Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT

BOARD OF DIRECTORS MEETING

AGENDA

Monday, August 10, 2009

Location:

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

Office of the Clerk: (510) 814-4001

Regular Meeting

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.	Approval of Closed Session Minutes – July 6, 2009	
B.	Medical Executive Committee Report and Approval of Credentialing Recommendations	H & S Code Sec. 32155
C.	Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions	Gov't Code Sec. 54957.6
D.	Quality Improvement Committee Report (QIC)	H & S Code Sec. 32155
E.	Consultation with Legal Counsel Regarding Pending Litigation	Gov't Code Sec. 54956.9(a)
F.	Discussion of Pooled Insurance Claims	Gov't Code Sec. 54956.95
G.	Discussion of Report Involving Trade Secrets	H & S Code Sec. 32106

H. Consideration of Performance Evaluation of District Employees – Chief Executive Officer — Gov't Code Sec. 54957

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

A. Announcements from Closed Session — Jordan Battani

VI. Consent Agenda

A. Approval of July 6, 2009 Minutes **ACTION ITEM** [enclosure]

B. Approval to Execute Meditech Advanced Clinicals Contract **ACTION ITEM** [enclosure]

C. Approval to Execute Agreement with Advisory Board for RAC Support Services **ACTION ITEM** [enclosure]

D. Acceptance of June 2009 Financial Statements **ACTION ITEM** [enclosure]

E. Approval of Revisions to Medical Staff Rules and Regulations Article VII Section 7.2.2, History and Physical **ACTION ITEM** [enclosure]

F. Approval of Revisions to Medical Staff Rules and Regulations Article XI, Section 11.1.2.3, Amendment Adoption **ACTION ITEM** [enclosure]

VII. Regular Agenda

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

1. Appointment of Board Member(s) to Review Administrative Policies and Procedures **ACTION ITEM** [enclosure]

B. Strategic Planning and Community Relations Report

1. Committee Report – July 21, 2009 & August 4, 2009 — Robert Bonta

C. Finance and Management Committee Report

1. Overview of June 2009 Financial Statements — Deborah E. Stebbins

2. Committee Report – July 29, 2009 — Steve Wasson

D. Medical Staff President Report — Alka Sharma, MD

VIII. General Public Comments

IX. Board Comments

X. Adjournment

The next regularly scheduled board meeting is scheduled for September 14, 2009

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the Board of Directors

July 6, 2009

Directors Present:
Jordan Battani
Robert Deutsch, MD
Steve Wasson
J. Michael McCormick

Management Present:
Deborah E. Stebbins
David A. Neapolitan
Kerry Easthope

Medical Staff Present:
Alka Sharma, M.D.

Legal Counsel Present:
Thomas Driscoll, Esq.

Excused:
Robert Bonta

Submitted by: Jaclyn Yuson

Action		
1. 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 6:15 p.m.	
2. Roll Call	Jaclyn Yuson called roll, noting that a quorum of Directors were present. Director Bonta was absent from the meeting.	
3. General Public Comments	None at this time.	
4. Adjourn into Executive Closed Session	At 6:16 p.m. the meeting adjourned to Executive Closed Session.	

5.	Reconvene to Public Session	Jordan Battani reconvened the meeting into public session at 7:50 p.m. and made the following closed session announcements.	
6.	Closed Session Announcements	[A] Minutes	[A] The Closed Session Minutes for the June 1, 2009 meeting were approved.
		[B] Quality Improvement Committee	[B] The Quality Improvement Report was accepted as presented for the month of May 2009. The 1st Quarter 2009 Risk Management Report was also accepted as presented.
		[C] Medical Executive Committee Report and Approval of Credentialing Recommendations	[C] Medical Executive Committee Report and Approval of Credentialing Recommendations were approved as presented.

Initial Appointment:

Name	Specialty	Affiliation
○ Olivia Butt, MD	OB/GYN	Alameda Hospital Physicians
○ Nikhil Desai, MD	Maxillofacial Surgery	Kaiser
○ William Lewis, MD	Otolaryngology	Summit ENT & Assoc.

Reappointments – Medical Staff

Name	Specialty	Status	Appointment Period
○ Jan-Petter Haugen, MD	Ophthalmology	Courtesy	08/01/09 – 07/31/11
○ Rutlandra Hodges, MD	Anesthesiology	Courtesy	08/01/09 – 07/31/11
○ Amy Moore, MD	Internal Med/Hosp.	Courtesy	08/01/09 – 07/31/11
○ Judy O'Young, MD	Anesthesiology	Courtesy	08/01/09 – 07/31/11
○ David Poor, DMD	Podiatry	Courtesy	08/01/09 – 07/31/11
○ Charu Puri, MD	Internal Med/Hosp.	Courtesy	08/01/09 – 07/31/11
○ Andrew Smith, MD	Urology	Courtesy	08/01/09 – 07/31/11

7. Consent Agenda	[A] Approval of June 1, 2009 Minutes [B] Approval of Resolution 2009-3G Levying the City of Alameda Health Care District Parcel Tax for the Fiscal Year 2009-2010. [C] Approval Certification and Mutual Indemnification Agreement [D] Acceptance of May 2009 Financial Statements [E] Approval of Wage Adjustment for Non-Represented, Exempt and Non-Exempt Personnel	Director McCormick moved to approve the consent agenda items [A], [B], [C], [D], and [E] as presented. Director Wasson seconded the motion. The motion carried unanimously.
8. Regular Agenda	**A. <u>Special Presentation – Department of Diagnostic Imaging</u>** John Ellis, Director of Diagnostic Imaging, reported on improvements, achievements, and strategic plans for the Diagnostic Imaging Department. **<u>Improvement Projects:</u>** - Improved EVS Services in the Department - Purged Non-Current Radiographic Files - Organized & Improved Supply Management - Performed Comprehensive Stock Accounting - Collected Obsolete/Broken Equipment for Turn-In - Reviewed Workloads & Revenue Captures **<u>Achievements:</u>** - Mammography – DHS/FDA Inspection for MQSA Compliance: "Zero Discrepancies"	

- Completed Workcenter Reviews of PACS

- Improved CT Contrast Process

- 98% Ultrasound Coverage for E.D.

- Capturing Revenue for Exams Performed

- Cost Reductions (Cassettes, PACS, Equipment)

- Improved MRI Safety & Productivity / Access

Strategic Plans Include:

- Upgrade Nuclear Medicine

- Purchase MRI vs. Expanded Lease

- Angio / Cath / Interventional Radiology Development

- Potential Satellite Facility

- Implement Clinical Student Program

B. Chief Executive Officer's Report

Ms. Stebbins reported on the key statistics as indicated below:

Statistics	June (Prelim)	June Budget	May Actual
Average Daily Census	90.84	88.24	87.65
Acute	34.70	28.54	33.23
Subacute	33.0	34.70	32.26
South Shore	23.14	25.00	22.16
Patient Days	2,725	2,647	2,717
ER Visits	1,527	1,523	1,599
OP Registration	2,527	2,729	2,491
Total Surgeries	560	461	501

	1. *Strategic Planning and Community Relations Report* a. *Meetings with Assemblyman Swanson / Senator Hancock* Ms. Stebbins updated the Board regarding meetings that administrators and Board members had in June 2009 with Assemblyman Sandrè Swanson and Senator Loni Hancock about seismic issues. Ms. Stebbins noted the meeting was very productive. Both Mr. Swanson and Ms. Hancock felt Alameda Hospital had made a good case for having a reason to qualify for an extension to the deadlines that are in place in 2013 for seismic upgrades. There is a commitment on Assemblyman Swanson and Senator Hancock's part to introduce legislation in the next legislative term that would create a special exemption for Alameda Hospital. Beyond that, they also suggested we seek federal stimulus funding from our congressional representative, Pete Stark. Management sent letters to various constituency groups (i.e. Sierra Club, California Nurses Association, Building and Construction Trade Council) inviting them to meet with administrators to learn about the seismic challenges for Alameda Hospital and endorse our efforts on behalf of seismic deadline extensions. 2. *Administrative Policy and Procedure Review / Approval Process* Ms. Stebbins mentioned the Hospital's Management Team is currently revising and updating Administrative Policies and Procedures. Select policies also will be brought to the Medical Executive Committee. 3. *August Board Meeting Date* The Board discussed moving the regularly scheduled Board Meeting from August 3rd to August 10th. The Board agreed to move the Board Meeting to August 10, 2009. 4. *Joint Commission Educational Preparation* Ms. Stebbins reported that at the July Quality Improvement Committee meeting, management will update the Board on what the Hospital is doing to prepare for the Joint Commission survey that is expected sometime in the spring of 2010. The committee will be bringing forward educational material to the Board about	Director Deutsch moved to accept the August 10th Board Meeting date. Director McCormick seconded the motion. The motion carried unanimously.

	the Joint Commission along with regular progress reports and general quality improvement activities. **C. Finance and Management Committee Report** *1. Committee Report* Director Wasson suggested that rather than continuing with an in depth overview of the financial report, a summary of the financials can now be presented to the Board. Director Wasson mentioned the Hospital has been having a good track record to where this approach would be more appropriate. However, there will still be a full financial report enclosed in the board packet. Director Wasson mentioned he and Mr. Neapolitan can decide what key points to present before the August Board meeting. The Board may need to take action once the proposal of the specific highlights has been decided. Director Wasson passed the discussion onto Mr. Neapolitan to brief the Board of the financial performance for the month. *2. May 2009 Financial Statements* Mr. Neapolitan reviewed the May Financial Statements as presented in the Board Packet. Overall, census for the month was 87.7 versus a budget of 91.4. Gross patient revenues exceeded budget by $674,000 for the month. Surgery cases were 501 versus a budget of 455. As a result, net income for the month of May was $79,708 versus a budget of $84,559. For the eleven months that ended on May 31st, the year-to-date net income was $331,136 versus a budget of $214,621 or 54.2% favorable to budget. *3. Approval of FY 2010 Capital Budget* Mr. Neapolitan went over the FY 2010 Capital Budget list that had been reviewed by the Executive and Management Team, the Finance Committee, and the Medical Executive Committee. The list does not include the PACS system for the Diagnostic Imaging Department (approximately $1.7 million) nor the upgrades to the Meditech Advanced Clinical informatics applications (approximately $1.1 million for the software plus an additional cost for consulting and internal staff resources). These two items are still under active	Director Deutsch moved to accept the FY 2010 Capital Budget totaling $1 million. The motion was seconded and was carried unanimously.

	evaluation. The expenditure for the Meditech software will be spread out over a three year time frame. These two components will be critical to the organization's ability to comply with the requirements of the 2009 American Reinvestment and Recovery Act (ARRA) to ensure the maximum amount of Medicare reimbursement is received in future fiscal years.	
	D. Medical Staff President Report Dr. Sharma reported that important protocols were approved by the Medical Executive Committee which included: the sepsis management protocol and anticoagulation physician orders. Dr. Sharma also announced there are two lectures planned for July: "Ethical Challenges of Pain Management" and "Managing Back Pain".	
9. General Public Comments	None.	
10. Board Comments	None.	
11. Adjournment		A motion was made to adjourn the meeting and being no further business, the meeting was adjourned at 9:02 p.m.

Attest:

Jordan Battani
President

Robert Bonta
Secretary

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: August 3, 2009

To: City of Alameda Health Care District Board of Directors

Through: Finance and Management Committee

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

Subject: Approval to Authorize Management to Execute the Meditech Health Care Information System Software Agreement for Advanced Clinical Applications

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Attached is the most current draft of the Meditech Advanced Clinical Software Agreement. Management and the Finance and Management Committee recommend that the City of Alameda Health Care District Board of Directors authorize management to execute the Meditech Health Care Information System Software Agreement for Advanced Clinicals subject to resolution of the following items.

1. Meditech will include reference to compliance with the American Reinvestment and Recovery Act in Article I – General Terms and Conditions, Section A – Responsibilities and Warranties of Meditech.

2. Provide that Alameda Hospital will be able to terminate this contract upon completion of a site visit by the Alameda Hospital Selection Committee should the Committee determine that the Meditech Advanced Clinical applications will not meet the business needs of Alameda Hospital.

3. Addition of the Scanning and Archiving application to the listed applications to be installed at Alameda Hospital.

In order to secure dates for the upgrade to the Meditech Client Server version 5.6 in February 2010, which will be the required application level necessary to support these new Advanced Clinical applications, Meditech is requiring that we execute a contract at this time. This need to secure a contract is due to the significant demand that is being placed on Meditech by its 2,000 user sites to expand application platforms that will support clinical application systems that will meet the anticipated requirement of the American Reinvestment and Recovery Act.

Also attached is a schedule outlining the Meditech software and implementation costs associated with these applications and the anticipated timeline for payments related to these applications. It is management's intention that these capital related costs will be paid from the annual capital budgets for the years indicated.

Medical Information Technology, Inc.

Health Care Information System Software Agreement

AGREEMENT made this _____ day of July, 2009 by and between MEDICAL INFORMATION TECHNOLOGY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Massachusetts and having its principal place of business at MEDITECH Circle, Westwood, Massachusetts 02090 (hereinafter called MEDITECH) and City of Alameda Health Care District d/b/a Alameda Hospital, a California local government agency organized and operated pursuant to California Health and Safety Code Section 32000 et seq., and having its principal place of business at 2070 Clinton Avenue, Alameda, CA 94501 (hereinafter called Customer).

WHEREAS MEDITECH has developed and will continue to enhance a version of computer software designed to operate in a "client-server" environment, which version, together with any physical embodiment thereof and related documentation (incorporated in this Agreement as Exhibits II through V), are together hereinafter called LICENSED SOFTWARE, and WHEREAS Customer desires to obtain from MEDITECH the right to use such LICENSED SOFTWARE in its operations at the facility listed in Article II,

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I - GENERAL TERMS & CONDITIONS

A. RESPONSIBILITIES AND WARRANTIES OF MEDITECH

1. MEDITECH agrees to deliver, implement and service the LICENSED SOFTWARE all as more fully described in this Agreement. Subject to the terms and conditions hereof and upon payment in full to MEDITECH of the license and implementation fees for each line item of LICENSED SOFTWARE listed in Article II, MEDITECH hereby grants to Customer a non-exclusive, perpetual license to use each such line item. MEDITECH warrants that the LICENSED SOFTWARE shall have capabilities equal to the capabilities described in Exhibits II through V and will operate in substantial conformity with such descriptions when delivered to Customer and installed on Customer's MEDITECH-approved computer network (the major components of which are recited on Exhibit I hereof).

2. MEDITECH warrants to Customer that it is the developer and sole owner of the LICENSED SOFTWARE. In the event of any suit or claim against Customer by any third party for damages and/or injunctive relief contesting ownership of the LICENSED SOFTWARE by MEDITECH and/or Customer's rights under this Agreement, MEDITECH agrees at its own expense to defend Customer against such suit or claim and to hold Customer harmless from the expenses of such defense and from any court-awarded judgments or settlements approved in advance in writing by MEDITECH resulting from such suit or claim, provided that Customer furnishes written notice to MEDITECH of the commencement of such suit or the presentation of such claim within fifteen (15) days of notice thereof to Customer, or within a reasonable period of time thereafter if such delay by Customer (beyond the 15-day period recited herein) does not result in prejudice to MEDITECH. Further, if, because of such suit or claim, the LICENSED SOFTWARE is held to constitute an infringement of any United States copyright, trade secret or patent and use of the LICENSED SOFTWARE by Customer is thereby enjoined, MEDITECH shall, at its own expense, either procure for Customer the right to continue using the LICENSED SOFTWARE or replace the same with a non-infringing product, substantially conforming to that described herein, or modify the same so that it shall be non-infringing and remain substantially conforming to that described herein, provided that the service described in Article IV has not been terminated.

3. MEDITECH acknowledges that certain material which will come into its possession or knowledge in connection with this Agreement includes confidential or proprietary information of Customer (including, without limitation, patient information and records, physician information and records, financial information, business and personnel records, ordering and inventory information and any other confidential data of Customer), disclosure of which to third parties may be damaging to Customer. MEDITECH agrees that as between MEDITECH and Customer, Customer shall remain the sole and exclusive owner of any and all such material and agrees to hold all such material in strict confidence, using at least the same degree of care as in maintaining the confidentiality of its own confidential or proprietary information, but in no event less than a reasonable degree of care, to use it only in connection with performance under this Agreement and to release it only to those of its employees that require access thereto for such performance, each of whom have signed a confidentiality agreement with MEDITECH regarding confidential information of MEDITECH and its customers. Upon Customer's written request MEDITECH shall destroy or return to Customer any confidential or proprietary information of Customer. MEDITECH shall have no obligation concerning any portion of Customer's confidential or proprietary information that: (a) was known to it, directly or indirectly, before receipt from Customer; (b) is obtained lawfully, directly or indirectly, from a non-party who was under no obligation of confidentiality; (c) is or becomes publicly available, other than as a result of an act or failure to act by MEDITECH; (d) is required by law or legal process to be disclosed by MEDITECH; or (e) is developed by MEDITECH independently of the confidential information disclosed by Customer. MEDITECH agrees to promptly notify Customer in the event that MEDITECH learns or has reason to believe that any person having access to Customer's confidential or proprietary information has disclosed or intends to disclose such material to an unauthorized party. MEDITECH has provided to Customer a separate Business Associate Agreement that complies with the the requirements of Health Insurance Portability and Accountability Act of 1996 (HIPAA) as they pertain to Customer's relationship with MEDITECH and software licensed from MEDITECH.

B. RESPONSIBILITIES OF CUSTOMER

1. Customer shall pay to MEDITECH the line item fee (license fee plus implementation fee) for each line item of LICENSED SOFTWARE as follows:

   10% due upon execution of this Agreement

   40% due upon Software Delivery

   40% due 90 days following Software Delivery

   10% due 180 days following Software Delivery

   "Software Delivery" is defined for each line item of LICENSED SOFTWARE as the date on which MEDITECH provides Customer with the physical embodiment of the LICENSED SOFTWARE, enabling such line item of software to be installed on Customer's computer network. Each payment for each line item will be separately due and payable without regard to other line items.

   In the event a payment due MEDITECH under this Paragraph is delinquent for a period of sixty (60) days from its due date, and MEDITECH so notifies Customer in writing, and the delinquency is not cured within thirty (30) days thereafter, then, upon MEDITECH's written notice, Customer will cease to use the LICENSED SOFTWARE until such time as all payments then due are paid. Such cessation of use shall not relieve Customer of any obligations under this Agreement, including the obligation to make all payments specified herein. MEDITECH agrees that any amount due under this Paragraph but disputed and withheld in good faith by Customer shall not be subject to a cessation of use penalty.

2. During the period in which MEDITECH makes available the service described in Article IV, Customer will pay to MEDITECH the monthly service fees stated in Article II. These fees will commence upon the attainment of Live Status for each line item of LICENSED SOFTWARE. "Live Status" is defined for each line item as the date determined by mutual agreement of the parties on which such line item is used in Customer's daily operations utilizing real patient/hospital data. Thirty-six (36) months after the date of this Agreement these fees may be increased by MEDITECH at any time by providing thirty (30) days written notice of such increase to Customer. Any increases shall be limited to five percent (5%) cumulative per year during the 24-month period following the initial 36-month period recited herein. Thereafter, any increases shall be commensurate with increases MEDITECH charges generally to its other similarly-sized customers.

   Service fee invoices are issued on the first of each month in which the service is to be made available, with

payment terms of net fifteen (15) days from receipt thereof by Customer. If payment of any service fee invoice is delinquent for a period of forty-five (45) days from its due date, MEDITECH's obligations stated in Article IV may be suspended until all delinquencies have been cured to the satisfaction of MEDITECH. MEDITECH agrees that any amount due under this Paragraph but disputed and withheld in good faith by Customer shall not be subject to a cessation of service penalty.

3. Customer agrees to limit access to the LICENSED SOFTWARE to those of its staff, employees, or authorized agents who must have access thereto to properly use the same in Customer's operations. Further, Customer agrees to notify MEDITECH promptly and fully in writing of the circumstances concerning any possession, use or study of the LICENSED SOFTWARE by any person, corporation or other entity (other than Customer's staff, employees, or authorized agents) including, but not limited to, the name(s) and address(es) of such person(s), corporation(s), or other entities. Customer agrees that it will not, at any time, without written permission of MEDITECH, copy, duplicate, or permit others to copy or duplicate the LICENSED SOFTWARE, except to the extent required for the creation of backup copies of the LICENSED SOFTWARE as described in Exhibits II through V.

