



Finance and Management Committee Meeting Notice & Agenda

Wednesday, August 31, 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 July 27, 2011 Minutes [enclosure] Michael McCormick
 - B. Recommendation to Accept July 2011 Unaudited Financial Statements [enclosure] Deborah E. Stebbins
Kerry Easthope
Diana Surber

- III. Finance Report Diana Surber
 - A. Audit Update
 - B. Revenue Cycle Review Update

- IV. Chief Executive Officers Report Deborah E. Stebbins
 - A. County Uncompensated Care Program

- V. Board / Committee / Staff Comments

- VI. Adjournment

Next Meeting Scheduled for: Wednesday, September 28, 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.



Members Present: (Voting)	Mike McCormick, Chair James Oddie	William Sellman, MD Ann Evans (by phone)	Jim Yeh, DO Ed Kofman
Management Present:	Deborah E. Stebbins Kerry J. Easthope	Diana Surber Mary Bond, RN	
Ex Officio/Guests:	Jordan Battani	Elliott Gorelick (by phone)	
Absent:	Robert Deutsch, MD		
Submitted by:	Kristen Thorson		
TOPIC	DISCUSSION		ACTION FOLLOW-UP
I. Call to Order	Director McCormick called the meeting to order at 7:36 a.m. Ms. Stebbins introduced Diana Surber, Interim Controller.		
II. Action Items	A. Acceptance of June 29, 2011 Minutes		Mr. Kofman made a motion to accept the minutes as presented. Mr. Oddie seconded the motion. The motion carried.
	B. Recommendation to Accept Unaudited June 2011 Financial Statements Kerry Easthope presented the June Unaudited Financial Statements noting the following key points. June Inpatient revenues were down from budget due to lower case mix index, but slightly higher than in May. Med/Surg days were below budget, ICU and Telemetry were close to budget. Outpatient revenues were 13.9% below budgeted with 52.6% of variance from the delayed start of the wound care program. Average Daily Census was 79.0 versus a budgeted 85.1. Acute Average Daily Census was 24.8 versus 28.6 budgeted. Sub-Acute Average Daily Census was 31.8 versus 33.5 budgeted. Skilled Nursing Average Daily Census 22.4 versus 23.0 budgeted. Total Gross Patient Revenue Less Than Budget by \$2.6 M with inpatient programs less than budget by \$1.6.M (11.5%). Outpatient programs were less than budget by \$1.1 M (13.9%). Expenses were less than the fixed budget by \$846,000 or 14.8% due primarily to favorable variances in non-salary and benefit costs. Overall there was a net loss for June of \$206k and \$1,658k YTD.		Mr. Kofman made a motion to accept the Unaudited June 2011 Financial statements as presented. Mr. Oddie seconded the motion. The motion carried.

	<p>C. Recommendation to Approve Modifications to Bank of Alameda Line of Credit and Wound Care Loan Covenants</p> <p>The Committee reviewed the recommendation to approve the modifications and waivers to Bank of Alameda line of credit and wound care loan covenants as outlined in the memorandum. Management requested that the Committee recommend to the Board of Directors approval of the modifications and waivers to the Terms and Covenants for the Line of Credit and Wound Care Construction Loan. The Bank of Alameda agreed to waive the required annual debt service coverage ratio of 1.20:1.00 and the minimum actual Net Income of \$1.00 for FYE June 30, 2011. The following amendments were also agreed to by the Bank of Alameda; a) Eliminate and remove all DSCR requirements in their entirety, b) Add: Minimum current ratio of 1:00:1:00 to be tested every quarter-end (next test September 30, 2011), c) Maintain: Minimum Net Income of \$1.00 to be tested at fiscal year-end (next test June 30, 2012), d) Add: Minimum Tangible Net Worth of \$7.5 million to be tested every quarter-end (next test September 30, 2011, and e) To limit the availability of the \$900K Wound Care Loan to \$700K for costs associated with only construction, construction planning and management, furniture, fixtures and equipment. Any draw exceeding \$700K for any other purposes will require the approval of the Bank on a case by case basis.</p> <p>As of the committee meeting, the Bank was waiting to hear from their legal counsel regarding the legal opinion confirming that the parcel tax will continue to support all loans from the Bank to the Hospital.</p> <p>There was discussion regarding accessing the line of Credit and requiring a second Board approval due to the changes to the terms and covenants. Management and staff will review the Board minutes from the last meeting to clarify what the Board approved at the August meeting.</p>	<p>Mr. Oddie made a motion to recommend approval by the Board of Directors the modifications to the Line of Credit and Wound Care Loan Covenants. Dr. Sellman seconded the motion. The motion carried.</p>
<p>III. Chief Executive Officers Report</p>	<p>A. Reconciliation of FY 2011 Actual to Budget Variances</p> <p>Ms. Stebbins presented a reconciliation of FY 2011 actual to budget variances as a follow-up to the last committee meeting and Board meeting which summarized the key favorable and unfavorable variances between actual vs.</p>	

