ 385,939***	***$ 401,377***	***$ 409,096***

*Variations in total are due to rounding

Wound Care Program

APC Model: Contribution Margin Analysis

Prepared by Kerry Easthope & David Neapolitan

1/20/2011

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Volume						
Number of new patients per year	250	350	385	397	409	1,791
Average visits per patient	10	10	10	10	10	10
Number of visits per year	2,500	3,500	3,850	3,970	4,090	17,910
APC reimbursement percentage (plus Q codes)	50%	50%	50%	50%	50%	50%
HBO New Patients	33	46	50	52	53	234
HBO Treatments	924	1,288	1,400	1,456	1,484	6,552
HBO Units	3,696	5,152	5,600	5,824	5,936	26,208
Revenue						
Wound Care Gross	3,032,903	4,246,064	4,670,671	4,816,250	4,961,829	21,727,717
Contractual Allowance	(2,336,397)	(3,270,956)	(3,598,051)	(3,710,198)	(3,822,345)	(16,737,947)
Wound Care Net	**696,506**	**975,108**	**1,072,620**	**1,106,052**	**1,139,484**	**4,989,770**
HBO Gross	2,226,903	3,151,925	3,426,005	3,563,045	3,631,565	15,999,443
Contractual Allowance	(1,715,495)	(2,428,085)	(2,639,223)	(2,744,792)	(2,797,576)	(12,325,171)
HBO Net	**511,408**	**723,840**	**786,782**	**818,253**	**833,989**	**3,674,272**
Total Net Revenue	**1,207,914**	**1,698,948**	**1,859,402**	**1,924,305**	**1,973,473**	**8,664,042**
Expenses						
Accelecare Management Fee	583,789	821,314	898,635	930,184	953,717	4,187,639
Staff Expenses						
Center Director	accelecare	accelecare	accelecare	accelecare	accelecare	
Clinical Manager	accelecare	accelecare	accelecare	accelecare	accelecare	
HBO Tech	accelecare	accelecare	accelecare	accelecare	accelecare	
Nursing (RN's LPN's, MA's)	175,760	204,422	210,555	216,872	223,378	1,030,987
Office Coordinator	58,050	59,792	61,585	63,433	65,336	308,195
Total	233,810	264,214	272,140	280,305	288,714	1,339,182
Non-Staff Expenses						
Medical Director fee	36,000	36,000	36,000	36,000	36,000	180,000
Medical Supplies	62,500	87,500	96,250	99,250	102,250	447,750
Oxygen	19,280	22,304	23,200	23,648	23,872	112,304
Linen	5,000	7,000	7,700	7,940	8,180	35,820
Total	122,780	152,804	163,150	166,838	170,302	775,874
Other						
Advertising	25,000	25,000	25,000	25,000	25,000	125,000
Travel	8,000	8,000	8,000	8,000	8,000	40,000
Rent	60,960	64,800	68,640	72,480	76,800	343,680
Utilities	9,000	9,000	9,000	9,000	9,000	45,000
Interest	54,000	47,567	40,747	33,519	25,857	201,690
Principal	107,222	113,655	120,474	127,703	135,365	604,418
Total	264,182	268,022	271,862	275,702	280,022	1,359,788
Total Expenses	1,204,561	1,506,353	1,605,787	1,653,028	1,692,754	7,662,483
Annual Cash Flow from Operations	3,353	192,595	253,615	271,277	280,719	1,001,559

Investment in Operation

Start up Cost - paid to Accelecare (year 0)	$ 30,000
Facility buildout	650,000
Equipment & Supplies	150,000
Bulk Oxygen Installation	70,000
Total Start-up Cost	$ 900,000

Five (5) Year NPV		$ 394,265
IRR		19%
Payback		Less than 4 years
Assumed Rate of Return	6.0%	

Cash Flow Data	Cash Flows	Principal Payments on Debt	Adjusted Cash Flow for NPV & IRR	Cumulative Cash Impact
Investment	(900,000)		(900,000)	
Year 1	3,353	107,222	110,575	(789,425)
Year 2	192,595	113,655	306,249	(483,176)
Year 3	253,615	120,474	374,089	(109,086)
Year 4	271,277	127,703	398,979	289,893
Year 5	280,719	135,365	416,084	705,977

Wound Care Program

APC Model: Profit & Loss Statement

Prepared by Kerry Easthope & David Neapolitan

1/20/2011

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Volume						
Number of new patients per year	250	350	385	397	409	1,791
Average visits per patient	10	10	10	10	10	10
Number of visits per year	2,500	3,500	3,850	3,970	4,090	17,910
APC reimbursement percentage (plus Q codes)	50%	50%	50%	50%	50%	50%
HBO New Patients	33	46	50	52	53	234
HBO Treatments	924	1,288	1,400	1,456	1,484	6,552
HBO Units	3,696	5,152	5,600	5,824	5,936	26,208
Revenue						
Wound Care Gross	3,032,903	4,246,064	4,670,671	4,816,250	4,961,829	21,727,717
Contractual Allowance	(2,336,397)	(3,270,956)	(3,598,051)	(3,710,198)	(3,822,345)	(16,737,947)
Wound Care Net	**696,506**	**975,108**	**1,072,620**	**1,106,052**	**1,139,484**	**4,989,770**
HBO Gross	2,226,903	3,151,925	3,426,005	3,563,045	3,631,565	15,999,443
Contractual Allowance	(1,715,495)	(2,428,085)	(2,639,223)	(2,744,792)	(2,797,576)	(12,325,171)
HBO Net	**511,408**	**723,840**	**786,782**	**818,253**	**833,989**	**3,674,272**
Total Net Revenue	**1,207,914**	**1,698,948**	**1,859,402**	**1,924,305**	**1,973,473**	**8,664,042**
Expenses						
Accelecare Management Fee	583,789	821,314	898,635	930,184	953,717	4,187,639
Staff Expenses						
Center Director	accelecare	accelecare	accelecare	accelecare	accelecare	
Clinical Manager	accelecare	accelecare	accelecare	accelecare	accelecare	
HBO Tech	accelecare	accelecare	accelecare	accelecare	accelecare	
Nursing (RN's LPN's, MA's)	175,760	204,422	210,555	216,872	223,378	1,030,987
Office Coordinator	58,050	59,792	61,585	63,433	65,336	308,195
Total	233,810	264,214	272,140	280,305	288,714	1,339,182
Non-Staff Expenses						
Medical Director fee	36,000	36,000	36,000	36,000	36,000	180,000
Medical Supplies	62,500	87,500	96,250	99,250	102,250	447,750
Oxygen	19,280	22,304	23,200	23,648	23,872	112,304
Linen	5,000	7,000	7,700	7,940	8,180	35,820
Total	122,780	152,804	163,150	166,838	170,302	775,874
Other						
Advertising	25,000	25,000	25,000	25,000	25,000	125,000
Travel	8,000	8,000	8,000	8,000	8,000	40,000
Rent	60,960	64,800	68,640	72,480	76,800	343,680
Utilities	9,000	9,000	9,000	9,000	9,000	45,000
Interest Expense	54,000	47,567	40,747	33,519	25,857	201,690
Depreciation Expense	58,800	58,800	58,800	58,800	58,800	294,000
Total	215,760	213,167	210,187	206,799	203,457	1,049,370
Total Expenses	**1,156,139**	**1,451,499**	**1,544,113**	**1,584,126**	**1,616,189**	**7,352,065**
Profit / (Loss)	**51,775**	**247,449**	**315,289**	**340,179**	**357,284**	**1,311,977**
EBIDTA	164,575	353,816	414,837	432,498	441,940	1,807,667

Projected Incremental Ancillary Revenue

Outpatient Procedures							Year 1		Year 2		Year 3		Year 4		Year 5	
Category	**% of WC Patients**	**Expected Medicare Reimb.**	**Expected Commercial Reimb.**	**Expected Medicaid Reimb.**	**Expected Self-Pay Reimb.**	***Expected Average Reimb.***	**Cases**	**Net Revenue**	**Cases**	**Net Revenue**	**Cases**	**Net Revenue**	**Cases**	**Net Revenue**	**Cases**	**Net Revenue**
Lab Work	80%	$ 406	$ 425	$ 283	$ 139	***$ 398***	200	$ 79,668	280	$ 111,535	308	$ 122,689	318	$ 126,513	327	$ 130,337
Radiology(Including Non-invasive Vascular)	55%	$ 326	$ 342	$ 227	$ 112	***$ 320***	138	$ 44,055	193	$ 61,678	212	$ 67,845	218	$ 69,960	225	$ 72,075
Pathology/Biopsies	30%	$ 717	$ 751	$ 500	$ 245	***$ 704***	75	$ 52,792	105	$ 73,908	116	$ 81,299	119	$ 83,833	123	$ 86,367
Outpatient Surgery	16%	$ 652	$ 682	$ 454	$ 223	***$ 640***	40	$ 25,586	56	$ 35,821	62	$ 39,403	64	$ 40,631	65	$ 41,859
Nuclear Med	15%	$ 780	$ 817	$ 543	$ 267	***$ 765***	38	$ 28,704	53	$ 40,186	58	$ 44,205	60	$ 45,582	61	$ 46,960
PT/OT	12%	$ 300	$ 314	$ 209	$ 103	***$ 294***	30	$ 8,832	42	$ 12,365	46	$ 13,601	48	$ 14,025	49	$ 14,449
Other	10%	$ 240	$ 251	$ 167	$ 82	***$ 236***	25	$ 5,888	35	$ 8,243	39	$ 9,068	40	$ 9,350	41	$ 9,633
Invasive Vascular Study	6%	$ 575	$ 602	$ 400	$ 196	***$ 564***	15	$ 8,458	21	$ 11,841	23	$ 13,025	24	$ 13,431	25	$ 13,837
OP Total							**560**	**$ 253,984**	**784**	**$ 355,577**	**862**	**$ 391,135**	**889**	**$ 403,326**	**916**	**$ 415,517**