4. Customer acknowledges that certain material which will come into its possession or knowledge in connection with this Agreement includes confidential or proprietary information of MEDITECH (including, without limitation, the terms and conditions of this Agreement), disclosure of which to third parties may be damaging to MEDITECH. Customer agrees to hold all such material in strict confidence, using at least the same degree of care as in maintaining the confidentiality of its own confidential or proprietary information, but in no event less than a reasonable degree of care, to use it only in connection with performance under this Agreement and to release it only to those persons requiring access thereto for such performance or as may otherwise be required by law. Customer shall have no obligation concerning any portion of MEDITECH's confidential or proprietary information that: (a) was known to it, directly or indirectly, before receipt from MEDITECH; (b) is obtained lawfully, directly or indirectly, from a non-party who was under no obligation of confidentiality; (c) is or becomes publicly available, other than as a result of an act or failure to act by Customer; (d) is required by law or legal process to be disclosed by Customer; or (e) is developed by Customer independently of the confidential information disclosed by MEDITECH. Customer agrees to promptly notify MEDITECH in the event that Customer learns or has reason to believe that any person having access to MEDITECH's confidential or proprietary information has disclosed or intends to disclose such material to an unauthorized party.

5. If Customer is a tax-exempt entity, then, upon execution of this Agreement, Customer will provide to MEDITECH a copy of its current tax exemption certificate for each applicable taxing authority which has approved Customer's tax-exempt status. If Customer is not a tax-exempt entity, Customer acknowledges that it (and not MEDITECH) shall be responsible for the payment of any and all taxes (including, but not limited to, sales, use, and excise taxes) imposed by the applicable taxing authorities to which Customer is subject.

6. Not later than sixty (60) days prior to the earliest delivery date listed in Article II, Customer will install and maintain, at Customer's expense, the equipment and services necessary for a virtual private network connectivity solution (hereinafter called MEDITECH VPN) via the services of a MEDITECH authorized VPN partner. Customer will also install a separate telephone line equipped with an RAS modem (for emergency use only) in accordance with MEDITECH's specifications. Customer shall maintain such VPN service (or other MEDITECH-approved connectivity solution) and modem connection and provide MEDITECH with access thereto for the resolution of system problems in accordance with the applicable sections of Articles III and IV until such time as the service described in Article IV is terminated for all line items of LICENSED SOFTWARE.

C. RESTRICTIONS ON TRANSFER

The LICENSED SOFTWARE shall at all times remain the property of MEDITECH and the license of use granted herein specifically excludes any right of reproduction, sale, lease, sublicense, or other transfer or disposition of the LICENSED SOFTWARE by Customer except as otherwise expressly stated herein. The rights granted hereunder are granted to Customer only and are not assignable to any other person, corporation or entity, except that, upon the transfer by sale, merger, or corporate re-organization, of substantially all of the assets of Customer to a successor organization, this Agreement and the rights and obligations of Customer hereunder may be assigned to such successor.

Customer agrees to notify MEDITECH promptly in writing of the transfer to such successor and of the assumption by

such successor of Customer's obligations and responsibilities as described in this Agreement.

D. LIMITATION OF LIABILITY

Customer acknowledges that the LICENSED SOFTWARE provided by MEDITECH constitutes part of a hospital information system to be used by Customer, its staff, employees and authorized agents in the performance of their professional responsibilities and is in no way intended to replace their professional skill and judgement. Customer agrees that it is solely responsible for the care of its patients and that the use of the LICENSED SOFTWARE for any purpose related to such care cannot in any way be controlled by MEDITECH. Customer is responsible for verifying the accuracy and completeness of any medical or other similar information contained in, entered into, or used in connection with the LICENSED SOFTWARE. Customer agrees to hold MEDITECH harmless from any liability arising from improper or flawed operation or use of the LICENSED SOFTWARE. In no event will MEDITECH be liable for any suit or claim or demand against Customer by any other party except as stated in Article I(A)(2), and the preceding sentence shall not be construed to eliminate MEDITECH's obligations as stated in Article I(A)(2). Neither party shall be liable to the other for consequential damages, lost profits or lost revenues sustained by the other party as a result of a breach of this Agreement.

E. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the heirs, successors, and permitted assigns of the parties hereto.

F. LEGAL CONSTRUCTION

The validity and effect of this Agreement shall be determined in accordance with the laws of the State of California.

ARTICLE II - DELIVERY

The LICENSED SOFTWARE listed below is being licensed to Customer to service the specific information-processing needs of the following inpatient facility:

1) Alameda Hospital, operating at 2070 Clinton Avenue, Alameda, CA 94501

Any use of the LICENSED SOFTWARE beyond the restrictions set forth in this Agreement will require payment of additional fees to MEDITECH which will be determined in accordance with MEDITECH's standard rates.

MEDITECH agrees to deliver the LICENSED SOFTWARE to Customer on or about the specified delivery dates for use at the above facility, along with one (1) copy of the associated documentation in online, hardcopy or electronic storage format. Additional copies of documentation will be provided by MEDITECH at its then standard rates; in the alternative, Customer may reproduce copies of the documentation so long as access to any such copies is restricted in accordance with this Agreement. "Project Start" listed below is defined as the month Customer and MEDITECH jointly begin implementation of each line item of LICENSED SOFTWARE via one or more of the following: conference calls, training site visits, training visits to MEDITECH, or web demonstrations. "Delivery Date" listed below is defined for each line item of LICENSED SOFTWARE as the date on which MEDITECH provides Customer with the physical embodiment of the line item, enabling such line item to be installed on Customer's computer network.

LICENSED SOFTWARE LINE ITEMS	Project Start	Delivery Date	License Fee	Implementation Fee	Line Item Fee	Service Fee	Ref. Manual
Patient Care and Patient Safety	04/30/2010	06/30/2010	110,880	39,904	150,784	1,109	II
Physician Care Manager Phase I	02/28/2011	04/30/2011	92,400	51,600	144,000	924	III
Physician Care Manager Phase II	09/30/2011	11/30/2011	18,480	34,400	52,880	185	III
Emergency Department Phase I	10/31/2010	12/31/2010	55,440	30,960	86,400	554	IV
Emergency Department Phase II	10/31/2011	12/31/2011	18,480	30,960	49,440	185	IV
Operating Room Management	09/30/2010	11/30/2010	36,960	23,557	60,517	370	V
HCIS Implementation Fee (1)				50,000	50,000		
Totals					594,021	3,327	

Notes:

(1) The $50,000 HCIS Implementation Fee shall be due and payable to MEDITECH as follows; ten percent (10%) upon execution of this Agreement and ninety percent (90%) ninety (90) days following the attainment of Live Status for the final software module listed in Article II or September 30, 2012, whichever occurs first.

ARTICLE III - IMPLEMENTATION

A. IMPLEMENTATION PERIOD

"Implementation Period" is defined for each line item of LICENSED SOFTWARE as the period commencing on execution of this Agreement and ending upon the attainment of Live Status for such line item. As detailed in the attached Schedule A, during this period MEDITECH will provide support and assistance to Customer and Customer will make available sufficient resources so that the joint goal of a successful implementation of the LICENSED SOFTWARE at Customer's site is achieved.

B. IMPLEMENTATION SUPPORT

1. As stated in Schedule A, MEDITECH will provide implementation support to insure successful implementation of the LICENSED SOFTWARE. If this support is determined to be insufficient, MEDITECH will provide additional support at no additional cost (other than travel and out-of-pocket expenses).

2. Subsequent to execution of this Agreement MEDITECH and Customer will each assign a Project Coordinator who will be the other's main contact during the implementation process. The Coordinators will schedule an Orientation Meeting to occur at Customer's site. At this meeting the relationship between MEDITECH and Customer will be detailed through the development of a firm schedule for all implementation tasks; actual dates will be finalized by Customer's personnel working with members of the MEDITECH Implementation Team and will follow the delivery dates recited in Article II and the "go-live" time frame described in Schedule A. Based on the delivery dates recited in Article II, all tasks required for the attainment of Live Status for the LICENSED SOFTWARE will be scheduled to occur prior to the live dates listed in the Implementation Schedule incorporated in this Agreement as part of Schedule A. In addition, provided Customer completes the material tasks assigned to it in such firm schedule, MEDITECH guarantees that it will perform the material tasks assigned to it in a timely and expeditious fashion. Once finalized, the firm schedule recited herein will be incorporated in this Agreement as part of Schedule A. The parties agree to work together and to exercise their best efforts to ensure that the live dates listed in Schedule A are met.

C. CORRECTION OF PROGRAM ERRORS

At no additional cost to Customer MEDITECH agrees to correct, during normal business hours, any program errors reported by Customer. Program errors are defined as failures of the LICENSED SOFTWARE to operate in substantial conformity with the descriptions of such operation in Exhibits II through V. Any modifications of the LICENSED SOFTWARE made by anyone other than MEDITECH or MEDITECH's authorized agents without MEDITECH's prior written authorization shall relieve MEDITECH of all obligations under this Paragraph.

D. EXPENSES

In connection with the support and assistance described herein, Customer agrees to reimburse MEDITECH for MEDITECH's actual and reasonable travel and out-of-pocket expenses, including the costs of coach-class air transportation, motor vehicle transportation, food and lodging (and reasonable incidentals incurred in association therewith), and for dial-up telephone expenses. MEDITECH agrees to exercise its best efforts to have its personnel utilize specific lodging selected from a mutually agreed upon list of establishments when and if possible and convenient, provided that such lodging meets with reasonable standards of habitability and safety. These expenses will be billed to Customer separately, as incurred, with payment terms of net thirty (30) days. MEDITECH will itemize each invoice by category for each major type of expense. In the event that an invoice rendered hereunder is disputed in good faith by Customer, MEDITECH agrees to provide copies of receipts for such disputed invoice upon Customer's written request therefor.

In addition, for various line items of LICENSED SOFTWARE, Customer's personnel shall visit MEDITECH's facility for Initial Training in the use of the LICENSED SOFTWARE. Travel and out-of-pocket expenses incurred by Customer during such visits shall be borne by Customer.

Customer's personnel may also participate in web-based training sessions during the Implementation Period associated with various line items of LICENSED SOFTWARE. Connection fees incurred by Customer during such sessions shall be borne by Customer.

ARTICLE IV - SERVICE

The service described herein shall commence upon the attainment of Live Status for each line item listed in Article II and will continue indefinitely until either MEDITECH or Customer terminates same by providing sixty (60) days written notice to the other. Termination of service by either party eliminates the duties and obligations of both parties detailed in this Article, in Article I(A)(2) (except that termination of service by MEDITECH during the pendancy of any claim as recited in Article I(A)(2) shall not relieve MEDITECH of its duties and obligations recited therein) and in Article I(B)(2) of this Agreement. MEDITECH agrees that it will make available the service set forth in this Article and will provide such service to Customer for a period of five (5) years from the date of this Agreement so long as Customer pays the monthly service fees specified in Article II, with any increases as are permitted under this Agreement. This provision shall supercede the sixty (60) day termination provision granted to MEDITECH herein.

A. ROUTINE/EMERGENCY SERVICE

MEDITECH will make available to Customer both routine and emergency service, via telephone contact with MEDITECH personnel and network access as described in Article I(B)(6), for the purpose of resolving system problems which will be addressed as set forth below. MEDITECH shall access Customer's computer network only as required for MEDITECH's performance under this Agreement and shall exercise its best efforts to comply with any reasonable applicable rules and regulations established by Customer for its own staff and employees for the purpose of maintaining network and data safety and security.

1. If the problems result from program errors in the LICENSED SOFTWARE, MEDITECH shall correct such program errors and shall exercise its best efforts to assure that the same is accomplished as expeditiously as possible. Program errors are defined as failures of the LICENSED SOFTWARE to operate in substantial conformity with descriptions of such operation in Exhibits II through V.

2. If the problems originate from incorrect use of the LICENSED SOFTWARE or from a computer equipment malfunction which results in data base errors which may require MEDITECH's assistance for correction, MEDITECH will generally provide such assistance, however, depending on the efforts to be expended, MEDITECH reserves the right to charge Customer for the associated consulting time. It is agreed that no such consulting shall be undertaken by MEDITECH without Customer's prior approval. Incorrect use of the LICENSED SOFTWARE is defined as data processing procedures not in conformity with such procedures as described in Exhibits II through V.

3. If the problems originate in Customer's computer network or in software not covered by this Article or result from modifications to the LICENSED SOFTWARE made by any one other than MEDITECH, MEDITECH's responsibility shall be limited to providing assistance and advice to enable Customer to determine appropriate remedial action to be taken by Customer or others (not by MEDITECH) to resolve such problems.

Routine service shall be available between 8:30 a.m. and 5:30 p.m., Monday through Friday, Eastern Time, excluding Federal holidays. For those line items of LICENSED SOFTWARE which have been transferred to the MEDITECH Client Services Division, the hours will be extended until 10:00 p.m. Emergency service will be available at any other time (24 hours per day, seven days per week) and at no additional cost for any line items that have attained Live Status. Appropriate MEDITECH personnel assigned to Customer's implementation and on-going service will be available, via pager or beeper, in order to provide emergency service.

B. EDUCATIONAL SERVICE

1. After the Implementation Period for each line item of LICENSED SOFTWARE, if Customer requests additional training in the use of such LICENSED SOFTWARE, MEDITECH shall provide this training at MEDITECH's then standard rates. Further, MEDITECH regularly conducts workshops and seminars to continue to educate its customers in the use of the LICENSED SOFTWARE. Customer shall be entitled to attend these workshops and seminars at no additional cost (other than its own travel and out-of-pocket expenses).

2. Upon Customer's written request and at no additional cost to Customer, MEDITECH's Client Services Division will perform Operational Assessments (for various associated software modules). MEDITECH will review Customer's use of the LICENSED SOFTWARE, make recommendations for any necessary improvements, and provide Customer with a detailed written report of its findings and recommendations. MEDITECH will perform Operational Assessments not more frequently than once per year, following the attainment of Live Status for all LICENSED SOFTWARE line items. In the event that an Operational Assessment is performed at Customer's site, Customer will be responsible for MEDITECH's travel and out-of-pocket expenses.

C. ENHANCEMENT SERVICE

1. MEDITECH shall make available to Customer, at no additional license fee, all enhancements of the LICENSED SOFTWARE which MEDITECH makes generally available to its other customers. Enhancements include all amendments, corrections, and updates to the LICENSED SOFTWARE, including releases which migrate from one version of software to another.

2. MEDITECH acknowledges that Federal and State governments may mandate compliance by Customer with various regulatory requirements, some of which may necessitate modifications to the LICENSED SOFTWARE. Therefore, MEDITECH will, as far as technically feasible and within a reasonable period of time, modify the specific software capabilities of the LICENSED SOFTWARE documented within the attached Exhibits II through V so that Customer may comply with mandated Federal and State requirements to which it is subject. MEDITECH represents and warrants that the LICENSED SOFTWARE will be, or in a good faith exercise of MEDITECH's best efforts, shall become certified pursuant to the HITECH Act certification requirements, as such currently exist or are hereafter adopted and amended, as set forth in the 2009 American Recovery and Reinvestment Act. (NOTE: MEDITECH reserves the right to charge Customer for additional functional capabilities beyond that documented in Exhibits II through V, however, MEDITECH will exercise its best efforts to minimize any such charges.)

D. EXPENSES

In connection with the service described herein, if travel to Customer's site is necessary, Customer agrees to reimburse MEDITECH for any actual and reasonable travel and out-of-pocket expenses, however, no travel will be initiated without Customer's prior approval. Customer also agrees to reimburse MEDITECH for the reasonable costs of dial-up telephone expenses. These expenses will be billed to Customer separately, as incurred, with payment terms of net thirty (30) days. MEDITECH will itemize each invoice by category of each major type of expense. In the event that an invoice rendered hereunder is disputed in good faith by Customer, MEDITECH agrees to provide copies of receipts for such disputed invoice upon Customer's written request therefor.

Customer's personnel may also participate in web-based sessions for additional training, workshops or seminars associated with various line items of LICENSED SOFTWARE. Connection fees incurred by Customer during such

sessions shall be borne by Customer.

E. CUSTOMIZATION SERVICE

If customization of the LICENSED SOFTWARE beyond that described in Exhibits II through V is requested by Customer and assented to by MEDITECH, which assent will not be unreasonably withheld, then:

1. Customer, with advice from MEDITECH, will specify in writing all parameters necessary for MEDITECH to modify the LICENSED SOFTWARE and MEDITECH will furnish to Customer a written price quotation for such customization; and

2. If Customer assents to such price quotation, then Customer and MEDITECH will enter into a separate agreement for delivery to Customer of the requested customization.

ARTICLE V - OTHER TERMS & CONDITIONS

A. RESPONSE TIME

MEDITECH warrants that the LICENSED SOFTWARE listed in Article II can operate with adequate response time on the computers configured in Exhibit I in accordance with the specifications described in Exhibits II through V. However, in the event that the system performance or response time is deemed slow by Customer, the issue will be resolved in the following manner:

1. Customer will describe the nature of the system performance or response time issue in writing and submit said document to MEDITECH.

2. MEDITECH will research the nature of the system performance or response time issue and present reasonable solution(s) to Customer, within ten (10) days of receipt of Customer's written notice.

3. Customer will have the option to choose among (between) such solutions as presented by MEDITECH from #2 above.

Should Customer's choice require any programming by MEDITECH to MEDITECH's LICENSED SOFTWARE to remedy the system performance or response time issue, MEDITECH will not charge Customer for such programming services, provided that the service described in Article IV has not been terminated.

B. ACCEPTANCE TEST

Within ninety (90) days of delivery for each line item of LICENSED SOFTWARE listed in Article II, Customer shall have the right to conduct an "acceptance test" of the LICENSED SOFTWARE to be performed in a timely manner for each line item. During this test, Customer shall be responsible for:

1. developing test data in the form of a group of "test patients" which will check system processing capabilities;

2. operating the LICENSED SOFTWARE in a test mode;

3. comparing LICENSED SOFTWARE actual results to expected results for these patients; and

4. identifying test problems where operation of the LICENSED SOFTWARE does not substantially conform to the specifications contained in Exhibits II through V.

MEDITECH will be responsible for:

1. assisting in operation of the system in the test mode by providing technical support;

2. assisting in defining changes required to correct test problems, if any; and

3. making any changes in an expeditious manner to make the LICENSED SOFTWARE conform to the specifications contained in Exhibits II through V.

As part of this Acceptance Test, Customer also may conduct, in conjunction with MEDITECH, benchmark tests or other simulations of system performance to evaluate system response time and performance.

If material software problems remain from this test, MEDITECH will make any necessary changes to the line item being tested and Customer shall have an adequate opportunity to re-test (not to exceed ten (10) days) to determine conformity to the specifications contained in Exhibits II through V. A material software problem is defined as a substantial non-conformity with the specifications. In the event that a material software problem still exists after Customer's re-test, then, notwithstanding the payment terms recited in Article I(B)(1), it is agreed that associated payments due for the line item being tested may be delayed by Customer until any such problems are resolved. Failure of Customer to conduct these tests or to notify MEDITECH of the outcome or status of such tests shall not serve to delay any associated payments due MEDITECH.

C. RIGHT TO REQUEST DELAY

It is agreed that Customer shall have the option to delay delivery of any LICENSED SOFTWARE application to a date other than the date which is presently stated in Article II. To exercise this option Customer must notify MEDITECH in writing at least 120 days prior to the scheduled delivery date. Customer may elect to delay delivery for a period not to exceed 180 days from the originally-scheduled delivery date. If Customer fails to notify MEDITECH, the delivery dates stated on Article II will be followed, and license fees will be due according to the schedule appearing in Article I(B).

D. ACCESS TO BOOKS AND RECORDS

MEDITECH agrees that until the expiration of four years after the furnishing of any services under this Agreement, MEDITECH will make available upon written request to the Secretary of Health and Human Services, or upon request to the Comptroller General of the U.S. or any of their duly authorized representatives, this Agreement and books, documents and records of MEDITECH that are necessary to certify the nature and extent of the costs incurred by Customer under this Agreement.

MEDITECH further agrees that if it carries out any of the duties of this Agreement through a subcontract, with a value or cost of $10,000 or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of Health and Human Services, or upon request to the Comptroller General of the U.S., or any of their authorized representatives, the subcontract and books, documents and records of such organization that are necessary to verify the nature and extent of the costs incurred by Customer under this Agreement.