		<p>budget results for the FY 2011 Operating Budget. The specific variances, non-operating income, net revenue, and operating expenses, were outlined in detail in the memorandum. Overall, The FY 2011 margin (Excess of Revenue over Expense) was budgeted at \$488,000. The FY2011 unaudited actual margin (Excess of Revenue over Expense) was a loss of \$1,699,000, representing an unfavorable variance of \$2,193,000.</p>	
	B.	<p>Bank of Alameda Line of Credit Update</p> <p>The update on the Bank of Alameda Line of Credit was reviewed inaction Item C. There was no further discussion.</p>	
	C.	<p>AB 97 Update</p> <p>Ms. Stebbins informed the Committee that the State had submitted the Summary Plan Amendment (SPA) to CMS on June 30th regarding AB97 and hospitals are expecting a response from CMS this quarter. She noted that the current year's budget took into account the rate reductions of AB 97.</p>	
	D.	<p>IGT Update</p> <p>Ms Stebbins reviewed the status of the IGT noting that we are still waiting to hear when the IGT funds will be returned to hospitals.</p>	
IV. Chief Financial Officer's Report	A.	<p>HIPAA 5010 Readiness Update Dan Dickenson, Director of Information Technology gave a brief overview of the hospital's 5010 readiness which has to do with new standards for HIPAA and electronic health transactions with CMS and the federal government. The hospital is well on its way to being compliant by January 1, 2012.</p>	
V. Board / Committee / Staff Comments		None.	
VI. Adjournment		Being no further business, the meeting was adjourned at 8:55 a.m.	

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING JULY 31, 2011

**CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
JULY 31, 2011**

<u>Table of Contents</u>	<u>Page</u>
Financial Management Discussion	1 – 12
Key Statistics for Current Month and Year-to-Date	13
Balance Sheet	14
Statement of Revenue and Expenses	15
Statement of Revenue and Expenses – Per Adjusted Patient Day	16
Statement of Cash Flows	17

**ALAMEDA HOSPITAL
MANAGEMENT DISCUSSION AND ANALYSIS
JULY, 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 July 31, 2011 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the Hospital's financial performance as a whole.

Financial Overview as of July, 2011

- July 2011 is the first month of FY 2012; therefore all monthly figures are year-to-date (YTD) as well.
- For the month of July 2011, combined expense over revenues (loss) is \$135,000 versus a budgeted excess of revenues over expense of \$103,000. This loss was driven by a continued lower than previously experienced inpatient case mix index, which is an indication of lower acuity level patients and lower estimated reimbursement for the month.
- Gross patient revenue for July was less than budget by \$1,235,000 or 5.4%. Inpatient programs were unfavorable to budget by \$1,370,000, partially offset by a favorable variance of \$135,000 in outpatient programs. While the gross patient revenue per adjusted patient day (PAPD) was 4.3% less than the budget of \$5,822, July's \$5,570 PAPD represents an 8.8% increase from June results of \$5,118.
- Total patient days for the month were 2,545, or 4.7% below budget, compared to the prior month's total patient days of 2,371 and the prior year's 2,486 total patient days. The volume variances, however, were less dramatic than in the final months of FY 2011.
- The average daily acute care census was 27.94, unfavorable to a budget of 30.94 but an improvement from 24.8 in the prior month; the average daily Sub-Acute census was 31.4 versus a budget of 33.0 and 31.8 in the prior month and the Skilled Nursing program had an average daily census of 22.8 versus a budget of 22.2 and prior month census of 22.4.
- Emergency Care Center (ECC) visits were 1,485 or 4.1% greater than the budgeted 1,426 visits and were 70 visits or 4.9% greater than the prior year's visits of 1,415.
- Total surgery cases were greater than budgeted expectations for the month at 197 cases versus the budgeted 174 cases. The current month's surgical volume was 13.2% greater than the same month prior year's 181 cases.
- Outpatient registrations were 1,775, 11.7% below budget and 10.5% below prior month. The average of 57.3 visits per day was 13.3% less than the prior month's 66.1 visits per day.

Total assets increased by \$491,000 from the prior month, nearly all of which was in current assets. The following items make up the increase in current assets:

- Total unrestricted cash and cash equivalents for July decreased by \$1,110,000 and days cash on hand including restricted use funds decreased to 7.0 days on hand in July from 12.6 days on hand in June. The decrease in cash was the result of below expected cash collections, offset in part by a draw on the line of credit of \$250,000.
- Net patient accounts receivable increased in July by \$1,348,000 compared to a decrease of \$1,082,000 in June. Days in outstanding receivables were 62.0 at July 31, 2011, an increase from 55.0 days at June 30, 2011. Collections in July totaled \$3.3 million compared to \$5.2 million in June. While lower collections

were expected as a result of the low census and patient revenue in the previous several months, the actual cash collected fell short of projections. An analysis is in progress to determine the reasons for the unexpectedly low level of collections.

