



**Finance and Management Committee  
Meeting Notice & Agenda**

Wednesday, March 30, 2011  
7:30 a.m. – 9:00 a.m.  
Dal Cielo Conference Room

Office of the Clerk: (510) 814-4001

Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address.

- I. Call To Order Michael McCormick
- II. Action Items
  - A. Acceptance of February 23, 2011 Minutes ACTION ITEM [enclosure] Michael McCormick
  - B. Recommendation to Accept February 2011 Financial Statements ACTION ITEM [enclosure] David A. Neapolitan
  - C. Recommendation to Renew Angelica Textile Service Agreement ACTION ITEM [enclosure] Kerry Easthope
- III. Chief Financial Officer’s Report David A. Neapolitan
  - A. FYE 2011 Year End Projections and Action Plan [enclosure]
  - B. FYE 2012 Operating Budget Calendar [enclosure]
  - C. 1206 (b) Clinic Performance Update
  - D. Update of the Banc of America Master Lease [enclosure]
- IV. Chief Executive Officer’s Report Deborah E. Stebbins
  - A. State Budget Reduction for DP Skilled Nursing
- V. Board / Committee / Staff Comments
- VI. Adjournment

**Next Meeting Scheduled for: Wednesday, April 27, 2011**

This is being noticed as a Board Meeting as a quorum of Directors may be present. Ex-officio members and non-committee members cannot vote on any item, whether or not a quorum of the Board is present.

Finance and Management Committee Minutes  
February 23, 2011

**Members Present:** Mike McCormick, Chair      Ann Evans      Jim Yeh, DO  
(Voting)      Robert Deutsch, MD      Ed Kofman  
   James Oddie

**Management Present:** Deborah E. Stebbins      Kerry J. Easthope      Tony Corica  
   David A. Neapolitan      Mary Bond, RN

**Ex Officio/Guests:** Stewart Chen, DC      Elliott Gorelick

**Excused:** Jordan Battani      William Sellman, MD

**Submitted by:** Kristen Thorson

Topic	Discussion	Action / Follow-Up
I. Call to Order	Mike McCormick called the meeting to order at 7:37 a.m. noting that a quorum of voting members was present.	
II. Approval of Minutes	A. January 26, 2011	Mr. Kofman made a motion to accept the minutes as presented. Mr. Oddie seconded the motion. The motion carried.
III. Action Items	<p>A. Recommendation to Accept January 2011 Financial Statements</p> <p>Mr. Neapolitan presented the January 2011 Financial Statements noting the following key points:</p> <p>Average Daily Census (ADC) was 85.55 versus a budgeted 85.87 or 0.4% less than budgeted. The Acute ADC was 31.65 vs. 29.35 budgeted. Sub-Acute ADC was 31.19 versus a budgeted 33.52. South Shore ADC was under budget at 22.71 versus 23.00 budgeted. Gross patient revenue was less than budget by \$573,000 or 2.7%. Revenue for Inpatient and Outpatient Programs were less than budgeted at 0.3% and 7.5 % respectively for the month. Net Patient Revenue was \$450,000 or 8.5% greater than budget. Expenses were unfavorable to budget on an adjusted patient day basis by \$160 which was primarily driven by unfavorable variances in salaries and benefits costs. Combined excess revenue over expenses (profit) for January was \$24,000 versus a budgeted profit of \$28,000. On a year-to-date basis we have a loss of \$26,000 versus a budgeted profit of \$599,000.</p>	Mr. Kofman made a recommendation to accept the January Financial Statements as presented. Mr. Oddie seconded the motion. The motion carried.
	<p>B. Recommendation of Approval of Wound Care Program Operating and Capital Budget</p> <p>Mr. Easthope presented the recommendation to approve the Wound Care Program Operating and Capital Budget. The capital budget, of \$870,698 to renovate approximately 4,200 sq/ft. for the center. The operating budget detail was distributed at the meeting</p>	Dr. Deutsch made a motion to recommend approval of the Wound Care Program Operating Budget and Capital Budget. Mr. Oddie

	<p>for committee review and was reviewed in detail. A five year financial proforma was also reviewed by Mr. Easthope. Net income for the first five years is estimated at \$1,311,977. The financial proforma does not include additional ancillary services and associated revenues that are anticipated once the program is in full operation. The Committee and Management discussed different aspects of the Wound Care program, including hyperbaric oxygen chambers and usage, volume assumptions, and the status of the lease agreement.</p>	<p>seconded the motion. The motion carried.</p>
	<p>C. Recommendation of Approval of Wound Care Program Financing</p> <p>Mr. Easthope presented the recommendation to approve financing for the wound care program through a term loan with the Bank of Alameda. The terms were approved by the Bank of Alameda Loan Committee on February 17, 2011. The interest rate, terms Covenants and Conditions were discussed with the committee. There was some concern about compliance with the covenants outlined in the memorandum. Management indicated that Bank of Alameda was willing to work with the Hospital if covenants were out of compliance.</p>	<p>Ms. Evans made a motion to recommend approval of the Wound Care Financing. Mr. Kofman seconded the motion. The motion carried.</p>
	<p>D. Recommendation for Renewal of the Line of Credit with the Bank of Alameda</p> <p>Mr. Neapolitan presented the recommendation to renew the \$1.5 million revolving line of credit (RLOC) with the Bank of Alameda. The RLOC is structured so that Alameda Hospital can borrow the full amount for working capital purposes or can use up to \$250,000 to purchase capital equipment.</p>	<p>Dr. Deutsch made a motion to recommend renewal of the Line of Credit with the bank of Alameda. Ms. Evans seconded the motion. The motion carried.</p>
	<p>E. Recommendation for Annual Use of Jaber Funds</p> <p>Mr. Neapolitan presented the recommendation to use the FY 2010 Jaber funds of \$120,063 to purchase 10 new Zoll defibrillators for the Hospital. The purchase would standardize all defibrillators currently used at the Hospital.</p>	<p>Ms. Evans made a motion to recommend the purchase of Zoll Defibrillators with the annual Jaber Funds. Mr. Oddie seconded the motion. The motion carried.</p>
	<p>F. Recommendation for Purchase of Electronic Health Record (EHR) Mobile Equipment</p> <p>Ms. Stebbins presented the recommendation to purchase electronic Health Record (EHR) mobile equipment in the amount \$294,000 from Hospital Mobility, the second lowest bidder or the three quotes. The committee had concerns regarding the choice of the second lowest bidder and the reasoning behind the decision. Management stated that the recommendation would be revised for the approval by the Board of Directors to be clear why Hospital Mobility was the preferred vendor.</p>	<p>Ms. Evans made a motion to recommend purchase of Electronic Health Record mobile equipment pending further explanation to the Board of Directors of why the 2<sup>nd</sup> to the lowest bidder was chosen for the purchase of the EHR equipment. Mr. Kofman seconded the motion. The motion carried.</p>
<p>IV. Chief Financial Officer's Report</p>	<p>A. IGT Status Update</p> <p>The newly formed District Hospital Leadership Council (DHLC) has been working with CHA and state legislators to pass SB7.</p>	<p>No action taken.</p>

	<p>This legislation in part will allow all District Hospitals to participate in the IGT program whether contracted for Medi-Cal inpatient services or not. We have been informed that as a result of this modification we are currently estimated to receive approximately \$980,000 in net IGT funds after making a transfer of approximately \$760,000. These transactions must occur before June 30, 2011. This is assuming that this legislation (SB7) will be passed. Management continues to work with DHLC and CHA, the primary sponsors of SB7, to determine what options may be available to mitigate the shortfall of approximately \$1.1 million from the unintended consequences of the arrangement that was agreed to with CMAC last year</p>	
	<p>B. 1206 (b) Clinic Performance Update</p> <p>Discussion on the 1206(b) Clinic Performance was deferred to the next meeting.</p>	<p>Management will distribute a memorandum on the 1206(b) Clinic Performance prior to the next committee meeting.</p>
	<p>C. Update of the Banc of America Master Lease</p> <p>The update on the Banc of America Master Lease, including what equipment is being financed by the agreement was deferred to the next meeting in the interest of time.</p>	<p>No action taken.</p>
V. Chief Executive Officer's Report	<p>No report was given in the interest of time.</p>	
VI. Adjournment	<p>The meeting was adjourned at 9:20 a.m.</p>	

# THE CITY OF ALAMEDA HEALTH CARE DISTRICT

## ALAMEDA HOSPITAL

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### UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING FEBRUARY 28, 2011

**CITY OF ALAMEDA HEALTH CARE DISTRICT  
ALAMEDA HOSPITAL  
FEBRUARY 28, 2011**

<b><u>Table of Contents</u></b>	<b><u>Page</u></b>
Financial Management Discussion	1 – 14
Key Statistics for Current Month and Year-to-Date	15
Balance Sheet	16
Statement of Revenue and Expenses	17
Statement of Revenue and Expenses – Per Adjusted Patient Day	18
Statement of Cash Flows	19

**ALAMEDA HOSPITAL  
MANAGEMENT DISCUSSION AND ANALYSIS  
FEBRUARY, 2011**

The management of the Alameda Hospital (the "Hospital") has prepared this discussion and analysis in order to provide an overview of the Hospital's performance for the period ending February 28, 2011 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the Hospital's financial performance as a whole.

***Financial Overview as of February, 2011***

- For the eight months ended February 28, 2011, combined expense over revenues (loss) is \$337,000 versus budgeted revenue over expenses (profit) of \$564,000. This \$900,000 unfavorable variance from the fixed operating budget is the result of a year to date unfavorable net patient revenue variance of \$389,000 or 1.0% combined with a year to date unfavorable operating expense variance of \$530,000 or 1.2%. The unfavorable revenue variance has been a result of lower than expected volumes in our inpatient programs (2.8%), lower emergency services visits (6.1%), lower than budgeted surgical volumes (5.1%) and lower than budgeted outpatient visits (10.3%).
- Gross patient revenue for the month of February was less than budget by \$2,307,000 or 10.9%. Both inpatient and outpatient revenues were less than budgeted 10.9% for the month. On adjusted patient day basis gross patient revenue was 5.3% less than budgeted at \$5,285 compared to a budgeted amount of \$5,581 for the month of February.
- Total patient days for the month were 2,380 compared to the prior month's total patient days of 2,652 and the prior year's 2,433 total patient days. The average daily acute care census was 27.8 compared to a budget of 33.9 and an actual average daily census of 31.7 in the prior month; the average daily Sub-Acute census was 33.7 versus a budget of 33.5 and 31.2 in the prior month and the Skilled Nursing program had an average daily census of 23.5 versus a budget of 23.0 and prior month census of 22.7, respectively.
- Emergency Care Center (ECC) visits were 1,337 or 2.6% less than the budgeted 1,372 visits and were 5.6% less than the prior year's visits of 1,417.
- Total surgery cases were less than budgeted expectations for the month at 166 cases versus the budgeted 186 cases. The current month's surgical volume was 9.2% greater than the same month prior year's 152 cases.
- Outpatient registrations were 16.4% below budgeted targets at 1,866 and were 26.1% less than the prior month's 2,524 outpatient visits.
- Combined excess expense over revenues (loss) for February was \$311,000 versus a budgeted excess of expense over revenues (loss) of \$32,000.

Total assets decreased by \$111,000 from the prior month as a result of a decrease in current assets of \$255,000, an increase in net fixed assets of \$133,000 and an increase in restricted contributions of \$11,000. The following items make up the decrease in current assets:

- Total unrestricted cash and cash equivalents for February increased by \$711,000 and days cash on hand including restricted use funds increased to 8.5 days on hand in February from 4.6 days on hand in January.

- Net patient accounts receivable decreased in February by \$937,000 compared to an increase of \$788,000 in January. Day's in outstanding receivables decreased to 59.7 at February 28, 2011 from 64.7 at January 31, 2011. Collections in February totaled \$5.4 million compared to \$4.6 million in January.