E. Because of the perpetual nature of the license granted hereunder by MEDITECH to Customer, MEDITECH warrants that the LICENSED SOFTWARE shall not contain any timer, clock, counter, virus or other limiting design or routine which will cause said LICENSED SOFTWARE to be erased, made inoperable or otherwise become incapable of being used by Customer in accordance with the specifications after being used a certain number of times or after the lapse of a certain period of time or after the occurrence or lapse of any other triggering event.

However, MEDITECH LICENSED SOFTWARE applications have a built-in protective design which prevents users from accessing the software after certain types of updates are loaded. These updates may require adjustments to the existing database in the form of a conversion before they can be used with a new version of software. Exposing the database to the new software without such adjustment could result in damaged data or erroneous operation of the LICENSED SOFTWARE. This protective design locks users out until the necessary adjustments have been made, however, it does not restrict the use of software written by Customer which resides in a separate directory (and accesses data in the MEDITECH-supported database).

Provided the service described in Article IV has not been terminated, MEDITECH will make the necessary adjustments when updates are loaded into supported directories. Thereafter, if Customer elects to create and operate

additional unsupported copies of such modules by moving software from the MEDITECH supported directories, such software may prevent users from accessing the unsupported copies. MEDITECH is not responsible for any problems or damage arising from the use of unsupported copies of LICENSED SOFTWARE modules. Note that updates may change the format of files and records within the MEDITECH supported database which may make operation of unsupported software unpredictable.

F. PRICE PROTECTION

MEDITECH will guarantee price protection for additional software line items for a period of twenty-four (24) months from the date of this Agreement provided that Customer orders such items within twenty-four (24) months and accepts delivery thereof within thirty-six (36) months of the date of this Agreement. Customer has the option of acquiring any or all of the software listed below:

Software	License Fee	Service Fee	Implement Fee
Scanning/Archiving	$ 110,880	$ 1,109	$ 57,375

This price protection is for standard software modules as described in MEDITECH's standard program documentation. If MEDITECH adds any major enhancements to any of the above line items during this 24-month period such that the module becomes a new product and a charge is associated with such product, then Customer will be responsible for any such additional charges.

ARTICLE VI - ENTIRE AGREEMENT

This Agreement, including Exhibits I through V and Schedule A, is the entire agreement between the parties hereto with reference to the subject matter hereof. Warranties, expressed or implied, regarding the LICENSED SOFTWARE are exclusively as stated herein; any and all prior or contemporaneous warranties, representations, understandings or agreements are specifically and intentionally excluded. This Agreement may not be modified or amended except by an Amendment in writing between the parties. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement shall not prevent a subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

IN WITNESS WHEREOF each party has executed this Agreement as a sealed instrument this _____ day of July, 2009.

Customer	City of Alameda Health Care District d/b/a Alameda Hospital
By	_____
Name	_____
Title	_____

MEDITECH	Medical Information Technology, Inc.
By	_____
Name	Howard Messing
Title	President & Chief Operating Officer

EXHIBIT I

COMPUTER NETWORK CONFIGURATION

Computer network configuration to be determined by Customer in conjunction with MEDITECH and subject to MEDITECH's approval. Prior to placing a firm order for the components of the computer network configuration, Customer will provide to MEDITECH for review and final approval a written description of the components it intends to order, including computers, network, non-MEDITECH software, etc.

SCHEDULE A

STAFFING AND IMPLEMENTATION GUIDE *

AND

IMPLEMENTATION SCHEDULE

* (document provided under separate cover)

Alameda Hospital
Summary of Meditech EHR Components
Implementation and Payment Schedule

Progress Payment Terms:							FY 2010 40%
Application	Perpetual License	Implementaiton Fees	Total One-Time Costs	10% Required Deposit	Balance	Est. Software Delivery Date	6/30/2010
Patient Care and Patient Safety	$ 110,880.00	$ 39,904.00	$ 150,784.00	$ 15,078.40	$ 135,705.60	6/30/2010	$ 60,313.60
Physician Care Manager - I	92,400.00	51,600.00	144,000.00	14,400.00	129,600.00	4/30/2011	-
Physician Care Manager - II	18,480.00	34,400.00	52,880.00	5,288.00	47,592.00	11/30/2011	-
Emergency Department - I	55,440.00	30,960.00	86,400.00	8,640.00	77,760.00	12/31/2010	-
Emergency Department - II	18,480.00	30,960.00	49,440.00	4,944.00	44,496.00	12/31/2011	-
Operating Room Management	36,960.00	23,557.00	60,517.00	6,051.70	54,465.30	11/30/2011	-
Scanning & Archiving	101,230.00	52,150.00	153,380.00	15,338.00	138,042.00	6/30/2012	
HCIS Implementation Fee	-	50,000.00	50,000.00	5,000.00	45,000.00		
	-	-	-	-	-		-
Totals	433,870.00	313,531.00	747,401.00	74,740.10	672,660.90		$ 60,313.60
	Refundable Deposit Due at Time of Contract Execution			**$ 74,740.10**			**$ 60,313.60**
				FY 2009			**FY 2010**

Notes:

1. Installment payments are due, 40% upon delivery, 40% 90 days after deliver and 10% 180 days from delivery

Alameda Hospital
Summary of Meditech EHR Components
Implementation and Payment Schedule

	FY 2011					
Progress Payment Terms:	40%	10%	40%	40%	40%	10%
Application	9/28/2010	12/27/2010	12/31/2010	3/31/2011	4/30/2011	6/29/2011
Patient Care and Patient Safety	$ 60,313.60	$ 15,078.40	$ -	$ -		$ -
Physician Care Manager - I	-	-	-	-	57,600.00	-
Physician Care Manager - II	-	-				
Emergency Department - I	-	-	34,560.00	34,560.00		8,640.00
Emergency Department - II	-	-				
Operating Room Management	-	-	-	-		-
Scanning & Archiving						
HCIS Implementation Fee						
	-	-	-	-	-	-
Totals	$ 60,313.60	$ 15,078.40	$ 34,560.00	$ 34,560.00	$ 57,600.00	$ 8,640.00
						$ 210,752.00
						FY 2011

Alameda Hospital
Summary of Meditech EHR Components
Implementation and Payment Schedule

	FY 2012								
Progress Payment Terms:	40%	10%	40%	40%	40%	40%	10%	10%	40%
Application	7/29/2011	10/27/2011	11/30/2011	12/31/2011	2/28/2012	3/30/2012	5/28/2012	6/28/2012	6/30/2012
Patient Care and Patient Safety	$ -	$ -							
Physician Care Manager - I	57,600.00	14,400.00							
Physician Care Manager - II			21,152.00		21,152.00		5,288.00		
Emergency Department - I	-	-							
Emergency Department - II				19,776.00		19,776.00		4,944.00	
Operating Room Management	-	-	24,206.80		24,206.80		6,051.70		
Scanning & Archiving									61,352.00
HCIS Implementation Fee	-	-	-	-	-	-	-	-	-
Totals	$ 57,600.00	$ 14,400.00	$ 45,358.80	$ 19,776.00	$ 45,358.80	$ 19,776.00	$ 11,339.70	$ 4,944.00	$ 61,352.00
									$ 279,905.30
									FY 2012

Alameda Hospital
Summary of Meditech EHR Components
Implementation and Payment Schedule

	FY 2013		
Progress Payment Terms:	40%	10%	
Application	9/28/2012	12/27/2012	3/31/2013
Patient Care and Patient Safety			
Physician Care Manager - I			
Physician Care Manager - II			
Emergency Department - I			
Emergency Department - II			
Operating Room Management			
Scanning & Archiving	61,352.00	15,338.00	
HCIS Implementation Fee			45,000.00
	-	-	-
Totals	$ 61,352.00	$ 15,338.00	$ 45,000.00
			$ 121,690.00
			FY 2013

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: August 3, 2009

To: City of Alameda Health Care District Board of Directors

Through: Finance and Management Committee

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

Subject: Approval to Authorize Management to Execute the Advisory Board Contract for RAC Consulting and Support Services

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Attached is the agreement with the Advisory Board to participate in the Revenue Integrity Compass program. Management along with the Finance and Management Committee recommend that the City of Alameda Health Care District Board of Directors authorize management to execute the Advisory Board Agreement to participate in the Revenue Integrity Compass program which is described on page two of the agreement under the section heading "Scope of Service – Revenue Integrity Compass" and the attachment titled "Revenue Integrity Compass – *Service Plan for Alameda Hospital*".

After reviewing several alternatives for tools that will assist Alameda Hospital to deal with the now permanent Recovery Audit Contractor ("RAC") program, we felt that the Advisory Program was the best tool for the Hospital to ensure that we are able to minimize losses from the RAC program.

Attached is a comparison of the three vendors that were reviewed during the committees review process.

REVENUE INTEGRITY COMPASS
2445 M Street, NW
Washington, DC 20037

July 28, 2009

Mr. David Neapolitan
Chief Financial Officer
Alameda Hospital
2070 Clinton Avenue
Alameda, CA 94501

Re: **Letter of Agreement ("LOA") – Revenue Integrity Compass™**

Thank you again for the time you have afforded in evaluating a founding membership in the Revenue Integrity Compass program. We at The Advisory Board Company ("**we**" or "**Advisory Board**") are excited about offering the Revenue Integrity Compass program to our broader membership and the opportunity to work with the Alameda Hospital and we are pleased to submit this LOA for your signature to enroll your organization as a founding member of the Revenue Integrity Compass program.

I. Terms of Coverage
Under the terms of this LOA, Alameda Hospital (or "**you**") will have access to all services provided to Revenue Integrity Compass founding members. Your membership includes Alameda Hospital. This program will include access to a web-based reporting and business intelligence solution, on-site training sessions for end-users, and access to best practice research and tools to help member hospitals improve performance. Program components and services are described in greater detail in the attached **Scope of Services**.

II. Terms of Enrollment
The term of your founding membership in the Revenue Integrity Compass program will begin on August 31, 2009 and end on August 30, 2012. We are pleased to extend special preferred membership fees in recognition of Alameda Hospital's founding membership status and support of the Revenue Integrity Compass program:

	Founding Membership Fees Year 1	**Founding Membership Fees Year 2**	**Founding Membership Fees Year 3**
Project Initiation Fee (One-Time)	**$42,000** The Advisory Board Will Sponsor 100% of the Initiation Reducing Alameda Hospital's Contribution To **$0**	--	--
Annual Service Fee	**$126,000** The Advisory Board Will Sponsor 29% of the Initiation Reducing Alameda Hospital's Contribution To **$90,000**	**$90,000**	**$95,000**

Upon start of your membership, Alameda Hospital shall pay Advisory Board an initial payment equal to the one-time project initiation fee and the first quarter of the program's first year annual service fee. After the initial invoice, the remaining amount of the first year annual service fee will be billed quarterly from the start date of your membership, and annual service fees thereafter will be billed in equal quarterly installments in advance. Payment is due within thirty (30) days of the invoice date. On the last day of the term specified above (and any extensions thereof), this LOA shall automatically renew for an additional 12 month period, and for successive 12 month periods thereafter, unless either party provides the other party written notice of non-renewal at least 30 days prior to expiration of the then-current term. The annual service fee for each additional 12 month period will be the annual service fee in effect during the immediately preceding 12 month period increased by a percentage equal to the percent change in the CPI for All Urban Consumers (CPI-U, U.S. City Average for All Items) across that same period. We will also invoice an additional $5,000 per membership year to offset our travel and other similar administrative expenses.

REVENUE INTEGRITY COMPASS
2445 M Street, NW
Washington, DC 20037

Early Termination
Alameda Hospital may elect to discontinue its membership for the second year of the term (August 31, 2010 – August 30, 2011). In such an event, Alameda Hospital must provide written notice of its intent to terminate membership no fewer than 30 days prior to August 31, 2010, in which case services will cease upon August 31, 2010 and Alameda Hospital will not owe the Annual Service Fee for the second year.

III. Enrollment in Revenue Integrity Compass
To initiate Alameda Hospital's founding membership in the Revenue Integrity Compass program under the terms of this LOA, please sign this LOA and return it via facsimile to our offices at 202-266-5700 no later than August 14, 2009 please send Attn: Erik Candy.

The Advisory Board Company	Alameda Hospital	Date
_____	_____	_____
Erik Candy *enior irector*	David Neapolitan 	

Scope of Services—Revenue Integrity Compass
Alameda Hospital

The 2009 Founding Member Cohort
Across early 2009, the Advisory Board will initially work with a select number of Revenue Integrity Compass founding members as the Advisory Board works to finalize and implement its proprietary Revenue Integrity Compass program ("**Revenue Integrity Compass**"). The initial phase of a founding membership will include best practice support and feedback on the service, followed by deployment of the web-based business intelligence tool described below.

Revenue Integrity Compass Overview
The purpose of the Revenue Integrity Compass program is to serve a permanent network of health systems, clinics, and hospitals focused on becoming best-in-class in analyzing risk revenue and performance in key "Revenue Audit Contractor" ("**RAC**") program target areas. This document summarizes the proposed services offered to founding members of this program. Specific services may change during the course of the membership as the Advisory Board continues to gather and apply feedback from founding members as to how Revenue Integrity Compass can best help Revenue Integrity Compass members improve performance in key RAC program target areas.

Orientation, Training and Support
An assigned team, including a "Dedicated Advisor" and a "Business Analyst", plays a key role in project planning, leading initial end user training and actively helping Alameda Hospital leverage Revenue Integrity Compass to improve performance by working with Alameda Hospital's designated I.S. liaison to:

- conduct assessment of hospital reporting needs and the capabilities of Alameda Hospital 's current reporting environment;
- develop an action plan for product roll-out and end-user enfranchisement;
- coach Alameda Hospital 's I.S. liaison on the processes required to extract the data that is loaded into the business intelligence tool;
- troubleshoot with Alameda Hospital 's I.S. liaison around process limitations affecting data quality and work to resolve these limitations;
- lead initial on-site training to instruct authorized users on the analytic tools (occurs after validation and acceptance of data in the customized web-based tool);
- validate data against Alameda Hospital 's reports; and
- offer additional support which may include, but is not limited to, proactive data analyses to identify improvement opportunities, web-based training sessions for new authorized end-users, and updates to the executive sponsor and project team.

Customized, Web-Based Reporting and Business Intelligence Tool
The keystone of the Revenue Integrity Compass founding membership is a web-based business intelligence tool that provides best-in-class analytics, reporting and worklisting capabilities across the broad accounts receivable landscape, including the following:

- customized view and analysis of Alameda Hospital 's own Medicare data
- ability to easily track key metrics on demand

REVENUE INTEGRITY COMPASS
2445 M Street, NW
Washington, DC 20037

- detailed, drill-down reporting and analytics

Further specifications concerning the tool and the configuration Alameda Hospital has chosen are outlined in the ***Configuration and Specifications*** section of this document.

Best Practice Research and Member Networking

The Revenue Integrity Compass founding membership also includes access to a full complement of resources and services aimed at fostering networking across the founding cohort and sharing knowledge of how the founding member hospitals are leveraging Revenue Integrity Compass to drive better financial results, including:

- case studies profiling hospital revenue integrity reform
- user group conference calls to share success stories on use of the tool to drive financial impact

Configuration and Specifications

Configuration

The chart below reflects the Revenue Integrity Compass configuration for Alameda Hospital. Should Alameda Hospital wish to change configuration options during the term of the LOA, we would be pleased to discuss pricing for the new configuration. Any change in configuration and resulting change in fees will be agreed upon in writing by the parties.

Update (Extract) Frequency	Monthly
Annual Inpatient Medicare Discharges*	2000 inpatient hospital-based services (will accept data from inpatient and outpatient accounts discharged)
# of Key Performance Indicators	12
Source Data File(s)	Option (1): Medicare 837 for both inpatient and outpatient and Alameda Hospital 's Patient Accounting System (see "Data Elements" scope below for description) OR Option (2): Alameda Hospital 's Patient Accounting System (see "Data Elements" scope below for description)

* ***A Note on Discharge Volumes:*** Quarterly audits of inpatient Medicare discharge volumes will be completed in order to monitor ongoing and projected volumes. Should Alameda Hospital supply more than 2200 inpatient Medicare discharges in its 837 file or patient accounting system file extract for any continuous 90 day period, we reserve the right to increase the annual service fee for the remainder of the agreement term based on the new projected annual inpatient Medicare discharge volume. Fees will increase proportionally to the increase in inpatient Medicare discharge volumes (i.e., if the number of inpatient Medicare discharges increases 10%, the fees will also increase 10%).

Specifications

Data Submission

- Alameda Hospital is responsible for providing all data extract files in the standard submission format.
- Data feeds shall be provided in a standard flat file format to the secure FTP server indicated by Advisory Board, using approved file naming conventions.
- Once Alameda Hospital is providing recurring data feeds (e.g. after Alameda Hospital has submitted its first monthly data update following initial site build), Alameda Hospital will deliver an automated extraction with the frequency stated in the above configuration chart.

Data Elements

- Data elements can be submitted in one of the following two configurations:
  - (1) Medicare 837 file for inpatient and outpatient, and
    Patient Accounting System extract: Up to 15 fields of Medicare account data for all inpatient and outpatient accounts discharged for the past two years may be provided for no additional fee
    OR
  - (2) Patient Accounting System (only): Up to 50 fields of Medicare (primary or secondary) account data for all inpatient and outpatient accounts discharged for the past two years may be provided for no additional fee. Up to 15 fields of

REVENUE INTEGRITY COMPASS
2445 M Street, NW
Washington, DC 20037

Medicare (primary or secondary) charge level data for all inpatient and outpatient accounts discharged for the past two years may be provided for no additional fee.

- Up to eleven customized columns for data entry or calculation.

Account & Charge Level Detail on Accounts

- Account-level detail will be provided on all Medicare accounts through the standard extract process.
- Charge-level detail will be provided on all Medicare accounts through the standard extract process (Available for Configuration 2 as described above).

Historical Transaction Data

- Initial data load:
- Medicare 837 file for inpatient and outpatients discharged in the past two years.
- Medicare account data for all inpatient and outpatient accounts discharged in the past two years.

Authorized Users

- Up to 25 unique users at each facility may access Revenue Integrity Compass dashboards, reports and drill-down capability via the Internet to assist with revenue integrity performance monitoring, trend analysis, problem-solving and decision-making.

Up to Twelve Key Performance Indicators in Initial Configuration

- During the initial configuration of Revenue Integrity Compass, Alameda Hospital may request up to twelve key performance indicators.

Dedicated Advisor Support

- Through Alameda Hospital's Dedicated Advisor, Alameda Hospital may request that reports be created or analyses be run on its behalf.
- We request that all Dedicated Advisor service requests be prioritized and submitted by a designated contact within Alameda Hospital.

Service Request Volume Post-Sign-Off

- We request that all service requests be prioritized and submitted by a designated contact within Alameda Hospital. Service changes shall not exceed twenty-five per year. Service changes include changes to the key performance indicators and/or facility hierarchy (i.e., classification of Alameda Hospital's data, as specified by Alameda Hospital).