- Prepaid and other deposits increased by \$106,000 as a result of the payment of fees and association dues which are due at the beginning of the fiscal year, offset by the monthly amortization of prepaid insurance and service contracts.

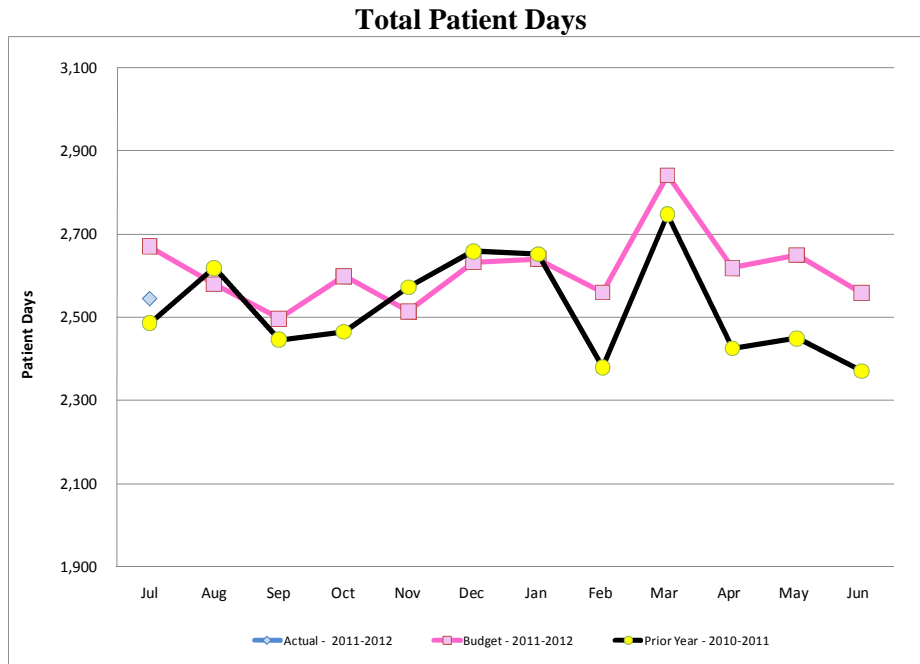
Total liabilities increased by \$431,000 compared to an increase of \$4,995,000 in the prior month. This decrease in the current month was the result of the following:

- Accounts payable and accrued expenses increased by \$361,000 as a result of delaying vendor payments due to low cash collections.
- Payroll related accruals increased by \$306,000 as a result of more days of required accrued payroll liabilities at the end of July due to the timing of unpaid payrolls at month-end.
- Deferred revenues decreased by \$477,000 due to the recognition of one-twelfth of the 2011/2012 parcel tax revenues of \$5.7 million.
- The current portion of long term debt increased by \$250,000 as a result of the partial use of the authorized \$750,000 draw on the line of credit.

Volumes

The combined actual daily census was 82.1 versus a budget of 86.1 or an unfavorable variance of 4.2%. The current month’s overall unfavorable variance was the result of average daily census that was unfavorable to budget in the acute care areas by 3.1 patients per day or 10.0%. The Sub-Acute program was also unfavorable to budget with a shortfall in the average daily census of 1.7 while the Skilled Nursing program had a positive variance to budget of 0.6. While unfavorable to budget, July’s total census represents a 7.3% improvement from June levels, continuing the positive trend.

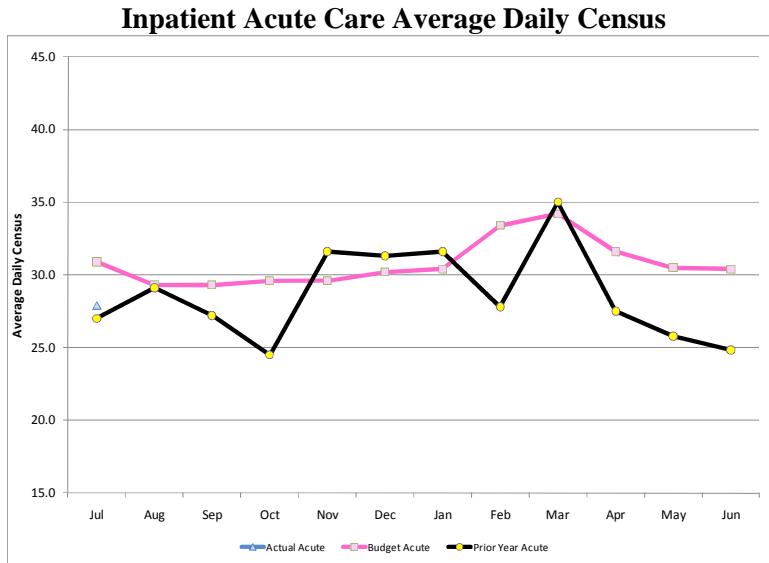
The graph below shows the total patient days by month for fiscal year 2012 compared to the operating budget and fiscal year 2011 actual.