Total liabilities increased by \$179,000 compared to an increase of \$237,000 in the prior month. This increase in the current month was the result of the following:

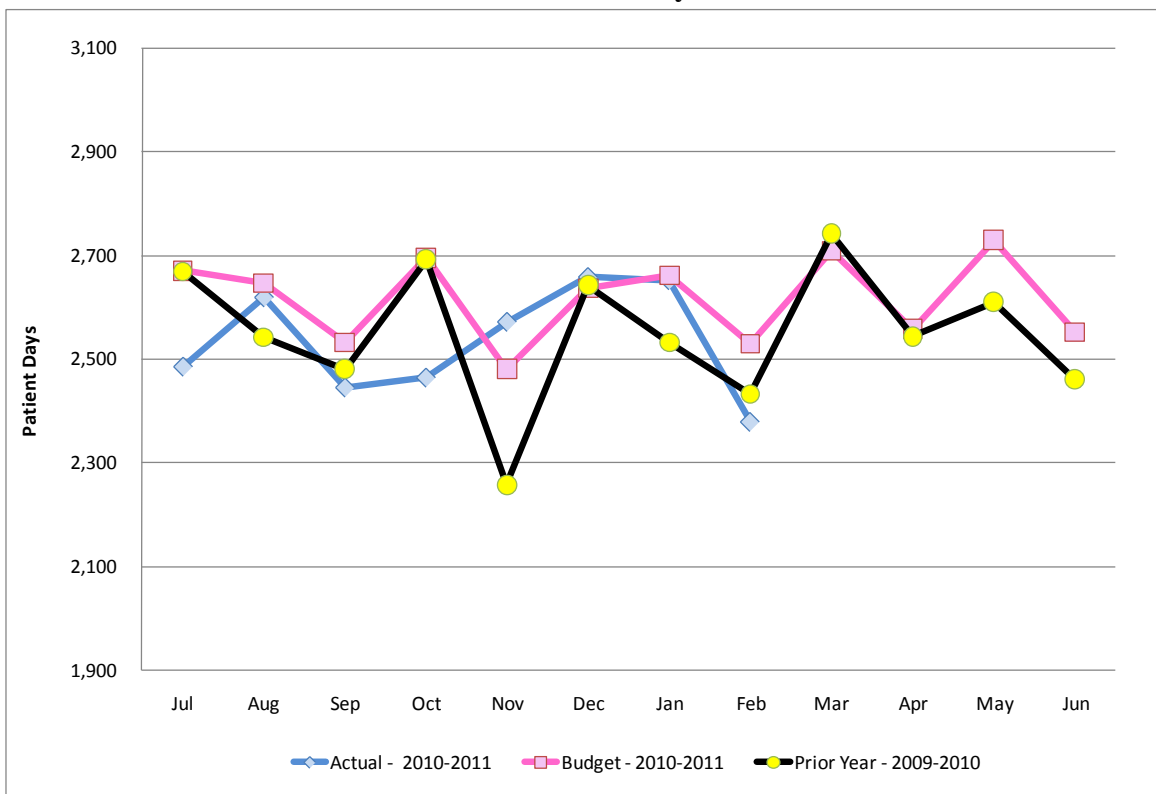
- Accounts payable and accrued expenses increased by \$687,000. As a result of this increase of \$687,000 the average payment period increased in February to 69.4 from 66.0 as of January 31, 2011.
- Deferred revenues decreased by \$478,000 as a result of the amortization of one-twelfth of the annual parcel tax revenues for the 2011 fiscal year.
- Long term debt decreased by \$37,000 as a result of the monthly payment of the note payable to the Bank of Alameda.

**Volumes**

The combined actual daily census was 85.0 versus a budget of 90.4 or 5.5% or 5.0 patients per day unfavorable variance. The current month's overall unfavorable variance from the budgeted census was the result of an acute care services average daily census that was unfavorable to budget in the acute care areas by 5.7 patients per day or 16.7%. The Sub-Acute and Skilled Nursing programs were favorable to budgeted expectations with an average daily census of 33.7 versus the budgeted 33.5 and 23.5 versus the budgeted average daily census of 23.0, respectively.

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

**Total Patient Days**



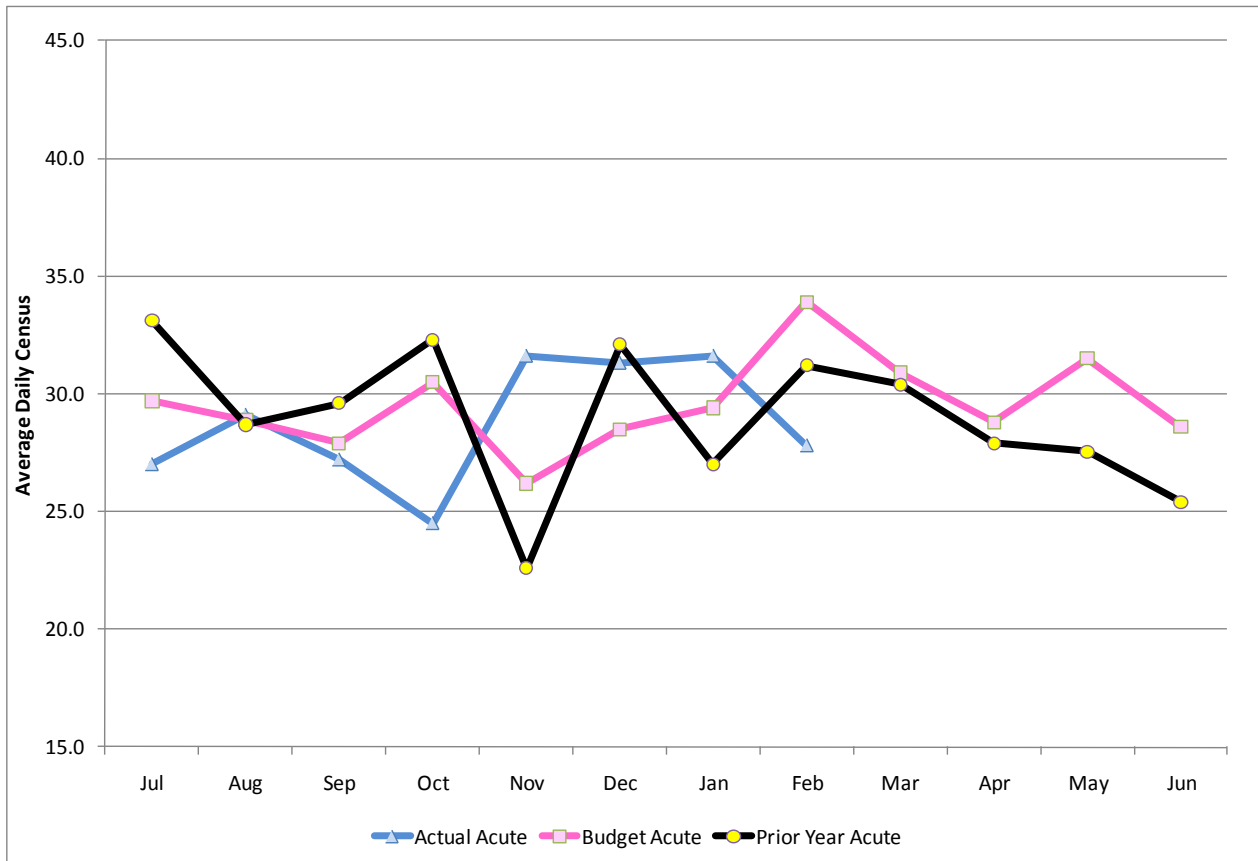


The various inpatient components of our inpatient volumes for the month of February are discussed in the following sections.

**Acute Care**

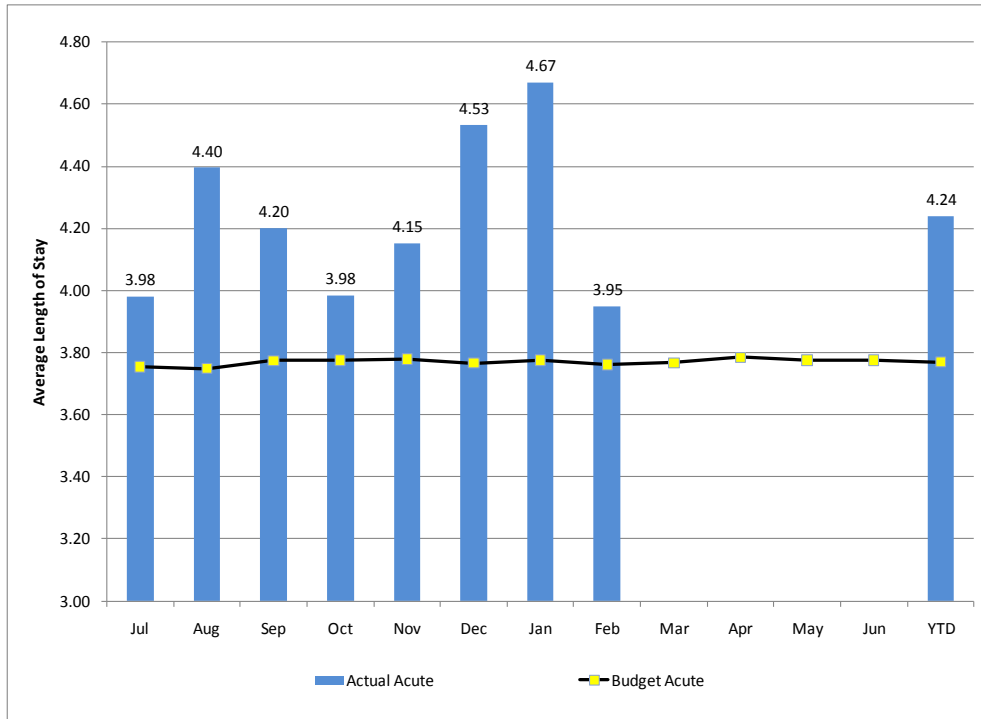
The acute care patient days were 16.7% (170 days) less than budgeted and were on 11.0% less than the prior year’s average daily census of 31.2. The acute care program is comprised of the Critical Care Unit (3.1 ADC, 20.2% unfavorable to budget), Definitive Observation Unit (7.4 ADC, 42.1% unfavorable to budget) and Med/Surg Units (17.3 ADC, 0.6% favorable to budget). The graph below shows the inpatient acute care census by month for the current fiscal year, the operating budget and prior fiscal year actual.

**Inpatient Acute Care Average Daily Census**



The average length of stay (ALOS) decreased from that of the prior month to 3.95 days for the month of February bringing the year-to-date average to 4.24 versus the budgeted FY 2011 average of 3.77. The graph on the following page shows the ALOS by month and the budgeted ALOS for fiscal year 2011.

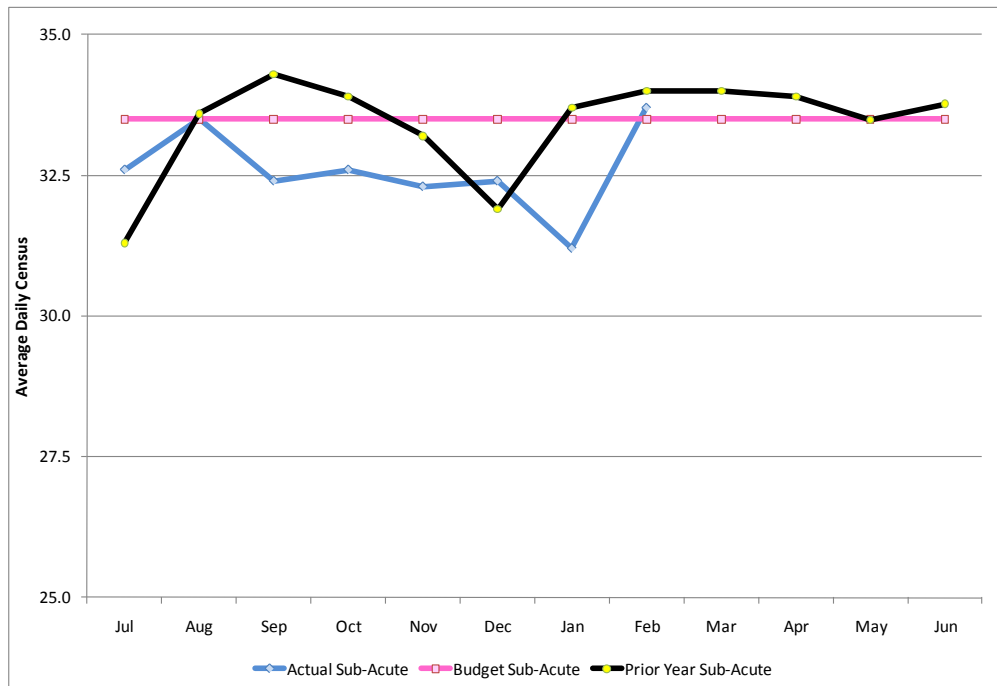
### Average Length of Stay



### Sub-Acute Care

The Sub-Acute program patient days were greater than budgeted projections with an average daily census of 33.7 for the month of February which was budgeted for an average daily census of 33.5. The graph below shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.