THE ADVISORY BOARD COMPANY

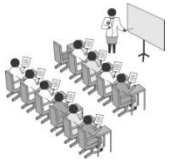
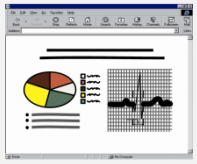
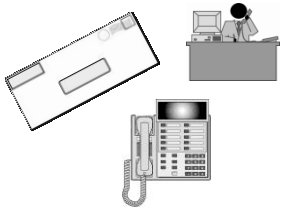
Revenue Integrity Compass

□ervice □lan for Alameda □ospital

Revenue Integrity Compass: Safeguarding Reimbursements from RAC Takebacks

	Identifying RAC Audit Vulnerabilities	Eliminating Automatic RAC Takebacks	Increasing Claim Appeal Success Rates	Improving Coding and Documentation
Key Performance Indicator (KPI)	**Record Request Response Rates**	**Record Request Deadlines Missed**	**Appeal Success Rate**	**Number of Record Requests**
Compass Impact on Current KPI Performance	*□roactive □laim □eviews, □urfacing □otential □A□ □argets*	*□□□ of □ecord □e□uest □eadlines □issed*	*Appeals □rioritization □ocusing □nly on □igh □alue and □uccessful □ases*	*□eduction in □ecord □e□uests and □mproved □evenue □isibility*
Examples of How Compass Drives Improved Performance	Proactive identification of RAC targeted claims modeled from internal and external data Identification of evolving RAC focus areas for future audit preparation Identifying rebilling opportunities Provides all relevant data to breakdown direct and indirect drivers of variance	Accountability driven through workflow analysis Automated alerts notifying users and managers to upcoming deadlines Proactive identification of potential target claims to speed record response times Process tracking mechanisms to ensure efficient and timely responses	Appeal prioritization analytics designed to best utilize scare, expensive appeal options Tracking of appeal success mechanisms and relative value of each appeal attempt Ensuring only leveraged appeal opportunities are utilized Automated alerts notifying users and managers to upcoming appeal response requirements	Feedback loops designed to identify root causes of RAC record requests and proactively improve coding and documentation to avoid future audits Physician-specific education opportunities identified through trend analyses Continuously updated library of RAC target areas, focusing attention on those claims most likely to be audited

Overview of Revenue Integrity Compass Implementation Plan For Alameda

Implementation Phase	Time Frame	Description of Key Activities
 ***Phase* I: Kick Off and Enfranchisement**	**July 2009 - Weeks 1-4**	Introduction of Revenue Integrity Compass (RIC) to staff and administration Creation of data extracts/links to power overall solution Education on RAC audits and trends from early experiences Initial project scoping/training to facilitate rapid uptake once solution is deployed
 **Phase II: Create RIC Site**	**August 2009 - Weeks 5-8**	Completion of initial pre-emptive audit reports to profile areas for immediate attention Launch of Alpha site – with complete KPIs, worklists and alerts Comprehensive on site training (customized to individual users) performed to drive immediate workflow benefit begins
 **Phase III: Fully Deploy Solution**	**September 2009 - Weeks 9-12**	Initial results examined to quantify opportunities for rebilling and appeal preparation Inclusion of ongoing 837 feeds to update data on a continual basis with accounts for prioritized action User feedback forum held to determine key tweaks/adjustments to be made to site
 **Phase IV: Achieve Ongoing Milestones**	**September 2009 - Month 4 and Beyond**	Inclusion of process-tracking metrics to monitor compliance with key targets and avoid automated takebacks Ongoing review of RAC target areas from across the cohort to identify potential new vulnerabilities and opportunities for proactive responses

Key Project Milestones and Initiatives for Alameda Hospital

Additional onsite training sessions and weekly phone-based consultation to ensure success of new management processes

Pre-Emptive Audit Preparation Campaign

- *Identifying likely RAC targets to proactively rebill and prepare for record requests*
- *Comprehensive on site training performed to drive immediate workflow benefit*
- *Analyze the same data sets the RACs use to identify vulnerabilities and opportunities for correction*

Vulnerabilities Assessment
- Key claim identification
- Coder compliance reports
- Automated performance alerts

Process Improvement
- RAC target education
- Performance profiles
- Worklist management reports

Education and Appeal Preparation

- *Structured education sessions led by dedicated Advisors designed to inform team members about current vulnerabilities*
- *Appeal preparation via targeted record requests*
- *Audit response process training to negate potential deadline issues and automated takebacks*

Compliance Improvement
- Coding targets education
- User-specific worklists
- Leveraged Appeal Opportunities

Ongoing Process Excellence

- *Continuous opportunity analysis with updated RAC targets*
- *Staff, departmental reporting – sharing best practice strategies, case studies and practices*
- *Value Summit held with executive team – progress reported on key metrics and achievement of goals across the year*

Organizational Excellence
- Reserve revenue projections
- Appeal prioritization mechanisms
- Ongoing process management

Identify all claims at risk for RAC record request

Education of all coders and physicians on potential organizational vulnerabilities

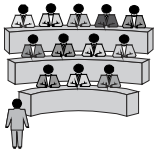
Safeguard revenues and establish clear metrics to measure future performance

Alameda's Recovery Audit Contractor Bootcamp

Onsite Educational Intensives
Led By Advisory Board Dedicated Advisors In July 2009
Designed to Establish RAC Response Excellence at Alameda

Assembling the RAC Task Force

- ***Lessons from Demonstration States*:** **How to create the right team dynamic to ensure RAC responsiveness**
- ***Identifying Peers from the Cohort:*** **Based upon organizational preferences, identifying key individuals at peer organizations to develop relationships and foster opportunities for practice sharing**



RAC Response Workshops

- ***Ensuring Deadline Compliance*:** **Lessons from partner organizations to reduce the turnaround time from Record Request to Record Submission and prevent compliance pitfalls**
- ***Best Practice Audit Preparations:*** **Identifying key RAC targets and ensuring appropriate pre-emptive reviews are completed on relevant claims**

Appeals Prioritization Planning

- ***Identifying Best Practice Appeals Organizations:*** **Summarizing the key lessons learned from organizations proving successful on early appeal filings**
- ***Trending Early Appeal Results*:** **Identifying the types of claims tending to be overturned on appeal**

****Over 15,000 revenue cycle staff members from across the United States have participated in our revenue cycle training courses.***

RAC Rapid Response Exercise

All RAC Boot Camp participants are invited to take part in our RAC Rapid Response Exercises.. These sessions are led by A or o r e ert n fo on erfe t ng o r org n t on A re on e on t ng A om n e r

Pre-Audit Exercises		*During-Audit Exercises*		*Post-Audit Exercises*	
Vulnerabilities Assessment Management	*Risk Mitigation Strategies*	*Record Request Management and Mock Exercises*	*Compass site configuration and alert creation*	*Appeals Prioritization Management*	*Process Improvement Limiting Future Vulnerability*

Dedicated Advisor: In Partnership to Drive Value for Alameda Hospital

Dedicated Advisor

***Profile*:**

- *Assigned resource who will work collaboratively with evenue ntegrity ompass member to ensure Alameda is ma imizing value throughout the ompass membership*
- *Able to leverage best practice research and profiled cohort results that pertain to member's key initiatives*
- *Analytical team member able to diagnose A audit vulnerabilities and work in consultative approach with member to impact process improvement*

***Responsibilities*:**

- *Analyze A audit data with partner to identify and present improvement opportunities*
- *Assists with driving key initiatives for organizational improvement throughout the ompass membership*
- *ustomized ongoing training and support through onsite workshops and web based training teleconferences*
- *upports member in preparation and presentation of results at annual alue ummit*
- *onitors progress toward ongoing goals and regularly reviews results with pro ect team and uarterly with E ecutive ponsor*
- *ollaborates with partner and ompass users to build skills in data interpretation and root cause analysis*
- *orks to drive utilization of ompass and its services across the organization*
- *upports ongoing training efforts in order to ma imize utilization and value from ompass membership*
- *erves as main point of contact for the A team leader and E ecutive ponsor*

Revenue Integrity Compass Ongoing Partner Services for Alameda Hospital

The Compass team is available to support each partner integrate best practices and to track CA audit metrics.

DEDICATED ADVISOR SUPPORT

Upon joining the cohort each partner is paired with a Dedicated Advisor who will familiarize them with the Compass tool, provide ongoing training, and help leverage the site to achieve the organization's strategic objectives

ON-SITE TRAINING SESSIONS

In addition to the initial on-site training, partners are encouraged to setup additional on-site sessions in preparation for the upcoming CA audits. These sessions are an excellent way to elevate CA audit preparation.

MONTHLY WEB-EX TRAINING

Basic, Advanced Features and Claim Level training calls are held on a monthly basis. These calls are ideal for those who are new to Compass, as well as partners who want to improve their skills or broaden utilization of the tool at their organization

CONFERENCE CALL SERVICE

Quarterly drill-down on strategic areas of focus that Compass can help partners address. Early calls will focus on emerging target areas from early CA audits.

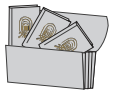
THE COMPASS CAPSULE

A Quarterly newsletter proving updates on Compass enhancements, tips for utilization, as well as stories and best practices from cohort partners

ANNUAL CHAMPION SUMMIT

Held in Washington, DC, this session is an opportunity for partners to network and learn from peers across the cohort. This two-day session includes Advisory Board presentations, member presentations and small, facilitated group discussions

BEST PRACTICE COMPENDIUM



A review of all CA-related best practices identified by the Advisory Board. Topics covered range from pre-emptive audits to coding corrections to appeals prioritization metrics.

ADVISORY.COM MEMBER WEBSITE

Dedicated website providing on-line access to the research and services of Compass-instant research delivered to every member's desktop at any time. Access to the web-site is available at any time to all Compass users

ON-LINE FORUM

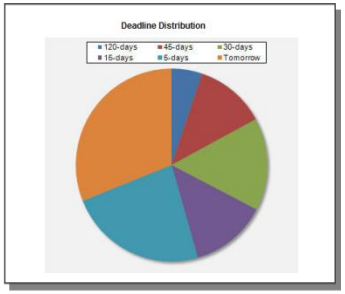
Essentially a "chat-room", the forum allows partners to post Questions to fellow cohort partners and the Compass team. The forum not only provides timely responses to Questions, but also facilitates networking across the cohort

BENCHMARKING

Compiled on an annual basis, customized benchmarking reports show partners where they stand on several key metrics relative to the cohort, and to best practice targets. Reports are prepared and presented by Dedicated Advisors

Benefits of Revenue Integrity Compass for Alameda Hospital

Improved RAC Audit Compliance and Records Management:
Eliminating Automatic Takebacks by Never Missing a Deadline



Improved Process Management

Facilitating a more effective record response effort by vigorously monitoring performance and accountability in a single (fully analyzable) source, enabling timely and accurate triaging and action steps

Performance Enhancing Activities and Services

Provides actionable data about the frequency and dollar value of missed deadlines by owner to prioritize improvement efforts

Identifies the specific root-causes of deadline problems – ties the staff, physicians or departments causing the takeback to the denied accounts

Allows RAC audited accounts to be tracked separately from non-investigated accounts to ensure they are corrected or appealed in a timely manner

Rapidly generates lists of audited accounts for immediate action steps, including record requests and appeals preparation

Create scorecards that compare deadline rates, appeal rates, and takebacks to automate performance review meetings

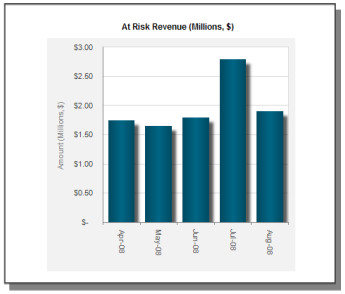
Quickly spots new audit target practices or patterns to ensure prompt resolution and response on new audits

Organizes a best practice approach to RAC audit response including roles and departmental accountabilities

Benefits of Revenue Integrity Compass for Alameda Hospital

Improved RAC Target Identification and Preparation :

Continuously Evolving Audit Algorithms to Stay A Step Ahead of the RAC Record Requests



Improved Revenue Protection

By utilizing the same data sets as the RACs and by deconstructing their patterns across an entire cohort of hospitals, Revenue Integrity Compass can help protect your hospital's revenues against an ever-evolving series of threats to ensure you are not unduly punished by aggressive audit practices

Performance Enhancing Activities and Services

Identifying future audit vulnerabilities by providing robust, actionable data about the evolution of RAC audits from a range of hospitals

Utilizing the power of a cohort of hospitals to guide RAC Target Area analytics to automatically flag potentially vulnerable claims

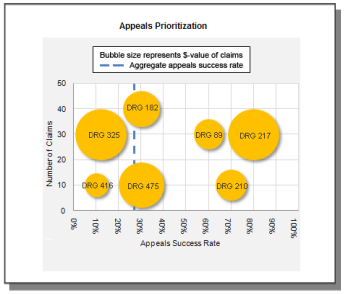
Allows RAC audited accounts to be tracked separately from non-investigated accounts to ensure they are corrected or appealed in a timely manner

Rapidly tracks audited accounts for immediate response and appropriate action steps

Executive-level dashboards providing guidance on performance migration and areas of organizational vulnerabilities

Organizes a best practice approach to RAC audit response including appropriate reserve calculations, audit response roles and performance improvement opportunities

Improved RAC Determination Appeals Success:
Leveraging Analytics to Guide Appeal Prioritization Decisions



Improved Appeals Management

Facilitating a more effective RAC determination appeals effort by analyzing success rates, dollar values and claim volumes to ensure leveraged deployment of appeals resources

Performance Enhancing Activities and Services

Provides actionable data about the success rate, frequency and dollar value of appeals by claim type to prioritize appeal strategies

Tracks the specific appeals and their progress through the labyrnth of the RAC determination review process

Identifies the specific root-causes of appeal denial problems – ties the staff, physicians or departments involved in the claim to the denied accounts

Tracks the value of the appealed cases to inform reserve and interest calculations

Rapidly generates lists of accounts under appeal for immediate analysis and decision making

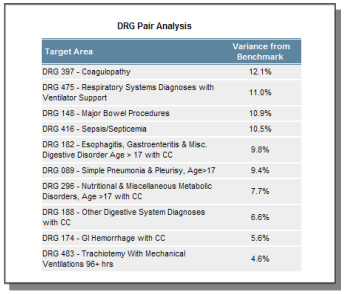
Quickly spots new audit target practices or patterns to ensure prompt resolution and response on new audits, thereby improving appeal success opportunities

Organizes a best practice approach to RAC audit response including roles and departmental accountabilities

Benefits of Revenue Integrity Compass for Alameda Hospital

Improved Documentation and Coding:

Feeding Back RAC Audit Targets to Educate Documentation and Coding Specialists



DRG Pair Analysis

Target Area	Variance from Benchmark
DRG 397 - Coagulopathy	12.1%
DRG 475 - Respiratory Systems Diagnoses with Ventilator Support	11.0%
DRG 148 - Major Bowel Procedures	10.9%
DRG 416 - Sepsis/Septicemia	10.5%
DRG 182 - Esophagitis, Gastroenteritis & Misc. Digestive Disorder Age > 17 with CC	9.8%
DRG 089 - Simple Pneumonia & Pleurisy, Age>17	9.4%
DRG 296 - Nutritional & Miscellaneous Metabolic Disorders, Age >17 with CC	7.7%
DRG 188 - Other Digestive System Diagnoses with CC	6.6%
DRG 174 - GI Hemorrhage with CC	5.6%
DRG 483 - Tracheotemy With Mechanical Ventilations 96+ hrs	4.6%

Improved Documentation and Coding

By continuously feeding back information from internal and external RAC audits, Revenue Integrity Compass can help identify opportunities for documentation and coding improvements to ensure reduced audit requests, denials and potentially even ensure higher appropriate reimbursement rates.

Performance Enhancing Activities and Services

Identifying future audit vulnerabilities by providing robust, actionable data about the evolution of RAC audits from a range of hospitals

Informing documentation and coding specialists of new RAC audit targets and the need for documentation changes by coder and/or physician-specific accountability reports

everaging Advisory Board's hysician Education pecialists to influence reluctant doctors to improve their documentation practices

Utilizing Advisory Board experts to determine leveraged trend analyses for improved coding and case management decisions

Executive-level dashboards providing guidance on performance migration and areas of organizational vulnerabilities

Alameda Hospital
Comparison of RAC Options

	Advisory Board			*MedAssets*			*Ingenix*				
	3 Year Term, Termination after Year 1			**3 Year Agreement Required**			**5 Year Agreement Required**				
	Yr 1	Yr 2	Yr 3	Yr 1	Yr 2	Yr 3	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Annual Increase		0.0%	0.0%	0.0%	0.0%	0.0%		5.0%	5.0%	5.0%	5.0%
All-In Fee	$ 90,000.00	$ 90,000.00	$ 90,000.00								
Software							18,200.00	19,110.00	20,066.00	21,069.00	22,122.00
User Training							4,400.00				
Implementation Fee				11,000.00							
Hosting Fee											
Annual				18,000.00	18,000.00	18,000.00	5,000.00	5,250.00	5,513.00	5,789.00	6,078.00
Education							5,500.00				
				(Extra Charges Apply)			(2 Sessions)				
Gap Analysis							12,000.00				
				(Extra Charges Apply)			(80 Hrs Support)				
Mock Audit				37,000.00	30,000.00	30,000.00	9,775.00	10,264.00	10,777.00	11,316.00	11,882.00
				($155 per Case / 200 Cases + $7K Set-Up)			(150 IP & 50 OP Records)				
Shadow Audit							4,125.00	4,331.00	4,548.00	4,775.00	5,014.00
				(Not Applicable)			(Audit of RAC audited accounts, 75 case min for on-site, $55 per case)				
Appeals				17,500.00	17,500.00	17,500.00	12,000.00	12,600.00	13,230.00	13,892.00	14,587.00
				35% Contingency - Assume $50K Recovery			(97 Cases Reviewed and 4 Appeals / Day)				
Total Cost per Year	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 83,500.00	$ 65,500.00	$ 65,500.00	$ 71,000.00	$ 51,555.00	$ 54,134.00	$ 56,841.00	$ 59,683.00
			$ 270,000.00			$ 214,500.00			$ 176,689.00		$ 293,213.00
Capital	$ -			$ 11,000.00			$ -				
Operating	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 72,500.00	$ 65,500.00	$ 65,500.00	$ 71,000.00	$ 51,555.00	$ 54,134.00	$ 56,841.00	$ 59,683.00
Implementation Time		5 Weeks			7 - 8 Weeks				4 - 6 Weeks		
Current Participants											
Customers		50 - 60			74				16		
Live		35			23				0		
User Group		Yes			Informal				No		
Optional Total Cost	$ -	$ -	$ -	$ 54,500.00	$ 47,500.00	$ 47,500.00	$ 43,400.00	$ 27,195.00	$ 28,555.00	$ 29,983.00	$ 31,483.00
Cost without Optional Items	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 29,000.00	$ 18,000.00	$ 18,000.00	$ 27,600.00	$ 24,360.00	$ 25,579.00	$ 26,858.00	$ 28,200.00

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED

FINANCIAL STATEMENTS

FOR THE

PERIOD ENDING

06/30/09

2070 Clinton Avenue • Alameda, CA 94501 • TEL (510) 522-3700 • www.alamedahospital.org

ALAMEDA HOSPITAL

City of Alameda Health Care District

June 30, 2009

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ALAMEDA HOSPITAL

June 30, 2009

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 June 30, 2009 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 June 30, 2009

- Total assets on the balance sheet increased by $4,963,110 from the prior month as a result of an increase in other assets of $5,645,150 and a decrease in cash and cash equivalents of $302,042, a decrease in third party receivables of $211,154, a decrease in Jaber Funds of $112,864 and a decrease in net accounts receivable of $102,535.

- Total cash and cash equivalents for June decreased by $302,042 which resulted in a decrease in our day's cash on hand from the prior month's 12.0 to 10.3 at June 30, 2009. This was primarily caused by our use on one twelfth of our parcel tax funds as planned. Additional impacting our cash position was the State of California's payment delay for the final week of June 2009 that was pushed into the first week of July.

- Net patient accounts receivable decreased in June by $102,535 compared to a decrease of $264,110 in May. Day's in outstanding receivables increased slightly to 53.8 as compared to 53.5 in May. This slight increase in day's outstanding receivable at month end was the result of a decrease in the three month rolling average of revenue per day that declined to $828,250 as of June 30th as compared to $831,136 at May 31st. Had these amounts remained consistent from period to period the day's receivables outstanding would have remained at 53.5 as the gross receivable remained at $44.5 million.

- Estimated third party-payer settlements decreased by $211,154 as the result of the receipt of AB 915 funds for FY 2008 of $221,239 offset by the accrual of $10,085 for the Medi-Cal Supplemental payment due from the State of California for the AB 915 program for FY 2009.

- Other assets increased by $5,645,150 in June and were primarily the result of the accrual of the 2009 / 2010 parcel tax revenues ($5,724,000) offset by the monthly amortization of $64,930 in additional self insured workers compensation insurance costs and monthly amortization of various prepaid expenses.

- Jaber funds of $112,864 were transferred in June to offset the cost of medical equipment purchased during FY 2009 in accordance with the terms of the trust agreement.

- Total liabilities increased by $4,834,626 compared to a decrease of $679,952 in the prior month. This increase was the result of an increase in other liabilities of $5,297,454 and accounts payable and accrued liabilities of $148,358 offset by a decrease of $530,189 in payroll and benefit related accruals and $81,008 in payments of long-term debt.

- Accounts payable increased by $148,358 from the prior month. As a result of this increase days in accounts payable increased to 81.0 from 78.1 as of May 31, 2009.

- Payroll and benefit related accruals decreased by $530,189 from the prior month. This decrease was the result of the elimination of excess health claims payables ($234,241) that had been accrued during the course of fiscal year 2009 and the timing difference related to the actual payment of payroll taxes due ($401,678) at the end of May. These decreases in accrued payroll and benefit related accruals were offset by $131,654 in accrued payroll.

- Other liabilities increased by $5,297,454 as a result of the accrual of the 2009 / 2010 parcel tax revenues of $5,724,000 offset by the amortization of one month's deferred revenue related to the 2008/2009 parcel tax revenues.