Inpatient Admissions							Year 1		Year 2		Year 3		Year 4		Year 5	
Category	**% of WC Patients**	**Expected Medicare Reimb.**	**Expected Commercial Reimb.**	**Expected Medicaid Reimb.**	**Expected Self-Pay Reimb.**	**Expected Average Reimb.**	**Cases**	**Net Revenue**	**Cases**	**Net Revenue**	**Cases**	**Net Revenue**	**Cases**	**Net Revenue**	**Cases**	**Net Revenue**
Vascular/Cardiovascular	13%	$ 21,747	$ 22,770	$ 15,149	$ 7,435	***$ 21,343***	33	$ 696,705	46	$ 975,387	50	$ 1,072,926	52	$ 1,106,368	53	$ 1,139,810
Debridements & Grafts	3%	$ 18,911	$ 19,800	$ 13,173	$ 6,465	***$ 18,560***	7	$ 133,678	10	$ 187,149	11	$ 205,864	11	$ 212,281	12	$ 218,697
Amputation*	1%	$ 20,587	$ 21,555	$ 14,341	$ 7,038	***$ 20,205***	2	$ 38,718	3	$ 54,205	3	$ 59,626	3	$ 61,484	3	$ 63,343
IP Other	7%	$ 12,279	$ 12,856	$ 8,553	$ 4,198	***$ 12,050***	18	$ 219,775	26	$ 307,686	28	$ 338,454	29	$ 349,003	30	$ 359,553
IP Total							**60**	**$ 1,088,877**	**84**	**$ 1,524,427**	**92**	**$ 1,676,870**	**95**	**$ 1,729,136**	**98**	**$ 1,781,402**
Grand Total								**$ 1,342,860**		**$ 1,880,005**		**$ 2,068,005**		**$ 2,132,462**		**$ 2,196,920**
Estimated Incremental New Net Revenue at 25% of Volume								***$ 335,715***		***$ 470,001***		***$ 517,001***		***$ 533,116***		***$ 549,230***

*Actual amputation rate is closer to 3%, but the final MS-DRG may be something other than Amputation.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: March 9, 2011

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

THROUGH: Finance and Management Committee

FROM: Kerry Easthope, Associate Administrator

SUBJECT: Approval of Wound Care Program Financing with the Bank of Alameda

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Recommendation:

Hospital Administration and the Finance and Management Committee recommend that the Board of Directors approve entering into a new $900,000 term loan through the Bank of Alameda for the purpose of constructing and furnishing the Wound Care Center at Marina Village, as outlined in the Capital Budget recommendation.

The pertinent terms, conditions and covenants associated with this new loan, which was approved by the Bank of Alameda loan committee on February 17, 2011, are summarized below:

Rate:

During construction period (draw period up to 1 year), interest only on draws at Prime +1%: with a minimum floor of 5.5% per annum. Term Conversion: Fixed until maturity at Prime + 1%; with a minimum floor of 5.5% per annum.

Term:

Up to one year draw period, or until construction is complete, whichever is sooner. Loan then converts to a fixed five (5) year term loan.

- Prior to conversion, advances under the facility will not exceed more than two (2) per month and are to be supported by itemized invoices and certification by the Hospital's project manager, Pound Management, or another qualified manager approved by the Bank.

Covenants & Conditions:

1. Borrower to submit the following periodic reports:
    a. Annual CPA audited financial statements due within 120 days of FYE.
    b. Annual company prepared financial statements due within 180 days of FYE.
    c. Quarterly company prepared financial statements due within 60 days of quarter end.
    d. Company prepared receivables and payables reports due within 60 days of FYE.
    e. Company prepared receivables and payables reports due within 60 days of quarter end.
    f. Company prepared budgeted financials for succeeding year due within 60 days of FYE.
2. Compliance with the following covenants:
    a. Proforma Debt Service Coverage Ratio (DSCR) Test (per occurrence) 1.75:1.00
    b. Minimum Actual DSCR (quarterly) 1.00:1.00
    c. Minimum Actual DSCR (annually) 1.20:1.00
    d. Minimum Actual Net Income (annually) $1.00
3. Compliance with the following non-financial covenants:
    a. Negative Pledge (at all times)
4. Borrow must maintain primary operating accounts with Bank of Alameda.
5. For any new additional indebtedness that exceeds $1 million (per occurrence) that the Borrower wishes to incur after closing, Borrower must demonstrate to the Bank a proforma DSCR of 1.75 x based on the proforma indebtedness (existing and new) for the succeeding rolling for (4) quarters and actual total cash flow for the latest historical rolling four (4) quarters.
6. Security Interest is the Accounts Receivable and other assets that do not already have an existing security interest.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: March 9, 2011

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

THROUGH: Finance and Management Committee

FROM: David A. Neapolitan, Chief Financial Officer

SUBJECT: Approval to Renew the Line of Credit with the Bank of Alameda

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Recommendation:

Hospital Administration and the Finance and Management Committee recommend that the Board of Directors approve the renewal of the $1.5 million revolving line of credit (RLOC) that is currently maintained with the Bank of Alameda. This RLOC requires the approval of the Board of Directors prior to any use of the available funds under this RLOC.

Background:

The Hospital has had an RLOC in place for the last several years and has not needed to access the funds available under this agreement with the Bank of Alameda. The RLOC is structured so that Alameda Hospital can borrow the full $1.5 million for working capital purposes or can use up to $250,000 to purchase capital equipment under the capital equipment guidance portion (GLOC) of the RLOC. Funds used under the GLOC are converted to a five (5) year fixed rate (rate at time of borrowing subject to minimum floor) term loan payable if used to purchase capital equipment.

Rate:

RLOC – Prime + 1.00% with a minimum floor of 5.5% per annum.
GLOC – Prime + 2.00% with a minimum floor of 6.5% and a $100 documentation fee to be collected per advance.

Term:

RLOC – Interest only monthly, due in full at maturity. The RLOC must be reduced to zero principal balance for thirty (30) consecutive days prior to maturity (excludes borrowings under the GLOC).

GLOC – Maximum amortization period of five (5) years from the date of the borrowing.

Maturity:

February 23, 2012

Covenants & Conditions:

Subject to the same covenants and conditions as the Bank of Alameda Term Loan for the Wound Care Project.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: March 9, 2011

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

THROUGH: Finance and Management Committee

FROM: David A. Neapolitan, Chief Financial Officer

SUBJECT: Approval of Annual Use of Jaber Funds - FY 2010

Recommendation:

Hospital Administration and the Finance and Management Committee recommend that the Board of Directors approve the use of the FY 2010 Jaber funds of $120,063 to purchase ten (10) new Zoll defibrillators, rechargeable batteries and charging station totaling $130,053. See attached brochure for benefits of these defibrillators which are currently used at Alameda Hospital. This purchase would standardize all defibrillators currently used at Alameda Hospital to a single platform.

Background:

Alameda Hospital annually has funds available from a trust that was established in 2002 by Alice M. Jaber. Ms. Jaber donated to the hospital two pieces of real property located in the City of Alameda in memory of her parents Abraham and Mary A. Jaber to establish the Abraham Jaber and Mary A. Jaber Memorial Fund in appreciation of the care given by Alameda Hospital. The properties located at 1359 Pearl Street and 2711 Encinal Street consist of an apartment complex and a retail store. Both properties generate rental income that is used to fund the annual distribution to the Hospital for capital purchases as indicated below:

> *"The Fund shall be used for the purchase of capital equipment directly related to the diagnosis and treatment of patients at Alameda Hospital. Such equipment includes, but is not limited to, machinery and equipment listed below and similar machinery and equipment. This list is given not to limit the types of equipment that I would hope to make available to patients at Alameda Hospital: Diagnostic imaging machinery; surgical equipment, including equipment for the treatment of eye disease; patient monitoring equipment for critical care."*

The amounts that can be withdrawn from the Fund are calculated at the end of each fiscal year for use in the subsequent fiscal year as follows:

"The maximum that may be withdrawn from the Fund is twenty percent (20%) of the sum of: the net income earned during the prior fiscal year plus the value of the principal of the Fund valued as of the last day of the prior fiscal year"

For the fiscal year ended June 30, 2010 the Jaber Fund generated net earnings of $123,685 and had an ending fund balance of $476,630. As a result there is $120,063 ($24,737, 20% of earnings and $95,326, 20% of year end fund balance) available to purchase capital equipment under the terms of the Fund.

