

PUBLIC NOTICE
CITY OF ALAMEDA HEALTH CARE DISTRICT
BOARD OF DIRECTORS
AGENDA

Monday, October 11, 2010 – 6:00 p.m.

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

Office of the Clerk: (510) 814-4001

Special 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. Public Employee Performance Evaluation Title: Chief Executive Officer Gov't Code Sec 54957
 - B. Discussion of Report Involving Trade Secrets H & S Code Sec. 32106
 - 1. *Discussion of Hospital Trade Secrets applicable to development of new hospital services, programs and facilities. No action will be taken*
- 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 2009-2013 Goals and Objectives – FYE 2011 Update **ACTION ITEM** [enclosure] (PAGES 3-16)

VII. Regular Agenda

A. President's Report

Jordan Battani

B. Chief Executive Officer's Report

Deborah E. Stebbins

- 1) Approval of Recommendations for FY 2010 Executive Incentive Compensation Pay-out **ACTION ITEM** [enclosure] (PAGES 17-32)
- 2) Approval of FY 2011 Executive Performance Metrics **ACTION ITEM** [enclosure] (PAGES 33-37)

C. Facilities Report

Kerry Easthope

- 1) Seismic
- 2) New Program Development – Wound Care

VIII. General Public Comments

IX. Board Comments

X. Adjourn into Executive Closed Session

XI. Closed Session Agenda

A. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions

Gov't Code Sec. 54957.6

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

A. Announcements from Closed Session

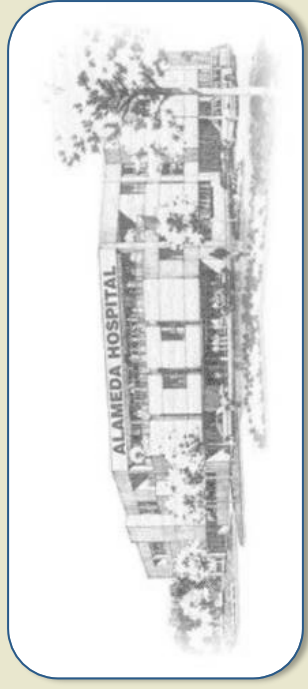
Jordan Battani

XIII. Adjournment

October 11, 2010

City of Alameda Health Care District

2009-2013 Goals and Objectives *FYE 2011 Update*



2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	
Measures of success:	
■	Achievement of positive operating margin = 3% of net revenues by 2013
■	Generate operating profitability levels necessary to support capital needs/service debt
■	Raise \$500,000 per year through Foundation fundraising initiatives
■	Shift reliance on parcel tax from support of operations to support for capital investments and strategic development projects
■	Sustain Performance vis-à-vis operating benchmarks at 90 th percentile levels (e.g., FTE/Adj. Occupied Bed, Length of Stay, Costs per UOS)
Initiatives	
(A) STRATEGY: Enhance financial and strategic relationship with payers	
■	Achieve average rate increase for private payor contracts of 8% (Healthnet, Interplan)
■	Promote public awareness of new MediCal contract, including linkages with partner providers (La Clinica, Fruitvale primary practices, Family Bridges, Chinatown practices, etc)
■	Early, effective management of self-pay and MediCal eligible patients
■	Reapply for Intergovernmental Transfer matching money to supplement MediCal contract in early FY 2011
■	Enhance relationship with local IPA's
■	Identify and correct contract relationship gaps that impede referrals from new physicians
■	Achieve rapid enrollment of 1206(b) physicians on key plans
■	Identify perceived or real contracting barriers influencing patient referrals.
■	Formulate longer term physician alliance strategy to prepare for successful operation under bundled payment structure
(B) STRATEGY: Seek contracting opportunities to increase volume and improve financial standing	
■	Formalize service offerings to personnel and dependents of Coast Guard (CG Island)
■	Explore expanding volume of services provided to VA beneficiaries
■	Evaluate provision of subacute services (thru expansion or acquisition) for SF hospital consortium

2009-2013 Goals – FYE 2011 Update

Financial Strength	
Achieve long-term financial viability	Status
Initiatives	
(C) STRATEGY: Perform and maintain a portfolio analysis of service line profitability; create service line plans that match our target population, address service lines that are not performing up to expectations	
<ul style="list-style-type: none"> ■ Profitability analysis for service lines (LTC, Infusion, GI, and Oncology) ■ Analyze financial impact of increases in INP census by 5 patient increments ■ Monitor financial impact of services to Medi-Cal patients ■ Monitor productivity and utilization of 1206(b) physicians 	
(D) STRATEGY: Maintain our position in cost/expenses as compared to local/national benchmarks	
<ul style="list-style-type: none"> ■ Patient Financial Services performance of gross days in AR of 50 days and 3% bad debt write off 	
(E) STRATEGY: Enhance fundraising activities and programs	
<ul style="list-style-type: none"> ■ Increase \$1,000 contributors by 20% or 9 contributors ■ Establish 3 promising local large corporate relationships ■ Increase Foundation current mailing database (1,776) by 10% 	
(F) STRATEGY: Communicate value/benefits of parcel tax through transparency and accountability to the community	
<ul style="list-style-type: none"> ■ Present positive case for Parcel Tax ■ Develop and disseminate quarterly community report card with financial and quality indicators. 	
(H) STRATEGY: Evaluate and forge beginning of one strategic alliance	

2009-2013 Goals – FYE 2011 Update

Growth

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

Measures of success:

- Market share growth
 - From 31.25 percent to 35.0 percent – Alameda Island (ZIP Codes 94501 and 94502)
 - From 0.94 percent to 1.10 percent - Off-Island
- Service line growth: volume targets defined by service line
- Development of new access points and locations
- Increase inpatient census by 5 ADC by 2013 to offset loss of Kaiser revenue and to support basic INP/ER infrastructure.

