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Updated

Alameda Hospital
CITY OF ALAMEDA HEALTH CARE DISTRICT

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT

BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Monday, July 11, 2011

6:00 p.m. (Closed) | 7:00 p.m.* (Open)

***PLEASE NOTE CHANGE IN START TIME OF OPEN SESSION**

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

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

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

II. Roll Call Kristen Thorson

III. Adjourn into Executive Closed Session

IV. Closed Session Agenda

A. Call to Order

B. 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 related to long-term care expansion. No action will be taken.

   Estimated Date of Public Disclosure: *Not known at this time.*

C. Adjourn into Open Session

V. Reconvene to Public Session **(Expected to start at 7:00 p.m. – Dal Cielo Conference Room)**

A. Announcements from Closed Session Jordan Battani

VI. Regular Agenda

A. Consent Agenda **ACTION ITEMS**

1) Approval of June 6, 2011 Regular Meeting Minutes [enclosure] (PAGES 4-11)
2) Acceptance of May 2011 Financial Statements [enclosure] (PAGES 12-35)

B. Action Items

1) Request to Change August Board Meeting Date **[enclosure]** (PAGE 36) — Deborah E. Stebbins

2) Appointment of Committee Members to the Community Relations and Outreach Committee **[enclosure]** (PAGES 37-38) — Stewart Chen, DC

3) Approval of Resolution 2011-3I - Levying the City of Alameda Health Care District Parcel Tax for the Fiscal Year 2011-2012 **[enclosure]** (PAGES 39-41) — Deborah E. Stebbins

4) Approval of Certification and Mutual Indemnification Agreement **[enclosure]** (PAGES 42-44) — Thomas Driscoll

5) Approval to Authorize Management to Utilize the Line of Credit with the Bank of Alameda **[enclosure]** (PAGES 45-47) — Deborah E. Stebbins, David A. Neapolitan

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

1) Communications Strategy Plan **INFORMATIONAL PRESENTATION** — Tom Clifford, Tramutola

2) Update on Request for Licensure Change **INFORMATIONAL**

3) Monthly Statistics **INFORMATIONAL**

4) Hospital Updates / Events **INFORMATIONAL**

5) Stroke Certification Update **INFORMATIONAL**

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

E. Community Relations and Outreach Committee Report — Stewart Chen, DC

1) June 28, 2011 Committee Meeting Report **INFORMATIONAL**

F. Finance and Management Committee Report — J. Michael McCormick

1) June 29, 2011 Committee Meeting Report **INFORMATIONAL**

VII. General Public Comments

VIII. Board Comments

IX. Adjourn into Executive Closed Session

X. Closed Session Agenda (continued)

D. Discussion of Report Involving Trade Secrets (continued) — H & S Code Sec. 32106

1. Discussion of Hospital Trade Secrets applicable to development of new hospital services, programs and facilities related to long-term care expansion. No action will be taken.

   Estimated Date of Public Disclosure: *Not known at this time.*

E. Approval of Closed Session Minutes – May 9, 2011

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

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

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

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

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

K. Adjourn into Open Session

XI. Reconvene to Public Session (2 East Board Room)

A. Announcements from Closed Session — Jordan Battani

XII. General Public Comments

XIII. Board Comments

XIV. Adjournment

Alameda Hospital
CITY OF ALAMEDA HEALTH CARE DISTRICT

DRAFT

Minutes of the Board of Directors

June 6, 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
Robert Deutsch, MD	J. Michael McCormick			David Neapolitan	
				Kerry J. Easthope	

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 6:08 p.m.	
II. Roll Call	Kristen Thorson called roll, noting that a quorum of Directors were present. Director Gorelick stated that the description of reports involving trade secrets on the agenda is too opaque and is not in substantial compliance with the specific language of the Brown Act. He stated that it has been a problem and specifically he has a problem with tonight's wording on the agenda. Director Gorelick stated that he has conversations with legal Counsel Tom Driscoll and is not satisfied with legal counsel's interpretation. Mr. Driscoll stated that he would be happy to provide advice in closed session.	
III. Closed Session Agenda	The meeting was adjourned into Executive Closed Session at 6:12 p.m.	
IV. Reconvene to Public Session	The meeting was reconvened into public session at 7:40 p.m. Director Battani reported that the following actions were taken in Closed Session. A. Announcements from Closed Session 1. Closed Session Minutes – May 9, 2011	The Closed Session Minutes were approved.

	2. Board Quality Committee (BQC) Report – March 2011 Performance Improvement Executive Summary and Report 3. Medical Executive Committee Report and Approval of Credentialing Recommendations	The BQC report was accepted as presented. The Medical Executive Committee Report and Credentialing Recommendations were approved as presented below.

Initial Appointments – Medical Staff

Name	Specialty	Affiliation
○ None		

Reappointments – Medical Staff

Name	Specialty	Staff Status	Appointment Period
○ Roberto Celada, MD	General Surgery	Active	07/01/11 – 06/30/13
○ Stephen Cohen, MD	Ophthalmology	Active	07/01/11 – 06/30/13
○ Jon Greif, MD	Breast Surgery	Courtesy	07/01/11 – 06/30/13
○ Kenneth Hsiao, MD	Urology	Courtesy	07/01/11 – 06/30/13
○ Shivinder Kaur, MD	OB/GYN	Active	07/01/11 – 06/30/13
○ Amy Moore, MD	Internal Medicine	Active	07/01/11 – 06/30/13
○ Meena Tandon, MD	Pathology	Courtesy	07/01/11 – 06/30/13

Resignations

Name	Specialty
○ Geetha Tamaroon, DO	Internal Medicine/Hospitalist

Request for New Privilege

Name	Privilege
○ Darien Behravan, MD	Minimally Invasive Lumbar Decompression (MILD) procedure

V. Regular Agenda	A. Consent Agenda 1. Approval of May 9, 2011 Regular Meeting Minutes The Minutes will be corrected as follows under section V. Regular Agenda, A.	Director Gorelick removed Consent Agenda Items 1 & 2 for further discussion. Director McCormick requested to remove Item 2 for discussion as well. All consent Agenda

Consent Agenda, 3. Acceptance of April 2011 Financials, 1st paragraph:

Director Gorelick inquired about days cash on hand being higher than expected at $1.7 million ~~considering that there will be three pay periods in April~~. Mr. Neapolitan stated that there were only 2 pay periods in March and that in April there will be 3 pay periods and the parcel tax installment was received in April and that cash balance for April would be at our average levels.

items were voted on separately.

Being no further discussions of the Minutes, Director Gorelick made a motion to approve the May 9, 2011 Meeting Minutes with corrections as proposed. Director Deutsch seconded the motion. The motion carried unanimously.

2. Acceptance of April 2011 Financial Statements

Director Gorelick asked about the mitigating initiatives, such as better management of nurse staffing and cancellation of certain items, etc. and if these were reflected in the April Financials. Management responded that the effect of these initiatives would be reflected beginning in the May and June Financials. Management also responded that the furlough policy will be implemented for the months of June, July, and August.

Director Gorelick asked if management had insight on the reasons that patient days and census were lower than expected and if other bay area hospitals were experiencing the same trends. He also asked about the decrease in case mix index. Ms. Stebbins state that anecdotally she has heard from other institutions that volumes have been lower throughout the bay area.

Director McCormick requested that he would like to see more details in reporting on key financial ratios as they apply to hospitals, submitted in the financials, such as long-term and short-term solvency ratios. Ms. Battani asked for an update at the next Finance and Management Committee.

Being no further discussions of the April Financials, Director Gorelick made a motion to accept the April Financial Statements as presented. Director McCormick seconded the motion. The motion carried unanimously.

3. Approval of Side Letter Agreement with SEIU UHW-West Regarding Accumulation of Seniority

Director Deutsch made a motion to approve the Side Letter Agreement as presented. Director McCormick seconded the motion. The motion carried unanimously.

	4. Approval of Revised FY 2012 Goals & Objectives	Director McCormick made a motion to approve the Revised FY 2012 Goals & Objectives. Director Deutsch seconded the motion. Director Gorelick opposed the motion. The motion carried.
	B. Action Items	
	1. Approval of FY 2012 Operating and Capital Budget The Operating and Capital Budget presentation and materials were included in the District Board Packet and have been posted on the intranet website. Ms. Stebbins, Mr. Neapolitan, and Mr. Easthope presented the FY 2012 proposed operating budget. Ms. Stebbins discussed the challenges of balancing the budget, positive factors expected in 2012, and scenarios that were not included in the budget for fiscal year 2012. Mr. Neapolitan discussed statistical information related to the budget including patient days, outpatient registrations, outpatient surgeries, and net revenue changes. Mr. Easthope discussed the expenses portion of the budget including labor, benefits and non-labor expenses outlining the details in the budget. Ms. Stebbins reviewed the capital budget including equipment, information technology, plan maintenance, seismic plans, electronic health record expenses, and the Wound Care Program. Director Gorelick inquired about reductions in force / layoffs, DRG rates related to revenue assumptions, expenses listed as “other”, wound care loan covenants with the Bank of Alameda, and price increases. Director Gorelick asked for detail as to how the budget was prepared to ensure that the numbers are not optimistically stated. Management stated that that level of detail could be provided to Director Gorelick. Director Deutsch asked about management’s insight on the volumes as they have been projected relatively flat and decreases in some areas.	Director McCormick made a motion to approve the FY 2012 Operating and Capital Budget. Director Deutsch seconded the motion. Director Gorelick opposed the motion. The motion carried.

	Ms. Battani stated that at the Finance and Management Committee there were several metrics that Management was asked to monitor based on the assumptions in the budget so that the Board would have an early indication of what was over / under budget on a monthly basis. Director Battani requested that Case Mix Index be added to the list of metrics to monitor. Director Gorelick commented that the he believes that the budget has been misprojected considering the missed projections in the current year's budget as well as prior years. He believes that based on the information that was presented tonight, we will not make budgeted numbers this year. Director McCormick commented that Director Gorelick's comments were well taken and the tighter we can get the budget the better and hopefully we are doing the right things to meet budgeted expectations. Director Deutsch commented that although each year is a struggle, the Hospital continues to stay open and provide good service to the community. Director Battani commented that her filter for making these decisions is the effort to keep the hospital open and operating. She said that the use of the parcel for subsidizing the hospital is a legitimate use of the tax money based on the election that created the district and the feedback she receives from constituents.	
	2. Approval to Enter into a Lease Agreement with Legacy Marina Village for Building Lease Located at 815 Atlantic Avenue, Alameda, California for Wound Care Program Mr. Easthope presented the recommendation to authorize management to enter into a lease agreement for the wound care space. Director Gorelick inquired about the terms of the lease in reference to subletting and profits, and termination terms and questioned intentions for the programs development. Director McCormick reviewed that in addition to expanding services for increased revenue, Alameda Hospital has a need for space due to seismic regulations and the expiration of the lease for the South Shore location.	Director Deutsch made a motion to approve the Lease Agreement with Legacy. Director McCormick seconded the motion. Director Gorelick opposed the motion. The motion carried.
	C. President's Report 1. Report on the Findings of the Executive Compensation Survey	No action taken

Director Battani presented the results from the Executive Compensation Survey as outlined in the handout. The handout will be posted with the board packet on the website. Overall, the total compensation at Alameda Hospital is reasonable and well within the bounds of competitive practice. The District Board will be developing a set of formal statements and/or compensation philosophy in the future.

D. Chief Executive Officer's Report

1. Contract Analysis for Medical Directorships and Analysis of Medical Office Space Leases — No action taken

Ms. Stebbins described that the Medical Directorships and the Medical Office Space rental rates are within acceptable market values in response to inquiries from Jerrold Kram, MD and as a result of the discussion of the May Board meeting.

Mr. Gorelick asked what the total revenue generated form rental income in the 1925 building. Management stated that it was unknown at this time, but could get that figure to the Board.

2. Request for Licensure Change — No action taken

Ms. Stebbins discussed the letter and documentation that has been sent to the California Department of Public Health requesting a change in the Hospital's licensure that would shift 12 beds from our acute bed inventory to our skilled nursing (Subacute) inventory and a request for a waiver on some of the physical characteristics associated with long-term care. The request was initiated due to the waiting list for our Subacute unit as well as the impending closure of a number of Subacute units in the Bay area.

Director Gorelick asked if there would be a revenue guarantee provided by any possible partnerships. Ms. Stebbins responded that she could get referrals from other facilities as well as a potential revenue guarantee in terms of capital requirements necessary to underwrite any possible structural changes needed.