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

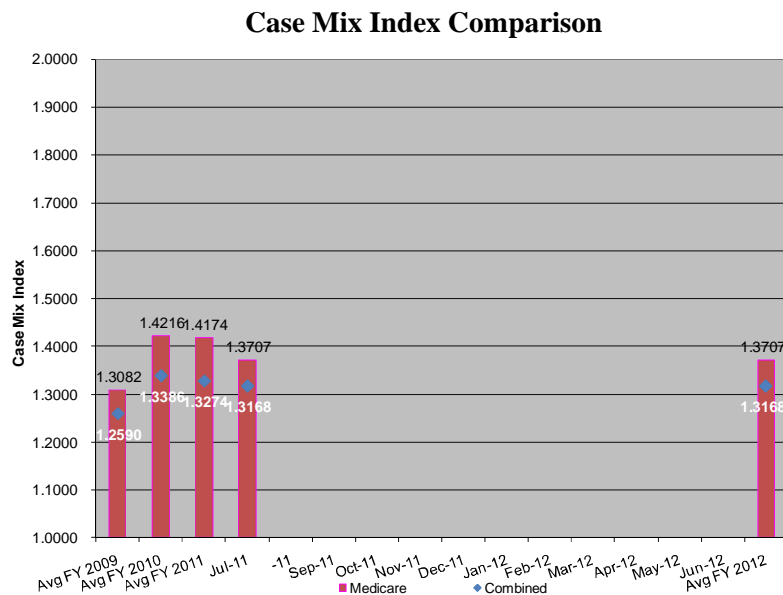
Acute Care

The acute care patient days were 9.7% (93 days) less than budgeted but were 3.6% greater than the prior year’s average daily census of 26.97 for July. The acute care program is comprised of the Critical Care Unit (4.5 ADC, 2.8% unfavorable to budget), Definitive Observation Unit (9.9 ADC, 16.1% below budget) and Med/Surg Units (13.5 ADC, 6.7% unfavorable to budget). The graph below shows the inpatient acute care census by month for the current fiscal year, the operating budget and prior fiscal year actual.



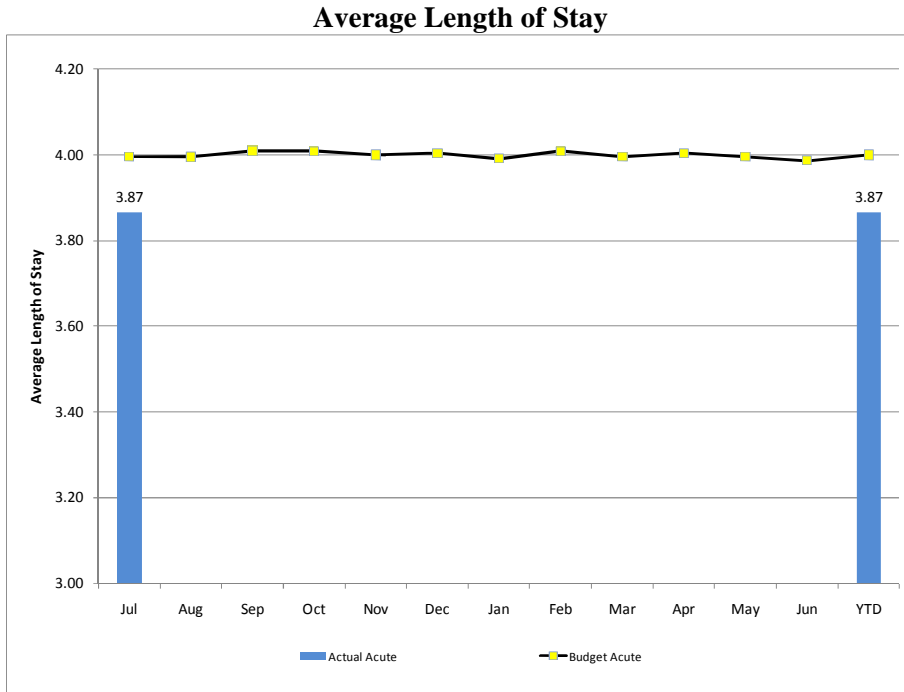
Case Mix Index

The hospital’s overall Case Mix Index (CMI) increased again, from 1.2392 in the prior month to 1.3168, which is close to the prior fiscal year average of 1.3274. The Medicare CMI increased over the prior month from 1.2747 in June to 1.3707 in July. The graph below shows the CMI for the hospital during the current fiscal year as compared to the prior three fiscal years.