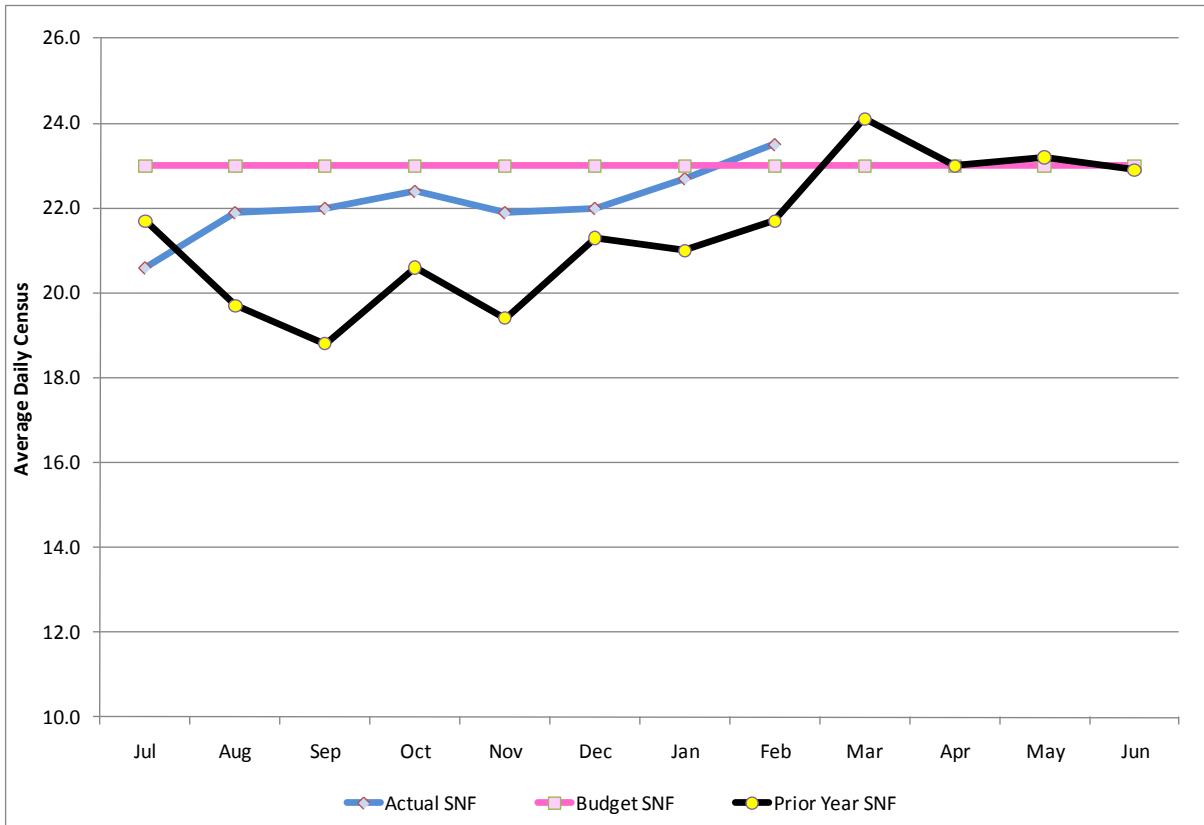
### Sub-Acute Care Average Daily Census



**Skilled Nursing Care**

The Skilled Nursing Unit (South Shore) patient days were 2.3% or 15 patient days greater than budgeted for the month of February. Comparing performance to the prior year this programs volume remains greater than the prior year’s performance for the first eight months of fiscal year 2011 that has had an average daily census of 22.1 versus 20.5 in fiscal year 2010. The following graph shows the Skilled Nursing Unit monthly average daily census as compared to budget and the prior year.

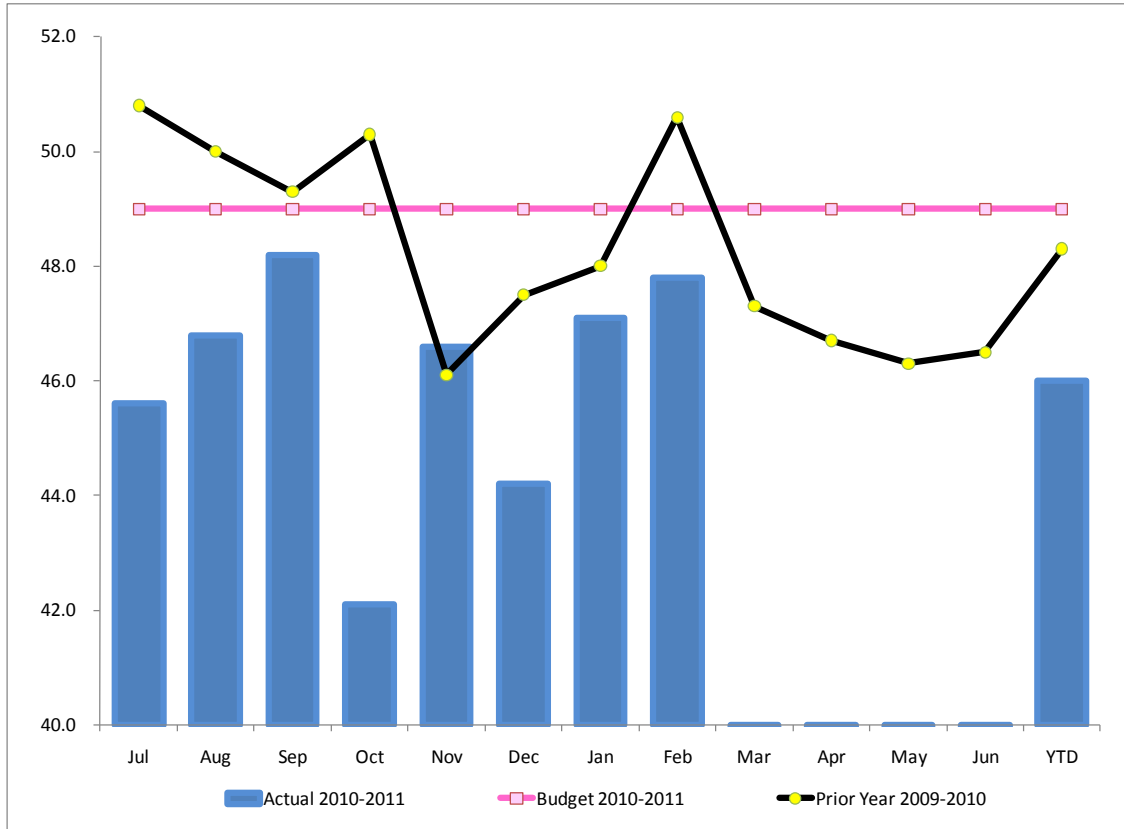
**Skilled Nursing Unit Average Daily Census**



**Emergency Care Center (ECC)**

Emergency Care Center visits in February totaled 1,337 and were 2.6% or only 35 visits less than budgeted for the month with 15.6% of these visits resulting in inpatient admissions versus 16.5% in January. In February there were 267 ambulance arrivals versus 262 in the prior month, on a per day basis this represents an increase of 15.9%. Of the 267 ambulance arrivals in the current month 168 or 62.9% were from Alameda Fire Department (AFD) ambulances. The graph on the following page shows the Emergency Care Centers average visits per day for fiscal year 2011 as compared to budget and the prior year performance.

**Emergency Care Center Visits per Day**

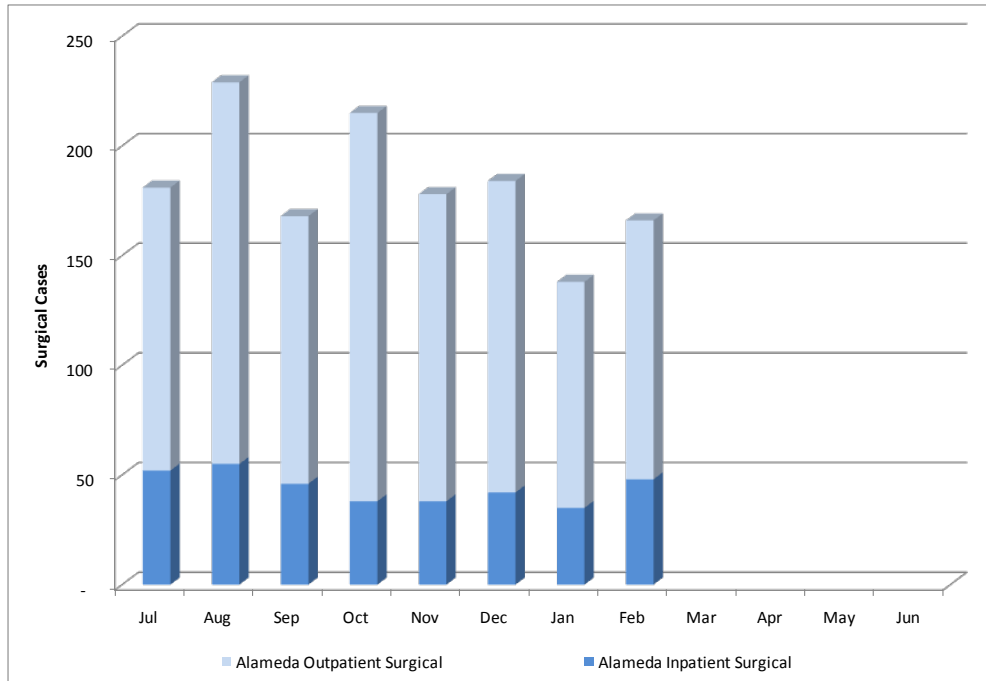


**Surgery**

Surgery cases were 166 versus the 186 budgeted cases and 152 cases in the prior year. In February, surgery cases increased over the prior month by 20.2%. The increase of 28 cases over the prior month was the result of an increase of 13 and 15 inpatient and outpatient cases, respectively. Inpatient and outpatient cases totaled 48 and 118 versus 35 and 103 in February and January, respectively. The increase in cases from the prior month was driven by increases in General Surgical (16), Gastro Intestinal (10), Orthopedic (5) and Plastic (4) cases offset by decreases in Gynecology (6) and Ophthalmology (3).