3. Monthly Statistics — No action taken

Ms. Stebbins reported on the monthly statistics, noting that the May acute census was 25.8 versus a budgeted 31.5 and 6.5% below April acute census. SubAcute census was below budget at 31.9 versus 33.5. South Shore census was slightly below budget at 21.3 versus 23.0. Patient days were below budget by 10.3%. Emergency Room Visits were below budget by 5.8% at 1,431 and were higher than

	April volumes of 1,382 or 3.5%. Total surgeries were 168 which was15.6% lower than April volumes. Outpatient surgeries were 12.4% lower than April volumes. 4. Hospital Updates / Events Ms. Stebbins met with local hospital administrators from Region 9, CMS leadership and CHA leadership in Baltimore regarding the impact that the 25% reduction in reimbursement rates will have upon patients and the hospitals that care for them. 5. Stroke Certification Update Ms. Stebbins updated the Board on progress toward Stroke Certification noting that the hospital is requesting that the County EMS lift the restriction and allow stroke patients to be routed to Alameda Hospital while we await a survey date from the Joint Commission for Stroke Certification.	No action taken No action taken
	E. Operations and Facilities Report 1. PACS / Imaging Upgrade Project Update Mr. Easthope presented an update regarding the Picture Archiving and Communication Systems (PACS) and Imaging equipment upgrade project. The PACS system has been installed and has been in use since April 2011. As expected, there have been a number of issues to customize the system such as physician connectivity and previous patient study inclusion. A voice recognition system is currently being installed and the transcription service available to Radiologists will assist in completing timely reports with a practically real-time turnaround. Installation of the wireless devices in OR is almost complete that will allow digital images to be viewed in the surgical suites at the time of surgery.	No action taken
	F. Medical Staff President Report Dr. Yeh informed the Board that the Continuing Medical Education (CME) program would be presented on June 14, 2011 by Dr. Ludmer regarding the pacemaker and on June 28, 2011 by Dr. Khan regarding Asymptomatic Valve Replacement.	No action taken.
	G. Community Relations and Outreach Committee Report	
	Director McCormick informed the Board of the Community Relations and Outreach Committee events. Three potential new members attended the Committee, while one showed a particular interest in joining the Committee. Presentations were presented by the representatives of Alameda Family Services and discussions of possible partnerships took	No action taken.

	place. The community awareness campaign regarding stroke was well attended. Interns from the Tramutola Group have been gathering feedback regarding Alameda Hospital from within the community. Alameda Hospital will be participating in the Fourth of July Parade.	
	H. Finance and Management Committee Report	
	Director McCormick reviewed the Finance and Management Committee discussions. Financial Statements, daily census, patient revenue, financial performance, and the operating budget were discussed in detail at the meeting. The discussion regarding the Marina Village lease was deferred to the District Board Meeting for review and approval.	
VI. General Public Comments	Tony Corica, Director of Physician Relations responded that the revenue that the 1925 building generates is $14,000 per month. Denise Lai, community member, shared her concern regarding the business strategies and use of the parcel tax to develop a wound care program and recommended that Alameda Hospital consider opening an Urgent Care Center.	
X. Board Comments	None	
XII. Adjournment	A motion was made to adjourn the meeting and being no further business, the meeting was adjourned at 10:29 p.m.	

Attest:

Jordan Battani	Elliott Gorelick
President	Secretary

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING MAY 31, 2011

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

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ALAMEDA HOSPITAL
MANAGEMENT DISCUSSION AND ANALYSIS
MAY, 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 May 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 May, 2011

- For the month of May 2011, combined expense over revenues (loss) is $816,000 versus a budgeted excess of revenue over expenses (profit) of $23,000. This loss was driven by a continued lower than previously experienced inpatient case mix index, which is an indication of lower acuity level patients, lower than expected outpatient volumes and the second of three adjustments to the reduce the amount of accrued intergovernmental transfer receivable (discussed further on page 11).

- For the eleven months ended May 31, 2011, combined expense over revenues (loss) is $2,904,000 before the inclusion of $1,451,000 of other non-operating income. This additional other non-operating income, which was recorded in March 2011, was the result of the elimination of a liability that was established in fiscal year 2006. The liability was the result of a dispute over contractual language related to the amounts due under the terms of an insurance contract. After inclusion of the elimination of this liability the year to date expense over revenue (loss) is $1,453,000 versus budgeted revenue over expenses (profit) of $590,000.

- Gross patient revenue for the month of May was less than budget by $3,917,000 or 17.3%. This unfavorable variance was the result of unfavorable variances of $2,330,000 and $1,587,000 in inpatient and outpatient programs, respectively. On adjusted patient day basis gross patient revenue was 6.0% less than budgeted at $5,130 compared to a budgeted amount of $5,455 for the month of May. For the eleven months ended gross revenue per adjusted patient day is 0.8% greater than budgeted at $5,428 versus the budgeted $5,388.

- Total patient days for the month were 2,449 compared to the prior month's total patient days of 2,425 and the prior year's 2,610 total patient days. The average daily acute care census was 25.8 compared to a budget of 31.6 and an actual average daily census of 27.5 in the prior month; the average daily Sub-Acute census was 31.9 versus a budget of 33.5 and 32.4 in the prior month and the Skilled Nursing program had an average daily census of 21.3 versus a budget of 23.0 and prior month census of 21.0, respectively.

- Emergency Care Center (ECC) visits were 1,431 or 5.8% less than the budgeted 1,519 visits and were only 5 visits or 0.3% less than the prior year's visits of 1,436.

- Total surgery cases were less than budgeted expectations for the month at 168 cases versus the budgeted 202 cases. The current month's surgical volume was 8.4% greater than the same month prior year's 155 cases.

- Outpatient registrations were 14.1% below budgeted targets at 1,936 and at 63.4 visits per day were 4.7% less than the prior month's 66.5 visits per day.

Total assets decreased by $2,029,000 from the prior month as a result of. The following items make up the decrease in current assets:

- Total unrestricted cash and cash equivalents for May decreased by $386,000 and days cash on hand including restricted use funds decreased to 15.3 days on hand in May from 17.7 days on hand in April. The decrease in cash was primarily the result of the use of one twelfth of the parcel tax funds in May.

- Net patient accounts receivable decreased in May by $1,475,000 compared to a decrease of $436,000 in April. Day's in outstanding receivables decreased to 55.0 at May 31, 2011 from 58.6 at April 30, 2011. Collections in May totaled $4.9 million compared to $4.4 million in April.

- Other receivables decreased by $106,000 primarily as a result of the write-off of $103,000 of the remaining Intergovernmental transfer estimate that was determined to be in excess of the revised amounts to be received under this program.

- Prepaid and other deposits decreased by $87,000 as a result of the monthly amortization of prepaid insurance and service contracts.

Total liabilities decreased by $1,055,000 compared to a decrease of $473,000 in the prior month. This decrease in the current month was the result of the following:

- Accounts payable and accrued expenses decreased by $137,000 as a result of the payment of additional outstanding trade payables during the month of May.

- Payroll related accruals decreased by $287,000 as a result of fewer days of required accrued payroll liabilities at the end of May due to the timing of paid payrolls at month-end.

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

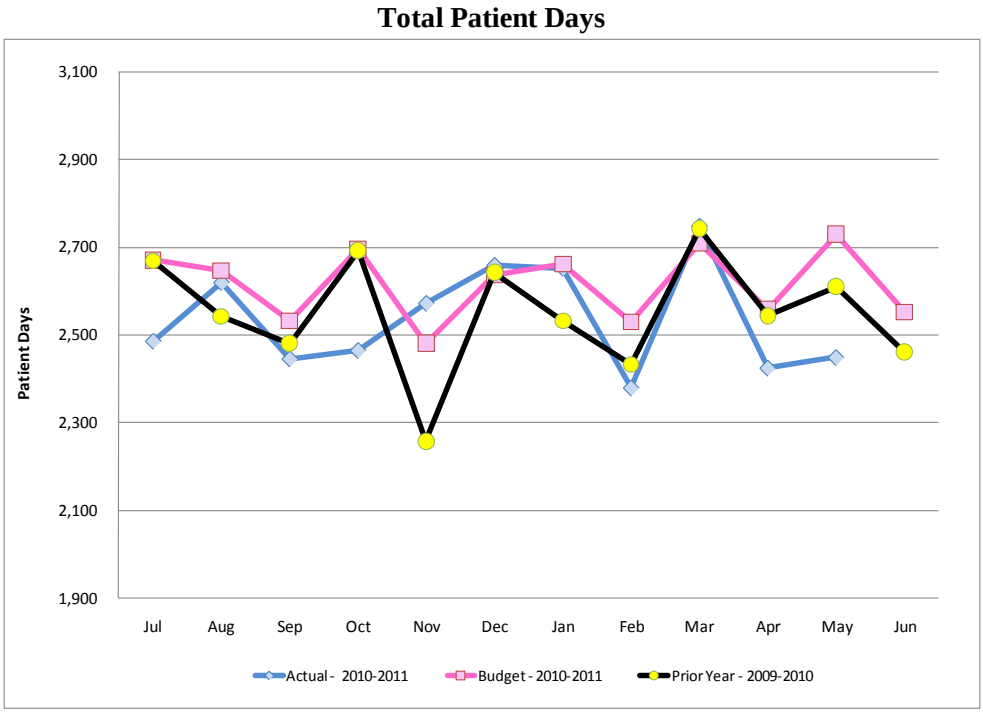
- Estimated third party payables decreased by $90,000 in May as a result of the true up of estimated liabilities for fiscal year 2007, 2008 and 2009 Medicare claims that were resolved in fiscal year 2011.

- Long term debt decreased by $37,000 as a result of the monthly payment of the principle portion of the note payable to the Bank of Alameda.

Volumes

The combined actual daily census was 79.0 versus a budget of 88.06 or an unfavorable variance of 10.6%. The current month's overall unfavorable variance from the budgeted census was the result of average daily census that were unfavorable to budget in the acute care areas by 6.0 patients per day or 18.9%. The Sub-Acute and Skilled Nursing programs were also unfavorable to budgeted expectations with unfavorable variances in average daily census of 1.6 and 1.8, respectively.

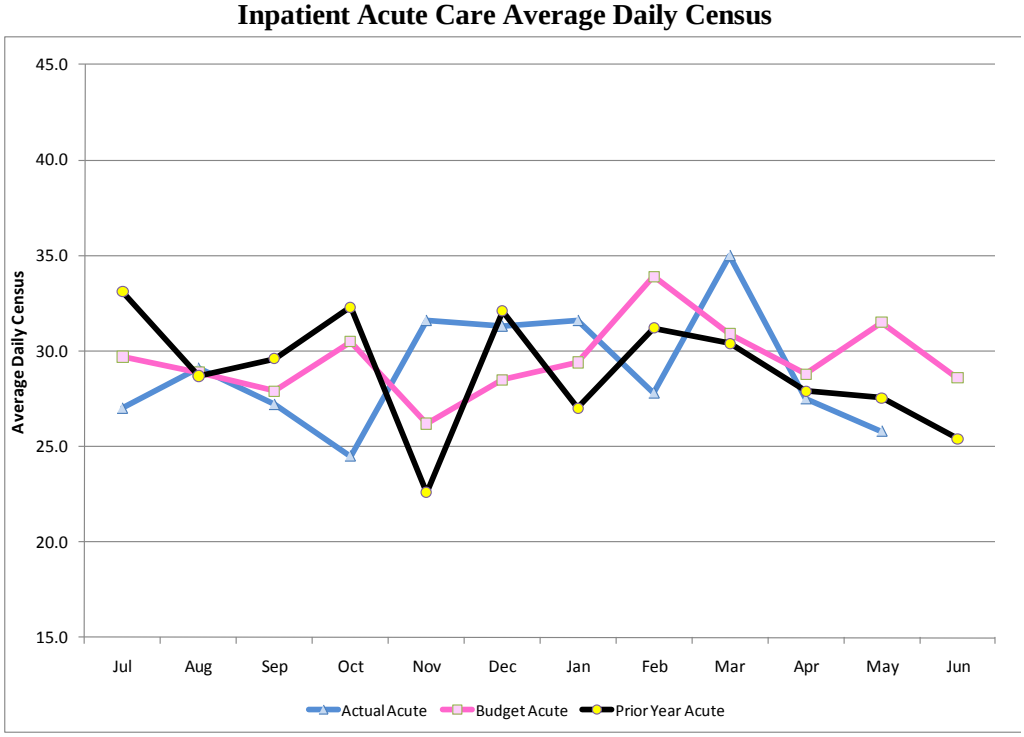
The graph on the following page shows the total patient days by month for fiscal year 2011 compared to the operating budget and fiscal year 2010 actual.



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

Acute Care

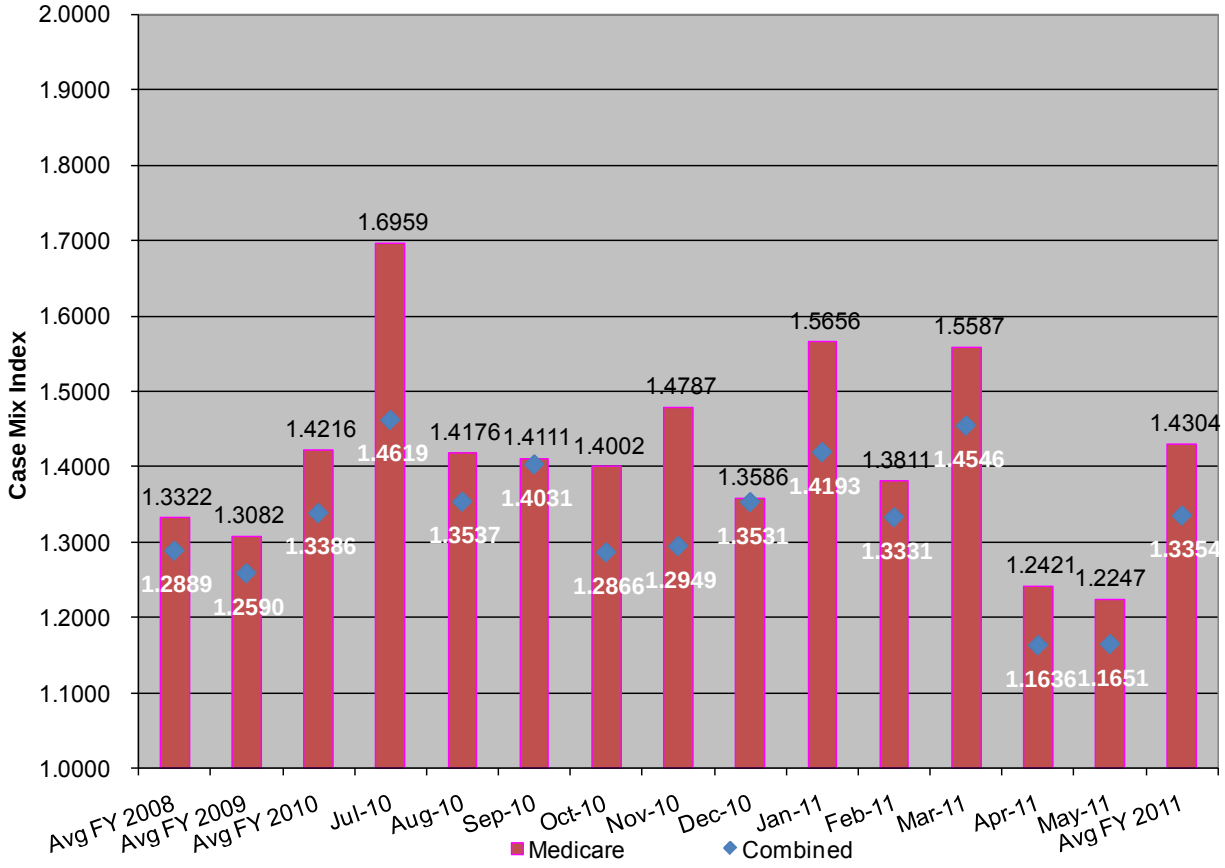
The acute care patient days were 18.9% (179 days) less than budgeted and were 6.4% less than the prior year's average daily census of 27.5 for May. The acute care program is comprised of the Critical Care Unit (2.4 ADC, 26.7% unfavorable to budget), Definitive Observation Unit (9.1 ADC, 29.4% unfavorable to budget) and Med/Surg Units (14.4 ADC, 6.9% unfavorable 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.