- Long-term debt, including the current portion declined by $81,008 in June. This decrease was the result of payments on our note payable to the Bank of Alameda and various capital lease obligations.

- Combined gross patient revenue was greater than budget by $2,249,000 or 9.6%. Inpatient revenue, excluding South Shore, was greater than budgeted by 10.5% and outpatient revenue, excluding South Shore, was greater than budgeted by 7.4%. On an adjusted patient day basis gross patient revenue, excluding South Shore, was $6,928 compared to a budgeted amount of $6,719 or a 3.1% favorable variance. When South Shore is included, the hospital was 8.0% favorable to budget on an adjusted patient day basis.

- Total patient days were 2,727 and included 694 patient days from the South Shore facility as compared to the prior month's total patient days of 2,717 (687 South Shore days included) and the prior year's 1,861 total patient days. The average daily acute care census was 34.8 compared to a budget of 28.5 and an actual average daily census of 33.2 in the prior month; the average daily Sub-Acute census was 33.0 versus a budget of 34.7 and 32.3 in the prior month and the South Shore unit had an average daily census of 23.1 versus a budget of 25.0 and prior month census of 22.2, respectively.

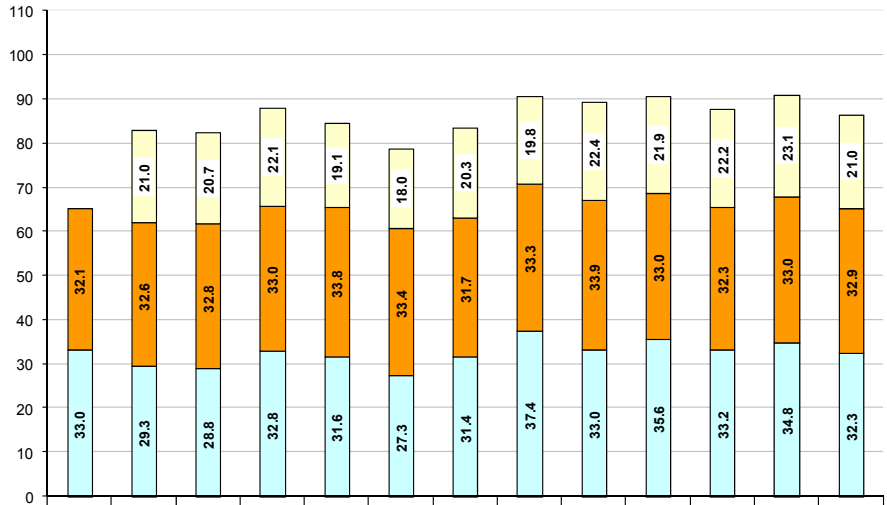
- ER visits were 1,527 or 0.3% greater than the budgeted 1,523 visits and were slightly greater than the prior year's visits of 1,519.

- Total surgery cases were 21.5% greater than budget, with Kaiser surgical cases making up 67.0% of the 560 total cases. Alameda physician surgical cases increased to 185 cases as compared to 158 cases in May.

- Combined excess revenues over expense (profit) for June was $88,000 versus a combined budgeted excess of revenues over expense (profit) of $61,000. This brings the year-to-date excess of revenues over expenses (profit) to $419,000 or $143,000 better than budgeted.

Volumes

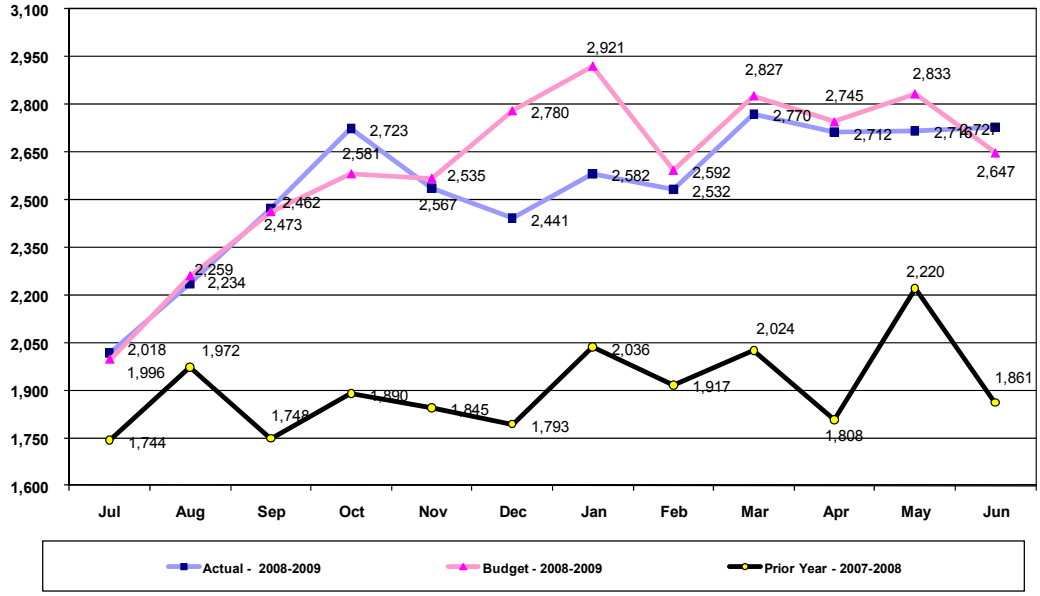
Overall actual daily census was 90.9 versus a budget of 88.2. The Acute care average daily census was 34.8 versus a budget of 28.5, Sub-Acute average daily census was 33.0 versus a budget of 34.7 and the South Shore unit had an average daily census of 23.1 versus a budget of 25.0.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
Actual SNF		21.0	20.7	22.1	19.1	18.0	20.3	19.8	22.4	21.9	22.2	23.1	21.0
Actual Sub-Acute	32.1	32.6	32.8	33.0	33.8	33.4	31.7	33.3	33.9	33.0	32.3	33.0	32.9
Actual Acute	33.0	29.3	28.8	32.8	31.6	27.3	31.4	37.4	33.0	35.6	33.2	34.8	32.3

Total patient days in June were 3.0% less than budgeted and were 9.2% greater than the prior year after removing the South Shore patient days from the current year total patient day count. The graph below shows the total patient days by month for fiscal year 2009 including South Shore:

Total Patient Days

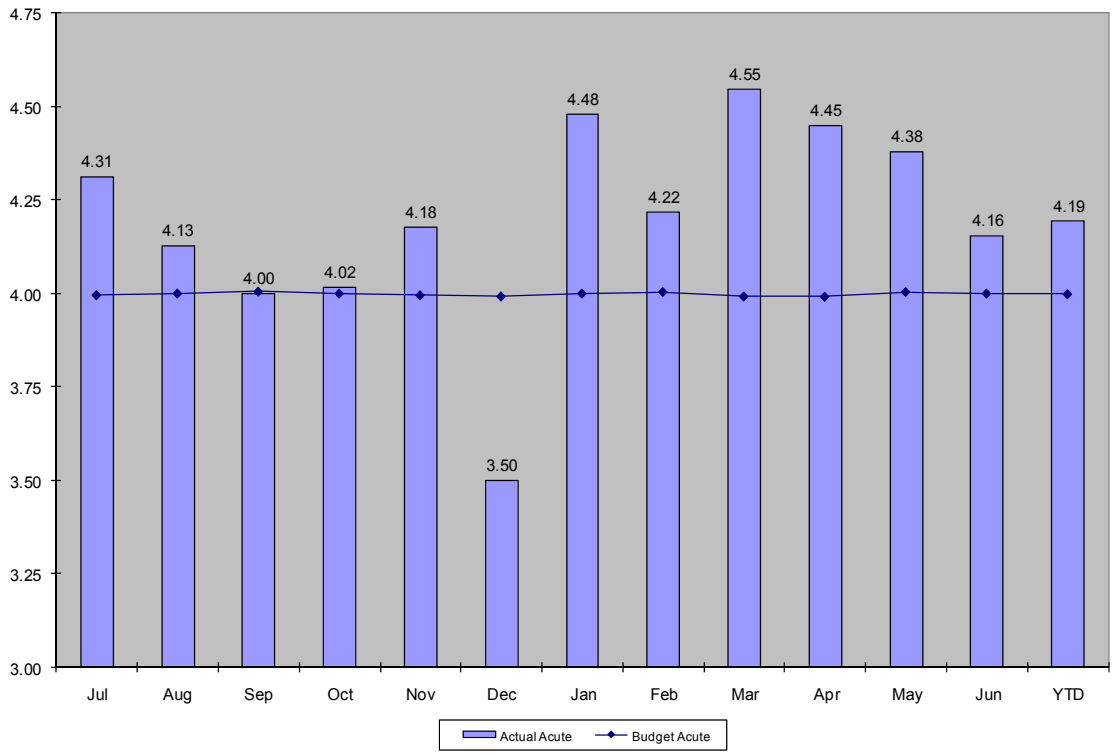


Separating the inpatient components of our volumes for the month of June we see that the acute care patient days were 21.8% (187 days) greater than budgeted and were 14.5% greater than the prior year's average daily census.

Inpatient Acute Care Average Daily Census

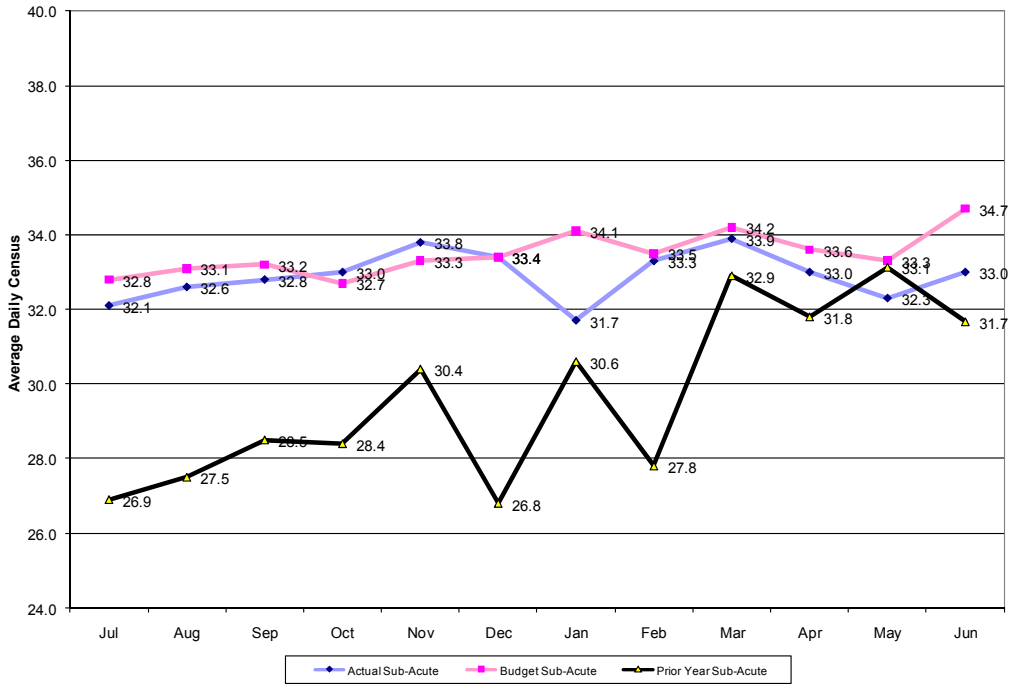
Our average length of stay (ALOS) remains slightly higher than budgeted levels at 4.16 and 4.19 for the month of June and for fiscal year 2009, respectively. However, this level is actually comparable to the ALOS in fiscal years 2006 and 2007. During the last six months of fiscal year 2009 our ALOS has been influenced by thirty-eight (38) acute care accounts that length of stays that exceeded fifteen (15) days. Had these accounts (three in June, four in May, eight in April, eight in March, eight in February and three in January) been removed from the statistics for those months the ALOS would have approximated 3.98, 4.14, 4.10, 4.02, 3.43 and 3.84, respectively, versus the ALOS for our acute care population shown below.

Average Length of Stay



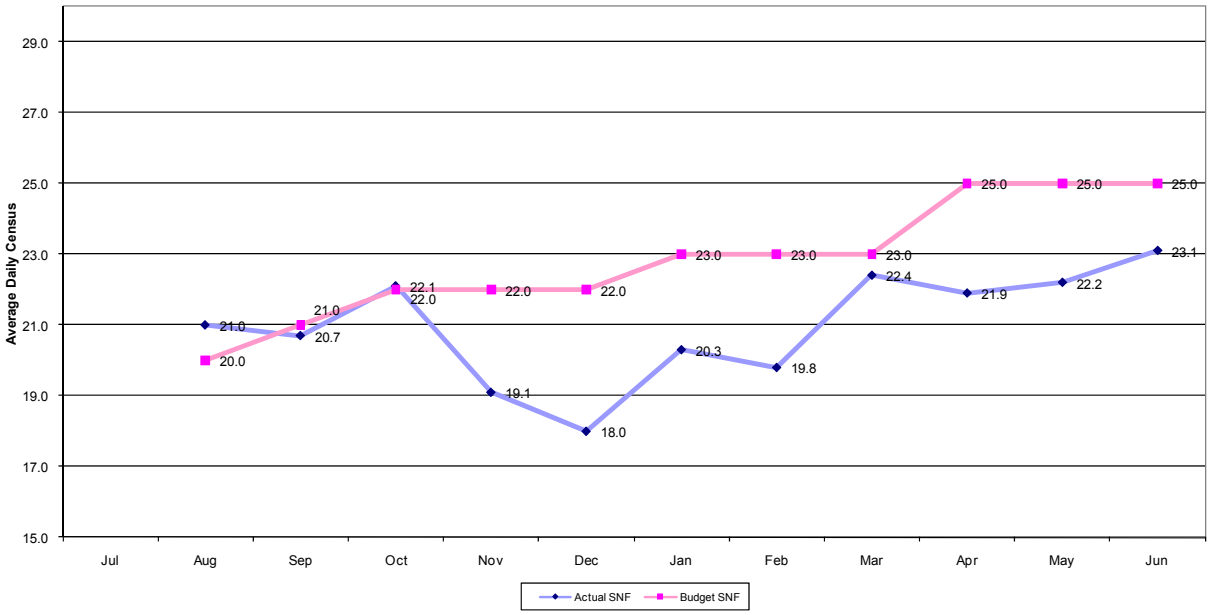
The Sub-Acute programs patient days were 4.9% below budget or 51 days. We have a new sub-acute director who came on board in July who is working very aggressively to fill these beds to previous levels and is expected to have the program back up to levels that we had been experienced previously. The graph on the following page 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

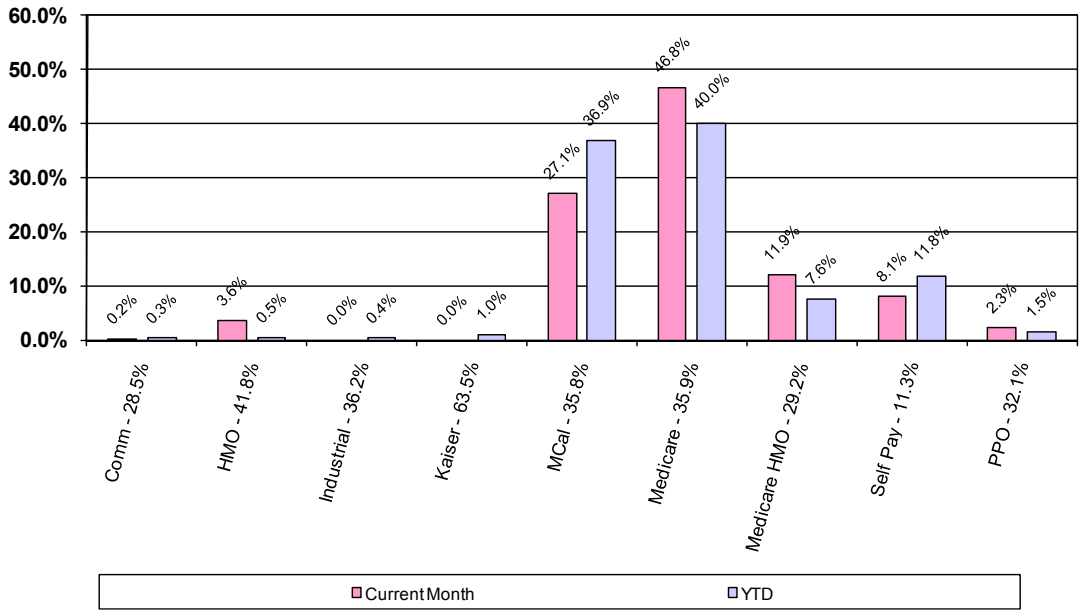


The Skilled Nursing Unit (South Shore) patient days were 7.5% less than budgeted for the month of June and are 8.7% less than budgeted for the 2009 fiscal year. The following graphs show the Skilled Nursing Unit average daily census as compared to budget by month and the payor mix experienced during the current month and year-to-date.

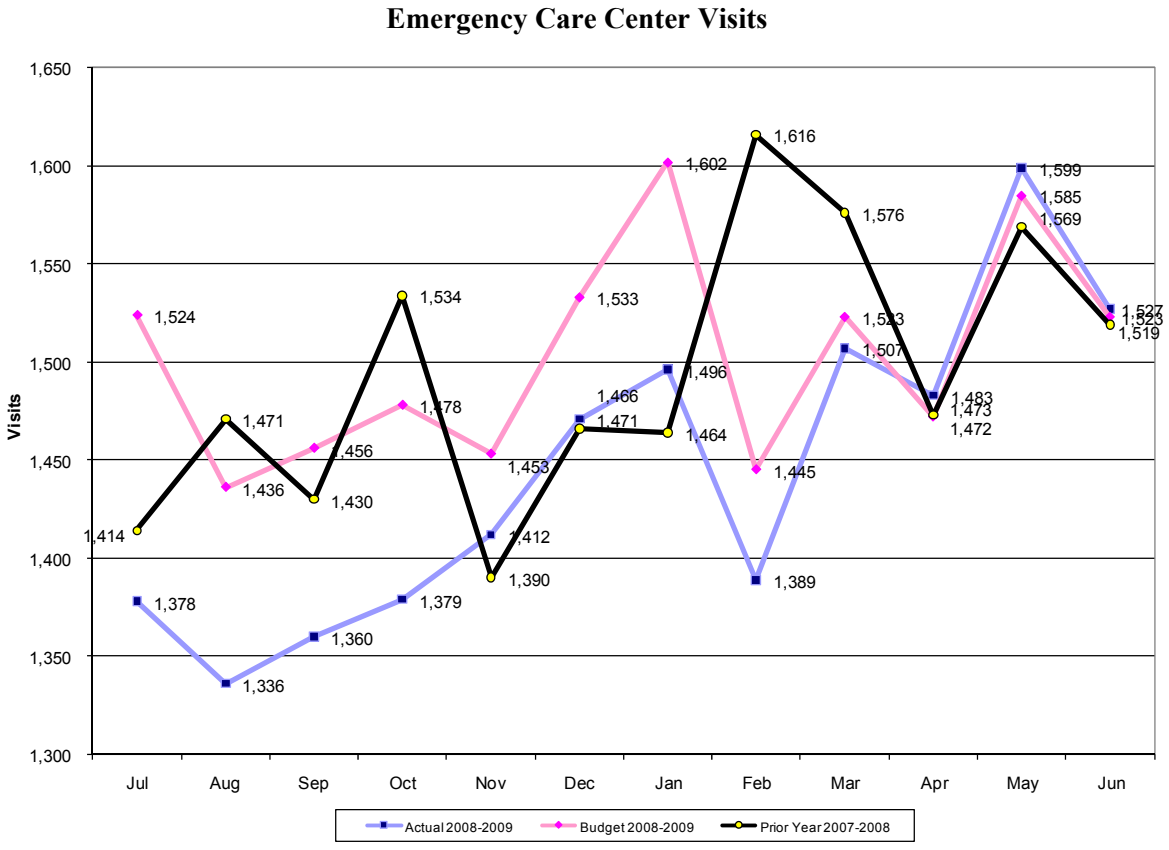
Skilled Nursing Unit Average Daily Census



Skilled Nursing Unit Payor Mix

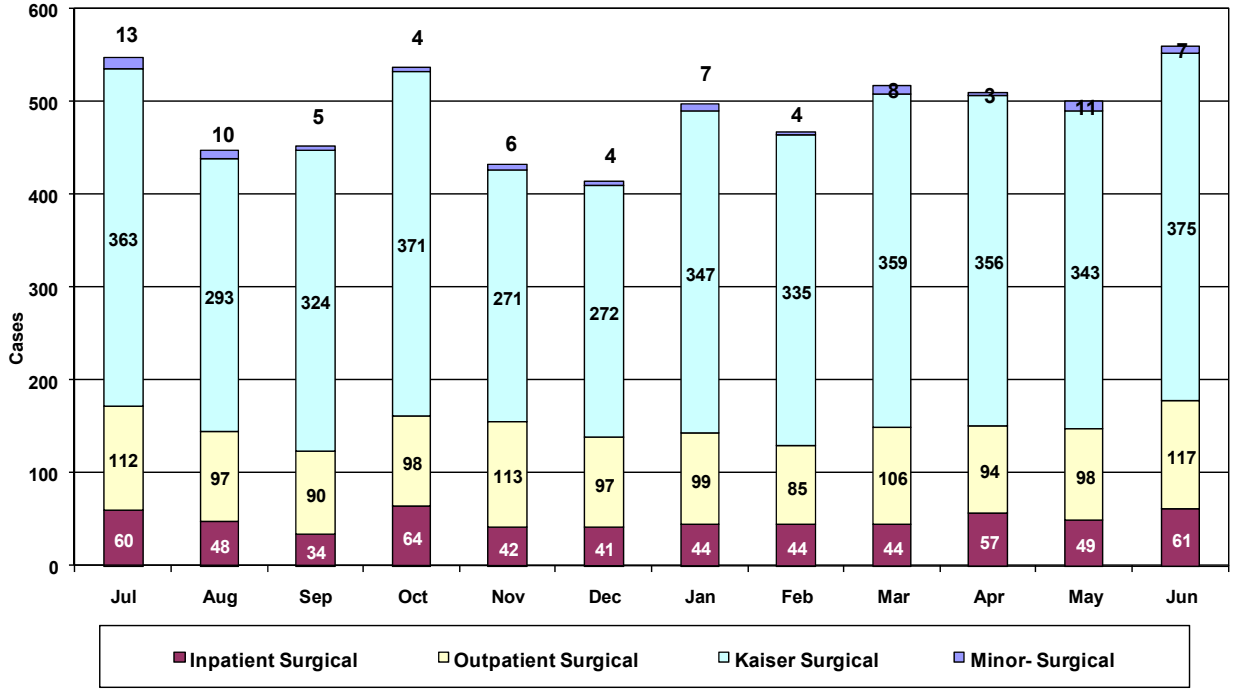


June ER visits were slightly greater than budgeted for the month and prior year at 0.3% and 0.5%, respectively.