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

### Surgical Cases

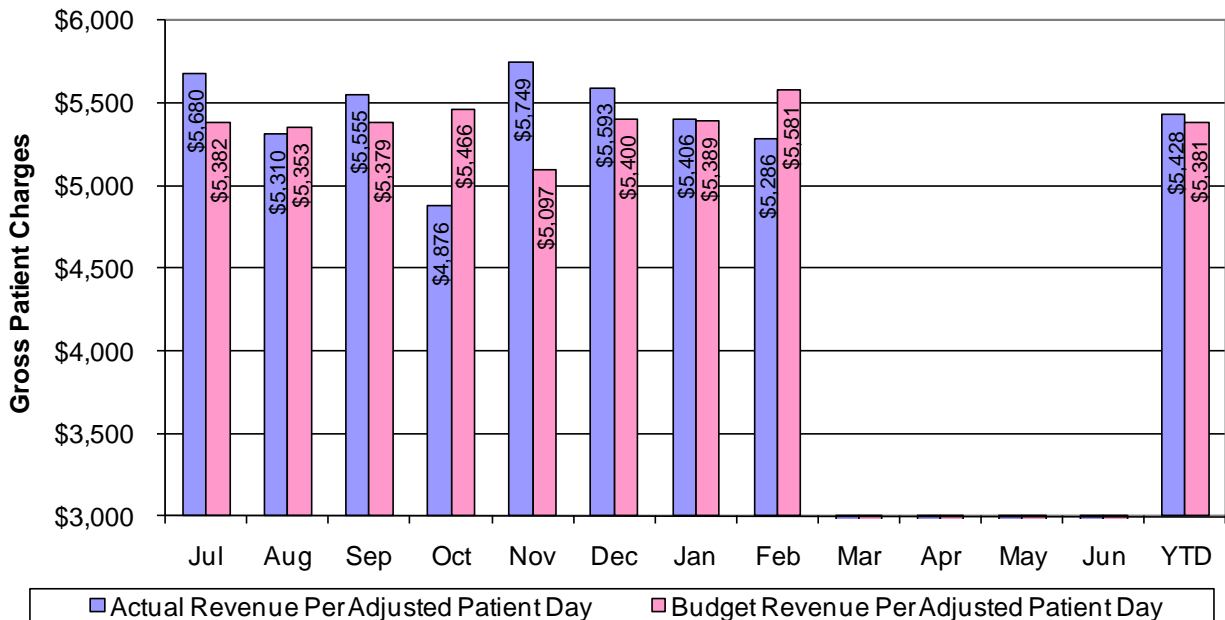


### Income Statement

#### Gross Patient Charges

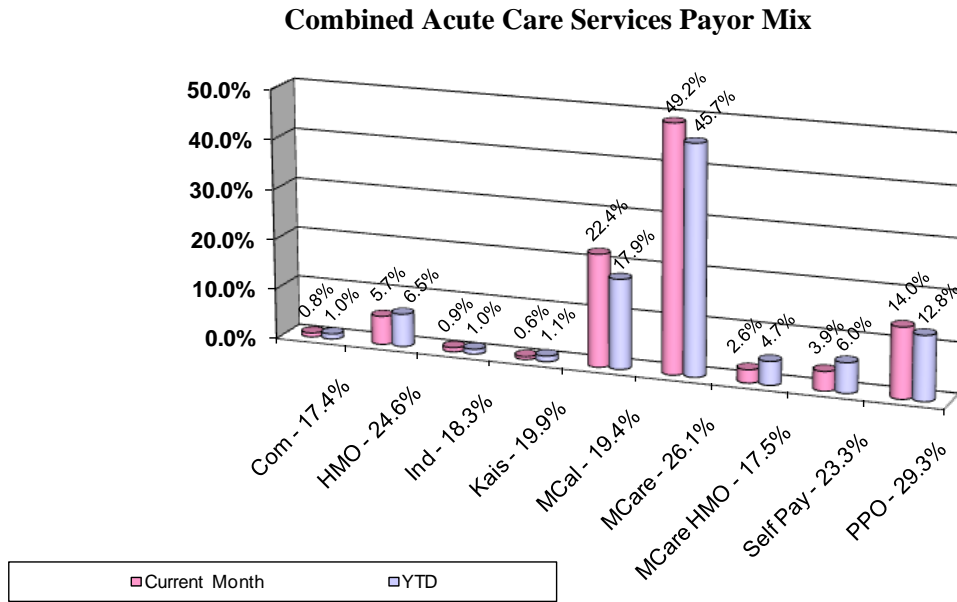
Gross patient charges in February were less than budgeted by \$2,307,000. This unfavorable variance was comprised of an unfavorable variance of \$1,542,000 and \$765,000 in inpatient and outpatient revenues, respectively. On an adjusted patient day basis total patient revenue was \$5,286 versus the budgeted \$5,581 for the month of February. The following table shows the hospitals monthly gross revenue per adjusted patient day by month and year-to-date for fiscal year 2011 compared to budget.

#### Gross Charges per Adjusted Patient Day



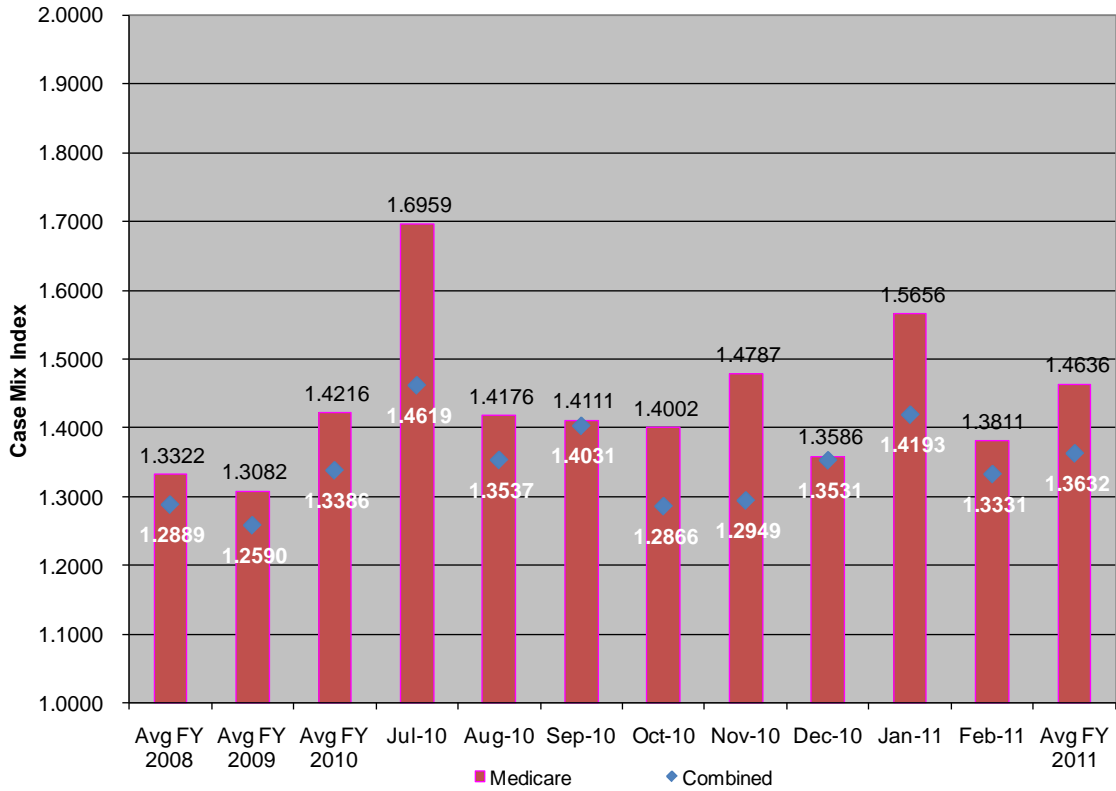
**Payor Mix**

Combined inpatient and outpatient acute care Medicare and Medicare Advantage total gross revenue in February made up 51.8% of the months total gross patient revenue. Combined Medicare revenue was followed by Medi-Cal Traditional and Medi-Cal HMO utilization at 22.4%, HMO/PPO utilization at 19.7% and self pay at 3.9%. The graph below shows the percentage of gross revenues generated by each of the major payors for the current month and fiscal year to date as well as the current months estimated reimbursement for each payor for the combined inpatient and outpatient acute care services.



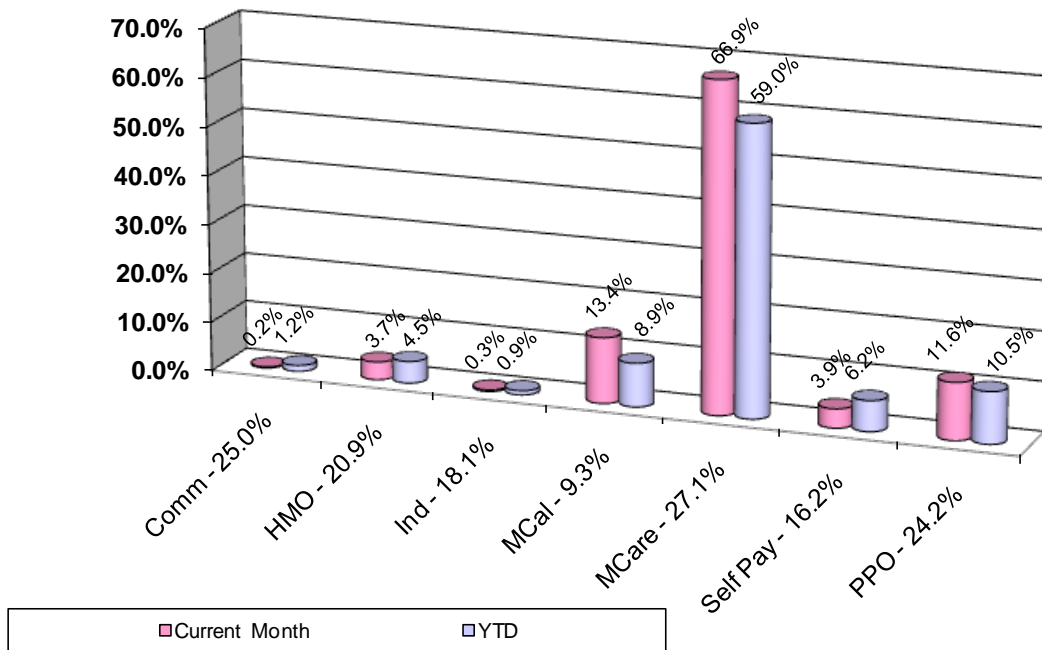
The inpatient acute care current month gross Medicare and Medicare Advantage charges made up 66.9% of our total inpatient acute care gross revenues followed by HMO/PPO at 15.3%, Medi-Cal and Medi-Cal HMO at 13.4% and Self Pay at 3.9% of the inpatient acute care revenue. The hospitals overall Case Mix Index (CMI) decreased to 1.3331 from 1.4193 in the prior month and the Medicare CMI decreased over the prior month from 1.5656 in January to 1.3811 in February. In February there was again one (1) outlier case in the month. The estimated Medicare reimbursement increased to 27.1% in February versus 24.6% in January. The graph on the following page shows the CMI for the hospital during the current fiscal year as compared to the prior three fiscal years.

### Case Mix Index Comparison

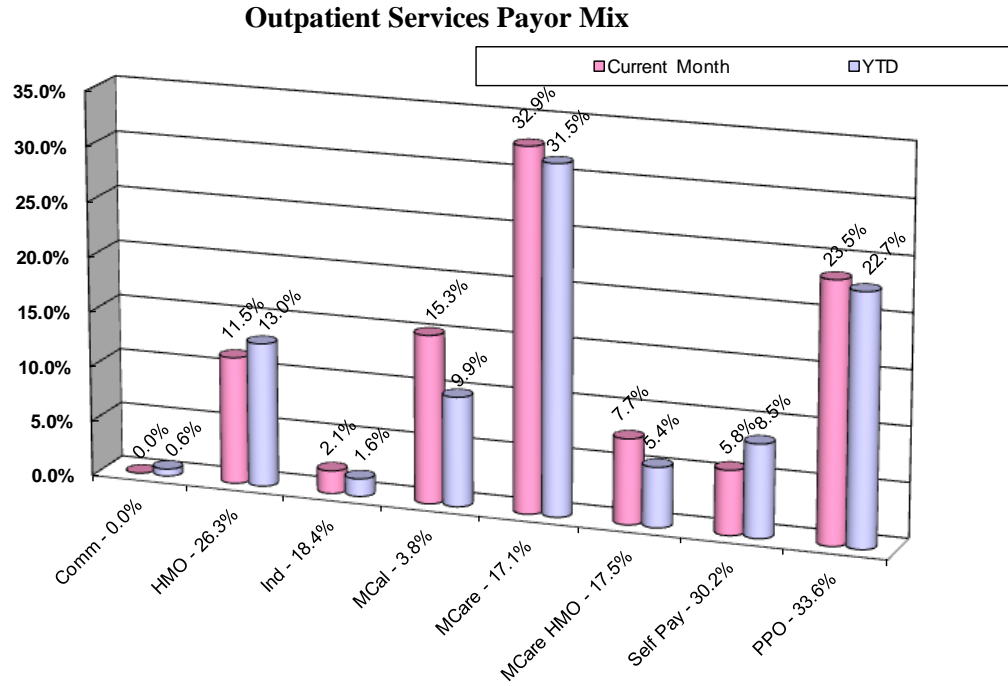


The overall net inpatient revenue percentage decreased from the prior month to 23.7% in February versus 24.9% in January. The graph below shows inpatient acute care current month and year to date payor mix and current month estimated net revenue percentages for fiscal year 2011.