Case Mix Index

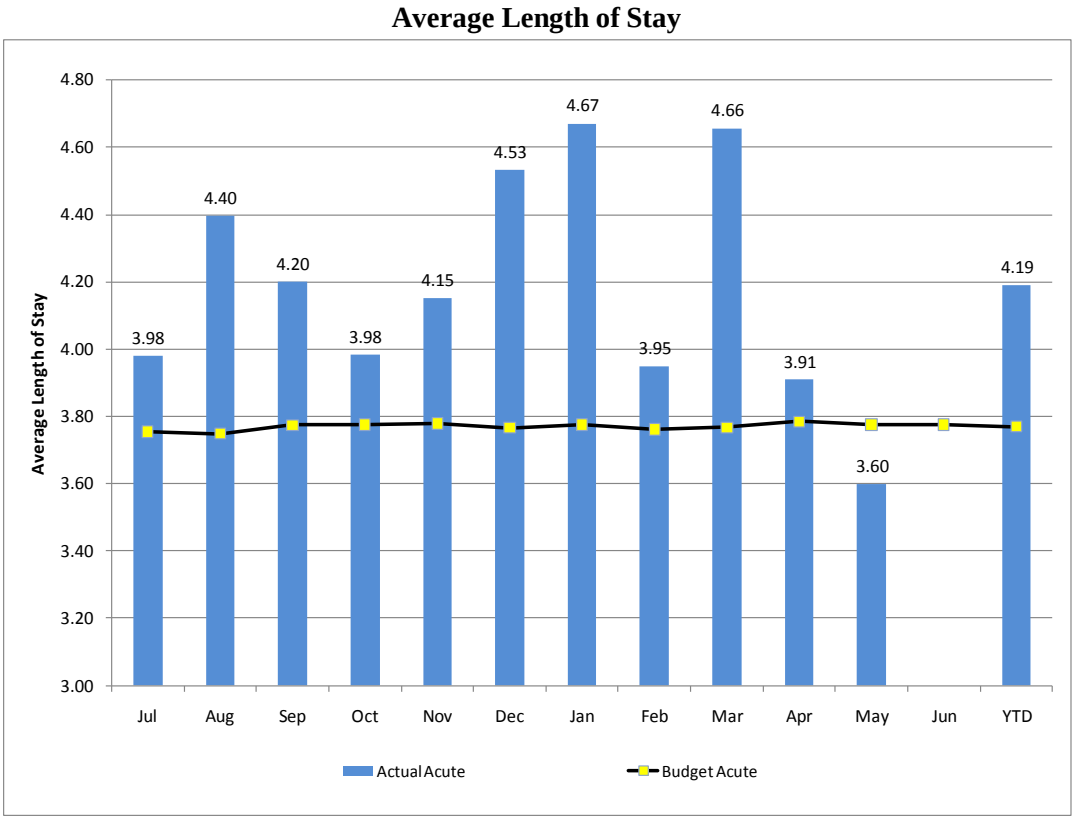
The hospitals overall Case Mix Index (CMI) increased slightly to 1.1651 from 1.1636 in the prior month and remains substantially below the fiscal year to date average of 1.3354. The Medicare CMI decreased slightly over the prior month from 1.2421 in April to 1.2247 in May. In May there was again only one (1) outlier case. The graph below shows the CMI for the hospital during the current fiscal year as compared to the prior three fiscal years.

Case Mix Index Comparison



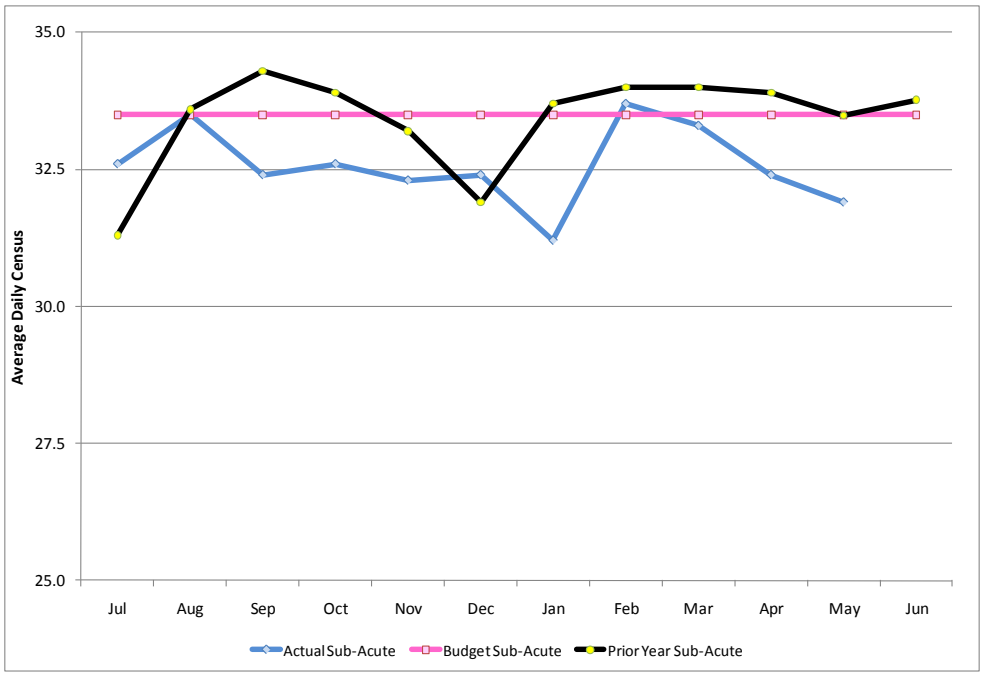
Average Length of Stay

The average length of stay (ALOS) decreased from that of the prior months 3.91 to 3.60 in the month of May. This brings the year-to-date average to 4.19 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.



Sub-Acute Care

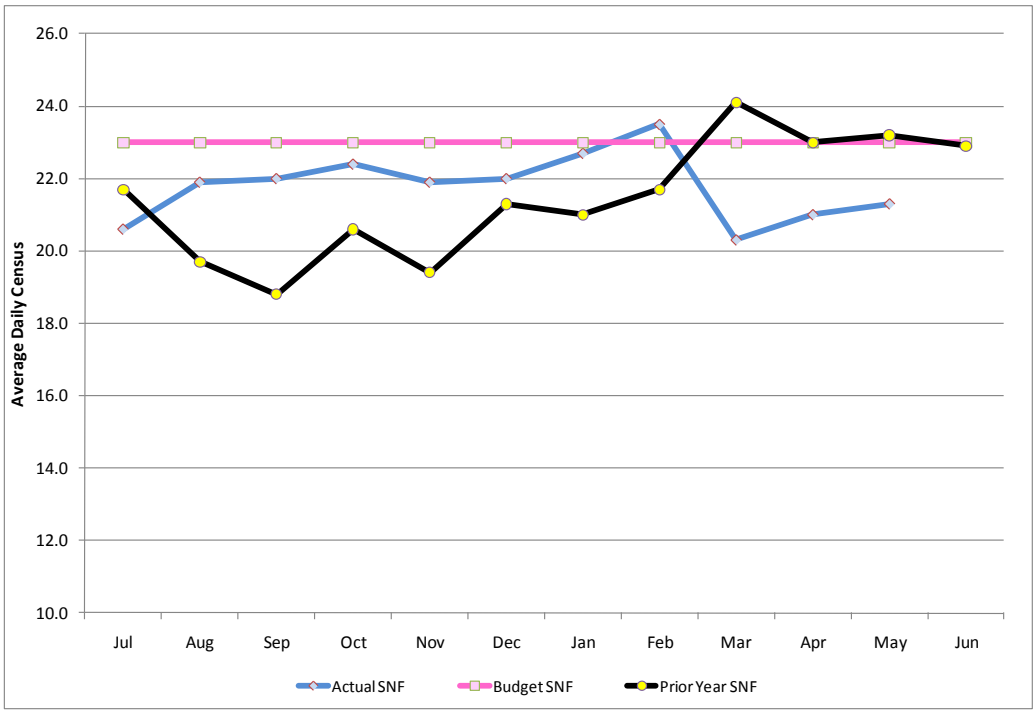
The Sub-Acute program patient days were less than budgeted projections with an average daily census of 31.9 for the month of May which was budgeted for an average daily census of 33.5. The graph below shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.



Skilled Nursing Care

The Skilled Nursing Unit (South Shore) patient days were 7.4% or 53 patient days less than budgeted for the month of May. Comparing performance to the prior year this programs volume remains slightly greater than the prior year's performance for the eleven months of fiscal year 2011 that has had an average daily census of 21.8 versus 21.3 in fiscal year 2010. The following graph shows the Skilled Nursing Unit monthly average daily census as compared to budget and the prior year.

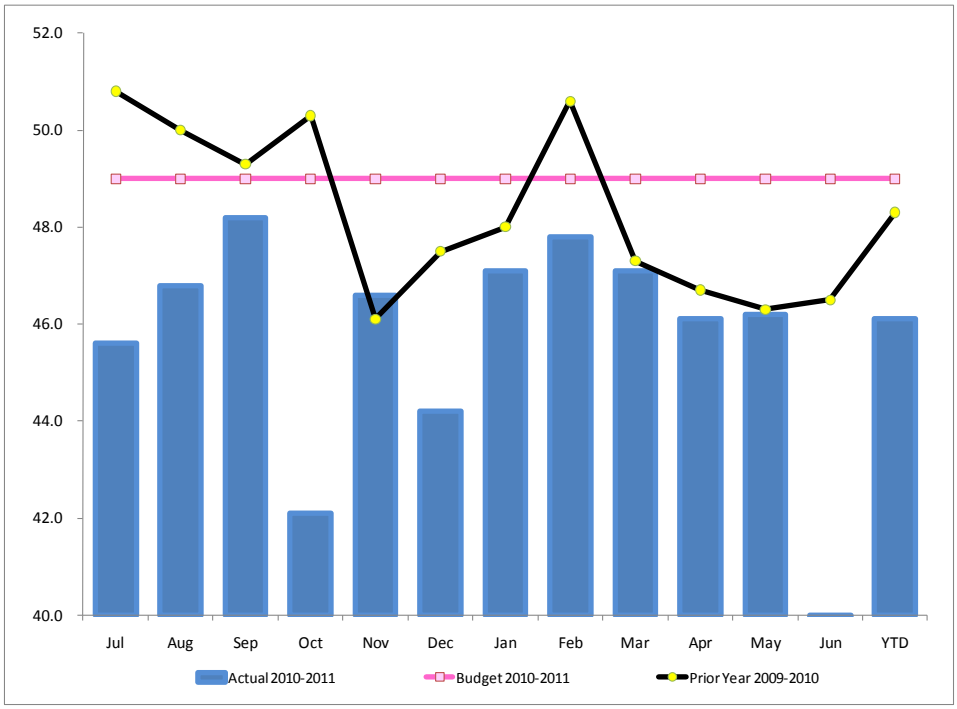
Skilled Nursing Unit Average Daily Census



Emergency Care Center (ECC)

Emergency Care Center visits in May totaled 1,431 and were 5.8% or only 88 visits less than budgeted for the month with 17.2% of these visits resulting in inpatient admissions versus 15.0% in April. In May there were 288 ambulance arrivals versus 256 in the prior month, on a per day basis this represents an increase of 9.4% over the prior month daily average. Of the 288 ambulance arrivals in the current month 181 or 62.8% 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

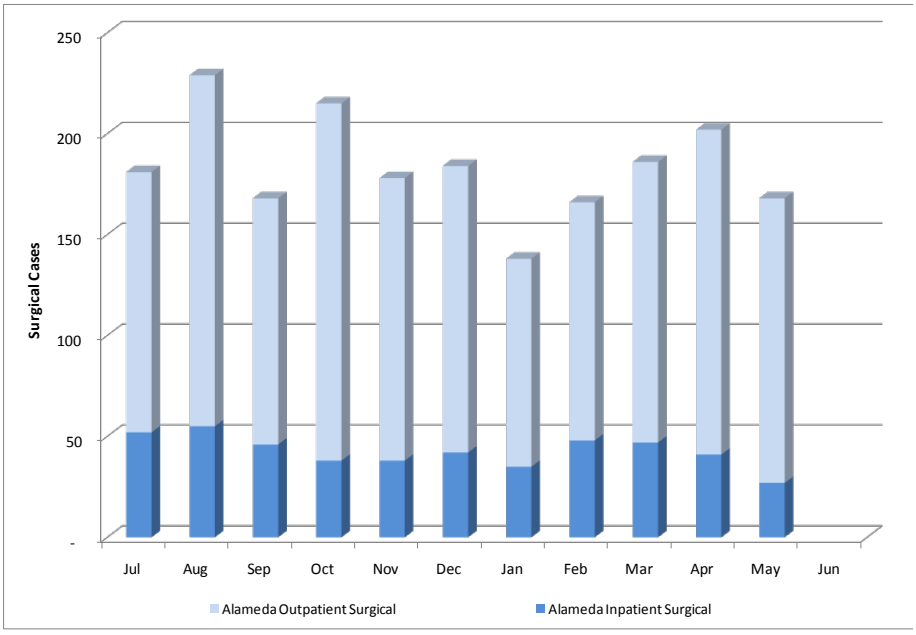


Surgery

Surgery cases were 168 versus the 202 budgeted cases and 155 cases in the prior year. In May, surgery cases decreased over the prior month by 12.9%. The decrease of 26 cases over the prior month was the result of an decrease of 16 and 10 inpatient and outpatient cases, respectively. Inpatient and outpatient cases totaled 27 and 141 versus 41 and 161 in May and April, respectively. The decrease in cases from the prior month was driven by decreases in Ophthalmology (15), Gastrointestinal (8), Podiatry (3), Pulmonary (2) and Urology (2), cases offset by *increases* in Gynecology (4) Pain Management (2) and Cardiology (1) cases.