Rseries™

Confidence comes with knowing you are *Code-Ready.*

ZOLL®

Advancing Resuscitation. Today.™

The First and Only *Code-Ready* Defibrillator.

The worst time to find out a defibrillator isn't ready is at the code. Quick action is essential and stress is high enough without delays from problems like lost or tangled cables. Dried out, outdated, or missing electrodes don't help speed therapy either. Unfamiliar or confusing controls are the last thing needed when providing care. Not to mention unclear messages or prompts, hard-to-read displays, and alarms that don't tell you what to correct.

A *Code-Ready*™ defibrillator simplifies every aspect of being ready for a code – efficiently and cost effectively. It automatically monitors and tests the complete system – electronics, batteries, cables, electrodes, and defibrillator discharge, and can notify and alert users and technical staff about problems before they affect your ability to provide care. Should something need to be corrected, it turns on the display and shows an alert that the defibrillator needs attention. And in the future, it will generate a page or email to clinical and technical staff so a problem can be corrected.*

A *Code-Ready* defibrillator should also help the user deliver better therapy with superior technology for pacing and defibrillation. And it provides users with help performing CPR at the correct rate and depth. A *Code-Ready* defibrillator provides the highest assurance that it is ready every time it is needed. A *Code-Ready* defibrillator sets a new standard.

There has never been a truly *Code-Ready* defibrillator. Until now.

R Series™ from ZOLL.®

OneStep Simplicity

Comprehensive Readiness Checks

Unmatched Clinical Excellence

Real CPR Help

Smart Tools

CODE Rseries READY

OneStep Simplicity

Simple, ingenious solutions that simplify and speed operation under the most stressful circumstances. That's *Code-Ready*.

- *The new OneStep™ System delivers therapy to patients with the simplest, easiest method ever designed.*
  - *A **single** cable paces, monitors, and defibrillates without the need for a separate ECG cable.*
  - *Monitor, pace, defibrillate, and get Real CPR Help,™ using only two electrodes. Electrode packaging is integrated with the defibrillator, pre-connected; electrodes are automatically tested.*
  - *A new, unique sleeve stores the cable for rapid, tangle-free application.*
  - *Apply just two electrodes, turn the R Series to "**Pacer**," and you are ready to provide pacing.*
  - *Operating options include advisory and manual modes. What you want, when you need it.*

Large, bright screen with oversized characters is easy to see from anywhere.

OneStep Cable Manager

Small size and lightweight, with a grab-and-go handle, simplifies portability.

OneStep Pacing

OneStep Cable

One simple Uniform Operating System used on every ZOLL ALS defibrillator ever made. Once trained, use any ZOLL device with confidence.

OneStep Complete Electrode

Readiness Indicator

Ready Code Log

Shift Check Log

Comprehensive Readiness Checks

Problems during a code are often related to inadequate tests, compromised supplies, batteries, and missed shift checks. The R Series extends testing far beyond a basic test shock to check more than 40 individual indicators of readiness. That's *Code-Ready*.

- *Comprehensive testing automatically confirms the presence of the correct cables and electrodes, senses the type of electrode, and checks important circuitry, including discharge.*
- *There is no need to disconnect the electrodes or paddles, or get additional test equipment to test shock delivery. The system will even detect missing or dried-out electrodes and provide a printed or electronic log.*
- *A simple indicator unmistakably communicates the defibrillator is ready, and if it's not, a screen message tells you why.*
- *In the event a fault is detected, a page or email is wirelessly generated to notify appropriate personnel.**
- *Users can even log the crash cart status on the defibrillator during shift checks, making quality compliance easier than ever.**

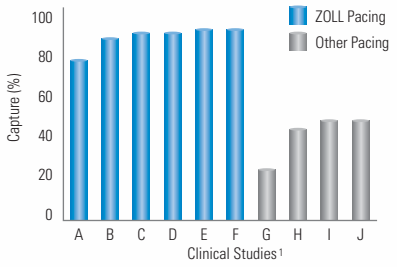
The battery indicator displays runtime, not obscure capacity percentages.

Unmatched Clinical Excellence

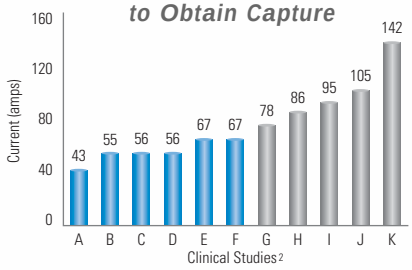
Being ready also means having the best technology available for resuscitation. R Series is built on an industry-leading pacing technology and unsurpassed biphasic waveform. That's *Code-Ready*.

- *Unique, constant-current 40 msec pacing has the highest capture rate at the lowest average current required, assuring efficacy and patient comfort.*
  - *Validated in over 4000 patients in more than 16 studies.*
- *Rectilinear Biphasic™ waveform delivers constant current at the optimal duration for defibrillation.*
  - *Automatically adjusts for patient impedance with pads or paddles.*
  - *The highest voltage capacity of any defibrillator delivers maximum current to the high-impedance patient.*
  - *Rectilinear Biphasic is the most validated and published waveform, with 16 separate peer-reviewed studies in over 7000 patients.*
  - *The only waveform cleared by the FDA with labeling of clinically superior to monophasic waveforms for the cardioversion of AF and the defibrillation of VF in high-impedance patients.*
  - *Optional Pulse Oximetry with Masimo Signal Extraction Technology (SET®) assures accurate, reliable SpO_2 measurements.*

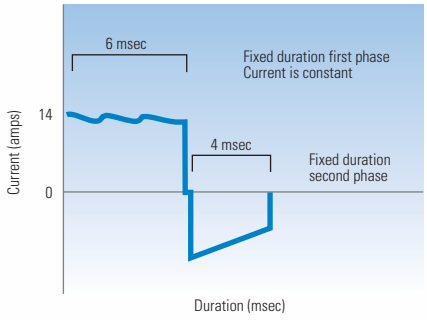
Pacing Capture Rates

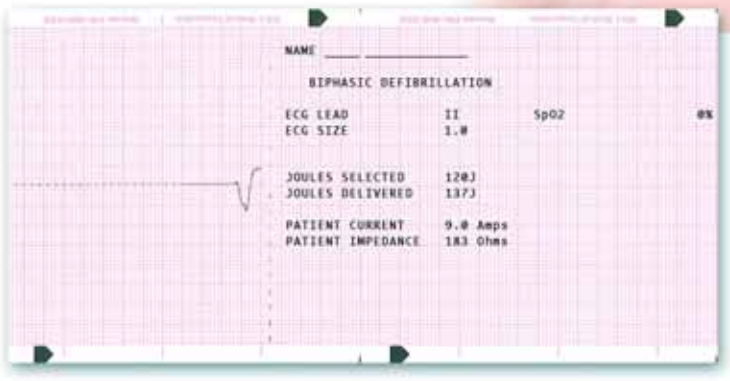


Current Required to Obtain Capture



The ZOLL Rectilinear Biphasic Waveform



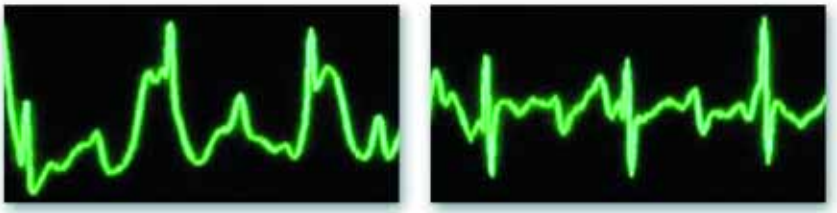


Strip chart printout post shock

Integrated CPR sensor coaches rate and depth.

CPR Index

No compressions → *Good compressions*



Unfiltered ECG signal during CPR

Signal filtered by See-Thru CPR

Real CPR Help™ for ALS

Good CPR is critical for effective resuscitation, so feedback to provide better CPR performance is standard on the R Series. That's *Code-Ready*.

- *The integrated CPR sensor provides help to achieve proper compression rate and depth.*
- *Easy to use, the sensor is incorporated in the electrodes, eliminating extra steps or cables.*
- *Configurable visual and audio cues give feedback without excessive prompts or screen clutter.*
- *The CPR Index provides rapid visualization of compression rate and depth to help provide better support.*
- *See-Thru CPR™ reduces interruptions by allowing clinicians to see organized electrical activity during compressions.*
- *All CPR performance data, as well as the entire resuscitation record with ECG, is available for review and quality assurance with ZOLL CodeNet® software.*

Smart Tools

Better training and better maintenance can both help staff be better prepared for a code. R Series will have a complete suite of tools to help with training and deliver cost-effective maintenance, support, and efficient asset management. That's *Code-Ready*.

Clinical Education and Quality

Comprehensive tools support training and operation.

- *Smart prompts provide users with specific guidance rather than mindless alarms.*
- *An on-screen tutorial allows staff to quickly familiarize themselves with defibrillator operation.*
- *Interactive, self-paced online training enables staff training 24/7.*
- *R Series automatically uploads code data to ZOLL CodeNet, making electronic code documentation faster and easier.*

CE

References
1. Clinical studies on file.
2. Clinical studies on file.