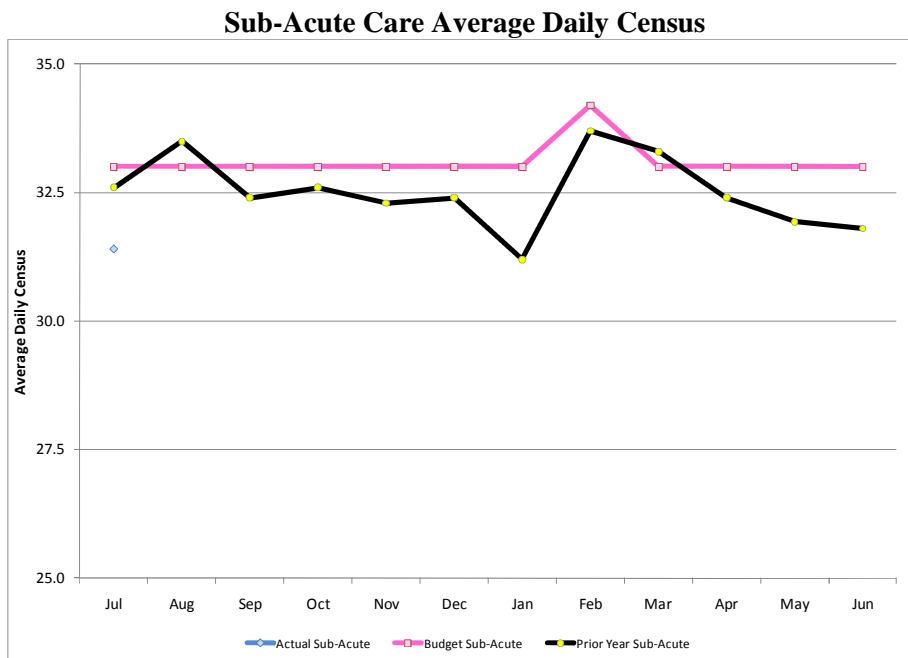
Average Length of Stay

The acute average length of stay (ALOS) increased from June’s 3.51 to 3.87 in July, which is a slight decrease from July in the prior year of 3.98. Budgeted acute ALOS is 4.0. The average acute ALOS for FY 2011 was 4.13. The graph below shows the ALOS by month and the budgeted ALOS for fiscal year 2012.



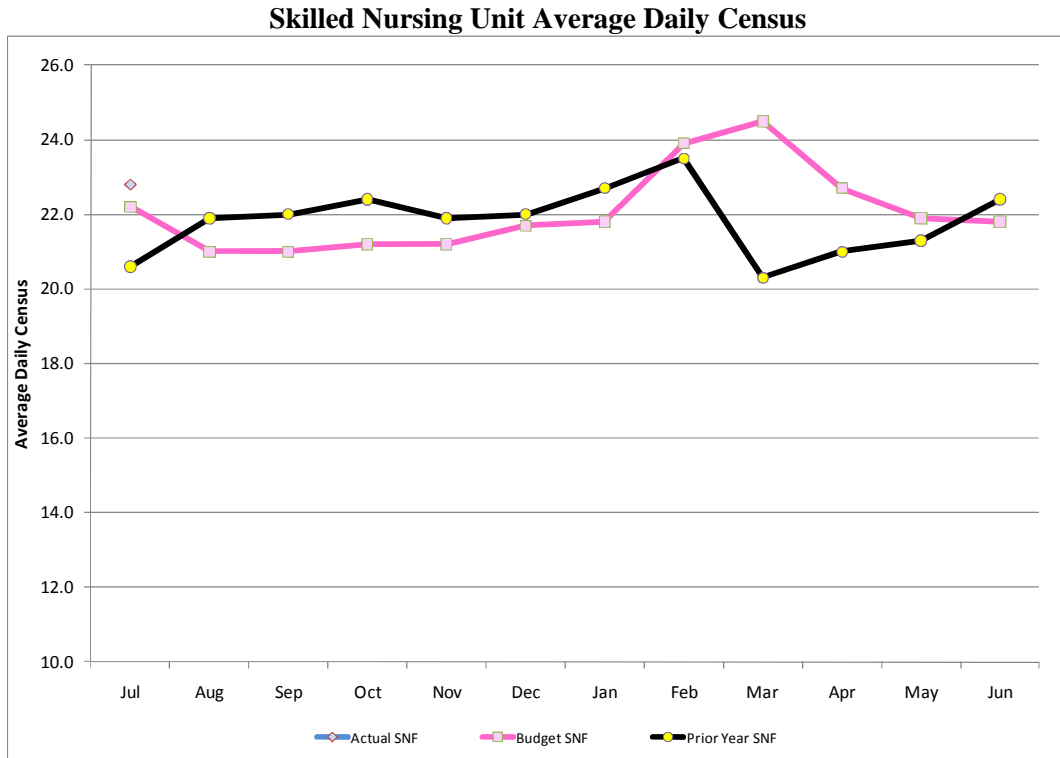
Sub-Acute Care

The Sub-Acute program average daily census of 31.4 in July was less than budgeted projections of 33.0. The graph below shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.