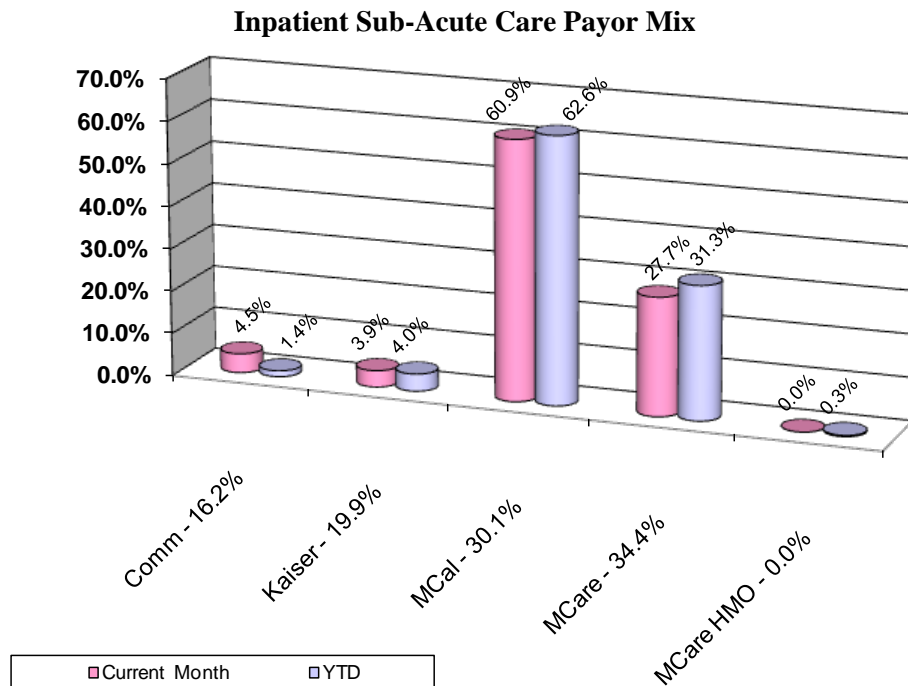
### Inpatient Acute Care Payor Mix



The outpatient gross revenue payor mix for February was comprised of 40.6% Medicare and Medicare Advantage, 35.0% HMO/PPO, 15.3% Medi-Cal and Medi-Cal HMO, and 5.8% self pay. The graph below shows the current month and fiscal year to date outpatient payor mix and the current months estimated level of reimbursement for each payor.

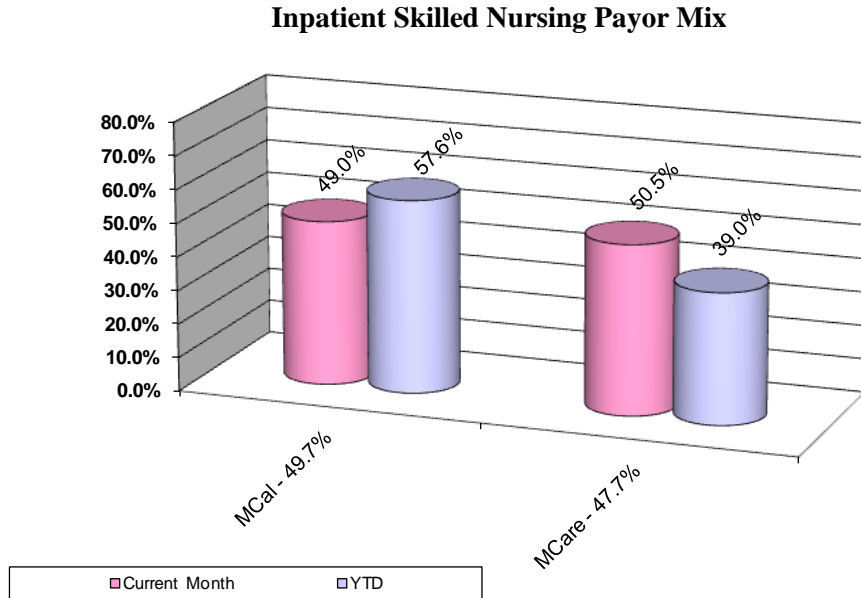


In February the Sub-Acute care program again was dominated by Medi-Cal utilization of 60.9% versus 56.1% in January. The graph below shows the payor mix for the current month and fiscal year to date and the current months estimated reimbursement rate for each payor.





In February the Skilled Nursing program was again comprised primarily of Medi-Cal at 49.0% and Medicare at 50.5%. The graph below shows the current month and fiscal year to date skilled nursing payor mix and the current months estimated level of reimbursement for each payor.



***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 February contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 75.7% versus the budgeted 75.4%.

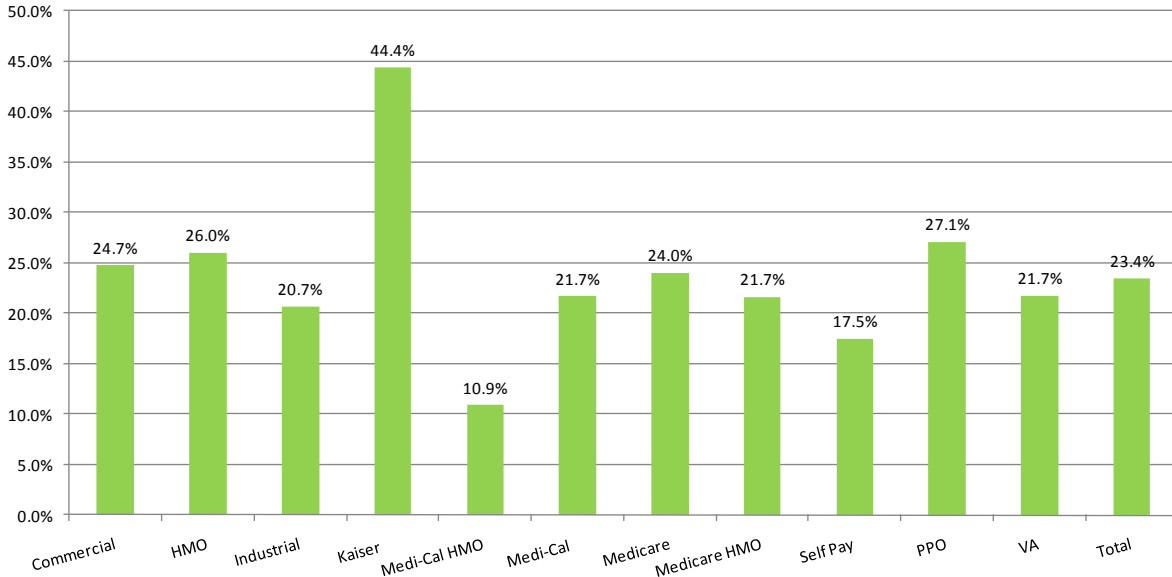
***Net Patient Service Revenue***

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

Also included in February, based upon the notification of the new long term care program Medi-Cal rates (Sub-Acute and SNF) for fiscal year 2011 an accrual of \$125,000 was included in the month to reflect the estimated retroactive amounts to be received in March 2011 for services rendered to Medi-Cal beneficiaries in these long-term care programs on or after August 1, 2010.

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

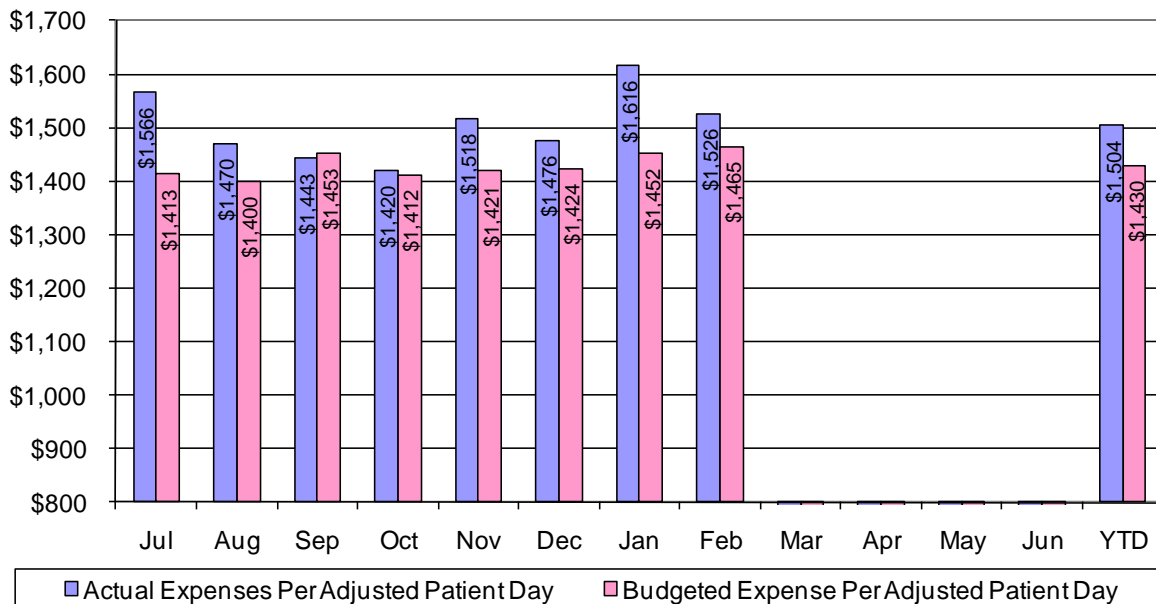
**Average Reimbursement % by Payor  
 February  
 FY 2011 Year-to-Date**



**Total Operating Expenses**

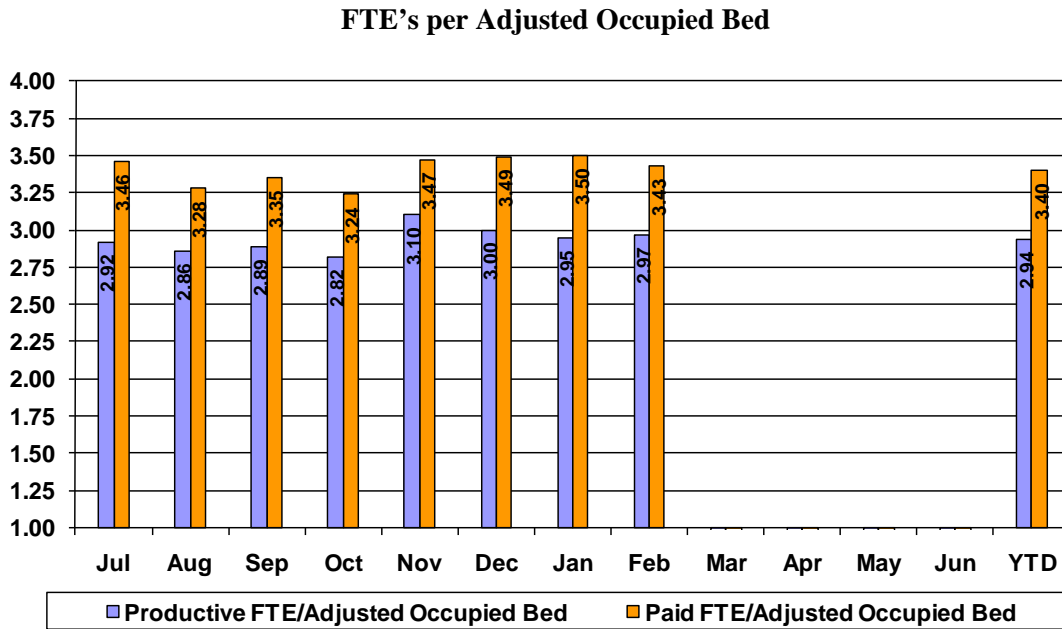
Total operating expenses were less than the fixed budget by \$113,000 or 2.0%. On an adjusted patient day basis, our cost per adjusted patient day was \$1,526 which was \$61 per adjusted patient day unfavorable to budget. This variance in expenses per adjusted patient day was primarily the result of an unfavorable variance in salaries and registry costs of \$92 per adjusted patient day. The graph below shows the actual hospital operating expenses on an adjusted patient day basis for the 2011 fiscal year by month as compared to budget and is followed by explanations of the significant areas of variance that were experienced in the current month.