Initiatives

Status

(A) STRATEGY: Using portfolio analysis as a guide, prioritize service line development and develop specific plans for growth

- Increase procedural/surgical services that will improve our financial results(ortho, pain management, plastics, cardiac, other)
- Implement Wound Care Center
- Complete evaluation of Acute Rehab Center
- Conduct /build vs. buy analysis on best option for expansion of SNF and Subacute programs
- Evaluate and implement new or expanded niche programs that attract patients from outside the District (e.g. subacute, long term care services, wound center, acute rehab, retinal surgery, joint replacement center, aesthetic medicine)
- Evaluate ways to improve the continuum of services offered to seniors in service area
- Track activity and evaluate ways to improve effectiveness of Asian Outreach program
- Institute organized customer contact and services to community skilled nursing facilities in Alameda and surrounding Oakland neighborhoods

(B) STRATEGY: Using portfolio analysis as a guide, prioritize service line development and develop specific plans for growth

- Evaluate Concentra relationship to see if maximum potential being achieved
- Explore closer linkages with Port of Oakland

2009-2013 Goals – FYE 2011 Update

Growth

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

Initiatives

Status

(C) STRATEGY: Target service area population, to limit outmigration of residents who can be cared for at Alameda Hospital

- Continue to evaluate ways to enhance market share and service to residents of Bay Farm
- Evaluate Marina Village location for selected OP services, including longer term relocation of offices/services located in 1925 building

(D) STRATEGY: Develop services and tools that would make us more accessible to our community

- Increase accessibility to local residents through transportation, communication, etc.
- Increase our draw of off-island residents (access points, aesthetic services)
- Strengthen collaborative relationships with Family Bridges, Chinatown practices, Fruitvale practice and Alameda Alliance to maximize access for patients under the new Medi-Cal contract
- Organize menu of healthcare services and education to offer to local businesses/business associations
- Establish three formalized relationships with larger Alameda based corporations.

(E) STRATEGY: Enhance general public communication regarding services, quality outcomes

- Target Bay Farm population, to increase awareness of Alameda Hospital
- Establish business partnership model for small businesses through formalizing communication with Alameda business associations.
- Develop three linkages to larger Alameda-based companies
- Expand outreach services and interface with Alameda Schools (e.g. trainers, education)
- Take lead in initiating a Building a Healthier Alameda campaign with schools, public service sector, City Government


(F) STRATEGY: Target recruitment of physicians from areas that are vulnerable to change

- Monitor evolving San Leandro market

2009-2013 Goals – FYE 2011 Update

Growth	
Pursue fiscally responsible growth in services that target the most pressing acute and non-acute healthcare needs of the community.	
Initiatives	Status
(G) STRATEGY: Formulate strategy for Long Term Care Service Line Development	
<ul style="list-style-type: none"> ■ Institute system of routine marketing and contact with local nursing homes to solidify referral relationships and improve continuity of care for residents ■ Strengthen ties to Senior Center 	
(H) STRATEGY: Encourage focused growth in Medi-Cal business	
<ul style="list-style-type: none"> ■ Through the promotion of public awareness of new MediCal contract, including linkages with partner providers (La Clinica, Fruitvale primary practices, Family Bridges, Chinatown practices, etc) 	
(I) STRATEGY: Collaborate with Eden Joint Commission accredited Stroke Center to become a part of their network and protocols in order to maintain our ability to receive potential stroke patients in our ER.	

2009-2013 Goals – FYE 2011 Update

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

2009-2013 Goals – FYE 2011 Update

Facilities and Technology

Enhance our facility and technological capabilities to foster the achievement of our goals.

Status

(D) STRATEGY: Assure systematic review of facility: flow, appearance, safety

- Identify low-cost/high-yield renovation projects that will improve our image (e.g. cosmetic upgrade of 2S lobby)

(F) STRATEGY: Utilize technology to improve quality and enhance clinical services and to provide the community with access to information relating to our services and performance.

- Evaluate use of website as vehicle for patient pre-registration
- Provide monthly website updates on hospital services/ programs
- Implement PACS system and Imaging Department upgrades by December, 2010; implement communications and marketing plan to introduce technology to physicians and community in order to achieve 12% increase in outpatient imaging volume

(G) STRATEGY: Develop capital plan that supports service line strategies, facilities and technology requirements

- Develop annual and rolling five-year budget

2009-2013 Goals – FYE 2011 Update

Physicians	
Ensure that the Hospital attracts qualified and capable physicians through collaboration and alignment.	
Measures of success:	
■ Increase number and reduce average age of active physicians through targeted recruitment	
■ Achieve annual recruitment goals	
■ Increase volume of work by Alameda surgeons	
Initiatives	
(A) STRATEGY: Continue recruitment of new physicians to Alameda Medical Offices (1206 B) as employees or time share tenants	
■ Add one additional PCP on 2 ½ days/week	
■ Set up system for monitoring and increasing physician productivity	
■ Assess effectiveness of medical office billing services	
(B) STRATEGY: Develop standard IT connectivity package for physicians	
■ Address physician connectivity through EHR strategic development or organizational affiliation	
■ Increased use of e-mail for communication with physicians	
(C) STRATEGY: Consider alignment with multiple medical groups/IPAs	
■ Participate in Hospital Council evaluation of developing a Master Medical Foundation (MMF) as physician alignment strategy for non-system hospitals.	
(D) STRATEGY: Continue to pursue physician community development plan: identify community needs and ways to fill gaps either through direct recruitment or collaboration with other groups.	
■ Continued physician recruitment in orthopedics, plastic surgery, urology, ENT, selective primary care	