*WiFi, networked support, remote support, email capability, and clock synchronization are integrated in the R Series electronic design and will be released as a software upload to R Series devices. Some future capabilities may require 510(k) clearance.

Printed in U.S.A. 25K 10/06
9656-0190

Technical

New and planned biomedical and asset management software utilities can bring efficiency to maintenance programs and can help reduce the hidden costs of defibrillator ownership.

- *The SurePower™ Battery System tests, calibrates, and captures battery information to optimize battery life and reduce costs.*
- *A unique log records all messages, keystrokes, and interactions, and helps technical staff distinguish between user understanding and technical issues.*
- *Industry-standard (802.11) wireless networking will be able to send an email or page when the readiness is compromised, complete with specific information about the fault.**
- *Remote troubleshooting and configuration management, defibrillator tracking, clock synchronization, and centralized test records are all planned for in the design of the R Series.**

ZOLL Medical Corporation
Worldwide Headquarters
269 Mill Road
Chelmsford, MA 01824
978-421-9655
800-348-9011

For the ZOLL representative or distributor nearest you, visit www.zoll.com/contacts.

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Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

CONTINUING MEDICAL EDUCATION PROGRAM OF THE MEDICAL STAFF

MISSION STATEMENT - 2011

GOALS:

The Medical Staff of Alameda Hospital is committed to providing Category I continuing medical education consistent with established accreditation standards which will ~~update physicians' on scientific knowledge, clinical knowledge and skills, practice efficiency, professional ethics, and knowledge and understanding of medical staff leadership~~ ***provide attendees with the most up to date information on treatment modalities, advances in clinical practice and research, and updates based on evidence based medicine and solid needs assessment.*** A coordinated linkage between quality improvement activities and the CME program will continue to generate opportunities for sustained improvements in clinical practice. ***In recognition of the American Board of Medical Specialties and the ACGME standards, Alameda Hospital will offer its physicians CME along the following competency tracks: 1) medical knowledge, 2) patient care, 3) interpersonal and communication skills, 4) professionalism, 5) practice-based learning and improvement, and 6) systems-based practice.***

SCOPE:

The scope of the CME Program shall include:

- Health care issues related to patients admitted to Alameda Hospital as well as health care issues relative to our community patient population;
- Medico-legal topics, bioethics, behavioral education, socioeconomic and public health issues.
- Quality improvement, performance improvement, and utilization review,.
- ***System development for the electronic health record and computerized physician order entry.***

Except as may be exempt by State law, all courses shall include the appropriate cultural and linguistic competencies.

ADMINISTRATION:

The Chairman of the Continuing Medical Education Committee shall be responsible for overseeing all CME activities of Alameda Hospital.

Membership of the CME Committee shall include a broad physician representation of the physician constituency of the Medical Staff as well as representatives from Nursing, Quality Improvement and the Medical Library and other relevant professionals as may be appropriate. Members shall serve staggered terms to ensure continuity of the program.

ACTIVITIES:

The CME Program offers hospital-based conferences of one or two hours duration and may, based on need, offer courses lasting up to one or more days. Teaching methodology will include didactic, interactive, demonstration of techniques and panels.

EXPECTED RESULTS:

It is expected that participation in the CME activities at Alameda Hospital will result in improved medical knowledge, enhanced skills, practice improvement and overall ability to better provide the quality care expected by patients. It is expected that a significant number of learners will report that learning objectives have been met and/or that the learner intends to make a change in practice.

AUDIENCE:

Characteristics of potential participants in the CME Program shall include physicians who range in degree of specialization from tertiary care to specialists to primary care as well as other healthcare professionals.

>><<

Approved by: CME Committee: 01/24/11
Medical Executive Committee:
Board of Directors:

RESOLUTION NO. 2011-1I

CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

*** * ***

LINE OF CREDIT

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

WHEREAS, the Board of Directors of the District, pursuant to authority given to it under California law, on July 11, 2002 by Resolution No. 2002-0x approved collection of an annual parcel tax in the amount of $298 for the next fiscal year; and

WHEREAS, on October 13, 2003 the Finance and Management Committee recommended to the Board of Directors of the District the establishment of a line of credit that can enable the District to bridge the periods of low cash receipts and high cash outflows; and

WHEREAS, on October 13, 2003 at its regular Board meeting, the Board of Directors of the District, by a motion duly made, seconded, and unanimously adopted with a quorum at all times present, agreed to establish a working capital line of credit with the Bank of Alameda in the amount of $1,000,000.00, pursuant to the terms of the Line of Credit Agreement; and

WHEREAS, on September 27, 2005 the Finance and Management Committee recommended to the Board of Directors of the District an increase from the current $1,000,000.00 Line of Credit to $3,000,000.00 with the Bank of Alameda; and

WHEREAS, on December 6, 2005 at its regular Board meeting, the Board of Directors of the District was presented with a recommendation to increase the working capital line of credit with the Bank of Alameda from $1,000,000.00 to $3,000,000.00, in accordance with the terms and conditions of that certain Line of Credit Agreement;

WHEREAS, In October 2007, Alameda Hospital drew down an additional $1,000,000 bringing the totaled borrowed amount to $2,500,000 and;

WHEREAS, On February 4, 2008 at its Regular Board Meeting, the Board of Directors of the District approved the conversion of the existing Line of Credit, $2,500,000 to a Term Loan with principal and interest payments and;

WHEREAS, On February 4, 2008 at its Regular Board Meeting, the Board of Directors of the District also approved to extend the $1,500,000 Revolving Line of Credit which included a $250,000 Guidance Line of Credit and;

WHEREAS, any draw down of the Revolving Line of Credit would require Board approval and;

WHEREAS, On March 9, 2011 at its Regular Board Meeting, the Board of Directors of the District also approved to extend the $1,500,000 Revolving Line of Credit which included a $250,000 Guidance Line of Credit through February 23, 2012 and;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the District, that the District hereby approves the Line of Credit with the Bank of Alameda and authorizes the District, through its officers, to execute said Agreement; and

BE IT FURTHER RESOLVED, that the officers of the District be, and hereby are, authorized and empowered to take such actions and to sign such documents as may be necessary or convenient to effectuate the foregoing resolution.

PASSED AND ADOPTED, on motion duly made and seconded, on March 9, 2011 by the following vote:

AYES:_____ NOES:_____ ABSENT:_____

_____ _____

Jordan Battani
President

Elliott Gorelick
Secretary

RESOLUTION NO. 2011-1I

CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA
*** * ***
Wound Care Term Loan

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

WHEREAS, the Board of Directors of the District, pursuant to authority given to it under California law, on July 11, 2002 by Resolution No. 2002-0x approved collection of an annual parcel tax in the amount of $298 for the next fiscal year; and

WHEREAS, a part of the District's strategic plan, management has been actively engaged in pursuing new business and growth opportunities for the District and is developing a wound care program in conjunction with Accelecare Wound Centers, Inc; and

WHEREAS, the Hospital is in need of additional clinical space to meet growth and expansion needs of the future, specifically for this program, and

WHEREAS, the Hospital has identified a space for the Wound Care Program at Marina Village in Alameda which requires a capital build out of $900,000, and

WHEREAS, the Bank of Alameda has agreed to establish a $900,000 Term Loan for the construction and furnishing of the Wound Care Center, and

WHEREAS, on February 26, 2011 the Finance and Management Committee recommended to the Board of Directors of the District to approve entering into the Term Loan for $900,000, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the District, that the District hereby approves the Term Loan with the Bank of Alameda and authorizes the District, through its officers, to execute said Agreement; and

BE IT FURTHER RESOLVED, that the officers of the District be, and hereby are, authorized and empowered to take such actions and to sign such documents as may be necessary or convenient to effectuate the foregoing resolution.

PASSED AND ADOPTED, on motion duly made and seconded, on March 9, 2011 by the following vote:

AYES:_____ NOES:_____ ABSENT:_____

_____ _____

Jordan Battani
President

Elliott Gorelick
Secretary

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: March 9, 2011

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

THROUGH: Finance and Management Committee

FROM: Deborah E. Stebbins, Chief Executive Officer

SUBJECT: Approval to Purchase of Electronic Health Record (EHR) Equipment from Emgence

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Recommendation:

Management recommends that the Board of Directors approve the purchase of 50 computer carts, 50 computers and associated ancillary equipment through Emgence for a purchase price of $310,535.81. This purchase price includes 3 year maintenance costs. Purchase of this equipment is required to activate the Patient Care System segment of meaningful use in 2011. Furthermore, management recommends financing this capital purchase through the Master Lease Agreement with Banc of America.

Background:

At the Finance and Management Committee there was a request for management to conduct further evaluation of the selection for the distributor/vendor for the mobile carts. Originally Management recommended Hospital Mobility, the second lowest bidder as the preferred distributor/vendor.