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

Surgical Cases

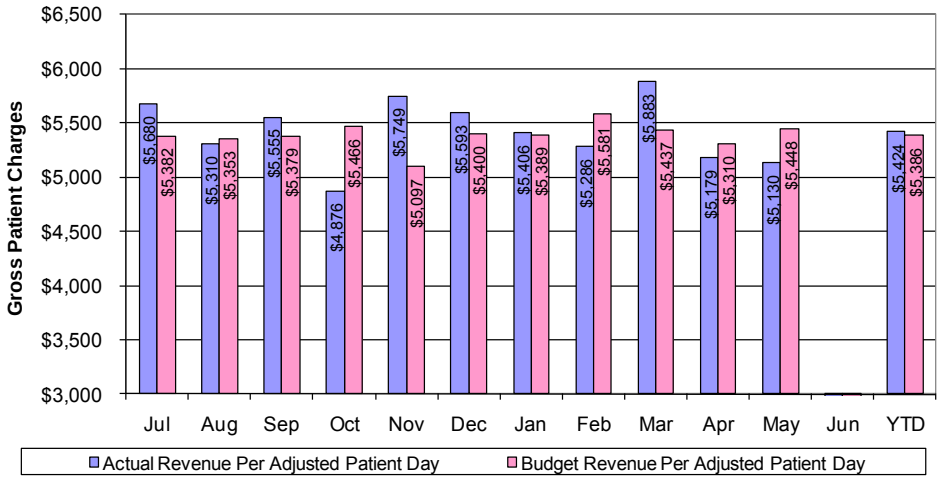


Income Statement

Gross Patient Charges

Gross patient charges in May were less than budgeted by $3,917,000. This unfavorable variance was comprised of unfavorable variances of $2,330,000 and $1,587,000 in inpatient and outpatient revenues, respectively. The decrease in inpatient gross revenues was again driven by lower patient census in all inpatient programs coupled with a significant decline in acute inpatient acuity levels. Outpatient revenues were also lower than budgeted as a result of the delayed opening of the Wound Care program ($558,000), which now has a planned January 2012 opening, lower than expected emergency room visits ($402,000), lower than budgeted IVT revenues ($311K), lower than budgeted imaging revenues ($132K), lower than budgeted observation revenues ($99K) and lower than budgeted laboratory revenues ($48,000). On an adjusted patient day basis total patient revenue was $5,130 versus the budgeted $5,455 for the month of May. 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.

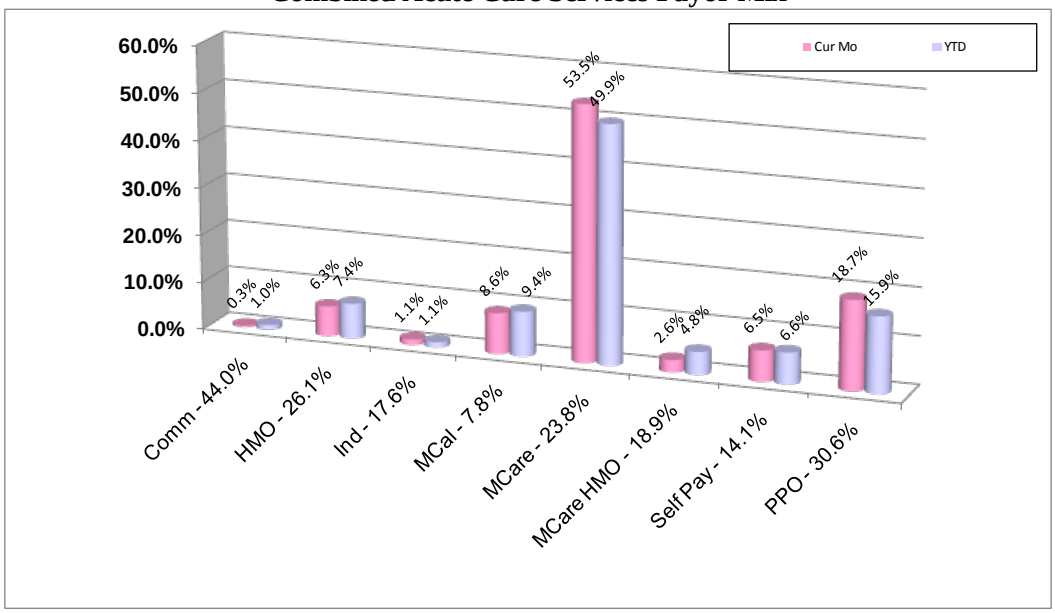
Gross Charges per Adjusted Patient Day



Payor Mix

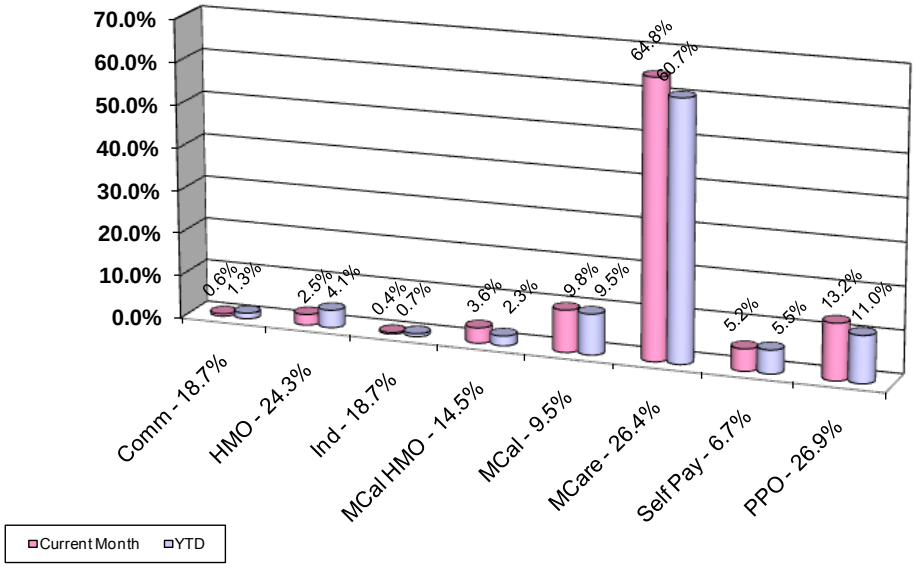
Combined acute care services, inpatient and outpatient, Medicare and Medicare Advantage total gross revenue in May made up 56.1% of the months total gross patient revenue. Combined Medicare revenue was followed by HMO/PPO utilization at 25.0% , Medi-Cal Traditional and Medi-Cal HMO utilization at 8.6% and self pay at 6.5%. The graph on the following page 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

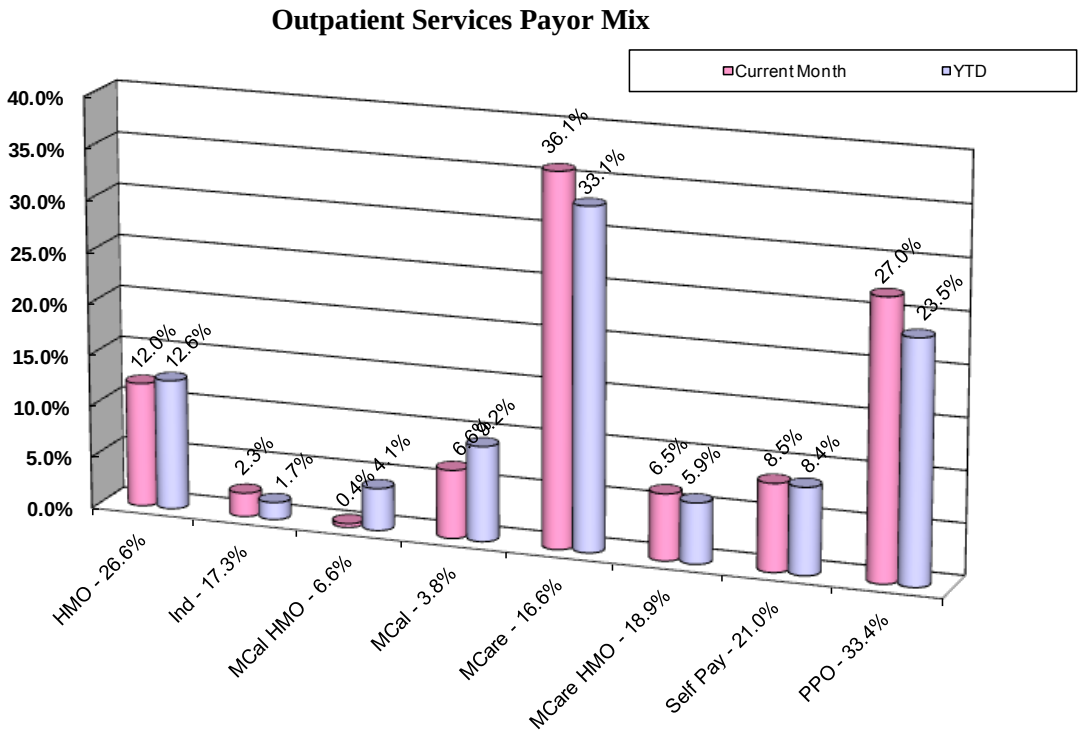


The inpatient acute care current month gross Medicare and Medicare Advantage charges made up 64.8% of our total inpatient acute care gross revenues followed by HMO/PPO at 15.7%, Medi-Cal and Medi-Cal HMO at 13.4% and Self Pay at 5.2% of the inpatient acute care revenue. Despite the further decline in acuity levels, the current month's payor mix the overall net inpatient revenue percentage improved from the prior month to 23.3% in May versus 20.3% in April. The below shows inpatient acute care current month and year to date payor mix and current month estimated net revenue percentages for fiscal year 2011.

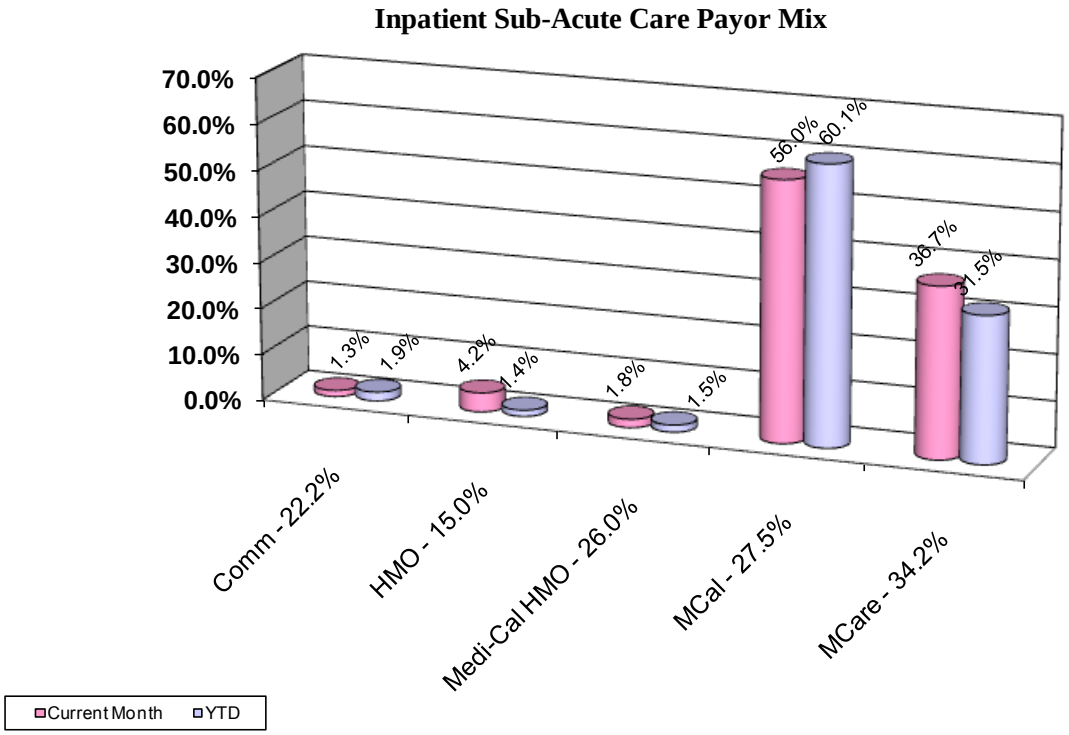
Inpatient Acute Care Payor Mix



The outpatient gross revenue payor mix for May was comprised of 42.7% Medicare and Medicare Advantage, 39.0% HMO/PPO, 7.0% Medi-Cal and Medi-Cal HMO, and 8.5% self pay. The graph on the following page shows the current month and fiscal year to date outpatient payor mix and the current months estimated level of reimbursement for each payor.