Skilled Nursing Care

The Skilled Nursing Unit (South Shore) patient days were 2.6% or 18 patient days greater than budgeted for the month of July, up 5% from June. Comparing performance to the prior year, this program’s volume remains slightly greater than the prior year’s performance for the month, with an average daily census of 22.8 versus 21.8 in fiscal year 2011. The following graph shows the Skilled Nursing Unit monthly average daily census as compared to budget and the prior year.



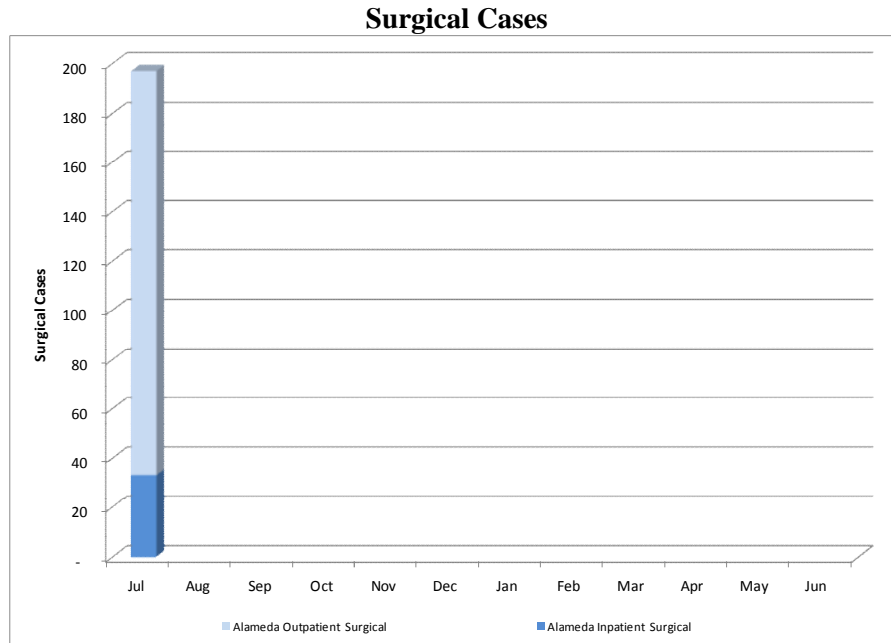
Emergency Care Center (ECC)

Emergency Care Center visits in July totaled 1,485 and were 4.1% or 59 visits greater than budgeted for the month with 16.4% of these visits resulting in inpatient admissions versus 15.9% in June. In July, there were 320 ambulance arrivals versus 305 in the prior month, on a per day basis this represents an increase of 1.6% over the prior month daily average. Of the 320 ambulance arrivals in the current month, 190 or 59.4% were from Alameda Fire Department (AFD) ambulances.

Surgery

In July, surgery cases were 197 versus 174 budgeted cases and 181 cases in the prior year. Surgery volume was roughly unchanged from June. (The cases reported in June were overstated by 22 outpatient cases due to a data input error.) Inpatient and outpatient cases totaled 33 and 164 versus 33 and 162 in July and June, respectively.

The graph below shows the number of inpatient and outpatient surgical cases by month for fiscal year 2012.