Our new Interim Director of IT, Dan Dickenson, conducted a side-by-side analysis (see attached) of the three vendors, including holding two discussions with the originally recommended vendor, Hospital Mobility, about their willingness to match the cost of the lowest bidder, Emgence (the difference in cost of the two bids, inclusive maintenance costs, was ~$20,543). Hospital Mobility was unwilling to reduce their price and, following a review of the comparisons, we did not feel there were sufficient benefits offered by Hospital Mobility in terms of service or support to justify their selection as the preferred distributor/vendor.

Discussion:

The first element of implementation of the Electronic Health Record (EHR) and achievement of meaningful use by 2013 is the Patient Care System. This element supports the automation of patient care documentation, in particular by nursing and other clinical personnel

Acquisition of the computers and EMR carts at this time will allow us to remain on schedule for the implementation of the entire EHR system and achievement of meaningful use. The achievement of meaningful use allows us to maximize reimbursement from CMS.

The EHR implementation team held an equipment fair in January 2011 at which clinical personnel who will participate in the automation enabled by the Patient Care System were able to evaluate alternative hardware to be used for documentation at the patient bedside.

WOW / COW Assessment

Hospital Mobility			
	Qty	Base $	Ext $
Lenovo PC	50	$578.20	$28,910.00
Lenovo Ram	55	$30.20	$1,661.00
Linksys PCI wireless card	50	$65.00	$3,250.00
Lenovo 19" monitor	50	$230.96	$11,548.00
Lenovo Tablet	5	$1,185.40	$5,927.00
HP Slate Tablet	8	$843.75	$6,750.00
Scanner, Wired	50	$378.12	$18,906.00
Scanner, Wireless	2	$467.50	$935.00
S&H			$0.00
Taxes - 9.75%			$7,593.98
		total	**$85,480.98**

Emgence			
	Qty	Base $	Ext $
Lenovo PC	50	$569.00	$28,450.00
Lenovo Ram	55	$30.00	$1,650.00
Cisco PCI wireless card	50	$50.00	$2,500.00
Lenovo 19" monitor	50	$168.00	$8,400.00
Lenovo Tablet	5	$1,163.00	$5,815.00
HP Slate Tablet	8	$798.00	$6,384.00
Scanner, Wired	50	$314.00	$15,700.00
Scanner, Wireless	2	$763.00	$1,526.00
S&H			$0.00
Taxes - 9.75%			$6,866.44
		total	**$77,291.44**

Difference HM v Emgence			
	Qty	Base $	Ext $
Lenovo PC	0	$9.20	$460.00
Lenovo Ram	0	$0.20	$11.00
Cisco PCI wireless card	0	$15.00	$750.00
Lenovo 19" monitor	0	$62.96	$3,148.00
Lenovo Tablet	0	$22.40	$112.00
HP Slate Tablet	0	$45.75	$366.00
Scanner, Wired	0	$64.12	$3,206.00
Scanner, Wireless	0	-$295.50	-$591.00
			$0.00
			$727.55
			$8,189.55

CDW-G			
	Qty	Base $	Ext $
Lenovo PC	50	$626.27	$31,313.50
Lenovo Ram	55	$33.82	$1,860.10
Cisco PCI wireless card	50	$50.64	$2,532.00
Lenovo 19" monitor	50	$172.07	$8,603.50
Lenovo Tablet	5	$1,292.02	$6,460.10
HP Slate Tablet	8	$807.58	$6,460.64
Scanner, Wired	50	$320.00	$16,000.00
Scanner, Wireless	2	$776.60	$1,553.20
Recycling Fee	50	$8.00	$400.00
Recycling Fee	13	$6.00	$78.00
S&H			$1,346.73
Taxes			$7,291.35
		total	**$83,899.12**

**** At first the cost of Hospital Mobility is a $7,462 higher than that of Emgence**

Hospital Mobility			
	Qty	Base $	Ext $
Ergotron Cart	50	$3,979.00	$198,950.00
Shipping & Handling			
Taxes			$19,397.63
		total	**$218,347.63**

Emgence			
	Qty	Base $	Ext $
Ergotron Cart	50	$3,845.00	$192,250.00
S&H			
Taxes			$18,744.38
		total	**$210,994.38**

Difference HM v Emgence			
	Qty	Base $	Ext $
Ergotron Cart	0	$134.00	$6,700.00
S&H	0	$0.00	$0.00
Taxes	0	$0.00	$653.25
			$7,353.25

CDW-G			
	Qty	Base $	Ext $
Ergotron Cart	50	$4,249.99	$212,499.50
S&H			$4,893.24
Taxes			$20,718.70
		total	**$238,111.44**

**** The cost difference is $7,353.25; Hospital Mobiltiy being higher**

Hospital Mobility			
	Qty	Base $	Ext $
Integration	50	$290.00	$14,500.00
3 yr Maintenance	50	$545.00	$27,250.00
Bundle	50	$780.00	$39,000.00

Emgence			
	Qty	Base $	Ext $
Integration	50	$228.00	$11,400.00
3 yr maintenance	50	$445.00	$22,250.00
Bundle	50	$633.00	$31,650.00

Difference HM v Emgence			
	Qty	Base $	Ext $
Integration	0	$62.00	$3,100.00
3 yr maintenance	0	$100.00	$5,000.00
Bundle		$147.00	$7,350.00

CDW-G			
	Qty	Base $	Ext $
Integration	50	$232.00	$11,600.00
3 yr maintenance	50	$469.49	$23,474.50
Bundle	50	$668.16	$33,408.00
		total	

Baseline Assessment: Hospital Mobility is $15,542.80 more expensive than that of Emgence.

Total	$331,078.61	Total	$310,535.81	Difference	$20,542.80

-22892.8

March 9, 2011

City of Alameda Health Care District

2009-2013 Goals and Objectives

FYE 2011 Progress Update

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Measures of success:	
■ Achievement of positive operating margin = 3% of net revenues by 2013	
■ Generate operating profitability levels necessary to support capital needs/service debt	
■ Raise $500,000 per year through Foundation fundraising initiatives	
■ Shift reliance on parcel tax from support of operations to support for capital investments and strategic development projects	
■ Sustain Performance vis-à-vis operating benchmarks at 90th percentile levels (e.g., FTE/Adj. Occupied Bed, Length of Stay, Costs per UOS)	
Initiatives	**Status**
(A) STRATEGY: Enhance financial and strategic relationship with payers.	
■ Achieve average rate increase for private payor contracts of 8% (Healthnet, Interplan, etc.).	▪Since FY 2008, all contracts have been reviewed and re-negotiated with the applicable payer. Annual rate increases have ranged from 8% to 17% depending upon the status of the contract in comparison to other contracted rates as well as the mix of services that have been experienced. New terms have included carve-outs for implantable devices as well as other high cost items. In future years, it is anticipated that increases of this magnitude will be less likely to occur and increases approximating 5% will be more likely as Health Care Reform continues to evolve.
■ Promote public awareness of new MediCal contract, including linkages with partner providers (La Clinica, Fruitvale primary practices, Family Bridges, Chinatown practices, etc).	▪Productive meetings with La Clinica, Family Bridges, and moved one Chinatown practice.

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Measures of success:	
■ Achievement of positive operating margin = 3% of net revenues by 2013	
■ Generate operating profitability levels necessary to support capital needs/service debt	
■ Raise $500,000 per year through Foundation fundraising initiatives	
■ Shift reliance on parcel tax from support of operations to support for capital investments and strategic development projects	
■ Sustain Performance vis-à-vis operating benchmarks at 90th percentile levels (e.g., FTE/Adj. Occupied Bed, Length of Stay, Costs per UOS)	
Initiatives	**Status**
■ Early, effective management of self-pay and MediCal eligible patients.	▪Implemented financial counselor to begin process of screening patients for eligibility for Medi-Cal or charity. Process is overseen by Manager of Patient Financial Services. If Financial Counselor is unable to obtain Medi-Cal eligibility within 30 days, account is referred to an outside agency Health Advocates which will provide direct intervention with family including assisting patient to appropriate meetings with aid agencies in order to assist patient in obtaining available medical insurance coverage and provide source of payment for hospital services.

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Measures of success:	
■ Achievement of positive operating margin = 3% of net revenues by 2013	
■ Generate operating profitability levels necessary to support capital needs/service debt	
■ Raise $500,000 per year through Foundation fundraising initiatives	
■ Shift reliance on parcel tax from support of operations to support for capital investments and strategic development projects	
■ Sustain Performance vis-à-vis operating benchmarks at 90th percentile levels (e.g., FTE/Adj. Occupied Bed, Length of Stay, Costs per UOS)	
Initiatives	**Status**
■ Reapply for Intergovernmental Transfer matching money to supplement MediCal contract in early FY 2011.	▪Applied for participation in the FY 2011 IGT program in September 2010 as requested by the California Medical Assistance Commission (CMAC) and as required in FY 2010. However, shortly after, through efforts of the California Hospital Association, (CHA) the requirement of having a CMAC contract and CMAC's acting as the intermediary for this program was eliminated. We are currently awaiting passage of SB 7 which will formalize this change. There is one significant change that greatly impacts the amount of IGT funds that will be available to Alameda. This change is the elimination of the requirement of having a CMAC contract which makes it possible for all non designated public hospitals to participate in the IGT program. This makes it possible for all 46 district hospitals in the state to participate in the IGT program which will dilute the amount of funds available to the Hospital by almost half of the prior year funding. It is anticipated that SB 7 will pass in March and implementation will occur very quickly thereafter as the IGT process is fiscal year based and all transactions must be completed prior to June 30th of each year.