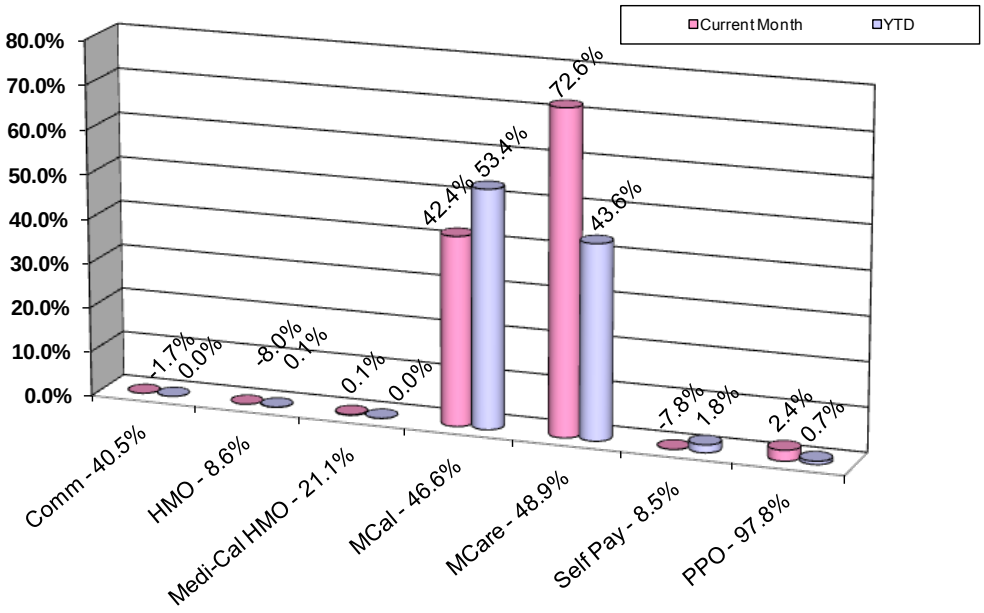


In May, the Sub-Acute care program again was dominated by Medi-Cal utilization of 57.8% versus 54.9% in April. The graph below shows the payor mix for the current month and fiscal year to date and the current months estimated reimbursement rate for each payor.



In May, the Skilled Nursing program gross revenues were comprised primarily of Medicare at 72.6% and Medi-Cal at 42.4%. 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



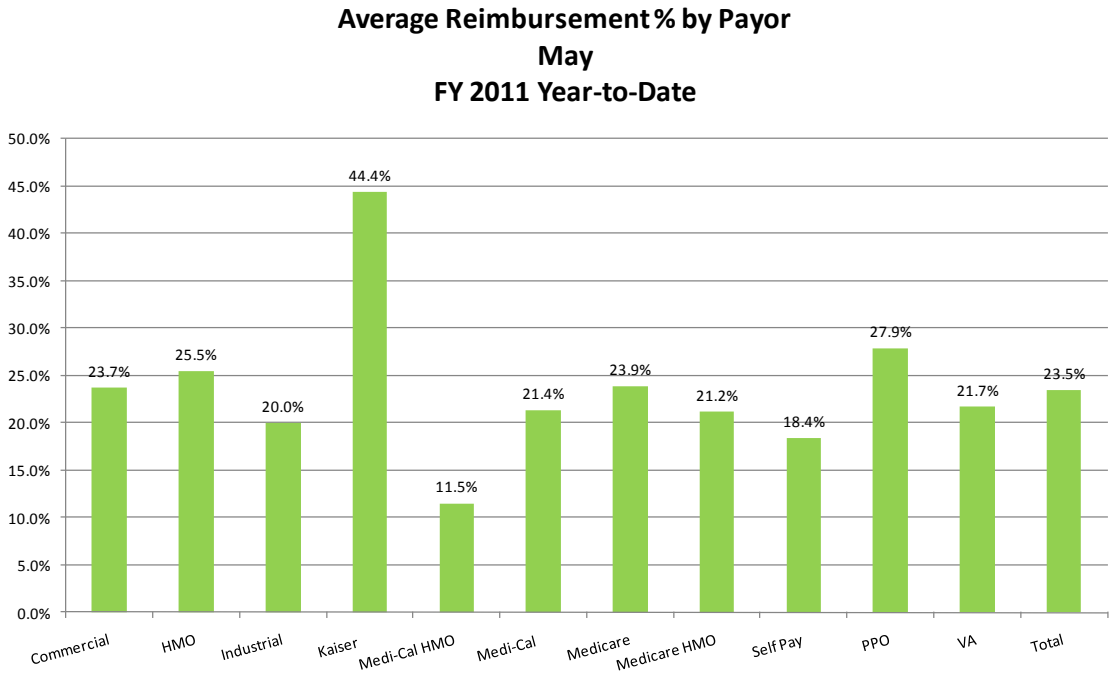
Deductions from Revenue

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 May contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 80.4% versus the budgeted 76.0%. A major factor causing the increase in this percentage was continued lower case mix index that has been experienced in April and May of fiscal year 2011.

Net Patient Service Revenue

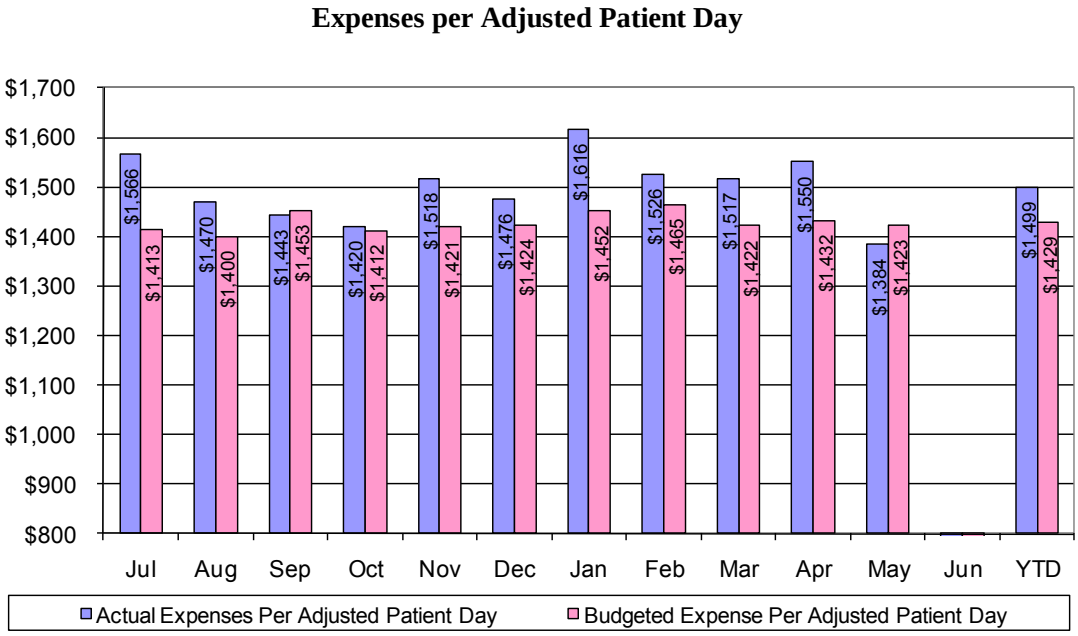
Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. This difference reflects what the anticipated cash payments the Hospital is expecting to receive for the services provided. In addition, included in the year to date net patient service revenue are the estimated amounts to be received from participation in the State of California's FY 2011 Intergovernmental Transfer (IGT) Program, $180,000 per month and $1,083,000 for the six month ended December 31, 2010. As a result of the inclusion of all forty-six (46) California district hospitals in the fiscal year 2011 IGT program and finalization of amounts that will be received by each of these Hospitals an additional reduction of $102,000 will be included each month over the remainder of fiscal year 2011. This reduction will result in an estimated adjusted amount to be received of $776,000 for fiscal year 2011. It is anticipated that this amount will be received before June 30, 2011.

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

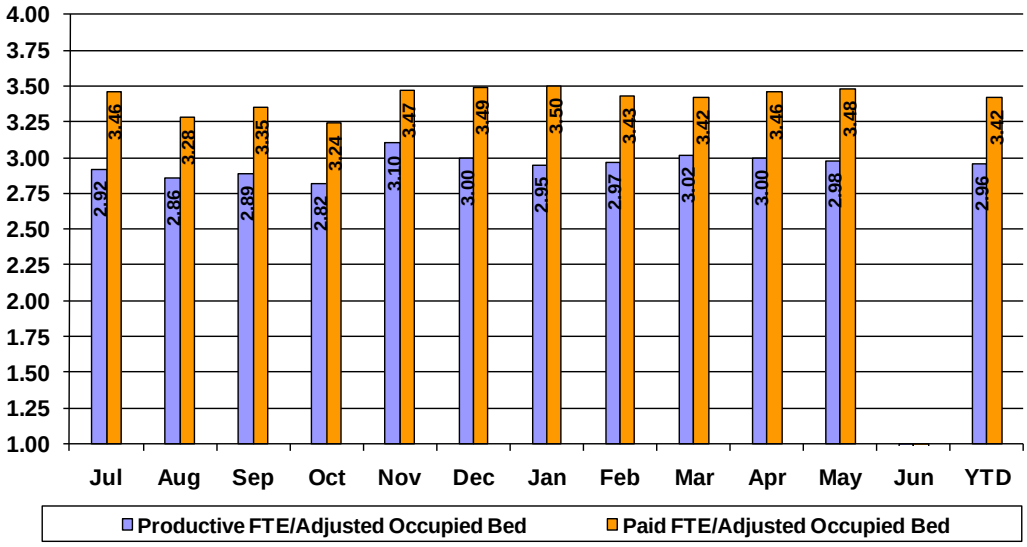
Total operating expenses were less than the fixed budget by $855,000 or 14.5%. On an adjusted patient day basis, our cost per adjusted patient day was $1,384 which was $41 per adjusted patient day favorable to budget. This variance in expenses per adjusted patient day was primarily the result of favorable variances in non salary and benefit costs of $78 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 Temporary Agency Expenses

Salary and temporary agency costs combined were favorable to the fixed budget by $93,000 but were unfavorable to budgeted levels on a per adjusted patient day basis by $76 or 10.3%. On an adjusted occupied bed basis, productive FTE's were unfavorable to budget by 7.4% at 3.0 FTE's versus the budgeted 2.8 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 favorable to the fixed budget by $250,000 or 27.0%. This favorable variance was the result of lower than budget expenses related to the self insured group health insurance program ($80,000), pension plan expenses ($50,000) and lower workers compensation insurance costs ($25,000). In addition, there was a reversal of $95,000 of benefit accruals related to the EHR implementation that were made in error during the months of January through April.

Professional Fees

Professional fees were favorable to budget by $83,000 in May. This favorable variance was the result of the delay in the start of the Wound Care Program ($67,000), lower required emergency room call ($15,000) and lower than budgeted costs associated with primary care physician coverage in the clinic ($8,000).

Supplies

Supplies were favorable to budget by $285,000 or $54 per adjusted patient day in May. This favorable variance was the result of lower than budgeted medical supplies expense of $277,000. The favorable medical supplies expense was primarily the result of lower than budgeted expenses for pharmacy supplies ($113,000) in the infusion therapy program, lower than budgeted lab supply costs ($89,000) and supply expenses related to the Wound Care program ($67,000) that have been delayed until January 2012.

Purchased Services

Purchased services were favorable to budget by $79,000 or $9 per adjusted patient day for the month. This favorable variance was primarily the result of lower than budgeted repairs and maintenance costs ($30,000), collection agency costs $12,000 and various other purchased services ($14,000).

Rents and Leases

Rents and leases were $59,000 favorable to the fixed budget and $14 per adjusted patient day favorable to budget for the month of May. 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 third quarter of calendar 2011 due to Office of Statewide Health Planning delays. In addition, there were multiple departments that did not incur equipment rental costs in May.

Action Items

The management team has implemented several initiatives to respond to the unfavorable financial performance. In addition, there are many initiatives that are in process and will be implemented over the next months. Most of these initiatives are also part of the Fiscal Year 2012 budget.

Initiatives that have been implemented include:

- We have implemented mandatory closure of most support departments on eight major holidays as well as two "non-holiday" closure days during the next fiscal year (beginning Memorial Day 2011). Essential support departments will staff at core staffing levels on these days. Productive salary cost savings are estimated to be $59,000 per year for the two days.

- Mandatory furlough days for the months of June, July and August will be implemented. All non nursing employees will be required to take one PTO or non paid day off per pay period during this period when patient activity is typically slower. Savings are estimated to be $59,000 per month in productive salary expense during these three months.

- Elimination of outside consulting services from Robert Half and Jacobus who provided support for the EHR implementation and IT department ($68,000 - $80,000 per month). While this will not have an impact on the monthly Statement of Revenues and Expenses this will help with our cash flow.

- Reduction in the use of approximately 9.9 Certified Nursing Assistants (CNA's) on nursing units resulting in savings of approximately $42,000 per month, while still complying with state staffing guidelines.

- Negotiation of a new service agreement with Alliance Imaging who provides mobile MRI service, resulting in a reduction in fees of $4,000 per month.

- Reduction in scope of service and coverage limits for GE Biomedical Service support, resulting in an expense reduction of about $4,100 per month.

- Reduced stacked parking service to 11:00 am to 4:00 pm. Monthly savings are $3,000 (60 day notice given).

- Reduced security guard coverage to night shift only, seven days a week resulting in savings of $6,250 per month.