Surgery cases were 560 versus the 461 budgeted and 519 in the prior year. In June, Alameda physician cases increased to 185 cases versus 158 in the prior month. Kaiser related cases in June increased to 375 as compared to the 343 cases performed in May. However, despite this increase in the number of cases, Kaiser Same Day Surgery revenue decreased by $47,111 from the prior month. As a result of this month's activity our reimbursement for Kaiser Outpatient cases in June increased to 18.2% as compared to 18.0% of gross charges in May.

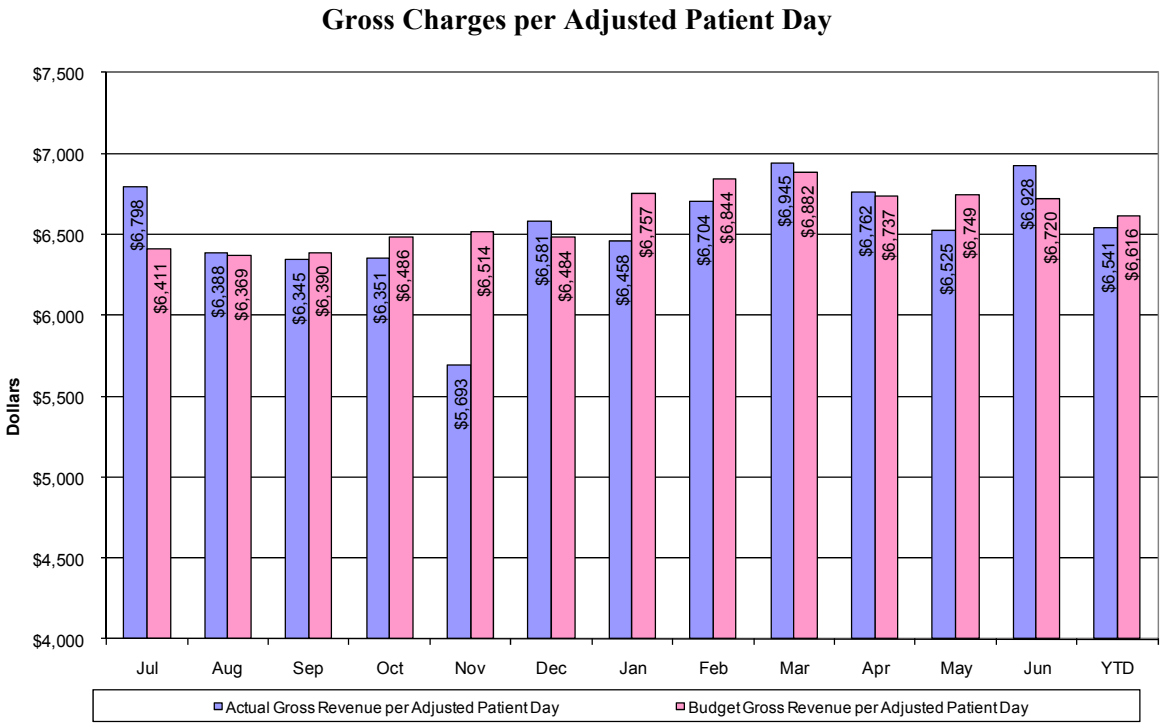
Surgical Cases



Income Statement – Hospital Only

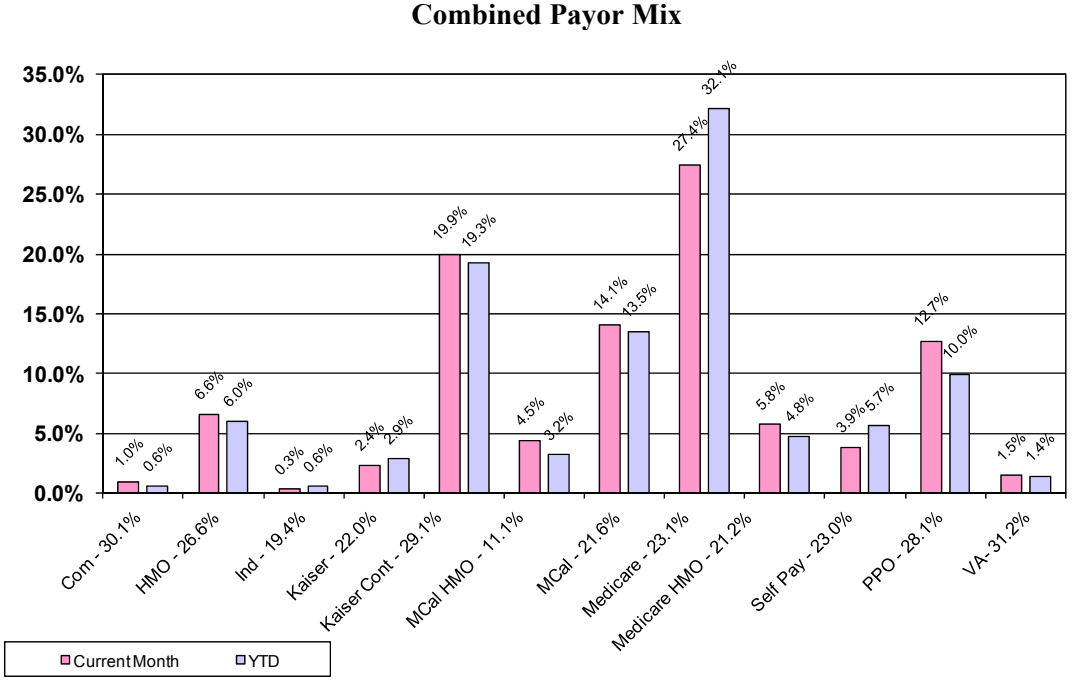
Gross Patient Charges

Gross patient charges in June were greater than budgeted by $2,100,000. This favorable variance was comprised of favorable variances of $1,339,000 and $761,000 in inpatient and outpatient revenues respectively. On an adjusted patient day basis total patient revenue was $6,928 versus the budgeted $6,719 or a 3.1% favorable variance from budget for the month of June (See graph on next page).



Payor Mix

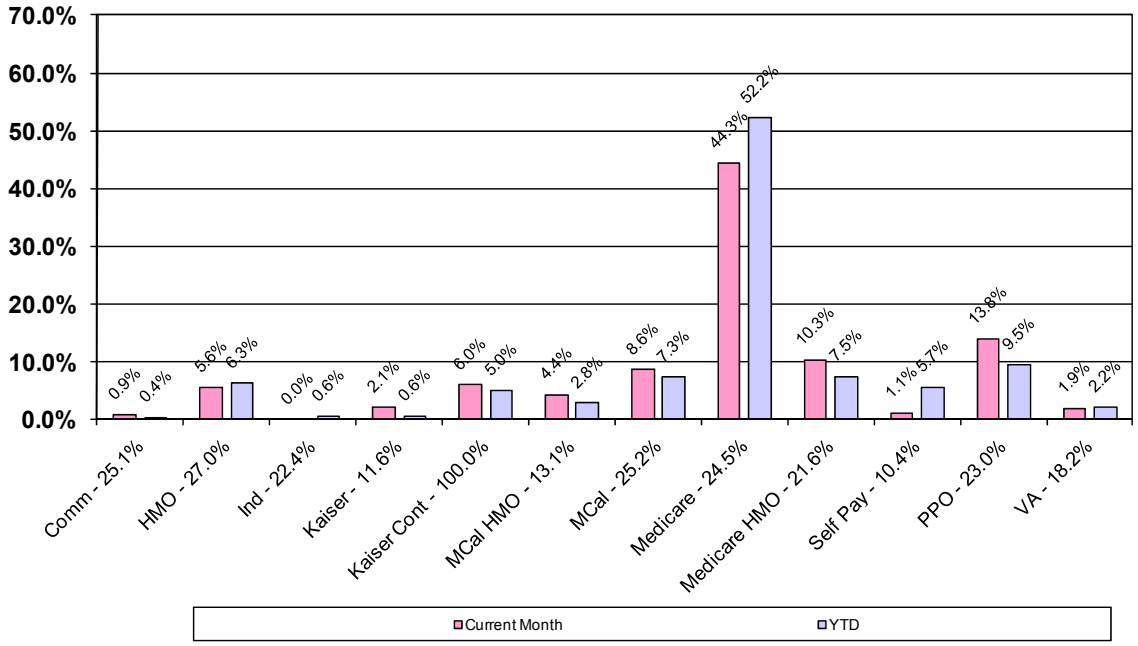
Medicare total gross revenue in June made up 27.4% our total gross patient charges down from 33.5% in the prior month. Kaiser was again the second largest source of gross patient revenues at 22.3%. Helping the bottom line performance in June was a significant increase in HMO / PPO volume which saw charges for this category increase to 19.3% which is approximately 3.3% higher than the year-to-date average. The graph below shows the percentage of revenues generated by each of the major payors for the current month and year-to-date as well as the current months expected reimbursement for each.



On the Hospital's inpatient acute care business, current month gross Medicare charges were 44.3% of our total

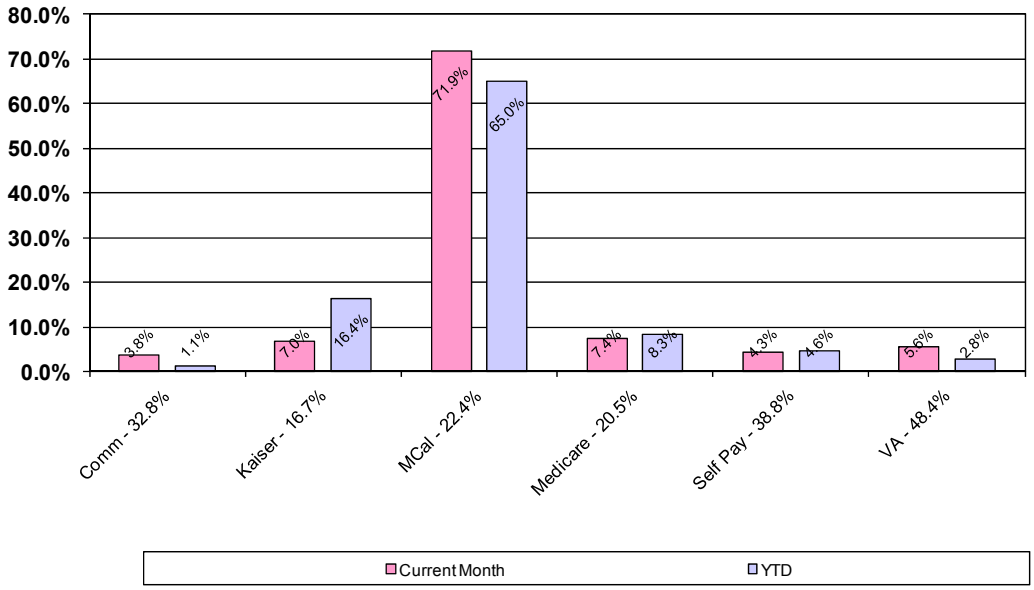
inpatient acute care gross revenues bringing the year-to-date average to 52.2%. In June there were two cases that hit outlier thresholds. Additionally, the Medicare Case Mix Index (CMI) declined to 1.2010 from 1.3206 in May. Despite these changes to the acuity level of Medicare patients treated during the month of June our expected reimbursement for Medicare inpatient cases was estimated to increase slightly from May's estimate of 22.6% to 24.5% in June.

Inpatient Acute Care Payor Mix



In June the Sub-Acute care program was again was dominated by Medi-Cal utilization of 71.9% bringing the year-to-date utilization to 65.0% based on gross patient revenue.

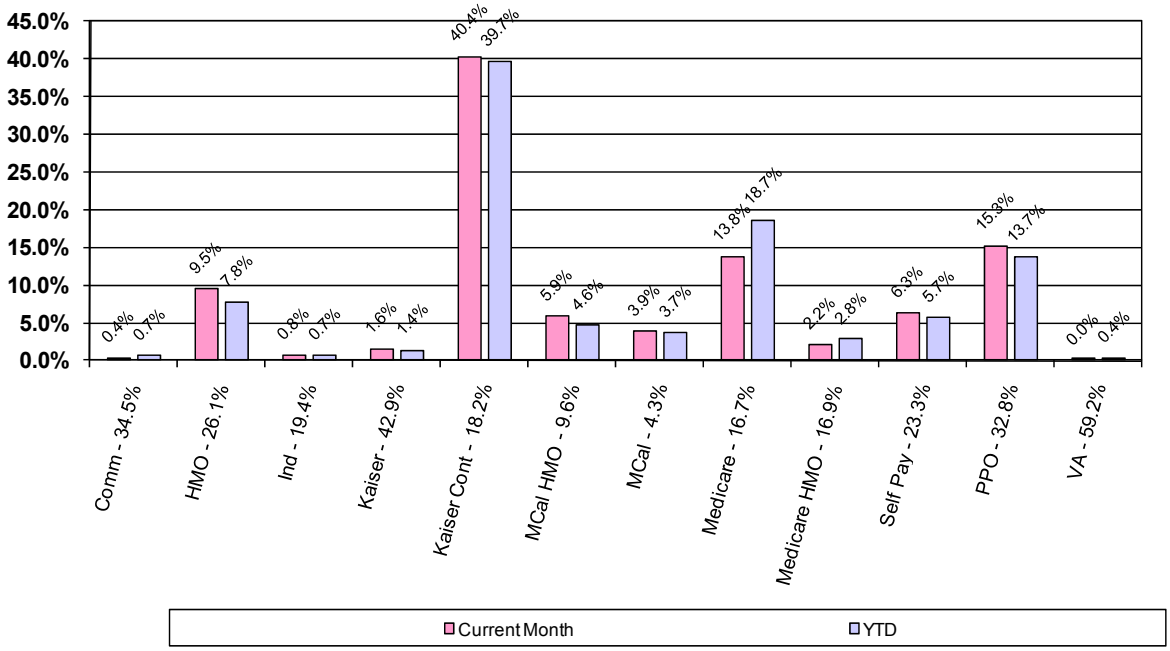
Inpatient Sub-Acute Care Payor Mix



The outpatient gross revenue payor mix for June was comprised of 42.0% Kaiser, 13.8% Medicare, 15.3% PPO

and 9.5% HMO. For the twelve months ended June 30, 2009 the mix has remained very consistent from with the majority continuing to be driven by Kaiser at 41.1% followed by Medicare, 18.7%, PPO 13.7% and HMO 7.8%. The graph below shows the current month and year-to-date outpatient payor mix.

Outpatient Services Payor Mix

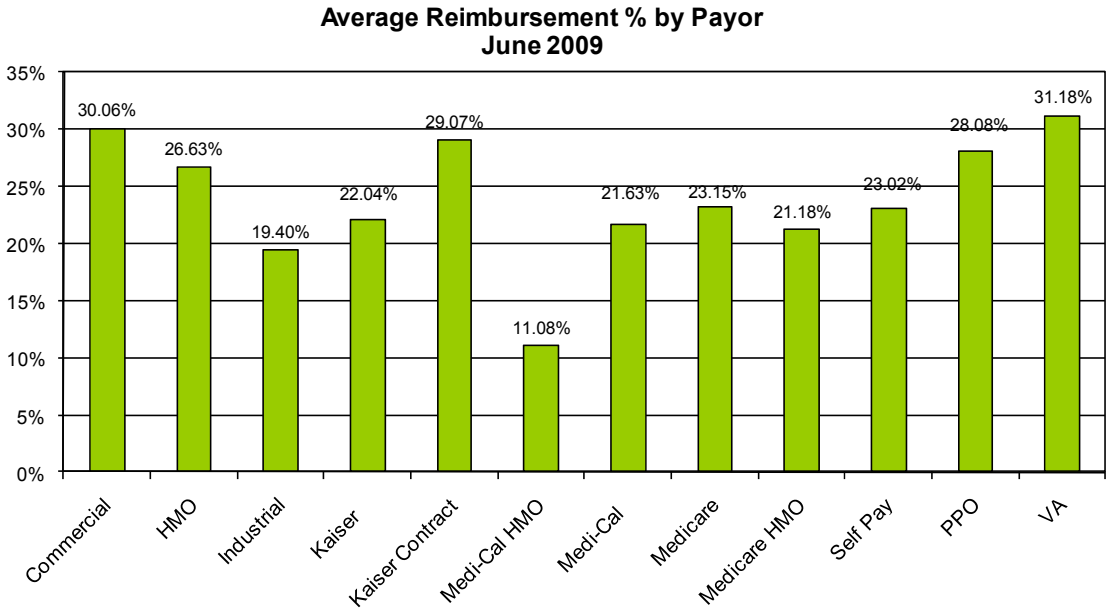


Deductions from Revenue

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 June contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 79.1% versus the budgeted 78.3%.