**Expenses per Adjusted Patient Day**



**Salary and Registry Expenses**

Salary and registry costs combined were unfavorable to the fixed budget by \$158,000 and were unfavorable to budgeted levels on a per adjusted patient day basis by \$92 or 12.0%. This unfavorable variance was the result of unfavorable variances in salary costs \$114,000 and greater than budgeted registry utilization in several hospital departments of \$41,000. On an adjusted occupied bed basis, productive FTE's were unfavorable to budget by 5.3% at 2.97 FTE's versus the budgeted 2.82 FTE's. The graph below shows the productive and paid FTE's per adjusted occupied bed for FY 2011 by month.



**Benefits**

Benefits were favorable to the fixed budget by \$138,000 or 15.3% and \$24 or 9.9% on an adjusted patient day basis. This favorable variance was the result of lower than budgeted health insurance claims expense of \$119,000 and lower than budgeted workers compensation insurance expense of \$25,000.

**Professional Fees**

Professional fees were lower than budgeted by \$94,000 as a result of the delay in the estimated start-up of the Wound Care program that was budgeted to begin in January 2011 (\$41,000), lower than budgeted physician fees (\$30,000), lower than budgeted consulting and management fees (\$30,000) offset by an unfavorable budget in legal fees of \$10,000.

**Supplies**

Supplies were unfavorable to budget by \$44,000 or \$24 per adjusted patient day in February. This unfavorable variance was the result of greater than budgeted medical supplies expense of \$49,000 which was comprised of unfavorable variances in surgical supplies (\$37,000), pharmaceuticals (\$8,000) and radiology film expense (\$4,000). Non-medical supplies were favorable to budget by \$6,000.

**Purchased Services**

Purchased services were \$46,000 favorable to the fixed budget and \$7 per adjusted patient day favorable to budget in the month of February. This favorable variance was the result of favorable variances of \$12,000 in repairs and maintenance expense, lower than budgeted collection agency fees of \$14,000 and other purchased services of \$32,000. These favorable variances were offset by an unfavorable variance of \$11,000 in medical purchased services.

***Rents and Leases***

Rents and leases were \$38,000 favorable to the fixed budget and \$9 per adjusted patient day favorable to budget for the month of February. This favorable variance was primarily the result of lower than budgeted rental expense related to the PACS and Digital Radiology upgrade project (\$31,000). This project will not be completed until the end of the fiscal year due to Office of Statewide Health Planning delays. Favorable variances were also seen in the Respiratory Services department (\$6,000) as a result of a new lease agreement that was negotiated with a new ventilator supplier.

The following pages include the detailed financial statements for the eight (8) months ended February 28, 2011, of fiscal year 2011.

**ALAMEDA HOSPITAL**  
**KEY STATISTICS**  
**FEBRUARY 2011**

	<b>ACTUAL FEBRUARY 2011</b>	<b>CURRENT FIXED BUDGET</b>	<b>VARIANCE (UNDER) OVER</b>	<b>%</b>	<b>FEBRUARY 2010</b>	<b>YTD FEBRUARY 2011</b>	<b>YTD FIXED BUDGET</b>	<b>VARIANCE</b>	<b>%</b>	<b>YTD FEBRUARY 2010</b>
<b>Discharges:</b>										
Total Acute	197	252	(55)	-21.8%	215	1,649	1,892	(243)	-12.8%	1,905
Total Sub-Acute	1	1	-	0.0%	1	16	12	4	33.3%	11
Total Skilled Nursing	10	11	(1)	-9.1%	6	60	98	(38)	-38.8%	87
	<u>208</u>	<u>264</u>	<u>(56)</u>	<u>-21.2%</u>	<u>222</u>	<u>1,725</u>	<u>2,002</u>	<u>(277)</u>	<u>-13.8%</u>	<u>2,003</u>
<b>Patient Days:</b>										
Total Acute	778	948	(170)	-17.9%	874	6,989	7,127	(138)	-1.9%	7,186
Total Sub-Acute	943	938	5	0.5%	951	7,914	8,140	(226)	-2.8%	8,073
Total Skilled Nursing	659	644	15	2.3%	608	5,375	5,589	(214)	-3.8%	4,991
	<u>2,380</u>	<u>2,530</u>	<u>(150)</u>	<u>-5.9%</u>	<u>2,433</u>	<u>20,278</u>	<u>20,856</u>	<u>(578)</u>	<u>-2.8%</u>	<u>20,250</u>
<b>Average Length of Stay</b>										
Total Acute	3.95	3.76	0.19	5.0%	4.07	4.24	3.77	0.47	12.5%	3.77
<b>Average Daily Census</b>										
Total Acute	27.79	33.86	(5.67)	-16.7%	31.21	28.76	29.33	(0.57)	-1.9%	29.57
Total Sub-Acute	33.68	33.50	0.17	0.5%	33.96	32.57	33.50	(0.93)	-2.8%	33.22
Total Skilled Nursing	23.54	23.00	0.50	2.2%	21.71	22.12	23.00	(0.88)	-3.8%	20.54
	<u>85.00</u>	<u>90.36</u>	<u>(5.00)</u>	<u>-5.5%</u>	<u>86.89</u>	<u>83.45</u>	<u>85.83</u>	<u>(1.50)</u>	<u>-1.7%</u>	<u>83.33</u>
<b>Emergency Room Visits</b>										
	1,337	1,372	(35)	-2.6%	1,417	11,179	11,910	(731)	-6.1%	11,924
<b>Outpatient Registrations</b>										
	1,866	2,232	(366)	-16.4%	2,524	15,684	17,486	(1,802)	-10.3%	20,428
<b>Surgery Cases:</b>										
Inpatient	48	50	(2)	-4.0%	59	354	399	(45)	-11.3%	477
Outpatient	118	136	(18)	-13.2%	410	1,105	1,139	(34)	-3.0%	3,379
	<u>166</u>	<u>186</u>	<u>(20)</u>	<u>-10.8%</u>	<u>469</u>	<u>1,459</u>	<u>1,538</u>	<u>(79)</u>	<u>-5.1%</u>	<u>3,856</u>
Kaiser Inpatient Cases	-	-	-	-	9	-	-	-	-	78
Kaiser Eye Cases	-	-	-	-	164	-	-	-	-	1,267
Kaiser Outpatient Cases	-	-	-	-	144	-	-	-	-	1,257
<b>Total Kaiser Cases</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,602</u>
<b>% Kaiser Cases</b>	0.0%	0.0%			67.6%	0.0%	0.0%			67.5%
<b>Adjusted Occupied Bed</b>										
	127.64	135.49	7.85	5.8%	151.79	124.08	129.41	(5.33)	-4.1%	145.75
<b>Productive FTE</b>										
	378.12	381.76	3.64	1.0%	395.80	366.36	367.07	0.71	0.2%	392.34
<b>Total FTE</b>										
	436.32	432.71	(3.61)	-0.8%	454.02	423.81	417.70	(6.11)	-1.5%	449.07
<b>Productive FTE/Adj. Occ. Bed</b>										
	2.96	2.82	(0.14)	-5.1%	2.61	2.95	2.84	(0.12)	-4.1%	2.69
<b>Total FTE/ Adj. Occ. Bed</b>										
	3.42	3.19	(0.22)	-7.0%	2.99	3.42	3.23	(0.19)	-5.8%	3.08

**City of Alameda Health Care District  
Statements of Financial Position**

February 28, 2011

\$ in thousands

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year End</u>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 721,546	\$ 10,339	\$ 3,480,668
Patient Accounts Receivable, net	10,520,865	11,458,132	9,558,147
Other Receivables	4,349,139	4,344,795	6,654,035
Third-Party Payer Settlement Receivables	683,455	695,240	374,557
Inventories	1,155,112	1,138,088	1,149,706
Prepays and Other	<u>674,119</u>	<u>712,399</u>	<u>453,872</u>
Total Current Assets	18,104,236	18,358,993	21,670,985
Assets Limited as to Use, net	558,398	547,821	476,630
Property, Plant and Equipment, net	<u>7,660,831</u>	<u>7,528,001</u>	<u>6,993,735</u>
<b>Total Assets</b>	<b><u>\$ 26,323,465</u></b>	<b><u>\$ 26,434,815</u></b>	<b><u>\$ 29,141,350</u></b>
<b>Liabilities and Net Assets</b>			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 416,000	\$ 416,000	\$ 450,831
Accounts Payable and Accrued Expenses	7,434,886	6,747,786	6,112,296
Payroll Related Accruals	4,829,367	4,804,155	4,351,133
Deferred Revenue	1,912,349	2,390,196	5,736,951
Employee Health Related Accruals	562,840	581,363	645,750
Third-Party Payer Settlement Payable	<u>290,000</u>	<u>290,000</u>	<u>500,000</u>
Total Current Liabilities	15,445,442	15,229,500	17,796,961
Long Term Debt, net	<u>967,720</u>	<u>1,004,828</u>	<u>1,236,831</u>
Total Liabilities	<u>16,413,162</u>	<u>16,234,328</u>	<u>19,033,792</u>
Net Assets:			
Unrestricted	9,224,329	9,555,090	9,560,928
Temporarily Restricted	<u>685,974</u>	<u>645,397</u>	<u>546,630</u>
Total Net Assets	<u>9,910,303</u>	<u>10,200,487</u>	<u>10,107,558</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 26,323,465</u></b>	<b><u>\$ 26,434,815</u></b>	<b><u>\$ 29,141,350</u></b>