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Measures of success:	
■ Achievement of positive operating margin = 3% of net revenues by 2013	
■ Generate operating profitability levels necessary to support capital needs/service debt	
■ Raise $500,000 per year through Foundation fundraising initiatives	
■ Shift reliance on parcel tax from support of operations to support for capital investments and strategic development projects	
■ Sustain Performance vis-à-vis operating benchmarks at 90th percentile levels (e.g., FTE/Adj. Occupied Bed, Length of Stay, Costs per UOS)	
Initiatives	**Status**
■ Enhance relationship with local IPA's.	▪Meetings with IPA's to explore ways to better work together.
■ Identify and correct contract relationship gaps that impede referrals from new physicians.	
■ Achieve rapid enrollment of 1206(b) physicians on key plans.	▪1206 (b) physicians are credentialed with key plans. MediCal is a slow process taking months and is pending.

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Initiatives	**Status**
▪ Identify perceived or real contracting barriers influencing patient referrals.	
▪ Formulate longer term physician alliance strategy to prepare for successful operation under bundled payment structure.	•Education Session for physicians regarding ACO's (Oct 2010) •Meetings with AFP, Affinity (2011)
(B) STRATEGY: Seek contracting opportunities to increase volume and improve financial standing.	
■ Formalize service offerings to personnel and dependents of Coast Guard (CG Island).	▪Contract is complete: Participated in annual Coast Guard Day.
■ Explore expanding volume of services provided to VA beneficiaries.	▪No significant increase in VA patients served.
• Evaluate provision of subacute services (thru expansion or acquisition) for SF hospital consortium.	▪SF Hospitals still show interest. Have not attempted to advance discussions until our own SNF expansion options are clear.
(C) STRATEGY: Perform and maintain a portfolio analysis of service line profitability; create service line plans that match our target population, address service lines that are not performing up to expectations.	
■ Profitability analysis for service lines (LTC, Infusion, GI, and Oncology).	▪Completed for Infusion only, Financial Analyst being recruited. Currently evaluating options for the addition of additional LTC capacity which appears to have a very favorable impact on the organizations financial performance. ▪Infusion and Oncology Services – review of the IVT program has been completed awaiting final report of recommendations in order to meet with physician and team regarding this program.

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Initiatives	**Status**
■ Analyze financial impact of increases in INP census by 5 patient increments.	▪Not complete.
■ Monitor financial impact of services to Medi-Cal patients.	▪Not complete.
■ Monitor productivity and utilization of 1206(b) physicians.	▪Analysis complete, distributed to Finance Committee, agendized for March. ▪Monthly reports are provided to the Director of Physician Relations which shows the volume activity of each physician in the Clinic. These include detailed reports of each service provided by physician. In addition, the first quarterly and YTD report of the performance of the clinic was prepared which demonstrated increased levels of activity at the clinic as well as significant spin-off revenue for the OB/GYN, General Surgeon and Timeshare units of the Clinic.

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Initiatives	**Status**
(D) STRATEGY: Maintain our position in cost/expenses as compared to local/national benchmarks.	
▪ Patient Financial Services performance of gross days in AR of 50 days and 3% bad debt write off.	▪Gross Days in Receivables are currently at 59.7 as of February 20. In mid February we implemented the Collector and Biller Desktops of the Meditech application which provides daily work lists for each member of the Patient Financial Services Team to focus efforts of the team's daily billing and collection activities while providing the management team detailed reporting capabilities to monitor staff performance. ▪Bad debt write-offs for the last three fiscal years have remained under 3% of gross revenues at 2.4%, 2.7% and 2.3% for FY 2008, 2009 and 2010, respectively. For the seven (7) months ended January 31, 2011, we have seen this increase to 2.9%.
(E) STRATEGY: Enhance fundraising activities and programs.	
■ Increase $1,000 contributors by 20% or 9 contributors . ■ Establish 3 promising local large corporate relationships.	▪13% increase or 6 new contributors. ▪1 relationship forged with Abbott Diabetes: Meeting with VP and HR and conducted 3B's program on site. ▪Perforce: CEO attended Fall Gala. ▪Bay Ship and Yacht: Co-owner, Leslie Cameron, identified and involved Foundation with Chamber of Commerce. ▪Met with all 3 business associations.

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Initiatives	**Status**
■ Increase Foundation current mailing database (1,776) by 10%.	▪Current database 2,175, an 18% increase.
(F) STRATEGY: Communicate value/benefits of parcel tax through transparency and accountability to the community.	
■ Present positive case for Parcel Tax.	▪Increased community event participation. ▪Being addressed as a part of our general outreach and community awareness activities
■ Develop and disseminate quarterly community report card with financial and quality indicators.	▪Developing comprehensive outreach and communication plan and quarterly report card.
(G) STRATEGY: Evaluate and forge beginning of one strategic alliance.	
■ Priority is on forging one strategic alliance with community SNF.	▪Priority is on forging one strategic alliance with Community SNF ▪Also have initiated discussions with Kaiser to provide regional LTC support.

2009-2013 Goals – FYE 2011 Update

Growth	
Pursue fiscally responsible growth in services that target the most pressing acute and non-acute healthcare needs of the community.	
Measures of success:	
■ Market share growth. ■ From 31.25 percent to 35.0 percent – Alameda Island (ZIP Codes 94501 and 94502). ■ From 0.94 percent to 1.10 percent - Off-Island.	
■ Service line growth: volume targets defined by service line.	
■ Development of new access points and locations.	
■ Increase inpatient census by 5 ADC by 2013 to offset loss of Kaiser revenue and to support basic INP/ER infrastructure.	
Initiatives	**Status**
(A) STRATEGY: Using portfolio analysis as a guide, prioritize service line development and develop specific plans for growth.	
■ Increase procedural/surgical services that will improve our financial results(Ortho, pain management, plastics, cardiac, other).	Exploring development of a premier orthopedic program. Recruited a Pain Management physician to the 1206(b) clinic timeshare. Have a competitive cosmetic fee schedule in place for cash pay patients.
■ Implement Wound Care Center.	•Completed all analysis, lease, contractual arrangements; late 2011 opening.
■ Complete evaluation of Acute Rehab Center.	•In process.
■ Conduct /build vs. buy analysis on best option for expansion of SNF and Subacute programs.	•Complete; Negotiations in process.
■ Evaluate and implement new or expanded niche programs that attract patients from outside the District (e.g. subacute, long term care services, wound center, acute rehab, retinal surgery, joint replacement center, aesthetic medicine).	•80 % Complete.

2009-2013 Goals – FYE 2011 Update

Growth	
Pursue fiscally responsible growth in services that target the most pressing acute and non-acute healthcare needs of the community.	
Initiatives	**Status**
■ Evaluate ways to improve the continuum of services offered to seniors in service area.	▪Met with local SNF's individually to discuss discharge issues/problems from both sides and have implemented a discharge task force to improve the transition process and documentation necessary for AH as well as the skilled facilities. We plan a luncheon with Alameda and other local SNF's in the spring to present new efforts and get input about the process.
■ Track activity and evaluate ways to improve effectiveness of Asian Outreach program.	Physician speakers at Alameda Intercultural Club (HBI). Increased participation in Oakland Chinatown events.
■ Institute organized customer contact and services to community skilled nursing facilities in Alameda and surrounding Oakland neighborhoods.	•Initiated standardized discharge process to SNF's. •Meetings with 5 community SNF's recently.
(B) STRATEGY: Using portfolio analysis as a guide, prioritize service line development and develop specific plans for growth.	
■ Evaluate Concentra relationship to see if maximum potential being achieved.	• Concentra Relationship in place. They are pleased with having Alameda Hospital as an after-hour service provider.
■ Explore closer linkages with Port of Oakland.	•Not Complete

2009-2013 Goals – FYE 2011 Update

Growth	
Pursue fiscally responsible growth in services that target the most pressing acute and non-acute healthcare needs of the community.	
Initiatives	**Status**
(C) STRATEGY: Target service area population, to limit outmigration of residents who can be cared for at Alameda Hospital.	
■ Continue to evaluate ways to enhance market share and service to residents of Bay Farm.	•Harbor Bay Isle Lunar New Year Festival. •Regular articles in HBI homeowners assoc. newsletter. •Participation in Harbor Bay Club Fitness Fairs.
■ Evaluate Marina Village location for selected OP services, including longer term relocation of offices/services located in 1925 building.	•Complete.
(D) STRATEGY: Develop services and tools that would make us more accessible to our community	
■ Increase accessibility to local residents through transportation, communication, etc.	• Postcard mailings highlighting physician offices in Alameda
■ Increase our draw of off-island residents (access points, aesthetic services).	▪Not complete
■ Strengthen collaborative relationships with Family Bridges, Chinatown practices, Fruitvale practice and Alameda Alliance to maximize access for patients under the new Medi-Cal contract.	Management Staff actively participate in organizations and events benefiting Asian community. Alameda Hospital is the preferred hospital for La Clinical de la Raza. 1206 (b) clinic and physicians soon to be credentialed with Alameda Alliance.
■ Organize menu of healthcare services and education to offer to local businesses/business associations.	•Established relationships with major business associations and Chamber of Commerce. ▪Inclusion of local businesses in direct mail communications ▪Presented seminar to GABA on health care reform.
■ Establish three formalized relationships with larger Alameda based corporations.	•Abbott Labs: meeting to be scheduled. Perforce Software and Bay Ship and Yacht Company

2009-2013 Goals – FYE 2011 Update

Growth

Pursue fiscally responsible growth in services that target the most pressing acute and non-acute healthcare needs of the community.