2009-2013 Goals – FYE 2011 Update

Physicians	
Ensure that the Hospital attracts qualified and capable physicians through collaboration and alignment.	
Initiatives	Status
(E) STRATEGY: Develop directed strategies to strengthen affiliated physician practices (primary care, specialty services): e.g., group development, joint ventures; evaluate potential of implementing collaborative strategies with other healthcare organizations to enhance physician network and access to specialists for our community	
<ul style="list-style-type: none"> ■ Implement physician practice building initiatives with existing practices ■ Advertising campaign to focus on the Medical Staff ■ Enhanced website to provide in depth information on physicians 	
(F) STRATEGY: Evaluate off-island physicians for alignment opportunities that will help us expand our visibility and referral base	
<ul style="list-style-type: none"> ■ Continue recruitment of off-island specialists to establish a presence in Alameda ■ Continue to monitor and respond to possible closure of San Leandro Hospital ■ Develop physician recruitment strategies to support development of new niche programs 	
(G) STRATEGY: Implement outreach strategy, including evaluation of feasibility of satellite locations	
<ul style="list-style-type: none"> ■ Continue to explore satellite medical office space at Bay Farm. ■ Evaluate remote placement of physician offices and outpatient programs (including Wound Center) in Marina Village 	
(H) STRATEGY: Engage physicians as central participants in the leadership of the Hospital	
<ul style="list-style-type: none"> ■ Continue engagement of physician leadership in IT Steering Committee 	

2009-2013 Goals – FYE 2011 Update

Quality/Service	
Achieve superior clinical and service results on a consistent basis.	
Measures of success:	
■ Patient satisfaction (patient experience) as measured by 95% or more willing to recommend hospital to a friend	
■ Joint Commission Core Measure compliance	
■ Joint Commission/CMS/CDPH Accreditation	
■ QI/Risk Reports that demonstrate improvement in problem areas	
■ Improve accuracy of information collection at time of registration	
Initiatives	
(A) STRATEGY: Create a culture of quality and service that is aimed at helping us achieve our goals	
■ Continue monitoring streamlined structure of functional and departmental performance improvement at the management and Board levels with focused action plans appointed to address key problem areas	
(B) STRATEGY: Evaluate all access points to the organization to improve the patients/visitor experience: e.g., scheduling, admission, and billing	
■ Evaluate advance on-line registration and scheduling system	
(C) STRATEGY: Create programs that celebrate exemplary service/quality performance/results	
■ Create a dashboard report, that highlights both the objectives and the outcomes of our quality and service initiatives	
	Status

2009-2013 Goals – FYE 2011 Update

Quality/Service	
Achieve superior clinical and service results on a consistent basis.	
Initiatives	Status
(D) STRATEGY: Restructure performance expectations and training to highlight quality and service	
<ul style="list-style-type: none"> Maintain employee evaluation cycle at 14 months with aggregate reporting to Board 	
(E) STRATEGY: Work collaboratively with medical staff leadership to assure physician engagement in quality/safety initiatives	
<ul style="list-style-type: none"> Develop and initiate a streamlined, interdisciplinary patient discharge process Initiate organized physician – nurse rounding 	
(F) STRATEGY: Engage Hospital staff across all levels in active development of Alameda Hospital Culture	
<ul style="list-style-type: none"> Enroll staff in customer service training to improve patient experiences throughout their stay at our facility 	

2009-2013 Goals – FYE 2011 Update

People	
Foster a culture of exemplary performance through recruitment and retention practices that are founded on adherence to core performance standards and the continual development and celebration of our employees.	
Measures of success:	
■ Increase number of Staff Nurse III among nursing staff by 2 in FY 2010-11 and by 1 each year thereafter (4 SN III in FY 2010)	
■ Maintain employee vacancy rates below regional benchmarks	
■ Develop and monitor employee satisfaction surveys	
■ Turnover rates of 15% or less (Q42009 = 3.58%)	
■ Less comments about non-English in the workplace	
■ Annual performance evaluations include aggregate measurement of service excellence	
Initiatives	
(A) STRATEGY: Maintain a compensation and benefit strategy that is competitive and rewards desired performance	
■ Conduct a baseline compensation study for non-represented and exempt	
(B) STRATEGY: Establish performance standards that are comprehensive: capabilities, service, citizenship	
■ Continue work of Service Excellence Committee to foster reinforcement of CARE values and address feedback from patient surveys	
(C) STRATEGY: Establish recruitment and hiring standards that are consistent with performance expectations	
	Status

2009-2013 Goals – FYE 2011 Update

People	
Foster a culture of exemplary performance through recruitment and retention practices that are founded on adherence to core performance standards and the continual development and celebration of our employees.	
Initiatives	Status
(D) STRATEGY: Invest in our staff through annual training and education programs: service, capabilities, management	
<ul style="list-style-type: none"> ■ Implement online mandatory annual training (MAT) for all staff 	
(E) STRATEGY: Create a recognition program to celebrate top performers in areas such as growth, quality, and service	
<ul style="list-style-type: none"> ■ Continue development of innovative recognition programs 	
(F) STRATEGY: Tailor orientation program to make sure new staff have clear understanding of what is expected of them, and that celebrates their addition to the Alameda Hospital Team	
<ul style="list-style-type: none"> ■ Enhanced orientation and training for all newly hired employees of the organization ■ Expansion of orientation to additional day for Nursing Staff to review Medication Administration, Wound Management, Falls, Restraints, Equipment, Protocols, Quality Initiatives...launched May 2009. ■ Continue to hold annual benefits and safety fair 	