- Memberships deemed to not be of a benefit to the ongoing operations of the organization will be cancelled or not renewed. These include memberships with: Aging Services of California, Association of California Hospital Districts, Advisory Board and the Governance Institute for monthly savings of $6,250. Some of the annual fees for these memberships have been prepaid and as such savings will be realized over the next fiscal year.

The annual impact of the above cost reduction initiatives that will affect the Statement of Revenues and

Expenses is about $879,000 per year or an average of $73,266 per month, plus $445,000 cash flow savings associated with the discontinuation of the IT consulting firms.

Initiatives that are in process:

- Expansion of the number of sub acute beds by twelve beds. A letter has been sent to representatives at the California Department of Health Services expressing our interest and the need to expand sub acute capacity at Alameda Hospital.

- Management, together with representatives from the California Hospital Association, have spoken with regional and national representatives from CMS to provide information and data to support the rejection of the State's request under AB 97 (Medi-Cal D/P SNF & Sub Acute reimbursement reductions).

- Termination our inpatient Medi-Cal contract, which will become effective mid October 2011.

- Progressive steps to expand our operational presence in skilled nursing within the District.

The following pages include the detailed financial statements for the eleven (11) months ended May 31, 2011, of fiscal year 2011.

ALAMEDA HOSPITAL
KEY STATISTICS
MAY 2011

	ACTUAL MAY 2011	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	MAY 2010	YTD MAY 2011	YTD FIXED BUDGET	VARIANCE	%	YTD MAY 2010
Discharges:										
Total Acute	222	259	(37)	-14.3%	197	2,315	2,633	(318)	-12.1%	2,583
Total Sub-Acute	4	1	3	300.0%	1	23	16	7	43.8%	13
Total Skilled Nursing	5	12	(7)	-58.3%	14	98	134	(36)	-26.9%	116
	231	272	(41)	-15.1%	212	2,436	2,783	(347)	-12.5%	2,712
Patient Days:										
Total Acute	799	978	(179)	-18.3%	854	9,698	9,925	(227)	-2.3%	9,817
Total Sub-Acute	990	1,039	(49)	-4.7%	1,038	10,907	11,223	(316)	-2.8%	11,183
Total Skilled Nursing	660	713	(53)	-7.4%	718	7,294	7,705	(411)	-5.3%	7,146
	2,449	2,730	(281)	-10.3%	2,610	27,899	28,853	(954)	-3.3%	28,146
Average Length of Stay										
Total Acute	3.60	3.78	(0.18)	-4.7%	4.34	4.19	3.77	0.42	11.1%	3.80
Average Daily Census										
Total Acute	25.77	31.55	(5.97)	-18.9%	27.55	28.95	29.63	(0.68)	-2.3%	29.30
Total Sub-Acute	31.94	33.52	(1.63)	-4.9%	33.48	32.56	33.50	(0.94)	-2.8%	33.38
Total Skilled Nursing	21.29	23.00	(1.77)	-7.7%	23.16	21.77	23.00	(1.23)	-5.3%	21.33
	79.00	88.06	(9.37)	-10.6%	84.19	83.28	86.13	(1.62)	-1.9%	84.02
Emergency Room Visits	1,431	1,519	(88)	-5.8%	1,436	15,453	16,418	(965)	-5.9%	16,228
Outpatient Registrations	1,936	2,254	(318)	-14.1%	1,972	21,813	24,525	(2,712)	-11.1%	27,004
Surgery Cases:										
Inpatient	27	55	(28)	-50.9%	43	469	548	(79)	-14.4%	628
Outpatient	141	147	(6)	-4.1%	112	1,546	1,556	(10)	-0.6%	4,098
	168	202	(34)	-16.8%	155	2,015	2,104	(89)	-4.2%	4,726
Kaiser Inpatient Cases	-	-	-	-	-	-	-	-	-	91
Kaiser Eye Cases	-	-	-	-	-	-	-	-	-	1,461
Kaiser Outpatient Cases	-	-	-	-	-	-	-	-	-	1,417
Total Kaiser Cases	-	-	-	-	-	-	-	-	-	2,969
% Kaiser Cases	0.0%	0.0%			0.0%	0.0%	0.0%			62.8%
Adjusted Occupied Bed	117.22	133.77	(16.55)	-12.4%	128.46	123.59	130.47	(6.88)	-5.3%	143.36
Productive FTE	350.50	372.43	(21.93)	-5.9%	365.63	365.84	368.10	(2.26)	-0.6%	388.98
Total FTE	409.69	423.39	(13.70)	-3.2%	415.98	422.78	418.82	3.96	0.9%	443.80
Productive FTE/Adj. Occ. Bed	2.99	2.78	0.21	7.4%	2.85	2.96	2.82	0.14	4.9%	2.71
Total FTE/ Adj. Occ. Bed	3.50	3.17	0.33	10.4%	3.24	3.42	3.21	0.21	6.6%	3.10

City of Alameda Health Care District
Statements of Financial Position
May 31, 2011

	Current Month	Prior Month	Prior Year End
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 2,037,785	$ 2,423,796	$ 3,480,668
Patient Accounts Receivable, net	8,331,120	9,656,474	9,558,147
Other Receivables	2,058,403	2,164,043	6,654,035
Third-Party Payer Settlement Receivables	628,100	604,885	374,557
Inventories	1,159,933	1,157,875	1,149,706
Prepaids and Other	208,538	295,478	453,872
Total Current Assets	14,423,879	16,302,551	21,670,985
Assets Limited as to Use, net	471,451	579,225	476,630
Property, Plant and Equipment, net	8,155,703	8,027,889	6,993,735
Total Assets	**$ 23,051,033**	**$ 24,909,665**	**$ 29,141,350**
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	$ 416,000	$ 416,000	$ 450,831
Accounts Payable and Accrued Expenses	7,061,608	7,198,801	6,112,296
Payroll Related Accruals	3,971,862	4,259,003	4,351,133
Deferred Revenue	478,792	956,656	5,736,951
Employee Health Related Accruals	528,999	554,371	645,750
Third-Party Payer Settlement Payable	909,297	999,297	500,000
Total Current Liabilities	13,366,558	14,384,128	17,796,961
Long Term Debt, net	857,005	894,001	1,236,831
Total Liabilities	14,223,563	15,278,129	19,033,792
Net Assets:			
Unrestricted	8,228,443	8,924,735	9,560,928
Temporarily Restricted	599,027	706,801	546,630
Total Net Assets	8,827,470	9,631,536	10,107,558
Total Liabilities and Net Assets	**$ 23,051,033**	**$ 24,909,665**	**$ 29,141,350**

City of Alameda Health Care District

Statements of Operations

May 31, 2011

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Patient Days	2,449	2,730	(281)	-10.3%	2,610	27,899	28,853	(954)	-3.3%	28,146
Discharges	231	272	(41)	-15.1%	212	2,436	2,782	(346)	-12.4%	2,711
ALOS (Average Length of Stay)	10.60	10.04	0.56	5.6%	12.31	11.45	10.37	1.08	10.4%	10.38
ADC (Average Daily Census)	79.0	88.1	(9.06)	-10.3%	84.2	83	86.1	(2.85)	-3.3%	84.0
CMI (Case Mix Index)	1.1651				1.4711	1.3354				1.3397
Revenues										
Gross Inpatient Revenues	$ 12,563	$ 14,893	$ (2,330)	-15.6%	$ 12,702	$ 151,447	$ 155,447	$ (4,001)	-2.6%	$ 152,025
Gross Outpatient Revenues	6,142	7,701	(1,559)	-20.2%	6,780	73,604	79,731	(6,126)	-7.7%	107,383
Total Gross Revenues	18,705	22,594	(3,889)	-17.2%	19,482	225,051	235,178	(10,127)	-4.3%	259,408
Contractual Deductions	14,119	16,371	2,252	13.8%	13,522	162,739	169,312	6,574	3.9%	191,799
Bad Debts	745	666	(79)	-11.9%	586	7,296	6,999	(297)	-4.3%	5,842
Charity and Other Adjustments	168	167	(1)	-0.8%	374	1,649	1,750	101	5.8%	1,013
Net Patient Revenues	3,674	5,391	(1,717)	-31.9%	5,001	53,367	57,117	(3,750)	-6.6%	60,754
Net Patient Revenue %	19.6%	23.9%			25.7%	23.7%	24.3%			23.4%
Net Clinic Revenue	56	28	28	101.6%	44	395	307	88	28.7%	155
Other Operating Revenue	9	14	(4)	-32.1%	(7)	112	152	(41)	-26.6%	410
Total Revenues	**3,739**	**5,433**	**(1,693)**	-31.2%	**5,038**	**53,874**	**57,576**	**(3,702)**	-6.4%	**61,320**
Expenses										
Salaries	2,860	2,928	68	2.3%	2,971	32,507	31,144	(1,363)	-4.4%	34,379
Temporary Agency	155	180	25	13.8%	144	2,242	1,894	(348)	-18.4%	1,863
Benefits	676	925	250	27.0%	855	8,828	9,831	1,004	10.2%	10,308
Professional Fees	299	382	83	21.7%	278	3,367	3,698	331	9.0%	3,214
Supplies	435	720	285	39.5%	704	7,640	7,693	53	0.7%	9,160
Purchased Services	316	395	79	20.0%	349	3,972	4,278	305	7.1%	4,215
Rents and Leases	53	111	59	52.7%	80	755	965	209	21.7%	794
Utilities and Telephone	71	73	2	3.4%	53	701	790	89	11.3%	763
Insurance	29	36	7	19.7%	43	347	394	47	11.9%	487
Depreciation and amortization	79	74	(5)	-7.0%	80	877	804	(73)	-9.0%	1,053
Other Operating Expenses	76	79	4	4.5%	81	953	896	(57)	-6.4%	890
Total Expenses	**5,047**	**5,903**	**855**	14.5%	**5,639**	**62,190**	**62,387**	**197**	0.3%	**67,125**
Operating gain (loss)	**(1,308)**	**(470)**	**(838)**	-178.1%	**(600)**	**(8,316)**	**(4,812)**	**(3,505)**	72.8%	**(5,805)**
Non-Operating Income / (Expense)										
Parcel Taxes	480	479	0	0.1%	477	5,268	5,275	(6)	-0.1%	5,269
Investment Income	2	-	2	0.0%	1	12	-	12	0.0%	23
Interest Expense	(13)	(8)	(4)	-52.5%	(7)	(109)	(117)	8	-6.8%	(91)
Other Income / (Expense)	22	22	0	0.3%	23	1,692	244	1,448	593.4%	251
Net Non-Operating Income / (Expense)	**492**	**493**	**(2)**	**-0.3%**	**493**	**6,864**	**5,402**	**1,462**	**27.1%**	**5,452**
Excess of Revenues Over Expenses	**$ (816)**	**$ 23**	**$ (839)**	**-3662.0%**	**$ (107)**	**$ (1,453)**	**$ 590**	**$ (2,043)**	**-346.2%**	**$ (353)**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day

May 31, 2011

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 3,445	$ 3,596	$ (150)	-4.2%	$ 3,173	$ 3,653	$ 3,561	$ 92	2.6%	$ 3,165
Gross Outpatient Revenues	1,684	1,859	(175)	-9.4%	1,694	1,775	1,827	(51)	-2.8%	2,236
Total Gross Revenues	5,130	5,455	(325)	-6.0%	4,867	5,428	5,388	41	0.8%	5,401
Contractual Deductions	3,872	3,953	81	2.0%	3,378	3,925	3,879	(47)	-1.2%	3,994
Bad Debts	204	161	(44)	-27.1%	146	176	160	(16)	-9.8%	122
Charity and Other Adjustments	46	40	(6)	-14.5%	93	40	40	0	0.8%	21
Net Patient Revenues	1,008	1,302	(294)	-22.6%	1,249	1,287	1,308	(21)	-1.6%	1,265
Net Patient Revenue %	19.6%	23.9%			25.7%	23.7%	24.3%			23.4%
Net Clinic Revenue	15	7	9	129.0%	11	10	7	2	35.5%	3
Other Operating Revenue	3	3	(1)	-22.9%	(2)	3	3	(1)	-22.8%	9
Total Revenues	**1,026**	**1,312**	**(286)**	-21.8%	**1,259**	**1,300**	**1,319**	**(20)**	-1.5%	**1,277**
Expenses										
Salaries	784	707	(77)	-10.9%	742	784	713	(71)	-9.9%	716
Temporary Agency	43	43	1	2.1%	36	54	43	(11)	-24.6%	39
Benefits	185	223	38	17.1%	214	213	225	12	5.5%	215
Professional Fees	82	92	10	11.1%	70	81	85	4	4.1%	67
Supplies	119	174	54	31.3%	176	184	176	(8)	-4.6%	191
Purchased Services	87	95	9	9.1%	87	96	98	2	2.2%	88
Rents and Leases	14	27	12	46.3%	20	18	22	4	17.6%	17
Utilities and Telephone	19	18	(2)	-9.7%	13	17	18	1	6.6%	16
Insurance	8	9	1	8.8%	11	8	9	1	7.2%	10
Depreciation and Amortization	22	18	(4)	-21.6%	20	21	18	(3)	-14.8%	22
Other Operating Expenses	21	19	(2)	-8.5%	20	23	21	(2)	-12.0%	19
Total Expenses	**1,384**	**1,425**	**41**	2.9%	**1,409**	**1,500**	**1,429**	**(71)**	-5.0%	**1,398**
Operating Gain / (Loss)	**(359)**	**(114)**	**(245)**	-215.9%	**(150)**	**(200)**	**(110)**	**(90)**	82.2%	**(121)**
Non-Operating Income / (Expense)										
Parcel Taxes	132	116	16	13.7%	119	127	121	6	5.2%	110
Investment Income	1	-	1	0.0%	0	0	-	0	0.0%	0
Interest Expense	(3)	(2)	(1)	-73.2%	(2)	(3)	(3)	0	-1.9%	(2)
Other Income / (Expense)	6	5	1	13.9%	6	41	6	35	630.1%	5
Net Non-Operating Income / (Expense)	**135**	**119**	**16**	**13.2%**	**123**	**166**	**124**	**42**	**33.8%**	**114**
Excess of Revenues Over Expenses	**$ (224)**	**$ 6**	**$ (229)**	-4145.9%	**$ (27)**	**$ (35)**	**$ 14**	**$ (49)**	-352.9%	**$ (7)**