Initiatives	Status
(E) STRATEGY: Enhance general public communication regarding services, quality outcomes.	
■ Target Bay Farm population, to increase awareness of Alameda Hospital.	▪Ongoing focus on Bay Farm in communication efforts
■ Establish business partnership model for small businesses through formalizing communication with Alameda business associations.	▪Have held at least one meeting with all 3 business associations
■ Develop three linkages to larger Alameda-based companies.	▪Abbott Labs, Perforce Software and Bay Ship and Yacht Company
■ Expand outreach services and interface with Alameda Schools (e.g. trainers, education). ■ Take lead in initiating a Building a Healthier Alameda campaign with schools, public service sector, City Government.	▪Established a “Let’s Move Alameda” city-wide taskforce to decrease and prevent childhood obesity. Participation from School District, City, Parks and Rec, Girls Inc, Boys and Girls Club, etc.
(F) STRATEGY: Target recruitment of physicians from areas that are vulnerable to change.	
■ Monitor evolving San Leandro market.	•In process.

2009-2013 Goals – FYE 2011 Update

Growth	
Pursue fiscally responsible growth in services that target the most pressing acute and non-acute healthcare needs of the community.	
Initiatives	**Status**
(G) STRATEGY: Formulate strategy for Long Term Care Service Line Development.	
■ Institute system of routine marketing and contact with local nursing homes to solidify referral relationships and improve continuity of care for residents. ■ Strengthen ties to Senior Center.	▪Regular Meetings; Case Management & SNF leadership; Hospitalists have established relationships with all Alameda SNF's. ▪Presented stroke education lectures at Mastick Senior Center and Cardinal Point. ▪Participation in Mastick's Annual Senior Fitness Event.
(H) STRATEGY: Encourage focused growth in Medi-Cal business.	
■ Through the promotion of public awareness of new MediCal contract, including linkages with partner providers (La Clnica, Fruitvale primary practices, Family Bridges, Chinatown practices, etc).	•Needs continuing work.
(I) STRATEGY: Collaborate with Eden Joint Commission accredited Stroke Center to become a part of their network and protocols in order to maintain our ability to receive potential stroke patients in our ER.	
	•Stroke Coordinator designated •Stroke Team designated and meeting bi-monthly •Get With The Guidelines database complete and current •Contact to TJC and application to be submitted 3/31/11 •All ECC physicians certified on NIHSS stroke screening scale •Education for nursing scheduled for March, April, & May 2011 •Community education and screening began 2/28/11 and monthly through 6/11

2009-2013 Goals – FYE 2011 Update

Facilities and Technology	
Enhance our facility and technological capabilities to foster the achievement of our goals.	
Measures of success:	
■ Percentage of physicians who sign up for electronic access.	
■ Volume of hits to hospital website.	
■ Fund depreciation to TBD% in order to create capital reserve fund .	
Initiatives	**Status**
(A) STRATEGY: Ensure that our technological investments include enhancement of hospital - physician connectivity and connectivity with community.	
■ Continue to enhance interactive use of website and exploration of selective social networking approach to marketing; establish proactive email program.	■Monthly eblasts and ability for community to register for classes via website established. ■Enhanced linkages of hospital website to physician practice websites continues.
■ Continue to pursue EHR meaningful use timetable through parallel exploration of enhancing Meditech usage or purchasing IT capabilities from partner organization.	■EHR on schedule; Implementation of EDM by May 2011; Implementation of PCS by March 2011.
(B) STRATEGY: Identify organizations that can be collaborative partners in developing/expanding facilities: e.g., real estate, VA, other area healthcare systems, other districts.	
■ Continue strategic evaluation by Board of opportunities with other providers for mutual program development and alignment. Pursue follow-up with other organizations as identified in partnership strategy.	•Needs greater focus.
(C) STRATEGY: Develop a facility master plan that prepares for state seismic requirements and program/service plans.	
■ Complete plan submission, contractor selection, bidding and City entitlement process for renovation of Stephens and West Wing for compliance with SB 1953.	• Plan submission Complete

2009-2013 Goals – FYE 2011 Update

Facilities and Technology	
Enhance our facility and technological capabilities to foster the achievement of our goals.	
Initiatives	**Status**
▪ Review and make decisions on approach to financing seismic renovation in possible combination with financing other program development.	• Financing remains as a barrier to implement options. Probable hold.
▪ Educate City officials and key community stakeholders on seismic plans .	• Plan presented to City Council on September 7, 2010.
(D) STRATEGY: Assure systematic review of facility: flow, appearance, safety.	
■ Identify low-cost/high-yield renovation projects that will improve our image (e.g. cosmetic upgrade of 2S lobby)	▪2 South updates planned for Spring 2011.
(F) STRATEGY: Utilize technology to improve quality and enhance clinical services and to provide the community with access to information relating to our services and performance.	
■ Evaluate use of website as vehicle for patient pre-registration. ■ Provide monthly website updates on hospital services/ programs.	•Online patient pre-registration is being evaluated. Pre-registration form is available online to download. ▪Website is updated at least weekly with new programs/services/events. ▪Improved calendar access and inclusion of district board and committee meetings.
■ Implement PACS system and Imaging Department upgrades by December, 2010; implement communications and marketing plan to introduce technology to physicians and community in order to achieve 12% increase in outpatient imaging volume.	•PACS to “go-Live “ in March. Implementation of Voice Recognition component in April. Installation of new Radiology equipment & Mammography in July 2011, due to unanticipated delay in OSHPD review and approval of project.

2009-2013 Goals – FYE 2011 Update

Facilities and Technology	
Enhance our facility and technological capabilities to foster the achievement of our goals.	
Initiatives	**Status**
(G) STRATEGY: Develop capital plan that supports service line strategies, facilities and technology requirements.	
■ Develop annual and rolling five-year budget.	▪Annual Operating and Capital budgets are completed during the period March – June of each fiscal year. This process just getting under way for FY 2012. In addition, a Master Lease Agreement was established to assist the organization with the ability to purchase high cost medical equipment. This Master Lease has been used to finance such purchases as: Picture and Archiving Communication System (PACS), Digital Radiology Equipment, New Telemetry Monitoring Equipment, Mobile Devices for the Electronic Health Record (EHR) initiative.

2009-2013 Goals – FYE 2011 Update

Physicians	
Ensure that the Hospital attracts qualified and capable physicians through collaboration and alignment.	
Measures of success:	
■ Increase number and reduce average age of active physicians through targeted recruitment.	
■ Achieve annual recruitment goals.	
■ Increase volume of work by Alameda surgeons.	
Initiatives	**Status**
(A) STRATEGY: Continue recruitment of new physicians to Alameda Medical Offices (1206 B) as employees or time share tenants.	
■ Add one additional PCP on 2 ½ days/week. ■ Set up system for monitoring and increasing physician productivity. ■ Assess effectiveness of medical office billing services.	•PCP's Green-Yeh, Thompson, and Brimmer on Staff •Reporting tool in place to monitor •Developing process to monitor.
(B) STRATEGY: Develop standard IT connectivity package for physicians.	
■ Address physician connectivity through EHR strategic development or organizational affiliation. ■ Increased use of e-mail for communication with physicians .	Physician Email database increasing , Emails regarding important information continues.
(C) STRATEGY: Consider alignment with multiple medical groups/IPAs.	
■ Participate in Hospital Council evaluation of developing a Master Medical Foundation (MMF) as physician alignment strategy for non-system hospitals.	▪Decided not to participate at this time.
(D) STRATEGY: Continue to pursue physician community development plan: identify community needs and ways to fill gaps either through direct recruitment or collaboration with other groups.	
■ Continued physician recruitment in orthopedics, plastic surgery, urology, ENT, selective primary care.	•Plastic Surgeon and Neurologists recruited in past year. •ENT, Urologists and Orthopedists being actively sought