Date: October 11, 2010
To: City of Alameda Health Care District Board of Directors
From: Deborah E. Stebbins, Chief Executive Officer
Subject: Recommendations for FY 2010 Executive Incentive Compensation Pay-out

Recommendation:

That the Board of Directors approves the following:

1. The detailed assessment of the performance against the FY 2010 metrics and the recommended scores contained in this memorandum, and
2. The payment of the incentive outlined above to the CEO, in accordance with the executive incentive plan approved by the Board in 2009, and
3. Authorize the CEO to approve similar incentive amounts to the other participating executives.

Note: All of the proposed incentive compensation amounts were budgeted for and accrued in the actual financial results for FY 2010.

Summary:

The following memorandum summarizes management’s recommendations regarding a pay-out of executive incentive compensation within the parameters established for FY 2010. We are recommending a total payout of 29.38% at the CEO level with a payout for the Associate Administrator and Chief Financial Officer to be determined by the Chief Executive Officer.

Background:

The structure of the FY 2010 Executive Performance Metrics were approved in June 2010 and is attached to this memorandum (Attachment A). The first tripwire for whether any incentive payment should be made is achievement of the budgeted revenue in excess of expenses or a bottom line of \$358,000. Two other levels of financial performance if achieved, “target” and “high”, can provide for an additional incentive payment. The annual revenue in excess of expenses required to achieve the “target” level is \$543,000 and the “high” level is \$1 million or greater. Note that these levels were developed assuming a full year of the Kaiser contract. Incentives have been calculated based on actual results for the year, despite the loss of the Kaiser

volume on April 1, 2010. Once the tripwire level of excess revenue over expenses is achieved, financial performance in FY 2010 drives 50% of the total base bonus. The remaining incentive potential is distributed over the four other areas of goals and measures: Quality/Satisfaction, Workforce Success, Operational Success and Business Development/Long Term Financial Viability.

Management has assessed the achievement of each of these measures as outlined on Attachment B.

Stretch Incentive Components

1. Achievement of Target Net Margin of \$543,000 = Additional 6.25%
2. Achievement of High Net Margin of \$1 million = Additional 13.00%

Therefore, the payment for the base incentives would be calculated for the CEO of:

$$93\% \times (\text{Base Annual Salary with 5\% reduction}) \times \text{Approved Base Incentive 25\%}$$

In addition, management recommends that the net excess of revenue over expense reported in the FY 2010 audit be amended to exclude the IGT income impact (\$2.017 million), and the Non-Operating Contributions and the Grants for Equipment (\$194,000), but to add back the repayment of overpayments by CMS from prior years (\$652,000). This calculation is summarized on Attachment C and results in an amended net excess of revenue of expense of \$558,000 for purposes of incentive payment calculation. Since this figure exceeds the “target” stretch objective of \$543,000, this would result in the payout of an additional Target Level 6.25% x Base Annual Salary with 5% reduction.

City of Alameda Health Care District
FY2010 Executive Performance Metrics

INTRODUCTION

Revised - 06.07.2010

Payment of any incentive compensation to an executive is predicated upon a performance evaluation of "meets expectations" or above. The base percentage bonus (based on % base compensation) for the Chief Executive Officer is established by the Board. The incentive compensation levels for other participating executives are established by the CEO. Annual metrics are approved each year by the Board, including any target or high stretch financial objectives.

Incentive Compensation as % Base Salary			
	Threshold	Target	High
CEO	25%	6.25%	6.25%

The Chief Executive Officer (CEO) is responsible for recommending additional executive participants in an incentive Plan to the Board. The CEO is responsible for structuring the terms of their incentive in a manner consistent with the executive incentive compensation system. In FY 2010 the full incentive compensation target for the CEO and other participating executives was budgeted and has been accrued at the "target" financial level and at full achievement of the other three areas to ensure that the incentive payments are appropriately funded. The excess revenue over expense will include the Hospital and South Shore only and exclude CWS and the 501(c)3 corporation. For purposes of clarifying exact time frames associated with metrics, FY 2010 is the period between July 1, 2009 and June 30, 2010.

The proportion of pay-out of the bonus is based on the achievement of the metrics outlined below in the following areas:

	Weighting
Financial Success	50%
Quality / Satisfaction	10%
Workforce Success	10%
Operational Success	20%
Business Development / Long Term Financial Viability	10%
Total	100%

Financial Success				Weighting Points
Goals	Actions	Measures		50
Achieve our FY10 Financial Targets & Goals	Tripwire: Excess Revenue over Expense. Must meet threshold or no incentive compensation paid	Threshold	Target	High
		\$358,000 (FY 2010 Budget)	\$543,000	\$1M or >
Quality / Satisfaction Success				Weighting Points
Goals	Actions	Measures		10
Improve Customer Satisfaction, Engagement & Referenceability	Establish and disseminate Code of Conduct (2009)	Patient satisfaction HCHAPS scores for "cleanliness of facility" improved significantly from 55% (Q3) to 64% (Q4) and 59% (Q1). Concern about noise on nursing units improved in 2 quarters and declined in 2 quarters.		4
Overall Quality	<ul style="list-style-type: none"> ▪ Organize preparation for 2010 Joint Commission Survey, including orientation manual, biweekly tracer reviews, orientation booklet (Compass), leadership practice sessions and TJC Fair for staff. ▪ Reorganized the performance improvement process to identify, address and report on most important quality/safety issues in functional and departmental areas. 	Hospital granted full accreditation in April, 2010. Hospital Board now receives a more concise and focused monthly report on qualitative issues. Rapid intervention through PIC (Performance Improvement Committee) action teams of areas of high concern or priority. (e.g. reduction of HAPU)		4