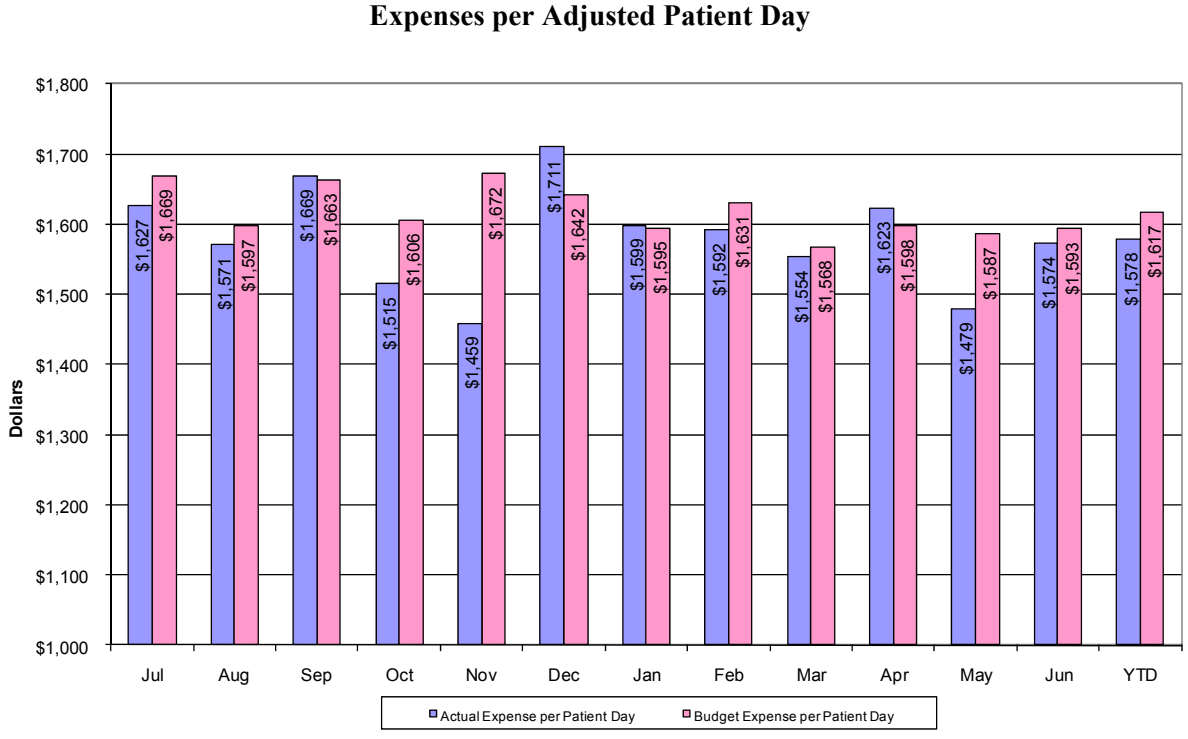
Net Patient Service Revenue

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. The graph on the following page shows the level of reimbursement that the Hospital has estimated for the current month of fiscal year 2009 by major payor category.



Total Operating Expenses

Total operating expenses were greater than the fixed budget by $248,000 or 4.5%. However, on an adjusted patient day basis, our cost per adjusted patient day was $1,574 which is $19 per adjusted patient day lower than budgeted. On a year to date basis our cost per adjusted patient day remains 2.3% better than budgeted. The following graph shows the hospital operating expenses on an adjusted patient day basis for the 2009 fiscal year by month and is followed by explanations of the significant areas of variance that were experienced in the current month.

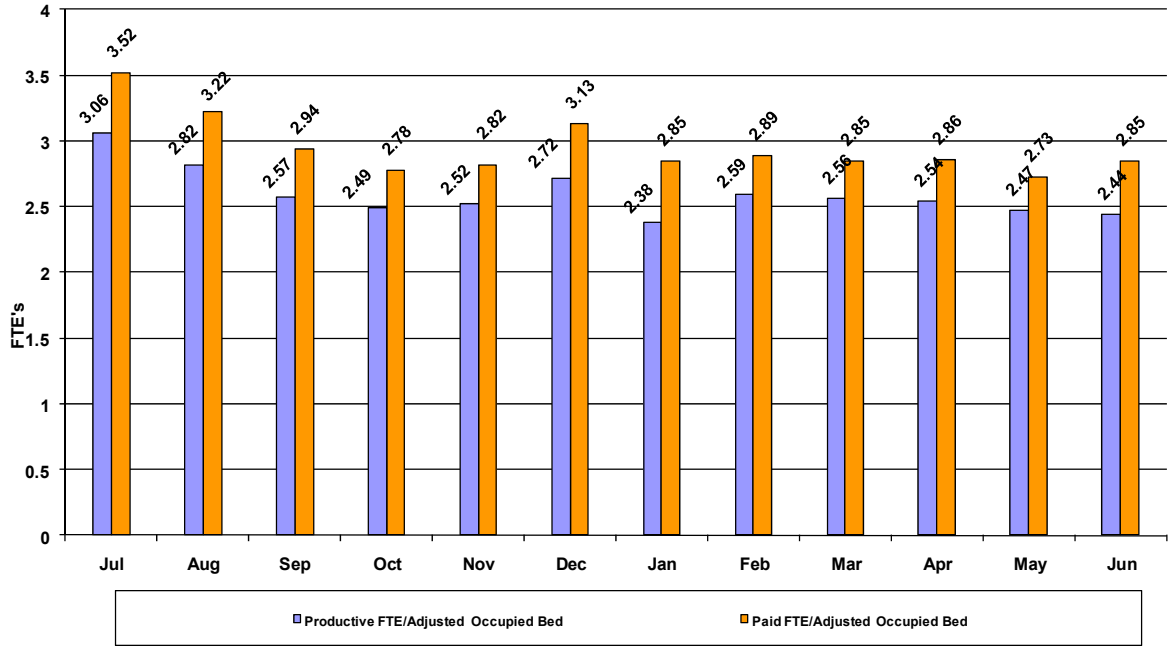


Salary and Registry Expenses

Salary and registry costs combined were unfavorable to the fixed budget by $405,000 and were $65 per adjusted patient day unfavorable to budget in June. As a result of the unfavorable variance in June the hospital ended the year $430 unfavorable to the fixed budget for the twelve months ending June 30, 2009. However, on an adjusted patient day basis the hospital continues to have a favorable variance in this category of $9 per adjusted patient day.

Combined productive FTE's per adjusted occupied bed was 2.44 in June versus the budgeted 2.30. For the twelve months of fiscal year 2009 productive FTE's per adjusted occupied bed is slightly higher than the budgeted 2.49 at 2.58. The graph below shows the combined (Hospital including South Shore) productive and paid FTE's per adjusted occupied bed for FY 2009.

FTE's per Adjusted Occupied Bed

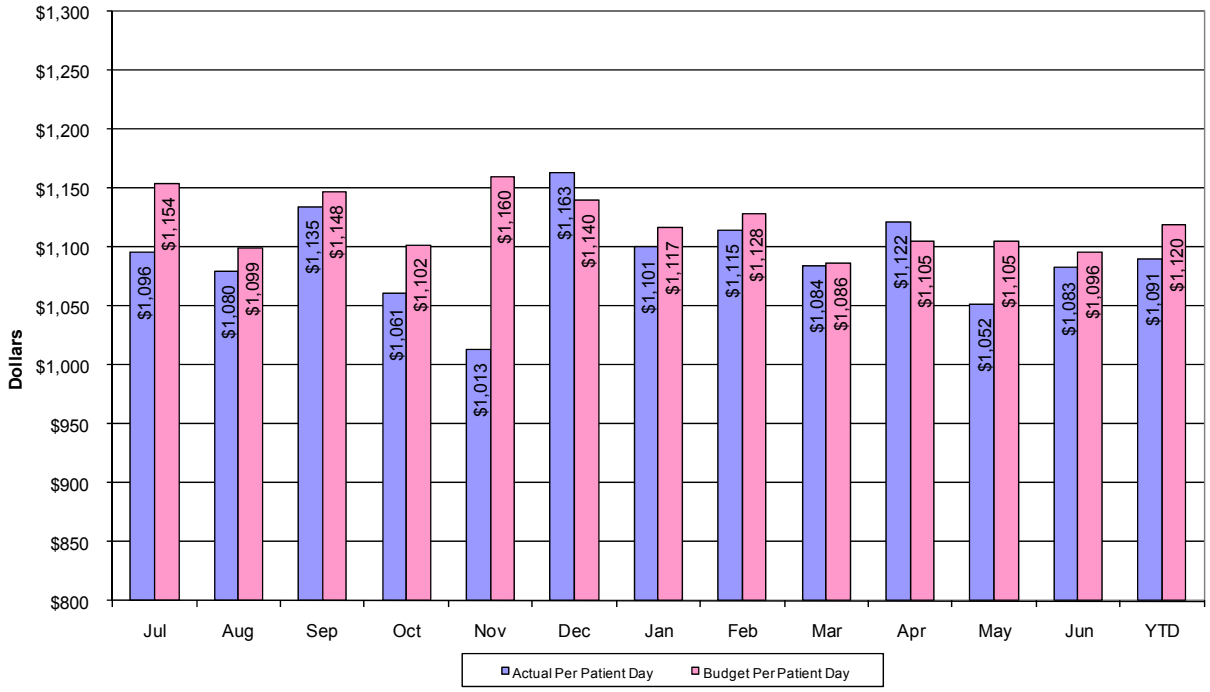


Benefits

Benefit costs were $78,000 favorable to budget in June as a result of the reduction of accrued health insurance claims that were accrued earlier in the fiscal year of approximately $234,000 offset by an increase of $50,000 for the year end IBNR reserve of $748,000. It is worth noting that this year's IBNR ended some $91,000 lower than the prior fiscal year. This net favorable adjustment was offset by the accrual of $64,000 of additional costs associated with the 2004 through 2008 self insured workers compensation program.

The graph 0n the following page shows the combined salary, registry and benefit costs on an adjusted patient basis for FY 2009 by month and for the twelve months ended June 30, 2009.

Salary, Registry and Benefit Cost per APD



Supplies
The supplies expense category was unfavorable to budget by $48,000. This unfavorable variance from the fixed budget was primarily the result of increased patient care supply costs in June that was the result of the higher than anticipated census.

Purchased Services
The purchased services expense category was unfavorable to budget by $51,000 as a result several factors with largest being the current period services provided by Triage Consulting who is working previously closed out patient accounts receivable to collect additional payments from various managed care accounts. In June their invoice was for $21,000. To date they have collected $213,000 in amounts that were actually due the hospital under the terms of our contract. Other items include the services provided by NCR Picker for the employee satisfaction survey ($9,150), Wide Angel Communications ($6,501) for the physician postcard mailings and the monthly fee to MedAssets for the Alliance Decision Support application hosting ($4,265)

Rents and Leases
The rents and leases category exceeded budget by $14,000 in June and was the result of additional building rent at the Alameda Town Centre for the Community Clinic ($6,562) and equipment rentals for ventilators and lab equipment totaling $7,540 and the duplication of a Pyxis invoice ($6,042) that was caught after the financials were finalized.

Insurance
Insurance costs continue to be under budget as result of the favorable experience in our professional liability insurance program. For FY 2009 there was a savings of approximately 25% achieved in professional liability insurance rates over that of the prior year due to improved loss experience.

The following pages include the detailed financial statements for the month and twelve months ended June 30, 2009.

ALAMEDA HOSPITAL
Balance Sheet
June 30, 2009

	June 30, 2009	May 31, 2009	Audited June 30, 2008
Assets			
Current assets:			
Cash and cash equivalents	$ 1,874,626	$ 2,176,668	$ 4,520,156
Net Accounts Receivable	10,407,951	10,510,486	7,944,522
Net Accounts Receivable %	22.92%	23.52%	20.17%
Inventories	1,023,664	1,023,287	1,048,503
Est.Third-party payer settlement receivable	205,340	416,494	245,115
Other assets	7,275,686	1,630,536	7,270,116
Total Current Assets	20,787,265	15,757,471	21,028,412
Restricted by contributors and grantors for capital acquisitions and research-Jaber Estate	468,209	581,073	602,817
Total Non-Current Assets	468,209	581,073	602,817
Fixed Assets:			
Land	877,945	877,945	877,945
Depreciable capital assets, net of accumulated depreciation	6,029,811	5,983,631	6,572,299
Total fixed assets, net of accumulated depreciation	6,907,756	6,861,576	7,450,244
Total Assets	$ 28,163,230	$ 23,200,120	$ 29,081,473
Liabilities and Net Assets			
Current Liabilities:			
Current portion of long term debt	$ 436,733	$ 450,304	$ 2,744,870
Accounts payable and accrued expenses	6,251,009	6,102,651	7,057,073
Payroll and benefit related accruals	3,775,678	4,305,867	3,133,574
Est.Third-party payer settlement payable	502,229	502,229	441,409
Other liabilities	7,382,102	2,084,648	8,190,530
Total Current Liabilities	18,347,752	13,445,699	21,567,456
Long-Term Liabilities:			
Debt borrowings net of current maturities	1,733,631	1,801,068	80,992
Total Long-Term Liabilities	1,733,631	1,801,068	80,992
Total Liabilities	20,081,383	15,246,767	21,648,448
Net Assets			
Unrestricted Funds	7,459,899	7,372,280	6,830,209
Restricted Funds	621,948	581,073	602,817
Net Assets	8,081,847	7,953,353	7,433,025
Total Liabilities and Net Assets	$ 28,163,230	$ 23,200,120	$ 29,081,473

City of Alameda Health Care District

Statements of Operations - Combined

June 30, 2009

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 14,684	$ 13,195	$ 1,489	11.3%	$ 12,583	$ 160,901	$ 162,580	$ (1,678)	-1.0%	$ 159,412
Gross Outpatient Revenues	11,104	10,344	761	7.4%	9,793	121,868	116,238	5,630	4.8%	90,816
Total Gross Revenues	25,788	23,539	2,249	9.6%	22,376	282,769	278,818	3,951	1.4%	250,228
Contractual Deductions	19,556	17,622	(1,934)	-11.0%	16,593	211,027	207,864	(3,163)	-1.5%	186,964
Bad Debts	622	560	(62)	-11.1%	853	7,564	6,722	(842)	-12.5%	6,080
Charity and Other Adjustments	152	137	(15)	-11.1%	70	1,117	1,065	(52)	-4.9%	1,187
Net Patient Revenues	5,458	5,220	238	4.6%	4,860	63,061	63,168	(106)	-0.2%	55,996
Net Patient Revenue %	21.2%	22.2%			21.7%	22.3%	22.7%			22.4%
Other Operating Revenue	33	10	23	230.5%	11	195	120	75	61.9%	123
Total Revenues	**5,492**	**5,231**	**261**	5.0%	**4,871**	**63,256**	**63,288**	**(32)**	-0.1%	**56,119**
Expenses										
Salaries	3,195	2,931	(264)	-9.0%	2,526	35,026	36,011	985	2.7%	32,056
Registry	266	114	(151)	-132.1%	160	2,686	1,397	(1,289)	-92.3%	1,762
Benefits	623	876	253	28.9%	696	9,847	10,596	749	7.1%	9,753
Professional Fees	284	282	(1)	-0.4%	544	3,537	3,388	(149)	-4.4%	4,030
Supplies	797	751	(46)	-6.1%	576	9,106	9,024	(82)	-0.9%	8,483
Purchased Services	399	345	(54)	-15.6%	360	4,132	4,141	9	0.2%	3,652
Rents and Leases	68	55	(13)	-24.3%	55	720	647	(72)	-11.2%	581
Utilities and Telephone	66	73	8	10.7%	84	841	889	48	5.4%	866
Insurance	35	59	24	41.1%	60	533	740	206	27.9%	720
Depreciation and amortization	95	113	18	16.2%	53	1,407	1,360	(47)	-3.4%	1,701
Other Opertaing Expenses	63	66	4	5.5%	182	890	797	(93)	-11.6%	862
Total Expenses	**5,890**	**5,667**	**(223)**	-3.9%	**5,296**	**68,724**	**68,989**	**265**	0.4%	**64,466**
Operating gain (loss)	**(399)**	**(437)**	**38**	8.7%	**(425)**	**(5,467)**	**(5,701)**	**234**	-4.1%	**(8,347)**
Net Non-Operating Income / (Expense)	**487**	**498**	**(11)**	**-2.3%**	**499**	**5,886**	**5,977**	**(91)**	**-1.5%**	**5,992**
Excess of Revenues Over Expenses	**$ 88**	**$ 61**	**$ 27**	**43.3%**	**$ 74**	**$ 419**	**$ 276**	**$ 143**	**51.8%**	**$ (2,355)**

City of Alameda Health Care District

Statements of Operations - Hospital Only

June 30, 2009

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 14,086	$ 12,746	$ 1,339	10.5%	$ 12,583	$ 155,760	$ 158,195	$ (2,435)	-1.5%	$ 159,412
Gross Outpatient Revenues	11,104	10,344	761	7.4%	9,793	121,868	116,238	5,630	4.8%	90,816
Total Gross Revenues	25,190	23,090	2,100	9.1%	22,376	277,627	274,433	3,194	1.2%	250,228
Contractual Deductions	19,155	17,394	(1,762)	-10.1%	16,593	207,865	205,639	(2,226)	-1.1%	186,964
Bad Debts	622	560	(62)	-11.1%	853	7,564	6,722	(842)	-12.5%	6,080
Charity and Other Adjustments	152	137	(15)	-11.1%	70	1,117	1,065	(52)	-4.9%	1,187
Net Patient Revenues	5,260	4,999	261	5.2%	4,860	61,081	61,007	74	0.1%	55,996
Net Patient Revenue %	20.9%	21.7%			21.7%	22.0%	22.2%			22.4%
Other Operating Revenue	33	10	23	230.5%	11	195	120	75	61.9%	123
Total Revenues	**5,293**	**5,009**	**284**	5.7%	**4,871**	**61,276**	**61,128**	**148**	0.2%	**56,119**
Expenses										
Salaries	3,064	2,810	(254)	-9.0%	2,526	33,935	34,794	859	2.5%	32,056
Registry	266	114	(151)	-132.1%	160	2,686	1,397	(1,289)	-92.3%	1,762
Benefits	607	842	235	28.0%	696	9,673	10,246	573	5.6%	9,753
Professional Fees	276	269	(7)	-2.6%	544	3,345	3,228	(117)	-3.6%	4,030
Supplies	789	741	(48)	-6.5%	576	8,983	8,919	(63)	-0.7%	8,483
Purchased Services	395	344	(51)	-14.9%	360	4,043	4,126	82	2.0%	3,652
Rents and Leases	61	47	(14)	-29.3%	55	635	566	(69)	-12.1%	581
Utilities and Telephone	76	71	(5)	-7.7%	84	821	862	41	4.8%	866
Insurance	39	58	19	33.4%	60	531	731	200	27.3%	720
Depreciation and Amortization	87	112	25	22.4%	53	1,392	1,349	(43)	-3.2%	1,701
Other Operating Expenses	63	65	2	3.5%	182	872	785	(87)	-11.1%	862
Total Expenses	**5,723**	**5,475**	**(248)**	-4.5%	**5,296**	**66,916**	**67,004**	**88**	0.1%	**64,466**
Operating Gain / (Loss)	**(430)**	**(466)**	**36**	7.7%	**(425)**	**(5,640)**	**(5,876)**	**236**	-4.0%	**(8,347)**
Net Non-Operating Income / (Expense)	**487**	**498**	**(11)**	**-2.3%**	**499**	**5,886**	**5,977**	**(91)**	**-1.5%**	**5,992**
Excess of Revenues Over Expenses	**$ 57**	**$ 33**	**$ 25**	75.3%	**$ 74**	**$ 246**	**$ 101**	**$ 145**	143.8%	**$ (2,355)**

City of Alameda Health Care District

Statements of Operations - South Shore

June 30, 2009

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 598	$ 449	$ 149	33.3%	$ -	$ 5,142	$ 4,385	$ 757	17.3%	$ -
Gross Outpatient Revenues	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Gross Revenues	598	449	149	33.3%	-	5,142	4,385	757	17.3%	-
Contractual Deductions	400	228	(172)	-75.7%	-	3,161	2,224	(937)	-42.1%	-
Bad Debts	-	-	-	0.0%	-	-	-	-	0.0%	-
Charity and Other Adjustments	-	-	-	0.0%	-	-	-	-	0.0%	-
Net Patient Revenues	198	221	(23)	-10.4%	-	1,980	2,160	(180)	-8.3%	-
Net Patient Revenue %	33.1%	49.3%			0.0%	38.5%	49.3%			0.0%
Other Operating Revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Revenues	**198**	**222**	**(23)**	-10.5%	**-**	**1,981**	**2,161**	**(180)**	-8.3%	**-**
Expenses										
Salaries	131	121	(10)	-8.7%	-	1,091	1,217	126	10.4%	-
Registry	-	-	-	0.0%	-	-	-	-	0.0%	-
Benefits	16	34	17	51.2%	-	174	350	176	50.4%	-
Professional Fees	8	13	6	42.7%	-	191	159	(32)	-20.1%	-
Supplies	8	10	2	19.4%	-	124	105	(19)	-18.1%	-
Purchased Services	4	1	(3)	-182.8%	-	89	16	(74)	-475.3%	-
Rents and Leases	7	8	0	6.0%	-	85	81	(4)	-4.5%	-
Utilities and Telephone	(11)	3	13	522.9%	-	20	27	7	25.1%	-
Insurance	(4)	1	5	570.2%	-	2	9	6	72.1%	-
Depreciation and amortization	8	1	(7)	-675.9%	-	14	11	(4)	-36.8%	-
Other Operating Expenses	(0)	1	1	122.1%	-	17	12	(6)	-48.0%	-
Total Expenses	**167**	**192**	**25**	13.0%	**-**	**1,808**	**1,986**	**178**	9.0%	**-**
Opertaing Gain / (Loss)	**31**	**29**	**2**	-6.3%	**-**	**173**	**175**	**(2)**	-1.4%	**-**
Net Non-Operating Income / (Expense)	-	-	-	**0.0%**	-	-	-	-	**0.0%**	-
Excess of Revenues Over Expenses	**$ 31**	**$ 29**	**$ 2**	6.3%	**$ -**	**$ 173**	**$ 175**	**$ (2)**	-1.4%	**$ -**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day - Combined