2009-2013 Goals – FYE 2011 Update

Physicians	
Ensure that the Hospital attracts qualified and capable physicians through collaboration and alignment.	
Initiatives	**Status**
(E) STRATEGY: Develop directed strategies to strengthen affiliated physician practices (primary care, specialty services): e.g., group development, joint ventures; evaluate potential of implementing collaborative strategies with other healthcare organizations to enhance physician network and access to specialists for our community.	
■ Implement physician practice building initiatives with existing practices.	•Ed Chan MD recruited for AFP (2010) •2 networking events held in 2010.
■ Advertising campaign to focus on the Medical Staff.	▪Direct mail campaigns focus on specialty and primary care physicians.
■ Enhanced website to provide in depth information on physicians.	▪Web site physician directory provides interactive features and in depth info.
(F) STRATEGY: Evaluate off-island physicians for alignment opportunities that will help us expand our visibility and referral base.	
■ Continue recruitment of off-island specialists to establish a presence in Alameda. ■ Continue to monitor and respond to possible closure of San Leandro Hospital. ■ Develop physician recruitment strategies to support development of new niche programs.	•Neurologist Diane Lee, MD joined 1206(b) time share (2010) . Oakland Family Physician Mable Lim, MD being actively recruited •San Leandro physicians remain loyal to San Leandro. •Additional plastic surgeons interested in augmenting wound care center.
(G) STRATEGY: Implement outreach strategy, including evaluation of feasibility of satellite locations.	
■ Continue to explore satellite medical office space at Bay Farm. ■ Evaluate remote placement of physician offices and outpatient programs (including Wound Center) in Marina Village.	•Investigated opportunities on Bay Farm; not feasible at this time •Site lease in progress
(H) STRATEGY: Engage physicians as central participants in the leadership of the Hospital.	
■ Continue engagement of physician leadership in IT Steering Committee.	▪Complete – Physician Champion approved: 6 Physicians on IT Steering Committee.

2009-2013 Goals – FYE 2011 Update

Quality/Service	
Achieve superior clinical and service results on a consistent basis.	
Measures of success:	
■ Patient satisfaction (patient experience) as measured by 95% or more willing to recommend hospital to a friend	
■ Joint Commission Core Measure compliance	
■ Joint Commission/CMS/CDPH Accreditation	
■ QI/Risk Reports that demonstrate improvement in problem areas	
■ Improve accuracy of information collection at time of registration	
Initiatives	**Status**
(A) STRATEGY: Create a culture of quality and service that is aimed at helping us achieve our goals	
■ Continue monitoring streamlined structure of functional and departmental performance improvement at the management and Board levels with focused action plans appointed to address key problem areas.	▪ The process of performance improvement reporting has been streamlined to move those items that require quality monitoring within a department or function into quality control. QC issues are placed on the performance improvement track when a plan of action is needed for improvement only. 1. A HAPU PI Team Charter was established which has not only reduced the prevalence of HAPU but improved the early detection and treatment of wounds. 2. Infection Prevention efforts have proven effective in reducing hospital acquired infections to near zero. 3. Core Measures scores are at or better than State and National averages in most indicators.

2009-2013 Goals – FYE 2011 Update

Quality/Service	
Achieve superior clinical and service results on a consistent basis.	
Initiatives	**Status**
(B) STRATEGY: Evaluate all access points to the organization to improve the patients/visitor experience: e.g., scheduling, admission, and billing	
▪ Evaluate advance on-line registration and scheduling system**.**	▪ Not complete.
(C) STRATEGY: Create programs that celebrate exemplary service/quality performance/results.	
▪ Create a dashboard report, that highlights both the objectives and the outcomes of our quality and service initiatives	▪ Not complete.
(D) STRATEGY: Restructure performance expectations and training to highlight quality and service.	
■ Maintain employee evaluation cycle at 14 months with aggregate reporting to Board .	▪Complete. Monitored by HR.
(E) STRATEGY: Work collaboratively with medical staff leadership to assure physician engagement in quality/safety initiatives .	
■ Develop and initiate a streamlined, interdisciplinary patient discharge process.	▪A discharge planning/continuum of care interdisciplinary task force has been established to streamline the discharge process and provide the best discharge and continuum of care possible for the patient.
■ Initiate organized physician – nurse rounding.	•Nursing managers attending the discharge stand up meetings with physicians and case managers as a prelude to rounds on the nursing units.

2009-2013 Goals – FYE 2011 Update

Quality/Service	
Achieve superior clinical and service results on a consistent basis.	
Initiatives	**Status**
(F) STRATEGY: Engage Hospital staff across all levels in active development of Alameda Hospital Culture.	
■ Enroll staff in customer service training to improve patient experiences throughout their stay at our facility.	•Mandatory classes held for entire hospital in February concentrating on communication with patients and family members with >80% participation. •Customer service discussed at every general hospital orientation .

2009-2013 Goals – FYE 2011 Update

People

Foster a culture of exemplary performance through recruitment and retention practices that are founded on adherence to core performance standards and the continual development and celebration of our employees.

Measures of success:

- Increase number of Staff Nurse III among nursing staff by 2 in FY 2010-11 and by 1 each year thereafter (4 SN III in FY 2010).
- Maintain employee vacancy rates below regional benchmarks.
- Develop and monitor employee satisfaction surveys.
- Turnover rates of ***15%*** or less (Q42009 = 3.58%).
- Less comments about non-English in the workplace.
- Annual performance evaluations include aggregate measurement of service excellence.

Initiatives	Status
(A) STRATEGY: Maintain a compensation and benefit strategy that is competitive and rewards desired performance.	
■ Conduct a baseline compensation study for non-represented and exempt .	▪In process.
(B) STRATEGY: Establish performance standards that are comprehensive: capabilities, service, citizenship.	
■ Continue work of Service Excellence Committee to foster reinforcement of CARE values and address feedback from patient surveys.	•Committee continues to meet bi-monthly. •Initiatives established based on HCAHPS satisfaction surveys (Quiet at night; Cleanliness; Communication). •Improved "Quietness at night" from 38% in Qtr 3 2010 to 48% for the rolling last 3 months •Service excellence discussed at all general hospital orientation meetings.
(C) STRATEGY: Establish recruitment and hiring standards that are consistent with performance expectations.	

2009-2013 Goals – FYE 2011 Update

People	
Foster a culture of exemplary performance through recruitment and retention practices that are founded on adherence to core performance standards and the continual development and celebration of our employees.	
Initiatives	**Status**
(D) STRATEGY: Invest in our staff through annual training and education programs: service, capabilities, management.	
■ Implement online mandatory annual training (MAT) for all staff.	▪Complete.
(E) STRATEGY: Create a recognition program to celebrate top performers in areas such as growth, quality, and service.	
■ Continue development of innovative recognition programs.	▪"Shining Star Program" developed by the Service Excellence Committee that utilizes peer to peer recognition.
(F) STRATEGY: Tailor orientation program to make sure new staff have clear understanding of what is expected of them, and that celebrates their addition to the Alameda Hospital Team.	
■ Enhanced orientation and training for all newly hired employees of the organization.	▪Complete.
■ Expansion of orientation to additional day for Nursing Staff to review Medication Administration, Wound Management, Falls, Restraints, Equipment, Protocols, Quality Initiatives…launched May 2009.	•Nursing "re" orientation held bi-monthly in 2010 concentrating on reinforcing patient care initiatives around falls, wounds, restraints, core measures; Approx 165 nurses attended these programs. •Online programs to encourage continued competency added to hospital intranet (stroke, wound assessment, etc).
■ Continue to hold annual benefits and safety fair.	▪Complete (March 2011)

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Stroke Update as of March 9, 2011

Education:

- Mandatory 4-hour stroke classes remain scheduled for nursing personnel on 3/29, 3/31, & 5/2
- 20 mandatory classes on stroke for all hospital and volunteer staff classes were held the week of 2/14/11—attendance reached 495 of the approximately 650 combined staff—74% of the 80% requirement for certification
- Additional classes on stroke to be scheduled in April for remaining staff
- Oakland Stroke seminar completed by the Stroke Coordinator, ECC and CCU Nurse Managers
- Stroke Coordinator to attend the Stroke Conference in Southern California week of 2/7
- 95% of ECC physicians completed the required education for certification on the NIHSS stroke screen—80% compliance is required by TJC

"Get With the Guidelines" Data Entry:

- All prior patients have been entered and the database is current
- Continuing our work on report writing to extract and analyze data for PI projects
- Continuing our work with members of the Emergency Care Center IT team to incorporate nursing data into the new Electronic Health Record

Patient Screening:

- Stroke Risk Assessments:
    - January 28, 2011: 21 scheduled, 19 attended, 5 referred for vascular screening
    - February 11, 2011: (Chinese participants) 24 scheduled, 20 attended, 3 referred for vascular screening.
    - February 24, 2011: 50 scheduled, 42 attended, 3 referred for vascular screening. Began assessing understanding of signs and symptoms.
    - Classes scheduled for March, April are filled
    - Program currently scheduled to run until June 2011

Community Outreach/Education

- Approximately 13,000 postcards mailed to households (10,000) and businesses (3,000) in Alameda on 2/14/11
- Monthly stroke articles in Alameda Journal. Articles in Gulls Call (every 2 months). Monthly stroke ads in Alameda Journal and Alameda Sun
- Emails to all collected addresses on 1/24/11 to announce Patient Screening Exams
- Mastick Senior Center presentations on 2/7/11 & 2/28/11
- Cardinal Point presentation is scheduled for 3/12/11
- Elks Lodge presentation is scheduled for 3/17/11

Joint Commission:

- Application process in the final phases