Quality / Satisfaction Success (continued)			Weighting Points
Specific Quality	<ul style="list-style-type: none"> ▪ Implement customer / employee service excellence program. ▪ Establish Medication Error Reduction Program (MERP). ▪ Installation of Pyxis Profile for medication error reduction. ▪ Comprehensive wound care management program implemented 	<p>Medication errors reduced by from 4.07 (Q2), 3.45 (Q3), 3.3 (Q4) incidents per 1000 patient days. Incidence of hospital acquired pressure ulcers (HAPU's) reduced from 5.02% (Q3) to 3.22% (Q4) in acute care.</p>	2
Workforce Success			Weighting Points
Goals	Actions	Measures	10
Invest in employee training, development and engagement	<ul style="list-style-type: none"> ▪ Establish or select a commercially available employee satisfaction tool. 	<p>Measure baseline (2009): Baseline results were overall well above vendor data base averages. Areas identified for improvement include reduction of employee perception that identification of errors can lead to punitive consequences in work place. Notable was high level of satisfaction by employees with quality of communication in hospital and their departments</p>	5
	<ul style="list-style-type: none"> ▪ Reported results of 2009 survey to employees in town hall meetings and to Board 	<p>Target 2% (12.7% to 14.7%) improvement in employee satisfaction with training opportunities (low score on 2009 survey).</p>	
	<ul style="list-style-type: none"> ▪ Design employee reward / recognition program geared to code of conduct 	<p>Employee turnover rates < Bay Area average. Second year of presentation of Florence Nightingale Best Nurse Award.</p> <p>Increase of Staff Nurse III from three (2008) to six (2009) to five (2010) (due to 1 resignation; left area).</p> <p>Staff Nurse III Committee organized to work on special projects and encourage additional staff Nurse III development.</p>	

Workforce Success (continued)			Weighting Points
Goals	Actions	Measures	
	<ul style="list-style-type: none"> Increase opportunities for employee training 	<p>Redesigned general orientation for employees and nursing orientation, lengthening programs and adding additional material. Retrained entire EVS staff on basic cleaning techniques. Regular all hospital town hall meetings and nursing forums held.</p> <p>Safety and Joint Commission Fairs were very well attended by staff.</p> <p>Automated annual mandatory training program (HCCS) for all hospital employees</p>	
Build the strength and depth of our leadership teams to support future growth	<ul style="list-style-type: none"> Implement middle manager training program (2009-2010) 	<p>Well over 75% executives and middle managers completed one year training by 2010</p>	5
Operational Success			Weighting Points
Goals	Actions	Measures	
Develop Critical Capabilities in Planning, Product Development & Marketing Effectiveness	<ul style="list-style-type: none"> Assess key service lines to determine appropriateness for growth, contraction or closure. Installed Alliance executive decision making system Identify and evaluate new revenue producing programs PACS system selected and financing close to being secured 	<p>Completed service line analyses on: Kaiser OP Surgery impact, CardioFit, Nuclear Medicine, expansion of Subacute, IGT/CMAC Contract</p> <p>Develop community clinic model as physician recruitment vehicle, adding 3 new physicians plus time share arrangements for 5 specialists.</p> <p>Alliance facilitates better decision making and evaluation of 3rd party payor contracts (e.g. Alameda Alliance); system used for FY 2011 Budget.</p>	3
			20

Operational Success (continued)			Weighting Points
Goals	Actions	Measures	
Simplify Core Business Processes and Build a Scalable, Cost-Efficient Infrastructure	<ul style="list-style-type: none"> ▪ Establish marketing program directed to Bay Farm residents (2009) ▪ Establish outreach programs targeted at Asian market, San Leandro and selected residents of 94501 	<p>Market Share growth in Bay Farm Area by 2% (2010); actual market share of admission from Bay Farm declined in 2010; overall Alameda admissions increased.</p> <p>Developed and implemented a multi-faceted action plan to respond to the 9.8 (14% net revenues) loss of Kaiser revenue.</p>	3
Reduce Waste & Drive Operational Efficiency	<ul style="list-style-type: none"> ▪ Facility Master Plan finalized (2009) ▪ Developed final approach to SB 1953 compliance by 2013 	<p>OSHDP approved application for NPC remediation</p> <p>Kitchen design and SPC remediation finalized and cost projected; plan is to submit application by June 2010</p> <p>Completed business analysis and secured financing for Diagnostic Imaging Department upgrade, including PACS.</p> <p>Interviewed construction management firms for project management of remediation work</p> <p>Oriented Board to financing options; currently identifying financing alternatives for seismic.</p>	4
	Total Operating Volume and Revenue	Net Revenue (July 2009- June 30, 2010) must meet or exceed original budget levels	4
		Monthly Surgery Volume from Alameda surgeons between April-June 2010 to exceed June 2009-March 2010 monthly averages by 10%	6