June 30, 2009

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 3,066	$ 2,795	$ 272	9.7%	$ 3,802	$ 3,006	$ 3,038	$ (32)	-1.1%	$ 4,476
Gross Outpatient Revenues	2,319	2,191	128	5.8%	2,959	2,276	2,172	105	4.8%	2,550
Total Gross Revenues	5,385	4,985	400	8.0%	6,761	5,282	5,209	73	1.4%	7,027
Contractual Deductions	4,083	3,732	(351)	-9.4%	5,014	3,942	3,884	(58)	-1.5%	5,250
Bad Debts	130	119	(11)	-9.6%	258	141	126	(16)	-12.5%	171
Charity and Other Adjustments	32	29	(3)	-9.6%	21	21	20	(1)	-4.9%	33
Net Patient Revenues	1,140	1,106	34	3.1%	1,468	1,178	1,180	(2)	-0.2%	1,572
Net Patient Revenue %	21.2%	22.2%			21.7%	22.3%	22.7%			22.4%
Other Operating Revenue	7	2	5	225.8%	3	4	2	1	61.9%	3
Total Revenues	**1,147**	**1,108**	**39**	3.5%	**1,472**	**1,182**	**1,183**	**(1)**	-0.1%	**1,576**
Expenses										
Salaries	667	621	(46)	-7.5%	528	654	673	19	2.8%	900
Registry	55	24	(31)	-128.9%	33	50	26	(24)	-92.2%	49
Benefits	130	185	55	29.9%	145	184	198	14	7.1%	274
Professional Fees	59	60	1	1.0%	164	66	63	(3)	-4.4%	113
Supplies	166	159	(7)	-4.6%	174	170	169	(2)	-0.9%	238
Purchased Services	83	73	(10)	-14.0%	75	77	77	0	0.2%	103
Rents and Leases	14	12	(3)	-22.6%	17	13	12	(1)	-11.1%	16
Utilities and Telephone	14	16	2	11.9%	25	16	17	1	5.4%	24
Insurance	7	13	5	41.9%	18	10	14	4	27.9%	20
Depreciation and Amortization	20	24	4	17.4%	16	26	25	(1)	-3.4%	48
Other Operating Expenses	13	14	1	6.9%	55	17	15	(2)	-11.6%	24
Total Expenses	**1,230**	**1,200**	**(30)**	-2.5%	**1,251**	**1,284**	**1,289**	**5**	0.4%	**1,810**
Operating Gain / (Loss)	**(83)**	**(92)**	**9**	10.0%	**221**	**(102)**	**(106)**	**4**	-4.1%	**(234)**
Net Non-Operating Income / (Expense)	**102**	**105**	**(4)**	**-3.7%**	**151**	**110**	**112**	**(2)**	**-1.5%**	**168**
Excess of Revenues Over Expenses	**$ 19**	**$ 13**	**$ 5**	40.7%	**$ 372**	**$ 8**	**$ 5**	**$ 3**	49.6%	**$ (66)**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day - Hospital Only

June 30, 2009

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 3,874	$ 3,709	$ 165	4.4%	$ 3,802	$ 3,672	$ 3,814	$ (141)	-3.7%	$ 4,476
Gross Outpatient Revenues	3,054	3,010	44	1.5%	2,959	2,873	2,802	71	2.5%	2,550
Total Gross Revenues	6,928	6,719	209	3.1%	6,761	6,546	6,616	(70)	-1.1%	7,027
Contractual Deductions	5,269	5,062	(207)	-4.1%	5,014	4,901	4,958	57	1.1%	5,250
Bad Debts	171	163	(8)	-5.0%	258	178	162	(16)	-10.1%	171
Charity and Other Adjustments	42	40	(2)	-5.0%	21	26	26	(1)	-2.6%	33
Net Patient Revenues	1,447	1,455	(8)	-0.6%	1,468	1,440	1,471	(31)	-2.1%	1,572
Net Patient Revenue %	20.9%	21.7%			21.7%	22.0%	22.2%			22.4%
Other Operating Revenue	9	3	6	212.3%	3	5	3	2	58.3%	3
Total Revenues	**1,456**	**1,458**	**(2)**	-0.1%	**1,472**	**1,445**	**1,474**	**(29)**	-2.0%	**1,576**
Expenses										
Salaries	843	818	(25)	-3.1%	763	800	839	39	4.6%	900
Registry	73	33	(40)	-119.4%	48	63	34	(30)	-88.0%	49
Benefits	167	245	78	31.9%	210	228	247	19	7.7%	274
Professional Fees	76	78	2	3.0%	164	79	78	(1)	-1.3%	113
Supplies	217	216	(1)	-0.6%	174	212	215	3	1.5%	238
Purchased Services	109	100	(9)	-8.6%	109	95	99	4	4.2%	103
Rents and Leases	17	14	(3)	-22.2%	17	15	14	(1)	-9.7%	16
Utilities and Telephone	21	21	(0)	-1.8%	25	19	21	1	6.9%	24
Insurance	11	17	6	37.0%	18	13	18	5	28.9%	20
Depreciation and Amortization	24	33	9	26.6%	16	33	33	(0)	-0.9%	48
Other Operating Expenses	17	19	2	8.8%	55	21	19	(2)	-8.6%	24
Total Expenses	**1,574**	**1,593**	**19**	1.2%	**1,600**	**1,578**	**1,615**	**38**	2.3%	**1,810**
Operating Gain / (Loss)	**(118)**	**(135)**	**17**	12.8%	**(128)**	**(133)**	**(141)**	**9**	-6.1%	**(234)**
Net Non-Operating Income / (Expense)	**134**	**145**	**(11)**	-7.6%	**151**	**139**	**144**	**(5)**	-3.7%	**168**
Excess of Revenues Over Expenses	**$ 16**	**$ 10**	**$ 6**	64.7%	**$ 23**	**$ 6**	**$ 3**	**$ 3**	127.0%	**$ (66)**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day - South Shore

June 30, 2009

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 862	$ 599	$ 264	44.0%	$ -	$ 771	$ 601	$ 171	28.4%	$ -
Gross Outpatient Revenues	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Gross Revenues	862	599	264	44.0%	-	771	601	171	28.4%	-
Contractual Deductions	577	304	(273)	-89.9%	-	474	305	(170)	-55.6%	-
Bad Debts	-	-	-	0.0%	-	-	-	-	0.0%	-
Charity and Other Adjustments	-	-	-	0.0%	-	-	-	-	0.0%	-
Net Patient Revenues	286	295	(9)	-3.2%	-	297	296	1	0.4%	-
Net Patient Revenue %	33.1%	49.3%			0.0%	38.5%	49.3%			0.0%
Other Operating Revenue	-	-	-	0.0%	-	-	-	-	0.0%	-
Total Revenues	**286**	**295**	**(10)**	-3.2%	**-**	**297**	**296**	**1**	0.3%	**-**
Expenses										
Salaries	189	161	(28)	-17.4%	-	164	167	3	1.8%	-
Registry	-	-	-	0.0%	-	-	-	-	0.0%	-
Benefits	24	45	21	47.3%	-	26	48	22	45.7%	-
Professional Fees	11	18	7	38.1%	-	29	22	(7)	-31.5%	-
Supplies	12	13	2	12.9%	-	19	14	(4)	-29.3%	-
Purchased Services	6	2	(4)	-205.6%	-	13	2	(11)	-529.9%	-
Rents and Leases	10	10	(0)	-1.6%	-	13	11	(2)	-14.4%	-
Utilities and Telephone	(15)	3	19	557.1%	-	3	4	1	18.0%	-
Insurance	(6)	1	7	608.2%	-	0	1	1	69.4%	-
Depreciation and amortization	11	1	(10)	-738.5%	-	2	1	(1)	-49.8%	-
Other Operating Expenses	(0)	2	2	123.9%	-	3	2	(1)	-62.0%	-
Total Expenses	**241**	**257**	**15**	6.0%	**-**	**271**	**272**	**1**	0.3%	**-**
Operating Gain / (Loss)	**45**	**39**	**6**	-15.0%	-	**26**	**24**	**2**	7.5%	-
Net Non-Operating Income / (Expense)	-	-	-	**0.0%**	-	-	-	-	**0.0%**	-
Excess of Revenues Over Expenses	**$ 45**	**$ 39**	**$ 6**	15.0%	**$ -**	**$ 26**	**$ 24**	**$ 2**	7.5%	**$ -**

ALAMEDA HOSPITAL
KEY STATISTICS
JUNE 2009

	ACTUAL JUNE 2009	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	JUNE 2008	YTD JUNE 2009	YTD FIXED BUDGET	VARIANCE	%	YTD JUNE 2008
Discharges:										
Total Acute	251	214	37	17.3%	212	2,812	2,922	(110)	-3.8%	2,885
Total Sub-Acute	-	1	(1)	-100.0%	5	34	24	10	41.7%	84
Total Skilled Nursing	8	10	(2)	-20.0%	-	112	98	14	14.3%	-
	259	225	34	15.1%	217	2,958	3,044	(86)	-2.8%	2,969
Patient Days:										
Total Acute	1,043	856	187	21.8%	911	11,787	11,683	104	0.9%	11,276
Total Sub-Acute	990	1,041	(51)	-4.9%	950	12,010	12,228	(218)	-1.8%	11,411
Total Skilled Nursing	694	750	(56)	-7.5%	-	6,666	7,299	(633)	-8.7%	-
	2,727	2,647	80	3.0%	1,861	30,463	31,210	(747)	-2.4%	22,687
Average Length of Stay										
Total Acute	4.16	4.00	0.16	3.9%	4.30	4.19	4.00	0.19	4.8%	3.91
Average Daily Census										
Total Acute	34.77	28.53	6.23	21.8%	30.37	32.29	32.01	0.28	0.9%	30.81
Total Sub-Acute	33.00	34.70	(1.70)	-4.9%	31.67	32.90	33.50	(0.60)	-1.8%	31.18
Total Skilled Nursing	23.13	25.00	(1.87)	-7.5%	-	20.83	22.81	(1.98)	-8.7%	-
	90.90	88.23	2.67	3.0%	62.03	86.03	88.32	(0.31)	-0.4%	61.99
Emergency Room Visits	1,527	1,523	4	0.3%	1,519	17,337	18,030	(693)	-3.8%	17,922
Outpatient Registrations	2,553	2,729	(176)	-6.4%	2,519	29,948	31,558	(1,610)	-5.1%	30,943
Surgery Cases:										
Inpatient	70	57	13	22.8%	76	690	684	6	0.9%	706
Outpatient	490	404	86	21.3%	443	5,195	4,413	782	17.7%	4,704
	560	461	99	21.5%	519	5,885	5,097	788	15.5%	5,410
Kaiser Inpatient Cases	9	-	9	-	15	102	-	102	-	73
Kaiser Eye Cases	187	136	51	37.5%	170	1,976	1,560	416	26.7%	1,665
Kaiser Outpatient Cases	179	155	24	15.5%	149	1,931	1,598	333	20.8%	1,644
Total Kaiser Cases	375	291	84	28.9%	334	4,009	3,158	851	26.9%	3,382
% Kaiser Cases	67.0%	63.1%			64.4%	68.1%	62.0%			62.5%
Adjusted Occupied Bed	159.64	159.12	(0.52)	-0.3%	110.31	146.65	146.85	(0.20)	-0.1%	108.41
Productive FTE	389.40	365.64	(23.76)	-6.5%	337.53	378.20	365.40	(12.80)	-3.5%	347.71
Total FTE	454.42	418.52	(35.90)	-8.6%	388.34	429.99	425.35	(4.64)	-1.1%	400.47
Productive FTE/Adj. Occ. Bed	2.44	2.30	(0.14)	-6.2%	3.06	2.58	2.49	(0.09)	-3.6%	3.21
Total FTE/ Adj. Occ. Bed	2.85	2.63	(0.22)	-8.2%	3.52	2.93	2.90	(0.04)	-1.2%	3.69

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

SYNOPSIS OF PROPOSED REVISIONS
TO THE
MEDICAL STAFF BYLAWS

DOCUMENT	ARTICLE/SECTION	TITLE	EXPLANATION
Bylaws	Article VII Section 7.2.2	History & Physical	The Joint Commission requires that medical staffs include their requirements for completing and documenting H&Ps in the Medical Staff Bylaws. CMS requires that the timing requirements for H&P be stated in the Medical Staff Bylaws.
Bylaws	Article XI Section 11.1.2.3	Amendment Adoption	This amendment provides a simplified process for amending the bylaws to meet State or Federal requirements, or when there is a clerical change that is needed.

July 2009

PROPOSED AMENDMENT TO MEDICAL STAFF BYLAWS	ARTICLE VII – SECTION 7.2.2 (New) ADD SECTION FOR HISTORY & PHYSICAL EXAMINATION

ARTICLE VII – CLINICAL PRIVILEGES

7.2 DELINEATION OF PRIVILEGES IN GENERAL

7.2.2 History and Physical Examination

A medical history and physical examination must be completed and documented for each patient no more than thirty (30) days before or twenty-four (24) hours after admission or registration, but prior to surgery or a procedure requiring anesthesia services, completed and documented by a physician, an oromaxillofacial surgeon, or other qualified licensed individual in accordance with State law and hospital policy.

1. **A durable, legible copy of a history and physical examination recorded in the physician's office within thirty (30) days prior to admission may be accepted. An interval medical history and physical examination must be performed and recorded at the time of admission, but prior to surgery or a procedure requiring anesthesia services, if the H&P was completed more than 24 hours prior to admission or surgery. The updated examination of the patient, including any changes in the patient's condition, must be completed and documented by a physician, an oromaxillofacial surgeon, or other qualified licensed individual in accordance with State law and hospital policy.**

2. **For readmissions within 30 days for the same or related problem, an interval history and physical examination reflecting any subsequent changes is acceptable, provided the original information is readily available. The updated examination of the patient, including any changes in the patient's condition, must be completed and documented by a physician, an oromaxillofacial surgeon, or other qualified licensed individual in accordance with State law and hospital policy. In all cases involving surgery or a procedure requiring anesthesia services, the update must be completed and documented within 24-hours prior to the surgery or procedure.**

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PROPOSED AMENDMENT TO MEDICAL STAFF BYLAWS	ARTICLE XI – SECTION 11.1.2.3 (New) AMENDMENT ADOPTION

ARTICLE XI – AMENDMENTS

11.1 PROCEDURE

11.1.2 Adoption

11.1.2.3 The Medical Executive Committee is authorized to act on behalf of the Medical Staff regarding amendments to the Bylaws which may be necessary to meet State or Federal requirements, or are clerical in nature. Members of the Medical Staff will be notified of amendments which are made in order to meet State or Federal requirements.

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Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: August 5, 2009

To: City of Alameda Health Care District Board of Directors

From: Deborah Stebbins, Chief Executive Officer

Subject: Appointment of Board Members to Review of Administrative Policies and Procedures

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In preparation for The Joint Commission survey, management is conducting a complete review of the Administrative Policies and Procedures. In a few cases, new policies are being developed.

I am recommending that in order to present these for Board review and approval, the Board members split the review of the policies with each Board member reviewing a subset of the policies and making a recommendation to the entire Board for approval.

Attached is a listing of policies. Policies in white are not yet ready for review. Policies in pink have already been reviewed and approved recently by the Board. Policies in yellow will be ready for review and recommendation to the Board at the September meeting. Policies in blue will be ready for review and recommendation at the October meeting.

The following is a recommendation of Board assignments for review.

Section 1: Dr. Deutsch (mostly clinically related policies)
Section 2 Mr. Bonta
Section 3 Ms. Battani
Section 4: Mr. Wasson
Section 5: Mr. McCormick

2009 Administrative Policy and Procedure Update

Policy #	Policy Name		
Section #1		**Director Deutsch**	**Scheduled Board Approval TBD**
41	Critical Incident Debriefing		
42	Priority One Assistance		
51	Code Purple		
64	Code 4 Policy		
7	CI Plan Description		
8	CI Program Integration		
19	Identification of Surrogate Decision Makers		
33	5150 Hold Protocol		
37	Guidelines for Immediate Response and Reporting to Risk Mgmt		
38	Utilization Management Plan		
60	Reporting of Unusual Occurrences and Disruption of Services		
61	Responding to Victims Needing Medical Assistance on Hospital Grounds and Adjacent Grounds.		
75	Patient Safety Program Plan		
85	Anticoagulation Program		
26	Physical Restraint Management Protocol		
27	Operative and Other Invasive Procedure Protocol		
28	Sedation Management Moderate and Deep Protocol		
Section #2		**Director Bonta**	**Scheduled Board Approval TBD**
32	Transfer of Patients		
34a	Victims of Abuse		
34b	Victims of Abuse – Subacute Patients		
34c	Victims of Abuse – General		
35	Patient Assessments		
43	Hand Off Communication		
57	Interdisciplinary Rounds		
68	Pain Management		
69	New Born Abandonment		
79	Child Passenger Safety Seats		
84	Color Coded Wrist Band Use		
22	Language for Employees		
23	Employee Referral Program		

*New Policy

50	Licensure and Primary Sourcing
53	Student and Non-auxiliary Volunteers
63	Reporting Violence Against Hospital Personnel
72	Staffing Effectiveness Plan
80	Employee Retiree Recognition
81	Non-Discrimination Policy
82	Non-Discrimination Grievance Procedure
87	Affirmative Action*
88	No Solicitation Policy*

Section #3	**Director Battani**	**Scheduled Board Approval September 2009**
3	Role and Scope of Services	
9	Administrative Organizational Chart	
11	Honorary Naming of Facilities, Programs and Equipment	
12	Administrative Line of Responsibility	
13	Contracted Services	
15	Ethics Committee-Purpose and Case Consultation Procedure	
15A	Ethics Committee- Case Consultation Procedure	
17	Advance Directives	
18	Informed Consent	
25	Withholding/Withdrawing Life Sustaining Treatment	
31	Code of Conduct* (Replaces Code of Ethical Behavior	
40	Personal Use of Cell Phones	
45	Smoking Policy	
46	Employee Multilingual Roster	
54	Medical Staff Line of Responsibility	
55	Complaint Tracking and Resolution Policy and Procedure	
66	Monitoring Regulatory Responsibilities	
67	Hospital Diversion	
70	Use of Hospital Vehicle	
77	Use of Hospital Facilities	
78	Procedure for Bidding Contracts	
91	Governing Body*	

Section #4	**Director Wasson**	**Scheduled Board Approval October 2009**
1	Mission Statement / Vision Statement / Attachment A – Strategic Plan	
2	Organizational Principles	

*New Policy

4	Plan for the Provision of Patient Care Services
6	Organizational Wide Priorities for Performance Improvement
10	Disposal of Surplus Property
14	Interdisciplinary Practice Committee
16	Patient's Rights and Responsibilities
20	Consent for Blood Transfusions
21	Patient Identification and Communications
24	DNR Policy
29	Organ & Tissue Donation Policy
30	Guidelines for Determination of Brain Death
36	Patient Quality Assessment Survey
39	Health Record Content

Section #5	**Director McCormick**	**Scheduled Board Approval October 2009**

48	Clinical Abbreviation List
49	Statement on Policy Review
56	Medical Device Event Reporting Program
58	Sentinel Event Response
59	Patient Choice in Discharge Planning
59b	In-home Assistance with Options in Discharge Planning
62	Procurement and Use of Computerized Information Systems
65	Hospital Planning
71	Patient Billing for Clinical Studies
73	Health Information Retention Schedule
74	Business Information Retention Schedule
76	Expense Reimbursement
Policies Approved by Board of Directors	
83	Charity Care/Uncompensated Care
47	Resources for Interpretive, Hearing Impaired and Deaf Patients
5	Compliance Program & Compliance Document
89	Education Concerning False Claims Liability, Anti-Retaliation Protections and Detecting and Responding to Fraud, Waste and Abuse
44	Capital Budget Policy Statement
86	Identity Theft Prevention Program

*New Policy