City of Alameda Health Care District
Statement of Cash Flows
For the Eleven Months Ended May 31, 2011

	Current Month	Year-to-Date
Cash flows from operating activities		
Net Income / (Loss)	$ (816,356)	$ (1,452,548)
Items not requiring the use of cash:		
Depreciation and amortization	78,701	$ 876,511
Write-off of Kaiser liability	-	$ (1,451,597)
Changes in certain assets and liabilities:		
Patient accounts receivable, net	1,325,354	1,227,027
Other Receivables	105,640	4,595,632
Third-Party Payer Settlements Receivable	(113,215)	155,754
Inventories	(2,058)	(10,227)
Prepaids and Other	86,940	245,334
Accounts payable and accrued liabilities	(137,193)	2,400,909
Payroll Related Accruals	(287,141)	(379,271)
Employee Health Plan Accruals	(25,372)	(116,751)
Deferred Revenues	(477,864)	(5,258,159)
Cash provided by (used in) operating activities	(262,564)	832,614
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	107,774	5,179
Additions to Property, Plant and Equipment	(206,515)	(2,038,479)
Other	120,064	120,063
Cash provided by (used in) investing activities	21,323	(1,913,237)
Cash flows from financing activities		
Net Change in Long-Term Debt	(36,996)	(414,657)
Net Change in Restricted Funds	(107,774)	52,397
Cash provided by (used in) financing and fundraising activities	(144,770)	(362,260)
Net increase (decrease) in cash and cash equivalents	(386,011)	(1,442,883)
Cash and cash equivalents at beginning of period	2,423,796	3,480,668
Cash and cash equivalents at end of period	$ 2,037,785	$ 2,037,785

City of Alameda Health Care District
Ratio's Comparison

Financial Ratios	Audited Results			Unaudited Results				
	FY 2008	FY 2009	FY 2010	Q1 FY 2011	Q2 FY 2011	Q3 FY 2011	YTD 4/30/2011	YTD 5/31/2011
Profitability Ratios								
Earnings Before Depreciation, Interest, Taxes and Amortization (EBITA)	-0.72%	3.62%	4.82%	0.04%	1.59%	3.37%	0.51%	-0.87%
Operating Margin	-3.75%	1.03%	2.74%	-1.58%	-0.15%	1.51%	-1.16%	-2.46%
Liquidity Ratios								
Current Ratio	0.98	1.15	1.23	1.19	1.21	1.24	1.13	1.07
Days in accounts receivable ,net	51.70	57.26	51.83	59.89	64.26	60.17	59.07	51.36
Days cash on hand (with restricted)	30.61	13.56	21.60	12.38	9.07	14.11	17.72	15.25
Debt Ratios								
Cash to Debt	187.3%	115.3%	249.0%	143%	93.4%	172.6%	229.2%	197.11%
Average pay period	58.93	58.03	57.11	67.10	62.78	67.98	64.70	63.06
Debt service coverage	(0.14)	3.87	5.98	0.01	1.04	3.15	0.50	(0.89)
Long-term debt to fund balance	0.26	0.20	0.14	0.14	0.13	0.11	0.12	0.13

Glossary of Financial Ratios

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

Date: July 8, 2011

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

From: Deborah E. Stebbins, CEO

Subject: Request to Move August 2011 District Board Meeting

Recommendation:

Hospital Administration is recommending that the Board of Directors move the August 1, 2011 District Board Meeting to Monday, August 8, 2011.

Background:

Administration is requesting that the August Board Meeting due to vacation plans of several District Board Members as well as Management on August 1, 2011.

As of July 8, a quorum of Board members has confirmed their availability for August 8, 2011. Legal Counsel and Medical Staff leadership have also confirmed their availability.

Date: July 11, 2011

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

Through: Community Relations and Outreach Committee

From: Stewart Chen, D.C., Committee Co-chair / District Board Member
Terrie Kurrasch, Committee Co-chair

Subject: Appointment of Members to Community Relations and Outreach Committee

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Recommendation:

After review of prospective committee members, the Community Relations and Outreach Committee recommend the following community member for appointment to the Committee at this time:

- Mike McMahon, Trustee, Alameda Board of Education

This recommendation reflects the diversity of the District's community and can provide expertise and influence in our outreach efforts.

Background:

The City of Alameda Health Care District Community Relations and Outreach Committee's primary purpose is to develop a community engagement and outreach plan that supports the Hospital's strategic plan and annual goals. The current structure allows for up to eleven (11) community members. Currently eight (8) community members sit on the committee.

The Community Relations Committee vetted three potential community members at its May 24, 2011 meeting. Prospective members were asked to provide a brief introduction of themselves and their interest in serving on the committee and had the opportunity to ask questions about the Hospital and the committee's community initiatives. Current committee members were then asked to provide their recommendations/feedback to Committee Co-chair, Stewart Chen, D.C.

The following member qualifications were considered in the committee membership recommendation:

- Willingness to communicate with the community about current news and events at Alameda Hospital.
- Representative of the diverse population of the hospital service area.

- Awareness of community demographics and Hospital market potential.
- Actively involved with community organizations or businesses.
- Supportive of Alameda Hospital's Mission, Goals, and Objectives.

The Committee will evaluate additional membership periodically based on interest from the members of the community.

Date: July 11, 2011

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

From: Deborah E. Stebbins, Chief Executive Officer
Kristen Thorson, District Clerk

SUBJECT: Approval of Resolution 2011-3I, Levying the City of Alameda Health Care District Parcel Tax for the Fiscal Year 2011-2012

RECOMMENDATION:

It is recommended that the Board of Director approve the attached annual resolution to levy the parcel tax for FY 2011-2012.

BACKGROUND:

The City of Alameda Health Care District Board of Directors has approved an annual resolution to levy the parcel tax since 2002. As stated in the resolution, the District levies an annual tax on every parcel and possessory interest within the District's boundaries in the amount of Two Hundred Ninety-Eight Dollars ($298.00) per year (the "Parcel Tax") in order to defray ongoing hospital general operating expenses and capital improvement expenses; provided, however, that parcels or possessory interests that have an assessed value (real property and improvements combined) of less than $30,000 shall be automatically exempt from the Parcel Tax.

RESOLUTION NO. 2011-3I

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

*** * ***

LEVYING THE CITY OF ALAMEDA HEALTH CARE DISTRICT

PARCEL TAX FOR THE FISCAL YEAR 2011-2012

WHEREAS, the Alameda County Local Agency Formation Commission ("LAFCo") resolved on January 10, 2002 to present a ballot measure to the registered voters of the City of Alameda which, if approved, would authorize the formation of the new health care district within the boundaries of the City of Alameda and authorize the District to levy a parcel tax of up to $298.00 on each parcel and possessory interest within the proposed district; and

WHEREAS, on April 9, 2002, over two-thirds of the registered voters of the City of Alameda, who voted that day, voted in favor of creating a health care district authorized to tax each parcel and possessory interest within the district's boundaries in an amount up to $298.00 per year in order to defray ongoing hospital general operating expenses and capital improvement expenses; and

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

WHEREAS, without tax revenue Alameda Hospital can not fulfill its mission to serve the health needs of the Alameda City Community due to a lack of sustained revenue sufficient to finance continued operation of all necessary hospital services; and

WHEREAS, the District operates Alameda Hospital; and

WHEREAS, without the levy of a parcel and possessory interest tax in the amount of $298.00, the District's revenue stream will be insufficient to allow the provision of continued local access to emergency room care, acute hospital care, and other necessary medical services; and

WHEREAS, the District is authorized under Section 53730.01 of the California Government Code to impose special taxes on all real property within its boundaries.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that the District hereby levies an annual tax on every parcel and possessory interest within the District's boundaries in the amount of Two Hundred Ninety-Eight Dollars ($298.00) per year (the "Parcel Tax") in order to defray ongoing hospital general operating expenses and capital improvement expenses; provided, however, that parcels or possessory interests that have an assessed value (real property and improvements combined) of less than $30,000 shall be automatically exempt from the Parcel Tax.

PASSED AND ADOPTED on July 11, 2011 by the following vote:

AYES: _____ NOES: _____ ABSENT: _____

_____
Jordan Battani
President

ATTEST:

_____
Elliott Gorelick
Secretary

DATE: July 11, 2011

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

FROM: Thomas Driscoll, Legal Counsel
Kristen Thorson, District Clerk

SUBJECT: Approval of Certification and Mutual Indemnification Agreement

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RECOMMENDATION:

It is recommended that the District Board approve the Certification and Mutual Indemnification Agreement and authorize District Legal Counsel to sign the documents.

BACKGROUND:

Attached is the cover letter for this year's Certification of Taxes, Assessments and Fees and a copy of the Certification and Mutual Indemnification Agreement from the Alameda County Auditor-Controller Agency. This agreement needs to be executed and returned to the Office of Auditor-Controller by August 10, 2011

In 2002, both hospital counsel at the time of the Asset Transfer (Hansen Bridgett) and County Counsel confirmed that the District's Special Assessment does meet the requirements of Proposition 218, which is an updated version of Proposition 13, and that this matter had been thoroughly researched during the due diligence process before Measure A was placed on the April 2002 ballot.

ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
PATRICK O'CONNELL
AUDITOR-CONTROLLER/CLERK-RECORDER

June 1, 2011

Alameda Hospital
ADMINISTRATION
JUN 0 3 2011

CITY OF ALAMEDA HEALTH CARE DISTRICT
2070 Clinton Avenue
Alameda, CA 94501
ATTN: Jordan Battani, District Board President

CERTIFICATION OF TAXES, ASSESSMENTS & FEES

The collection of the Cities, Special Districts and Schools' special taxes, assessments and fees on the Secured Tax Roll requires a Certification and Mutual Indemnification Agreement with the County.

Please have the appropriate individuals sign the enclosed agreements and return the three originals to my attention, at the Office of Auditor-Controller, 1221 Oak Street, Room 249, Oakland, CA 94612. Our office will request the Board of Supervisors to sign the agreements and mail an executed original agreement to you.

Please return your signed certification statements along with your assessments' data to our office no later than **August 10th.** It is important to note that no assessments can be processed without the certification statements.

If you have any questions, please call me at (510) 272-6557.

Sincerely,

Trina M. Caballero, Principal Auditor
Tax Analysis

Chief Deputy Auditor
Steve Manning
1221 Oak St., Rm 249
Oakland, CA 94612
Tel. (510) 272-6565
Fax (510) 272-6502

Assistant Controller
Connie Land
1221 Oak St., Rm 238
Oakland, CA 94612
Tel. (510) 272-6565
Fax (510) 267-9415

Certification and Mutual Indemnification Agreement

The CITY OF ALAMEDA HEALTH CARE DISTRICT (hereafter referred to as public agency), by and through its Attorney, hereby certifies that to its best current understanding of the law, the taxes, assessments and fees placed on the 2011/12 Secured Property Tax bill by the public agency met the requirements of Proposition 218 that added Articles XIIIC and XIIID to the State Constitution.

Therefore, for those taxes, assessments and fees which are subject to Proposition 218 and which are challenged in any legal proceeding on the basis that the public agency has failed to comply with the requirements of Proposition 218; the public agency agrees to defend, indemnify and hold harmless the County of Alameda, its Board of Supervisors, its Auditor-Controller/Clerk-Recorder, its officers and employees.

The public agency will pay any final judgment imposed upon the County of Alameda as a result of any act or omission on the part of the public agency in failing to comply with the requirements of Proposition 218.

The County of Alameda, by and through its duly authorized agent, hereby agrees to defend, indemnify and hold harmless the public agency, its employees, agents and elected officials from any and all actions, causes of actions, losses, liens, damages, costs and expenses resulting from the sole negligence of the County of Alameda in assessing, distributing or collecting taxes, assessments and fees on behalf of the public agency.

If a tax, assessment or fee is challenged under Proposition 218 and the proceeds are shared by both the public agency and the County of Alameda; then the parties hereby agree that their proportional share of any liability or judgment shall be equal to their proportional share of the proceeds from the tax, assessment or fee.

The above terms are accepted by the public agency and I further certify that I am authorized to sign this agreement and bind the public agency to its terms.

CITY OF ALAMEDA HEALTH CARE DISTRICT

Dated: _____

By: _____
(Signature)

_____
(Print Name)

_____
(Print Title)

COUNTY OF ALAMEDA

Dated: _____

By: _____
(Signature)

_____
(Print Name)

_____
(Print Title)

Approved as to form:

_____
Claude Kolm, Deputy County Counsel

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: July 11, 2011

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

THROUGH: City of Alameda Health Care District, Finance and Management Committee

FROM: Deborah E. Stebbins, Chief Executive Officer
David A. Neapolitan, Chief Financial Officer

SUBJECT: Approval to Authorize Management to Utilize the Bank of Alameda Line of Credit with the Bank of Alameda

---

Recommendation:

Management through the Finance and Management Committee recommends that the Board of Directors authorize management to access up to fifty percent (50%) of the $1.5 million line of credit (LOC) with the Bank of Alameda in order to process payments to critical vendors of the hospital subject to the Bank of Alameda's granting of a waiver to the current covenants and their agreement to modify certain covenants that are currently contained in the agreements for the Wound Care Note Payable and LOC .