Business Development / Long-Term Financial Viability			Weighting Points
Goals	Actions	Measures	10
<p>Develop new business and program development projects which are clinically beneficial and financially viable in order to work toward increasing our annual financial performance to generating a responsible margin, thereby reducing reliance on use of the parcel tax for operational purposes and ensuring the long term viability of the Hospital</p>	<ul style="list-style-type: none"> ▪ New Medical Staff Practice Model at Alameda Towne Centre MOB to support physician recruitment. 	<p>Established 126(b) clinic; recruited 1 OB-GYN, 1 General Surgeon, 1 Internist, attracted multiple specialists to time share</p>	3
	<ul style="list-style-type: none"> ▪ Develop approach to provide access for Medic-Cal patients on a financially viable basis. 	<p>Concluded negotiations with CMAC for Medi-Cal contract including supplementary payment through governmental transfer</p>	4
	<ul style="list-style-type: none"> ▪ Evaluate new programs that will increase volume of referrals from beyond immediate service area. 	<p>Feasibility studies for acute rehab, subacute expansion and new wound care programs</p>	3

Financial Success			Weighting Points	Management Self Ranking
Goals	Actions	Measures		
Achieve our FY10 Financial Targets & Goals	Tripwire: Excess Revenue over Expense. Must meet threshold or no incentive compensation paid	Threshold	Target	High
		\$358,000 (FY 2010 Budget)	\$543,000	\$1M or >
		TOTAL		
Quality / Satisfaction Success				50%
Goals	Actions	Measures		Weighting Points
Improve Customer Satisfaction, Engagement & Referenceability	Establish and disseminate Code of Conduct (2009)	Patient satisfaction HCHAPS scores for "cleanliness of facility" improved significantly from 55% (Q3) to 64% (Q4) and 59% (Q1). Concern about noise on nursing units improved in 2 quarters and declined in 2 quarters. HCAHPS score on "Would recommend hospital to family" increased from 55.9% in Q2 to 64.9% in Q4.		4%
				3%

Quality / Satisfaction Success (continued)			Weighting Points	Management Self Ranking
Goals	Actions	Measures		
Overall Quality	<ul style="list-style-type: none"> ▪ Organize preparation for 2010 Joint Commission Survey, including orientation manual, biweekly tracer reviews, orientation booklet (Compass), leadership practice sessions and TJC Fair for staff. ▪ Reorganized the performance improvement process to identify, address and report on most important quality/safety issues in functional and departmental areas. 	<p>Hospital granted full accreditation in April, 2010. Hospital Board now receives a more concise and focused monthly report on qualitative issues. Rapid intervention through PIC (Performance Improvement Committee) action teams of areas of high concern or priority. (e.g. reduction of HAPU)</p>	4%	4%
Specific Quality	<ul style="list-style-type: none"> ▪ Implement customer / employee service excellence program. ▪ Establish Medication Error Reduction Program (MERP). ▪ Installation of Pyxis Profile for medication error reduction. ▪ Comprehensive wound care management program implemented 	<p>Medication errors reduced by from 4.07 (Q2), 3.45 (Q3), 3.3 (Q4) incidents per 1000 patient days. Incidence of hospital acquired pressure ulcers (HAPU's) reduced from 5.02% (Q3) to 3.22% (Q4) in acute care.</p>	2%	2%
TOTAL			10%	9%

Workforce Success			Weighting Points	Management Self Ranking
Goals	Actions	Measures		
Invest in employee training, development and engagement	<ul style="list-style-type: none"> Establish or select a commercially available employee satisfaction tool. 	<p>Measure baseline (2009): Baseline results were overall well above vendor data base averages. Areas identified for improvement include reduction of employee perception that identification of errors can lead to punitive consequences in work place. Notable was high level of satisfaction by employees with quality of communication in hospital and their departments</p>	5%	4%
	<ul style="list-style-type: none"> Reported results of 2009 survey to employees in town hall meetings and to Board 	<p>Target 2% (12.7% to 14.7%) improvement in employee satisfaction with training opportunities (low score on 2009 survey).</p>		
	<ul style="list-style-type: none"> Design employee reward / recognition program geared to code of conduct 	<p>Employee turnover rates < Bay Area average. Second year of presentation of Florence Nightingale Best Nurse Award.</p> <p>Increase of Staff Nurse III from three (2008) to six (2009) to five (2010) (due to 1 resignation; left area).</p> <p>Staff Nurse III Committee organized to work on special projects and encourage additional staff Nurse III development.</p>		

Workforce Success (continued)			Weighting Points	Management Self Ranking
Goals	Actions	Measures		
	<ul style="list-style-type: none"> Increase opportunities for employee training 	<p>Redesigned general orientation for employees and nursing orientation, lengthening programs and adding additional material. Retrained entire EVS staff on basic cleaning techniques. Regular all hospital town hall meetings and nursing forums held.</p> <p>Safety and Joint Commission Fairs were very well attended by staff.</p> <p>Automated annual mandatory training program (HCCS) for all hospital employees</p>		
Build the strength and depth of our leadership teams to support future growth	<ul style="list-style-type: none"> Implement middle manager training program (2009-2010) 	<p>Well over 75% executives and middle managers completed one year training by 2010</p>	5%	5%
TOTAL			10%	9%