**City of Alameda Health Care District**

**Statements of Operations**

February 28, 2011

\$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	2,380	2,530	(150)	-5.9%	2,433	20,278	20,856	(578)	-2.8%	20,250
Discharges	208	263	(55)	-20.9%	222	1,725	2,000	(275)	-13.8%	2,002
ADC (Average Daily Census)	85.0	90.4	(5.36)	-5.9%	86.9	83	85.8	(2.38)	-2.8%	83.3
CMI (Case Mix Index)	1.3331				1.3723	1.3632				1.3197
<b>Revenues</b>										
Gross Inpatient Revenues	\$ 12,579	\$ 14,121	\$ (1,542)	-10.9%	\$ 13,153	\$ 110,161	\$ 112,244	\$ (2,084)	-1.9%	\$ 110,902
Gross Outpatient Revenues	6,260	7,026	(765)	-10.9%	9,870	53,877	56,795	(2,918)	-5.1%	83,058
<b>Total Gross Revenues</b>	<b>18,839</b>	<b>21,147</b>	<b>(2,307)</b>	<b>-10.9%</b>	<b>23,023</b>	<b>164,037</b>	<b>169,039</b>	<b>(5,002)</b>	<b>-3.0%</b>	<b>193,961</b>
Contractual Deductions	13,389	15,368	1,979	12.9%	16,902	116,997	121,498	4,501	3.7%	144,019
Bad Debts	690	634	(56)	-8.8%	707	4,954	5,053	99	2.0%	4,358
Charity and Other Adjustments	188	159	(29)	-18.6%	60	1,257	1,264	7	0.6%	424
<b>Net Patient Revenues</b>	<b>4,572</b>	<b>4,986</b>	<b>(414)</b>	<b>-8.3%</b>	<b>5,354</b>	<b>40,830</b>	<b>41,224</b>	<b>(394)</b>	<b>-1.0%</b>	<b>45,159</b>
<b>Net Patient Revenue %</b>	<b>24.3%</b>	<b>23.6%</b>			<b>23.3%</b>	<b>24.9%</b>	<b>24.4%</b>			<b>23.3%</b>
Net Clinic Revenue	50	28	23	80.9%	14	258	223	34	15.4%	81
Other Operating Revenue	12	14	(2)	-14.1%	39	81	111	(30)	-26.7%	371
<b>Total Revenues</b>	<b>4,635</b>	<b>5,028</b>	<b>(393)</b>	<b>-7.8%</b>	<b>5,407</b>	<b>41,169</b>	<b>41,558</b>	<b>(389)</b>	<b>-0.9%</b>	<b>45,611</b>
<b>Expenses</b>										
Salaries	2,825	2,708	(117)	-4.3%	2,879	23,708	22,500	(1,208)	-5.4%	25,342
Registry	216	175	(41)	-23.2%	213	1,605	1,368	(237)	-17.3%	1,348
Benefits	768	907	138	15.3%	1,105	6,306	7,057	750	10.6%	7,631
Professional Fees	255	349	94	26.9%	237	2,373	2,579	207	8.0%	2,355
Supplies	731	687	(44)	-6.4%	737	5,845	5,580	(265)	-4.7%	6,885
Purchased Services	328	375	46	12.3%	330	2,961	3,098	136	4.4%	3,084
Rents and Leases	68	106	38	36.1%	60	544	632	88	14.0%	536
Utilities and Telephone	70	66	(4)	-5.7%	76	502	573	71	12.4%	572
Insurance	34	35	1	4.1%	44	254	287	33	11.4%	352
Depreciation and amortization	77	71	(6)	-8.8%	103	642	584	(58)	-10.0%	817
Other Operating Expenses	68	74	6	8.4%	75	705	657	(48)	-7.3%	683
<b>Total Expenses</b>	<b>5,440</b>	<b>5,552</b>	<b>113</b>	<b>2.0%</b>	<b>5,859</b>	<b>45,446</b>	<b>44,916</b>	<b>(530)</b>	<b>-1.2%</b>	<b>49,604</b>
<b>Operating gain (loss)</b>	<b>(805)</b>	<b>(525)</b>	<b>(280)</b>	<b>-53.4%</b>	<b>(452)</b>	<b>(4,277)</b>	<b>(3,358)</b>	<b>(919)</b>	<b>27.4%</b>	<b>(3,994)</b>
<b>Non-Operating Income / (Expense)</b>										
Parcel Taxes	479	479	0	0.1%	479	3,828	3,837	(9)	-0.2%	3,837
Investment Income	0	-	0	0.0%	2	8	-	8	0.0%	13
Interest Expense	(8)	(8)	0	0.1%	(7)	(71)	(92)	21	-23.1%	(68)
Other Income / (Expense)	22	22	0	0.7%	23	175	177	(2)	-1.3%	182
<b>Net Non-Operating Income / (Expense)</b>	<b>494</b>	<b>493</b>	<b>1</b>	<b>0.2%</b>	<b>496</b>	<b>3,941</b>	<b>3,922</b>	<b>19</b>	<b>0.5%</b>	<b>3,964</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$ (311)</b>	<b>\$ (32)</b>	<b>\$ (279)</b>	<b>879.1%</b>	<b>\$ 44</b>	<b>\$ (337)</b>	<b>\$ 564</b>	<b>\$ (901)</b>	<b>-159.7%</b>	<b>\$ (30)</b>

**City of Alameda Health Care District**  
**Statements of Operations - Per Adjusted Patient Day**  
February 28, 2011

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
<b>Revenues</b>										
Gross Inpatient Revenues	\$ 3,529	\$ 3,727	\$ (198)	-5.3%	\$ 3,089	\$ 3,648	\$ 3,574	\$ 75	2.1%	\$ 3,131
Gross Outpatient Revenues	1,756	1,854	(98)	-5.3%	2,318	1,784	1,808	(24)	-1.3%	2,345
Total Gross Revenues	5,285	5,581	(296)	-5.3%	5,406	5,433	5,382	51	0.9%	5,477
Contractual Deductions	3,756	4,056	300	7.4%	3,969	3,875	3,868	(6)	-0.2%	4,067
Bad Debts	194	167	(26)	-15.6%	166	164	161	(3)	-2.0%	123
Charity and Other Adjustments	53	42	(11)	-26.0%	14	42	40	(1)	-3.4%	12
Net Patient Revenues	1,283	1,316	(33)	-2.5%	1,257	1,352	1,312	40	3.0%	1,275
Net Patient Revenue %	24.3%	23.6%			23.3%	24.9%	24.4%			23.3%
Net Clinic Revenue	14	7	7	92.3%	3	9	7	1	20.1%	2
Other Operating Revenue	3	4	(0)	-8.7%	9	3	4	(1)	-23.7%	10
<b>Total Revenues</b>	<b>1,300</b>	<b>1,327</b>	<b>(27)</b>	<b>-2.0%</b>	<b>1,270</b>	<b>1,364</b>	<b>1,323</b>	<b>40</b>	<b>3.0%</b>	<b>1,288</b>
<b>Expenses</b>										
Salaries	792	715	(78)	-10.9%	676	785	716	(69)	-9.6%	716
Registry	61	46	(14)	-31.0%	50	53	44	(10)	-22.0%	38
Benefits	216	239	24	9.9%	259	209	225	16	7.0%	215
Professional Fees	71	92	21	22.3%	56	79	82	4	4.3%	66
Supplies	205	181	(24)	-13.1%	173	194	178	(16)	-9.0%	194
Purchased Services	92	99	7	6.8%	77	98	99	1	0.6%	87
Rents and Leases	19	28	9	32.1%	14	18	20	2	10.5%	15
Utilities and Telephone	20	17	(2)	-12.4%	18	17	18	2	8.9%	16
Insurance	9	9	(0)	-2.0%	10	8	9	1	7.9%	10
Depreciation and Amortization	22	19	(3)	-15.7%	24	21	19	(3)	-14.4%	23
Other Operating Expenses	19	20	1	2.6%	18	23	21	(2)	-11.6%	19
<b>Total Expenses</b>	<b>1,526</b>	<b>1,465</b>	<b>(61)</b>	<b>-4.1%</b>	<b>1,376</b>	<b>1,505</b>	<b>1,430</b>	<b>(75)</b>	<b>-5.2%</b>	<b>1,401</b>
<b>Operating Gain / (Loss)</b>	<b>(226)</b>	<b>(138)</b>	<b>(87)</b>	<b>-63.1%</b>	<b>(106)</b>	<b>(141)</b>	<b>(107)</b>	<b>(35)</b>	<b>32.6%</b>	<b>(113)</b>
<b>Net Non-Operating Income / (Expense)</b>	<b>139</b>	<b>130</b>	<b>8</b>	<b>6.5%</b>	<b>116</b>	<b>131</b>	<b>125</b>	<b>6</b>	<b>4.5%</b>	<b>112</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$ (87)</b>	<b>\$ (8)</b>	<b>\$ (79)</b>	<b>940.7%</b>	<b>\$ 10</b>	<b>\$ (11)</b>	<b>\$ 18</b>	<b>\$ (29)</b>	<b>-159.9%</b>	<b>\$ (1)</b>



**City of Alameda Health Care District**  
**Statement of Cash Flows**  
**For the Eight Months Ended February 28, 2011**  
\$ in thousands

	<u>Current Month</u>	<u>Year-to-Date</u>
<b>Cash flows from operating activities</b>		
Net Income / (Loss)	\$ (310,992)	\$ (336,598)
Items not requiring the use of cash:		
Depreciation and amortization	77,227	\$ 642,283
Changes in certain assets and liabilities:		
Patient accounts receivable, net	937,267	(962,718)
Other Receivables	(4,344)	2,304,896
Third-Party Payer Settlements Receivable	11,785	(518,898)
Inventories	(17,024)	(5,406)
Prepays and Other	38,280	(220,247)
Accounts payable and accrued liabilities	687,100	1,322,590
Payroll Related Accruals	25,212	478,234
Employee Health Plan Accruals	(18,523)	(82,910)
Deferred Revenues	(477,847)	(3,824,602)
	<u>948,141</u>	<u>(1,203,376)</u>
Cash provided by (used in) operating activities		
<b>Cash flows from investing activities</b>		
(Increase) Decrease in Assets Limited As to Use	(10,577)	(81,768)
Additions to Property, Plant and Equipment	(210,057)	(1,309,379)
Other	(19,769)	(1)
	<u>(240,403)</u>	<u>(1,391,148)</u>
Cash provided by (used in) investing activities		
<b>Cash flows from financing activities</b>		
Net Change in Long-Term Debt	(37,108)	(303,942)
Net Change in Restricted Funds	40,577	139,344
	<u>3,469</u>	<u>(164,598)</u>
Cash provided by (used in) financing and fundraising activities		
Net increase (decrease) in cash and cash equivalents	711,207	(2,759,122)
<b>Cash and cash equivalents at beginning of period</b>	10,339	3,480,668
<b>Cash and cash equivalents at end of period</b>	<u>\$ 721,546</u>	<u>\$ 721,546</u>

DATE: March 30, 2011

TO: City of Alameda Health Care District  
Finance and Management Committee

FROM: Kerry Easthope, Associate Administrator

SUBJECT: Recommendation to Renew Angelica Textile Service Agreement

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**Recommendation:**

Hospital Management is recommending that the Finance and Management Committee recommend to the District Board of Directors approval of the renewal of the Hospital's linen service agreement with Angelica Textile Services.

The new contract would be a four (4) year term, effective 2/21/11 and ending 2/21/2015. The annual cost of this service agreement is estimated at \$350,000. The Agreement includes purchasing and replacing worn and torn linen as needed, as well as, all linen laundry services. The Hospital has been pleased with the quality of linens provided by Angelica as well as the level of service / customer support provided.

**Background:**

Alameda Hospital has contracted with Angelica Textile Services for the provision of linen and laundry services for many years. The most recent contract was a 3 year agreement that ended in October 2008 and has been operating on a month to month basis since then. We began discussion & negotiation of a new contract back in October 2010 and have now finalized the terms and conditions that we feel are satisfactory. The Hospital does not have the space, machinery or personnel to effectively and efficiently perform this function in-house and outsourcing this service has proven to be most beneficial.

**Discussion:**

Angelica Textile Services has been a good laundry & linen service provider. We have not had issue with the quality of their linens, the quantity of linens made available, delivery schedules or service. The fact that they have been a good service provider is especially important as there are limited hospital focused commercial laundry service options available in the Bay Area. Their plant is located in Antioch, CA. There have been no disruptions in service from Angelica in at least the past five years.

Over the past contract term, rates have only increased 2 to 3% per year. This has been satisfactory given the cost of linen replacement and rising labor and fuel prices. The only immediate financial impact upon executing the new contract will be a 3% price increase. Given that we have not had an increase in over one year, this seems reasonable. At the end of each contract year, the rates will increase by the CPI Medical Care Services Index, with a minimum increase of 2% and a cap of 3.6%. In addition, if certain costs increase at an inordinate about (greater than the CPI rate), these will be documented by Angelica and we will meet and discuss. For these items, there is the possibility for up to an additional 2.5% increase. However, this has never been required or exercised in the past years of operation.

We feel that this is a good agreement and request authorization to enter into this contract renewal with Angelica Textiles.

DATE: March 30, 2011

TO: City of Alameda Health Care District  
Finance and Management Committee

FROM: Deborah E. Stebbins, Chief Executive Officer  
David A. Neapolitan, Chief Financial Officer  
Kerry Easthope, Associate Administrator

SUBJECT: FY 2011 Financial Projection Summary

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Attached is Management's projection for Fiscal Year 2011 financial performance. The projection is based upon the first eight (8) months of actual financial performance with the remaining four (4) months of operations projected using the first seven (7) months of financial results. As a result Management is projecting that the revenue in excess of expenses will be approximately \$196,000 for FY 2011.