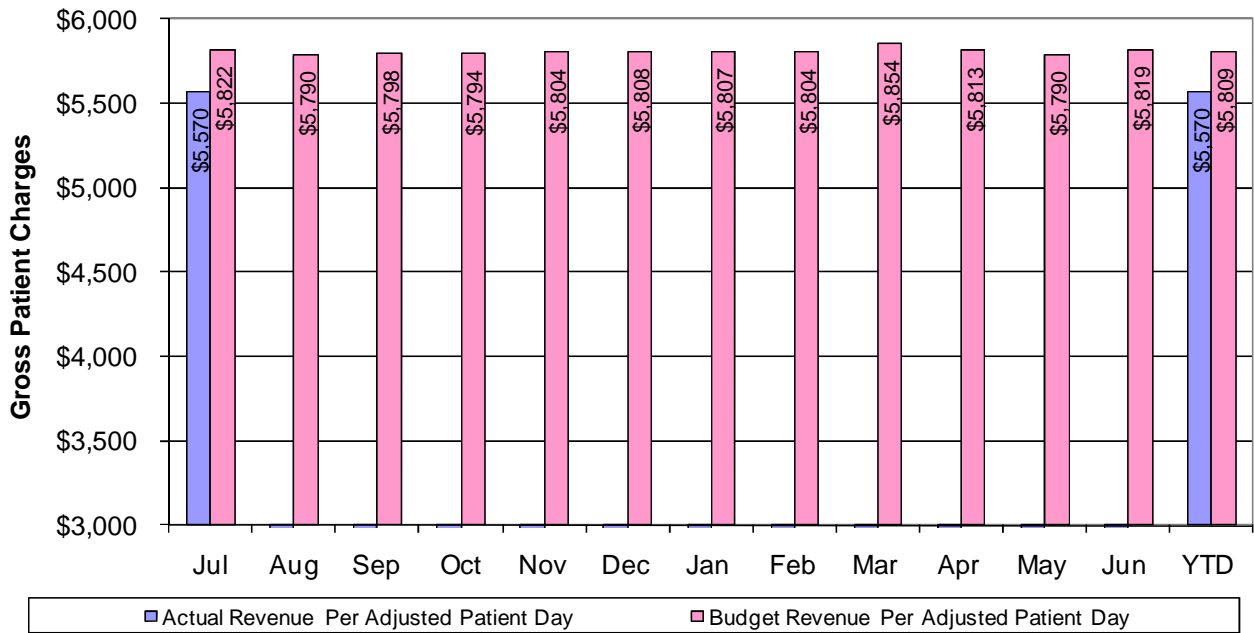


Income Statement

Gross Patient Charges

Gross patient charges in July were less than budgeted by \$1,235,000. This unfavorable variance was comprised of an unfavorable variance of \$1,370,000 and favorable variance \$135,000 in inpatient and outpatient revenues, respectively. The decrease in inpatient gross revenues was driven primarily by low volume in the Medical/Surgical unit and below budgeted inpatient surgeries. Outpatient revenues were higher than budgeted as a result of higher than expected emergency room visits and outpatient surgeries offset by below budget other outpatient visits. On an adjusted patient day basis total patient revenue was \$5,570, below the budget of \$5,822 for the month of July but increased from June at \$5,118. The following table shows the hospital's monthly gross revenue per adjusted patient day by month and year-to-date for fiscal year 2012 compared to budget.