Operational Success		Measures	Weighting Points	Management Self Ranking
Goals	Actions			
<p>Develop Critical Capabilities in Planning, Product Development & Marketing Effectiveness</p>	<ul style="list-style-type: none"> ▪ Assess key service lines to determine appropriateness for growth, contraction or closure. ▪ Installed Alliance executive decision making system ▪ Identify and evaluate new revenue producing programs ▪ PACS system selected and financing close to being secured 	<p>Completed service line analyses on: Kaiser OP Surgery impact, CardioFit, Nuclear Medicine, expansion of Subacute, IGT/CMAC Contract</p> <p>Develop community clinic model as physician recruitment vehicle, adding 3 new physicians plus time share arrangements for 5 specialists.</p> <p>Alliance facilitates better decision making and evaluation of 3rd party payor contracts (e.g. Alameda Alliance); system used for FY 2011 Budget.</p>	3%	3%
<p>Simplify Core Business Processes and Build a Scalable, Cost-Efficient Infrastructure</p>	<ul style="list-style-type: none"> ▪ Establish marketing program directed to Bay Farm residents (2009) ▪ Establish outreach programs targeted at Asian market, San Leandro and selected residents of 94501 	<p>Market Share growth in Bay Farm Area by 2% (2010): actual market share of admission from Bay Farm declined in 2010; overall Alameda admissions increased.</p> <p>Developed and implemented a multi-faceted action plan to respond to the 9.8 (14% net revenues) loss of Kaiser revenue.</p>	3%	2%

Operational Success (continued)			Weighting Points	Management Self Ranking
Goals	Actions	Measures		
Reduce Waste & Drive Operational Efficiency	<ul style="list-style-type: none"> ▪ Facility Master Plan finalized (2009) ▪ Developed final approach to SB 1953 compliance by 2013 	<p>OSHDP approved application for NPC remediation</p> <p>Kitchen design and SPC remediation finalized and cost projected; plan/application was submitted June 2010</p> <p>Completed business analysis and secured financing for Diagnostic Imaging Department upgrade, including PACS.</p> <p>Interviewed construction management firms for project management of remediation work</p> <p>Oriented Board to financing options; currently identifying financing alternatives for seismic.</p>	4%	4%
	Total Operating Volume and Revenue	Net Revenue (July 2009- June 30, 2010) must meet or exceed original budget levels (see attached calculation)	4%	0%
		Monthly Surgery Volume from Alameda surgeons between April-June 2010 to exceed June 2009-March 2010 monthly averages by 10% (see attached calculation)	6%	6%
TOTAL			20%	15%

Business Development / Long-Term Financial Viability			Weighting Points	Management Self Ranking
Goals	Actions	Measures		
<p>Develop new business and program development projects which are clinically beneficial and financially viable in order to work toward increasing our annual financial performance to generating a responsible margin, thereby reducing reliance on use of the parcel tax for operational purposes and ensuring the long term viability of the Hospital</p>	<ul style="list-style-type: none"> ▪ New Medical Staff Practice Model at Alameda Towne Centre MOB to support physician recruitment. 	<p>Established 126(b) clinic; recruited 1 OB-GYN, 1 General Surgeon, 1 Internist, attracted multiple specialists to time share</p>	3%	3%
	<ul style="list-style-type: none"> ▪ Develop approach to provide access for Medi-Cal patients on a financially viable basis. 	<p>Concluded negotiations with CMAC for Medi-Cal contract including supplementary payment through governmental transfer</p>	4%	4%
	<ul style="list-style-type: none"> ▪ Evaluate new programs that will increase volume of referrals from beyond immediate service area. 	<p>Feasibility studies for acute rehab, subacute expansion and new wound care programs</p>	3%	3%
			TOTAL	10%
			GRAND TOTAL	93%

Attachment C

Alameda Hospital
 FY 2010 Incentive Compensation Plan
 Calculation of Specific Items:

Tripwire:

Changes in net assets per Audited Financial Statements		\$ 2,017
Less:		
Contributions and Grants for Equipment	(194)	
Plus:		
Excess incentive comp accrual included in audited financial statements (accrual \$175K recommended \$154)	21	
Adjusted Revenues in Excess of Expenses		(173)
Revenues in excess of expenses		1,844
Adjustments:		
Less:		
IGT Transfer	2,166	
IGT Consultant Fees	(43)	
		(2,123)
Plus:		
Repayment of CMS Overpayments		652
Unbudgeted \$1,000 Bonus to Unrepresented Management and Staff		185
Excess of Revenues over expenses		\$ 558
Threshold	\$ 358	
Target	\$ 543	\$ 543
High	> \$1M	

Threshold Achieved

Net Revenue Goal

Net Patient Revenue per audited financial statements		\$ 67,779
Adjustments:		
Less:		
IGT Transfer	2,166	
IGT Consultant Fees	43	
		(2,123)
Plus:		
Repayments of CMS Overpayments		652
Calculated Amount		\$ 66,308
Goal		\$ 67,659

Not Met

Surgery Volume Goal

Alameda Physician Surgeries (Post Kaiser) - Apr - Jun 10	<u># Months</u>	<u># Cases</u>	
	3	533	178
Alameda Physician Surgeries (Pre Kaiser) - Jul 09 - Mar 10	<u># Months</u>	<u># Cases</u>	
	9	1,422	158
Percentage Change			13%
Goal			10%

Goal Achieved

**City of Alameda Health Care District
FY2011 Executive Performance Metrics**

INTRODUCTION

Payment of any incentive compensation to an executive is predicated upon a performance evaluation of "meets expectations" or above. The base percentage bonus (based on % base compensation) for the Chief Executive Officer is established by the Board. The incentive compensation levels for other participating executives are established by the CEO.