Background:

Since the loss of the Kaiser business in April of 2010, management has diligently tried to ration the annual parcel tax revenues in order to pay vendors as promptly as possible. However, as a result of the loss of this $9.6 million in net patient revenues and managements efforts to reduce costs since the loss of this business, the hospital has operated at a shortfall of approximately $328,000 per month. In addition, to this shortfall the organization has recently seen a decline in inpatient volumes over the last quarter of fiscal year 2011 as well as several other unforeseen developments that included:

- The reduction from expected intergovernmental transfers of over $1 million.
- The removal of injunctions related to the payment for Medi-Cal services that resulted in a take back by the State of California of $642,000.
- The unfavorable variance in our fiscal year 2011 operating budget for non-productive salary costs.

Also impacting our current cash position has been the costs associated with the development of our Electronic Health Record Implementation and the Seismic Retrofit Project during fiscal year 2011. The EHR and Seismic projects have required the payments of approximately $1 million

over the past year and have been funded from the 2009 / 2010 Intergovernmental Transfer (IGT), 2010 / 2011 parcel tax proceeds and operating cash flows.

Discussion:

As was presented in the operating budget for fiscal year 2012, our cash flow projection is extremely tight, with a breakeven cash flow projection for the fiscal year. As there are no additional sources of cash reserves at this time, in order to immediately process payments to critical vendors for invoices that now exceed credit terms by as much as 60 days it is imperative that the LOC is accessed in order to pay past due vendor invoices so that our critical vendors continue to provide necessary medical services and supplies on a timely basis to ensure that patient care is not compromised. Currently our days in accounts payable, excluding payroll related payments and liabilities, are at 61.7 days on average as of June 24, 2011. After the payment of the selected medical supply and service vendors ($750,000) our days in accounts payable will decline to 54.5 or an 11.6% decrease in days trade payables outstanding. However, this still remains beyond terms for the majority of our vendors whose terms are generally net 30 days. In order to reduce this performance measure to 50 and 45 days, additional vendor payments of approximately $500,000 and $1,000,000, respectively, would need to be processed for payment.

As the use of the LOC is a temporary financing vehicle (all principal due on or before February 23, 2012) it is anticipated that any borrowings from the line of credit will be repaid after receipt of the first installment of the parcel tax proceeds in December 2011 or through other possible financing options, such as a certificate of participation (COP) financing or other short term financing vehicles that might be available. These alternative options will be necessary in order to provide working capital for the Long-Term Care Expansion projects that are currently being evaluated.

Included with this memo is the projected cash flow for fiscal year 2012 assuming the use of 50% of the LOC in July 2011 and receiving approval from the Bank of Alameda to grant a waiver from the current covenants that will not be met as required at June 30, 2011. In addition, we will be working with the bank to modify the existing covenants to ensure that the hospital will be able meet or exceed the revised terms of the agreement.

Alameda Hospital
Projected Statement of Cash Flows
FY 2012

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total FY
Cash Flow Activity													
Net Income / Loss	103,278	202,619	(97,694)	121,519	(71,033)	(39,306)	(206,267)	(4,779)	295,273	131,401	16,431	88,708	540,151
Plus Non-cash Activity													
Depreciation	67,521	68,340	68,340	68,340	69,158	69,158	76,445	77,264	77,264	77,264	78,082	78,082	875,256
Other Operating Activites													
Interest on Bank of Alameda Line of Credit		(3,438)	(3,438)	(3,438)	(3,438)	(4,005)	(2,299)	(1,152)					(21,206)
Interest on Line of Credit Capital Equipment				(484)	(477)	(702)	(692)	(681)	(671)	(661)	(650)	(640)	(5,657)
Interest on Alameda Hospital Foundation Loan		(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	(5,156)
Payment of Trade Payables	(750,000)												(750,000)
Receipt FY 2011 IGT	699,728		713,995										1,413,723
Reverse Accrued FY 2012 IGT Program Receivable	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(750,000)
Cash Received FY 2012 IGT Program				187,500			187,500				375,000		750,000
Reverse Accrued FY 2012 Parcel Tax Receivable	(478,442)	(478,442)	(478,442)	(478,442)	(478,442)	(478,591)	(478,442)	(478,442)	(478,463)	(478,463)	(478,463)	(478,463)	(5,741,539)
Cash Received FY 2012 Parcel Tax Receipts						2,985,000				2,756,539			5,741,539
Cash Flow from Operations	**(420,415)**	**(273,889)**	**139,792**	**(167,974)**	**(547,200)**	**2,468,585**	**(486,723)**	**(470,759)**	**(169,567)**	**2,423,111**	**(72,569)**	**(375,282)**	**2,047,110**
Investing Activities													
Electronic Health Records Implementation	(39,647)	(39,647)	(39,267)	(39,647)	(39,267)	(39,421)	(39,647)	(38,509)	(39,647)	(39,267)	(39,647)	(39,267)	(472,880)
Boiler Replacement[Note 1]											(20,000)		(20,000)
Wound Care Clinic	(50,000)	(100,000)	(200,000)	(250,000)	(200,000)	(100,000)							(900,000)
Seismic Upgrades				(25,000)		(25,000)		(25,000)		(25,000)			(100,000)
Other Equipment Acquisitions			(89,352)		(42,731)	(25,539)		(18,327)					(175,949)
Total Investing Activities	**(89,647)**	**(139,647)**	**(328,619)**	**(314,647)**	**(281,998)**	**(189,960)**	**(39,647)**	**(81,836)**	**(39,647)**	**(64,267)**	**(59,647)**	**(39,267)**	**(1,668,829)**
Financing Activities													
Borrowing Activity													
Alameda Hospital Foundation													
Contribution - Wound Care	100,000												100,000
Term Loan - Wound Care		125,000											125,000
Bank of Alameda													
Line of Credit - Working Capital	750,000												750,000
Wound Care			125,000	250,000	200,000	100,000							675,000
Line of Credit Capital Equipment			89,352		42,731								132,083
Principal Payments on Debt													
Bank of Alameda													
Note Payable	(37,379)	(37,529)	(37,679)	(37,829)	(37,981)	(38,133)	(38,285)	(38,438)	(38,592)	(38,746)	(38,901)	(39,057)	(458,550)
Line of Credit - Working Capital						(248,480)	(250,187)	(251,333)					(750,000)
Wound Care								(10,819)	(10,868)	(10,918)	(10,968)	(11,018)	(54,592)
Line of Credit - Capital Equipment				(1,264)	(1,271)	(1,883)	(1,893)	(1,903)	(1,913)	(1,924)	(1,934)	(1,945)	(15,930)
State of California													
FY 2009 Cost Report Settlement	(26,641)	(26,651)	(26,662)	(26,672)	(26,682)	(26,692)	(26,702)	(26,712)	(26,722)	(26,733)	(26,743)	(26,753)	(320,364)
Total Financing Transactions	**785,980**	**60,820**	**150,012**	**184,235**	**176,797**	**(215,187)**	**(317,067)**	**(329,206)**	**(78,096)**	**(78,321)**	**(78,547)**	**(78,773)**	**182,647**
Net Change in Cash	275,918	(352,716)	(38,816)	(298,385)	(652,401)	2,063,437	(843,436)	(881,801)	(287,310)	2,280,523	(210,762)	(493,322)	560,928
Beginning Projected Cash	1,267,016	1,542,934	1,190,217	1,151,402	853,016	200,615	2,264,052	1,420,616	538,815	251,506	2,532,028	2,321,266	1,267,016
Ending Projected Cash	**1,542,934**	**1,190,217**	**1,151,402**	**853,016**	**200,615**	**2,264,052**	**1,420,616**	**538,815**	**251,506**	**2,532,028**	**2,321,266**	**1,827,944**	**1,827,944**

Note 1 - Assumes one year extension to January 2013 for compliance with boiler regulations.

Alameda Hospital

Quality Care - Close To Home

2011 Communications Plan Update

Presented by Tom Clifford

July 11, 2011

TRAMUTOLA

THE DISCIPLINE OF WINNING

2011 Communications

Over the next year, Alameda Hospital will:

- Communicate vigorously with Alameda residents about the benefits of Alameda Hospital, using the childhood obesity, stroke and other key existing programs as a backdrop.

- Build stronger relationships with key county staff and elected officials and utilize these relationships to increase partnership opportunities with County.

Phased Plan

- Phase 1: Review current efforts and interview key insiders to develop plan.
- Phase 2: “Ignite” outreach efforts.
- Phase 3: Develop and train internal capacity for vigorous, ongoing outreach.

Phase 1: Fact Finding

- Interviews
  - TRAMUTOLA interviewed Hospital and community leaders about Hospital's communication efforts
  - Common feedback:
    - Hospital is active but needs to communicate directly with residents;
    - Hospital needs to strengthen relationships with County;
    - Hospital needs more programming directed to broad cross-section of island residents;
    - Hospital's value proposition needs to be shared with all who will listen.

Phase 1: Developing a Plan

- Communications plan:
  - Increase Hospital-County communication to enhance relationships.
  - Trumpet Childhood obesity, stroke and *other programs* to brandish Hospital's value
  - Develop internal capacity for effective grassroots outreach

Phase 2: Hospital-County Relations

Individual Meetings

Target: Alameda County Board of Supervisors
Goals: To educate Supervisors and staff on the role and value of Alameda Hospital. To build relationships with elected officials that will lead to increased partnering between County and hospital.
Timeline: May 2011 through December 2011.

Staff meetings

Target: Key Alameda Heath Care Services Agency Staff
Goal: To educate key staff on the role and value of Alameda Hospital. To build relationships with these key staffers.
Timeline: May 2011 through December 2011.

Phase 2: Outreach

We used the “Stroke Smart” and “Let’s Move! Alameda” programs to boost grassroots outreach efforts.

Community organizing (TOLA) fellows ignited the effort.

What is TOLA?

TOLA, founded by TRAMUTOLA, is an organizing and leadership academy. TOLA teaches effective, non-ideological community organizing skills to inspire a new generation of activists and leaders.

Two TOLA Fellows, Wendy Chew and Reese Parsons-Field, were assigned to assist in Alameda Hospital's grassroots outreach efforts for most of May and June.

“Stroke Smart” Outreach

Events:

- Stroke Lecture
  - -Helped Generate Attendance of 75-100 in Audience
- Stroke Assessment Screenings
  - -May 20th Screened and educated 60 residents (full)
  - -June 3rd Screened and educated 60+ residents (over-filled); busiest assessment at Harbor Bay Community Center location to date
  - -Since March 2011, AHCD has conducted 5 stroke screening events, all of which have exceeded attendance capacity.

“Stroke Smart” Outreach

Door-to-Door:

- 1,185 households reached with Stroke Smart information & “Alameda Hospital At-A-Glance” reference sheet
- 279 face-to-face conversations generating logged community feedback

Calls:

- Dialed: 222
- MSGs Left: 46

“Let’s Move Alameda” Outreach

- Methods: D2D, calling, presentations and tabling at various events
- Calls: Dialed 1,155 numbers, left 268 messages
- 5000 “Let’s Move”! Activity Journals Distributed:
  - Delivered to “LMA” Partners: 2,250
  - Delivered to Added Partners: 600
  - School/Classroom Outreach: 1,633
  - Distributed at Community Events: 517

“Let’s Move Alameda” Outreach

- School Visits: 16
  - 10 Elementary, 2 Middle, 3 High, & Chinese Christian School
  - 3,314 Let’s Move Alameda Fliers Distributed
- Community Partners contacted: 25
- Meetings with Community Partners: 12
- Local News
  - Alameda Patch – 2 features: General program launch and June 11th neighborhood distribution event
  - Alameda Sun – feature with photos of June 11th event
- Blogs
  - 2 TOLA features with endorsements by local leaders,
  - 1 mention in “Blogging Bayport” (upcoming),
  - 1 photo feature in Evelyn Kennedy’s blog on ActiveRain.com (upcoming)

“Let’s Move Alameda” Outreach

Towne Center Cultural Festival

Alameda Hospital tabled with “Let’s Move” flyers, hospital literature & giveaways (pens + band-aids), and free BMI, Blood Glucose, Blood Pressure screenings with a constant flow of attendee participation.

Concerts at the Cove

Alameda Hospital tabled at event with kids games, “Let’s Move” Banner and Journals, and hospital literature.

“Let’s Move Alameda” Outreach

Little League Closing Ceremony

Trophy award ceremony with 600-700 attendees; Alameda Hospital had “Let’s Move” table with Banner and Journals.

Let’s Move Neighborhood Distribution Event

Had “Let’s Move” table at Franklin Park, distributed to families passing by, coupled with door-to-door journal + hospital reference guide distribution effort in the surrounding neighborhoods.

Community Feedback

- Regardless of whether they use the hospital, most Alamedans are happy the hospital is there.
- Often residents were unaware of Alameda Hospital's services. Most were happily surprised and responsive to Wellness Programs and Community Events.
- Majority of the residents want the Hospital to do much more to get the word out about the various services.

Phase 2: Recommendations

1. Continue grassroots outreach and listening campaign. This is key – it works, particularly in Alameda.

2. Structuralize partnerships with local government, merchant and homeowners groups, AUSD, and community organizations.

3. Deliberate branding of Alameda Hospital as “more than an ER.” The hospital is a resource for the community and of the community---active in improving the quality of life of all Alamedans.

Phase 3

- After 3,000 contacts with Alameda Residents in Phase 2, we discovered that most residents know little about the hospital and grassroots communications (partnerships, word-of-mouth, phoning, door-to-door) is the way to reach them.

- A few good and loud advocates can do more than a brilliant ad campaign. Use this to your advantage!

Phase 3: Next Steps

1. Continue outreach to County Supervisors and key county staff.
2. Identify ongoing field assistance (intern).
3. Develop and train Alameda Hospital volunteers to continue grassroots outreach.
4. Create formal body within Alameda Hospital to FOCUS on outreach.

Thank you!