Some of the significant modifications that have been incorporated into the Fiscal Year 2011 Projection include:

- Removal of one half of the estimated Fiscal Year 2011 Intergovernmental Transfer (IGT), \$1,098,000 from the budget.
- Removal of the budgeted Wound Care program, \$59,000 net income, that was budgeted to begin operations in January 2011 as the program will not begin operations until January 2012.
- Inclusion of the write-off of a third party liability of \$1,451,000 that has reached the statute of limitations.

In addition to these modifications there have been material variances from budget in the following categories:

- Gross revenues are projected to be unfavorable to the original budget by \$5,268,884. Of this, almost \$2.6 million is associated with the Wound Care Program, \$1.9 million from lower inpatient revenues and the remaining \$770,000 from lower outpatient patient revenue. The negative variance correlates with patient volumes being lower than budgeted. However, the lower than budgeted Gross Revenue was offset by a favorable variance to the original budget of \$5,472,838 in contractual allowances. This results in a favorable variance in net patient revenues of \$204,000 from the original budget.

FY 2011 Financial Projection Summary  
March 30, 2011

- Salaries and registry expenses are projected to be unfavorable to the original budget by \$2,306,000. This unfavorable variance is the result of variances in productive salaries (\$564,000), registry costs (\$363,000) and non-productive salary costs (\$1,379,000).
  - Productive salaries have been running over budget primarily as the result of higher than expected use of certified nursing assistants and other nursing personnel expenses. We believe this practice has been rectified and the last four months reflect a salary expense decrease of approximately \$32,000 per month.
  - With a lot of long tenured employees, we have seen an increase in non-productive time off accruals this fiscal year that was not budgeted. Additionally education and training time has increased over that of prior year historical trends. Also impacting non-productive salary costs has been a higher than budgeted use of standby labor, primarily in surgery. On a positive note, we have paid out an additional \$43,000 in benefit opt out payments which has positively impacted our overall health insurance benefit costs as employees have opted to obtain their health insurance coverage through other options available to them. We continue to analyze this variance by department in order to better manage and control non-productive salary expenses.
- Benefits are projected to be favorable to the original budget by \$1,354,000. The largest variance coming in the organizations Health Insurance costs which are projected to be \$900,000 favorable to budget. The remainder of this favorable variance is attributable to Worker's Compensation (\$192,000) and other miscellaneous employee benefits.
- Supply costs are projected to be unfavorable to the original budget by \$445,000. This variance is attributable to greater than budgeted supply costs for prosthesis and pharmaceutical supplies... Rental expenses are projected to be favorable to the original budget by \$258,000. The majority of this variance, \$185,000, is the result in the six month delay in completing the digital radiology upgrades. This delayed the conversion of the Banc of America Master Lease into an operating lease for this equipment until July.

The following tables show the historical volume levels and the projected activity for the final four (4) months of Fiscal Year 2011 and the projected monthly financial performance for Fiscal Year 2011.

**ALAMEDA HOSPITAL  
FISCAL YEAR 2011 PROJECTION  
OPERATING STATISTICS**

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011				
				YTD Actual	Mar - Jun Projected	YTD Projected	Original Budget	from Budget
<b>PATIENT DAYS</b>								
CCU	1,279	1,320	1,406	1,085	508	1,593	1,498	6.34%
DOU	4,179	4,379	4,445	2,566	1,618	4,184	4,776	-12.40%
Medical/Surgical	5,818	6,087	4,728	3,338	1,547	4,885	4,508	8.36%
Total Acute	11,276	11,786	10,579	6,989	3,673	10,662	10,782	-1.11%
Sub-Acute	10,789	12,010	12,196	7,914	3,958	11,872	12,228	-2.91%
SNF	622	6,666	7,832	5,375	2,676	8,051	8,395	-4.10%
Total Long Term Care	11,411	18,676	20,028	13,289	6,634	19,923	20,623	-3.39%
Grand Total	22,687	30,462	30,607	20,278	10,307	30,585	31,405	-2.61%
<b>AVG. LENGTH OF STAY</b>								
Acute	3.9	4.2	3.8	4.2	3.8	4.1	3.8	8.07%
<b>AVG. DAILY CENSUS</b>								
CCU	3.5	3.6	3.9	4.5	4.2	4.4	4.1	7.32%
DOU	11.4	12.0	12.2	10.6	13.3	11.5	13.1	-12.21%
Medical/Surgical	15.9	16.7	13.0	13.7	12.7	13.4	12.4	8.06%
Total Acute	30.8	32.3	29.1	28.8	30.2	29.3	29.6	-1.01%
Sub-Acute	29.6	32.9	33.4	32.6	32.4	32.5	33.5	-2.99%
SNF	1.7	18.3	21.5	22.1	21.9	22.1	23.0	-3.91%
Total Long Term Care	31.3	51.2	54.9	54.7	54.3	54.6	56.5	-3.36%
Grand Total	62.1	83.5	84.0	83.5	84.5	83.9	86.1	-2.56%
<b>OUTPATIENT VISITS</b>								
Emergency	17,922	17,338	17,624	11,179	5,978	17,157	17,888	-4.09%
Outpatient Registrations	30,943	29,951	29,082	15,684	9,352	25,036	26,838	-6.71%
IP Surgeries-Non Kaiser	629	588	592	354	200	554	599	-7.51%
IP Surgeries - Kaiser	73	102	91	-	-	-	-	0.00%
Total IP Surgeries	702	690	683	354	200	554	599	-7.51%
OP Surgeries - Non Kaiser	1,249	1,206	1,224	1,009	525	1,534	1,582	-3.03%
OP Surgeries - Kaiser Eye	1,665	1,976	1,461	-	-	-	-	0.00%
OP Surgeries - Kaiser Amb.	1,644	1,931	1,417	-	-	-	-	0.00%
Total OP Surgeries	4,558	5,113	4,102	1,009	525	1,534	1,582	-3.03%
Minor Procedures	150	82	127	96	40	136	122	11.48%
Total Surgeries	5,410	5,885	4,912	1,459	765	2,224	2,303	-3.43%
Total Surgeries without Kaiser	2,028	1,876	1,943	1,459	765	2,224	2,303	-3.43%

Alameda Hospital  
FY 2011 Projection  
\$s in thousands

	YTD					FY 2011
	Feb 2011	Mar-11	Apr-11	May-11	Jun-11	Projected
<b>Revenues</b>						
Gross Inpatient Revenues	\$ 110,161	\$ 14,867	\$ 13,621	\$ 15,118	\$ 13,549	\$ 167,316
Gross Outpatient Revenues	53,877	7,032	6,710	6,929	6,846	81,394
Total Gross Revenues	164,037	21,899	20,331	22,047	20,395	248,710
Contractual Deductions	116,997	15,789	14,721	15,894	14,785	178,186
Bad Debts	4,954	727	680	727	686	7,774
Charity and Other Adjustment	1,257	177	166	178	166	1,944
Net Patient Revenues	40,830	5,206	4,764	5,249	4,758	60,806
Net Patient Revenue %	24.9%	23.8%	23.4%	23.8%	23.3%	24.4%
Net Clinic Revenue	258	30	30	30	30	376
Other Operating Revenue	81	10	10	10	10	121
<b>Total Revenues</b>	<b>41,169</b>	<b>5,245</b>	<b>4,803</b>	<b>5,288</b>	<b>4,797</b>	<b>61,302</b>
<b>Expenses</b>						
Salaries	23,708	3,093	2,960	3,086	2,978	35,826
Registry	1,605	209	200	208	201	2,423
Benefits	6,306	782	748	781	752	9,369
Professional Fees	2,373	303	303	303	303	3,583
Supplies	5,845	739	722	757	740	8,803
Purchased Services	2,961	380	377	380	377	4,474
Rents and Leases	544	68	68	68	68	816
Utilities and Telephone	502	62	62	62	62	748
Insurance	254	31	31	31	31	380
Depreciation and amortization	642	81	81	81	81	965
Other Operating Expenses	705	92	92	92	92	1,075
<b>Total Expenses</b>	<b>45,446</b>	<b>5,840</b>	<b>5,643</b>	<b>5,848</b>	<b>5,685</b>	<b>68,462</b>
<b>Operating gain (loss)</b>	<b>(4,277)</b>	<b>(595)</b>	<b>(840)</b>	<b>(560)</b>	<b>(888)</b>	<b>(7,160)</b>
<b>Non-Operating Income / (Expense)</b>						
Parcel Taxes	3,828	480	480	480	480	5,746
Investment Income	8	1	1	1	1	11
Interest Expense	(71)	(11)	(11)	(11)	(11)	(115)
Other Income / (Expense)	175	1,473	22	22	22	1,714
<b>n-Operating Income / (Expense)</b>	<b>3,941</b>	<b>1,942</b>	<b>491</b>	<b>491</b>	<b>491</b>	<b>7,356</b>
<b>Excess of Revenues Over Expn</b>	<b>\$ (337)</b>	<b>\$ 1,348</b>	<b>\$ (349)</b>	<b>\$ (69)</b>	<b>\$ (397)</b>	<b>\$ 196</b>

DATE: March 30, 2011

TO: City of Alameda Health Care District  
Finance and Management Committee

FROM: David A. Neapolitan, Chief Financial Officer

SUBJECT: FY 2012 Budget Calendar

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Attached is the Fiscal Year 2012 Budget Calendar.



**Alameda Hospital  
Budget Calendar  
FY 2012**

<u>Key Date</u>	<u>Activity</u>
March 30, 2011	Present FY 2011 Projections to Finance Committee
April 1, 2011	Finalize FY 2012 Volume Projections and Assumptions
April 4, 2011	Present FY 2011 Projections to Board of Directors
April 22, 2011	Preliminary Operating and Capital Budget for Executive Team Review
April 27, 2011	Present Budget Assumptions and Key Statistics to Finance Committee
May 13, 2011	Finalize Operating and Capital Budget with Executive Team
May 25, 2011	Present Operating and Capital Budget to Finance Committee
June 6, 2011	Present Operating and Capital Budget to Board of Directors
July 1, 2011	Implement Annual Price Increase

DATE: March 30, 2011

TO: City of Alameda Health Care District  
Finance and Management Committee

FROM: David A. Neapolitan, Chief Financial Officer

SUBJECT: Banc of America Master Lease Update

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In May of 2010, Alameda Hospital entered into a Master Lease agreement with Banc of America Leasing and Capital LLC to lease up to \$2.5 million of medical and information technology equipment. This master lease was primarily used to secure the acquisition of new digital radiology equipment and a Picture Archiving and Communications System (PACS) which will allow the Hospital Radiology Department to provide digital images of all radiology services provided at the Hospital. In addition, the Master Lease would be used to fund the acquisition of other medical equipment needs of the Hospital.

Key terms of the Master Lease include:

- Interest only payments on draws during the draw period (May 2010 through June 2011) are at the current prime rate (3.25%).
- Upon project completion the component leases convert to 60 month operating leases.
- Interest rate on component leases at a stream rate of 2.56% before option to exercise the Fair Market Value (FMV) buyout option.
- End of term options:
  - Purchase of equipment at FMV not to exceed 12.5% of original purchase price. Approximate effective interest rate of 8.58% assuming current stream rates.
  - Renew lease for additional one (1) year period.
  - Return equipment.

The following table summarizes the cumulative draws that have been taken against the Bank of America Master Lease through February 28, 2011:

<u>Project</u>	<u>Committed Project Costs</u>	<u>Total Draws</u>
PACS	\$ 789,410.57	\$ 735,507.74
GE Digital Equipment	795,236.56	41,145.61
Nihon Kohden - Telemetry Equipment	296,333.26	-
Mobile Computer Equipment – EHR Project	279,586.00	-
Totals	\$ 2,160,566.39	\$ 776,653.35

Assuming that no other equipment items are added and the committed project costs are the final costs associated with each project, the monthly lease payment under the Master Lease will be approximately \$38,770 per month.