The Chief Executive Officer (CEO) is responsible for recommending additional executive participants in an incentive plan to the Board. The CEO is responsible for structuring the terms of their incentive in a manner consistent with the executive incentive compensation system. In FY 2011 the full incentive compensation target for the CEO and other participating executives was budgeted at the "target" financial level and at close to full achievement of the other three areas to ensure that the incentive payments are appropriately funded. The excess revenue over expense will include the Hospital, South Shore and any new business entity or location which the hospital may operate under its license, only and exclude CW&S and the 501(c)3 corporation. For purposes of clarifying exact time frames associated with metrics, FY 2011 is the period between July 1, 2010 and June 30, 2011.

The proportion of pay-out of the bonus is based on the achievement of the metrics outlined below in the following areas:

	FY 2011	FY 2010
	Weighting	Weighting*
Financial Success	40%	50%
Growth	25%	10%
Quality / Satisfaction	5%	10%
Physicians	10%	(not separate category)
Operational Success	15%	20%
Workforce Success	5%	10%
Total	100%	100%

*For Reference: The proportion of pay-out for FY 2010 is also listed.

FINANCIAL SUCCESS				Weighting Points
Goals	Actions	Measures		40
Achieve our FY11 Financial Targets & Goals	Tripwire: Excess Revenue over Expense. Must meet threshold or no incentive compensation paid	Threshold	Target	37
		\$490,853 (FY 2011 Budget)	\$750,000	
Optimize 3rd Party Referral Relationships and Contracts				3
GROWTH				Weighting Points
Goals	Actions	Measures		25
Replace portion of surgical volume loss due to expiration of Kaiser contract	Block scheduling Physician Recruitment	10% increase in "Alameda" major surgery (non-eye / GI) over average of July 2009-March 2010 levels (pre-Kaiser)		3
		20% in minor procedures		
Establish Comprehensive Wound Care Center	Identify physician panel Open program	Compliance with ramp-up pro forma volume projections.		4
Increase In-patient Census	Attract additional Medi-Cal patients through outreach to community clinics Forge relationships with Alameda Alliance	50% increase in inpatient Medi-Cal volume		2
		Target: Increase ADC by 5 acute patients by fiscal year end.		
Increase outpatient ancillary volume	Market Diagnostic Imaging capabilities	12% increase in Imaging volume over FY 2010 levels		1

GROWTH (continued)			Weighting Points
Goals	Actions	Measures	
Evaluate at least 2 new programs or services for feasibility	Formulate strategy for Long Term Care Service Line Development Determine best mechanism for subacute expansion Evaluate ortho service line development	Identification of source to generate at least \$1 million in additional net revenue	6
Seek Strategic Partner Organization	Meetings and presentation to at least 2 target organizations as identified at July 23, 2010 Special Board Meeting	Board development of more defined strategy on development of strategic partnership	4
Quality / Satisfaction Success			Weighting Points
Goals	Actions	Measures	5
Improve Core Measure scores in all Indicators	Continue to track core measures Educate Medical Staff and Nursing Staff on compliance and importance of scores	Each indicator at 90% or greater	3
Reduce rate of incidence for Falls and Hospital Acquired Pressure Ulcers (HAPU)	Continue performance improvement plans for fall reductions and skin care protocols. Score in HAPU and Falls to be better than the CalNoc "like hospital" mean	<i>HAPU 2009 Mean = 2.01</i> Alameda Hospital to be consistently below 2.0 for FY 2011	1
		<i>Falls 2009 Mean = 3.21</i> Alameda Hospital to be consistently below 2.5 for FY 2011. Should continue PI focus on reducing rate of falls resulting in injury.	1

Physicians		Weighting Points
Goals	Actions	Measures
Prepare Organization to participate in an Accountable Care Organization in anticipation of Health Care Reform	Continue to streamline processes to support efficient case and utilization management	Sustain orientation and preparation for value based payment system to be implemented under health care reform.
	Work with medical community to evaluate optional relationships with physician organizations	Options for preferred physician organizational structure discussed in depth
Complete preparation of physician order entry in FY 2012	Complete orientation of Medical Staff to patient care system (PCS)	Orientation completed by June 2011
Continued recruitment of new physicians in primary care and selected specialties	Market practices established in 1206(b) community clinic	25% increase in 1206 (b) community clinic visits during FY 2011 over FY 2010.
	Primary care	
	OB-GYN General Surgery	
Operational Success		Weighting Points
Goals	Actions	Measures
Conclude seismic retrofit project through either:	Securing financing and completing contractor selection and initiating project (pending OSHPD's review and issuance of permit)	Secure financing or extension for seismic retrofit
	or Identifying that financing at this time is not feasible and seeking extension on 2013 seismic standards	

Operational Success (continued)			Weighting Points
Goals	Actions	Measures	
Continue to advance IT planning to prepare for “meaningful use” status by 2013	Complete all planning, design and training for Patient Care System (PCS) phase	PCS phase ‘go live’ by the end of June 2011	10
Implement PACS and Imaging Upgrade	Complete PACS and imaging upgrade installation	“Go Live” by March 2011	6
Workforce Success			Weighting Points
Goals	Actions	Measures	
Increase employee satisfaction levels regarding training / development opportunities	2 nd Employee Satisfaction Survey Continue increases development opportunities	Increase in training satisfaction score over last survey of 62.4% by 10%	3
Enhance compliance with hospital customer service policy that directs staff to speak English in all patient care areas, room, hallways adjacent to patient rooms, and other areas where patients are present.	Reorientation to importance of English only being spoken in patient care areas	Reduction in negative comments from patients and visitors on this problem	2
			1