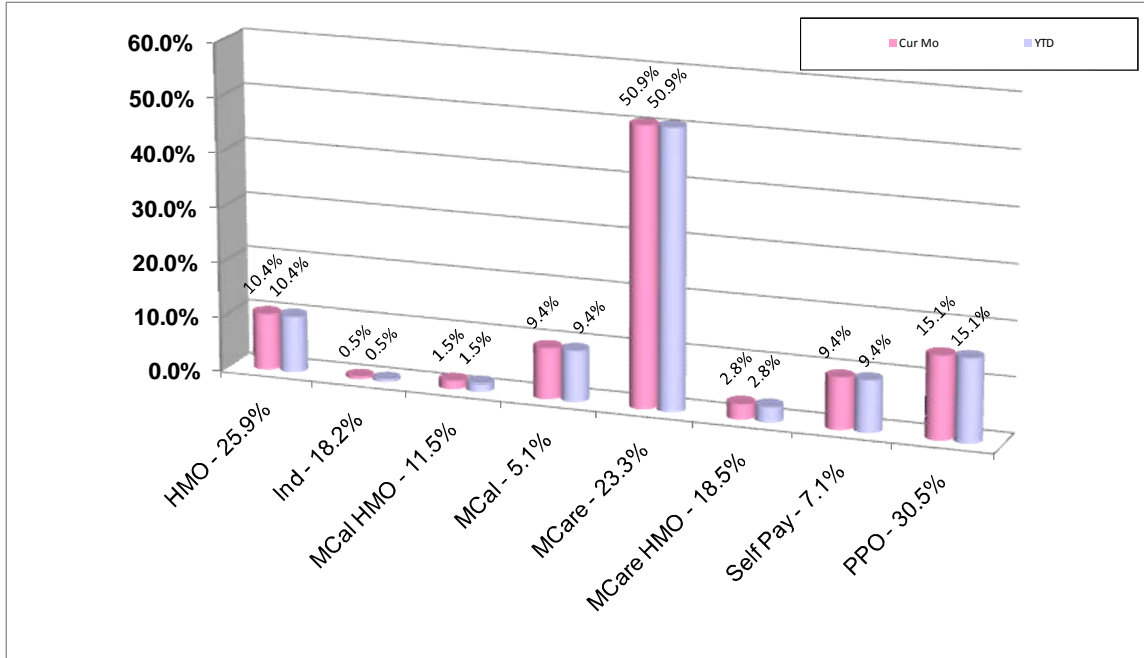
Gross Charges per Adjusted Patient Day



Payor Mix

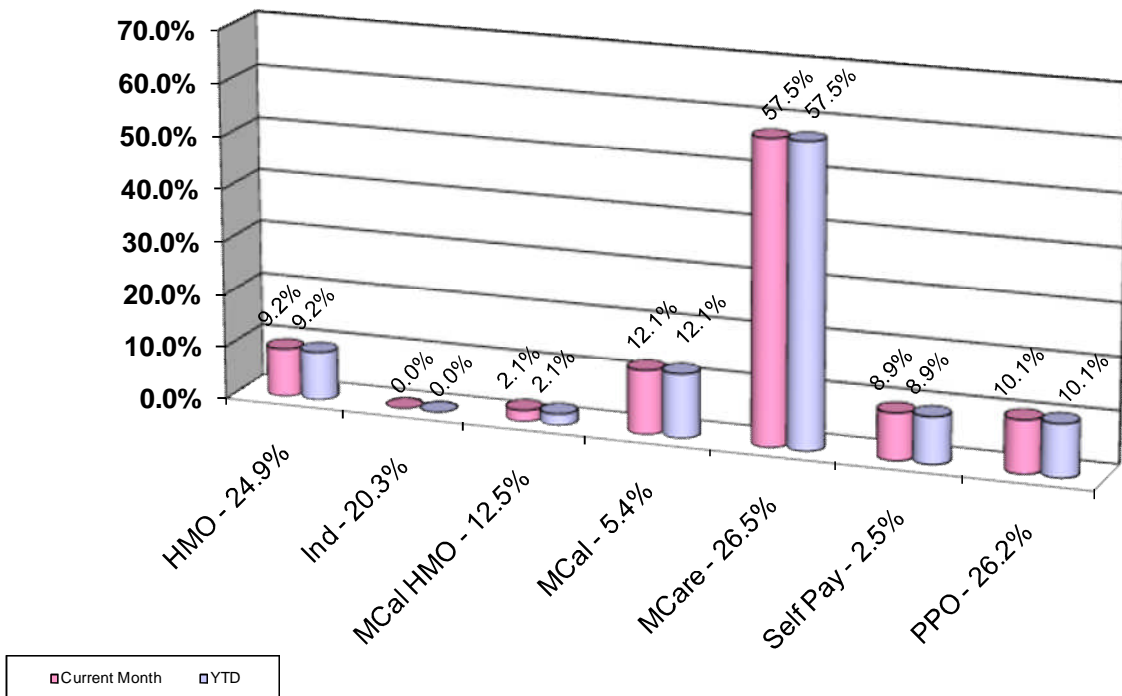
Combined acute care services, inpatient and outpatient, Medicare and Medicare Advantage total gross revenue in July made up 50.9% of the month's total gross patient revenue. Combined Medicare revenue was followed by HMO/PPO utilization at 25.5%, Medi-Cal Traditional and Medi-Cal HMO utilization at 10.9% and self pay at 9.4%. The graph on the following page shows the percentage of gross revenues generated by each of the major payors for the current month and fiscal year to date as well as the current month's estimated reimbursement for each payor for the combined inpatient and outpatient acute care services.

Combined Acute Care Services Payor Mix



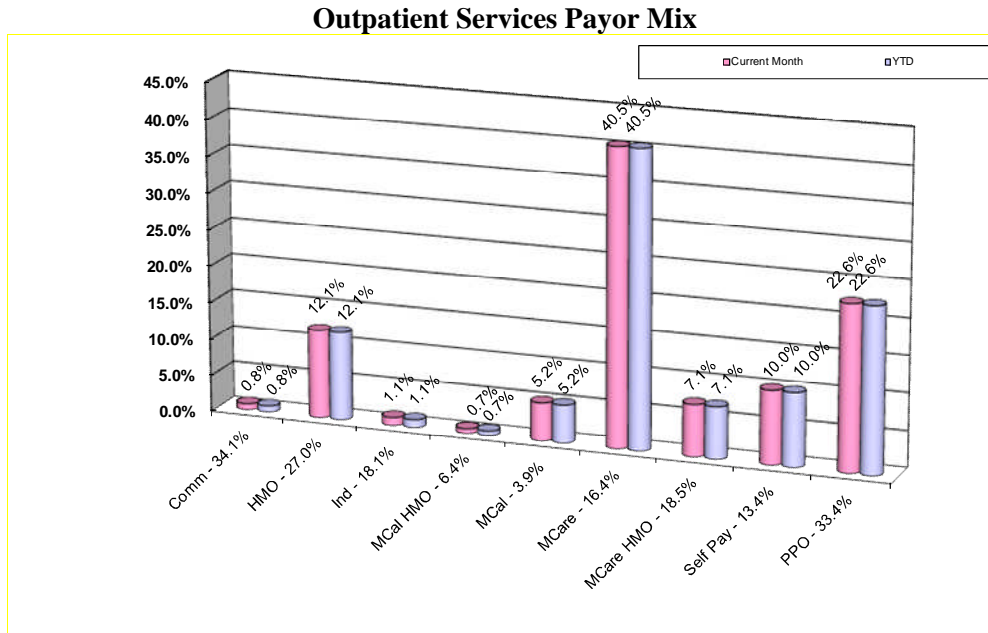
The inpatient acute care current month gross Medicare and Medicare Advantage charges made up 57.5% of our total inpatient acute care gross revenues followed by HMO/PPO at 19.3%, Medi-Cal and Medi-Cal HMO at 14.2% and Self Pay at 8.9% of the inpatient acute care revenue. The graph below shows inpatient acute care current month and year to date payor mix and current month estimated net revenue percentages for fiscal year 2012.

Inpatient Acute Care Payor Mix

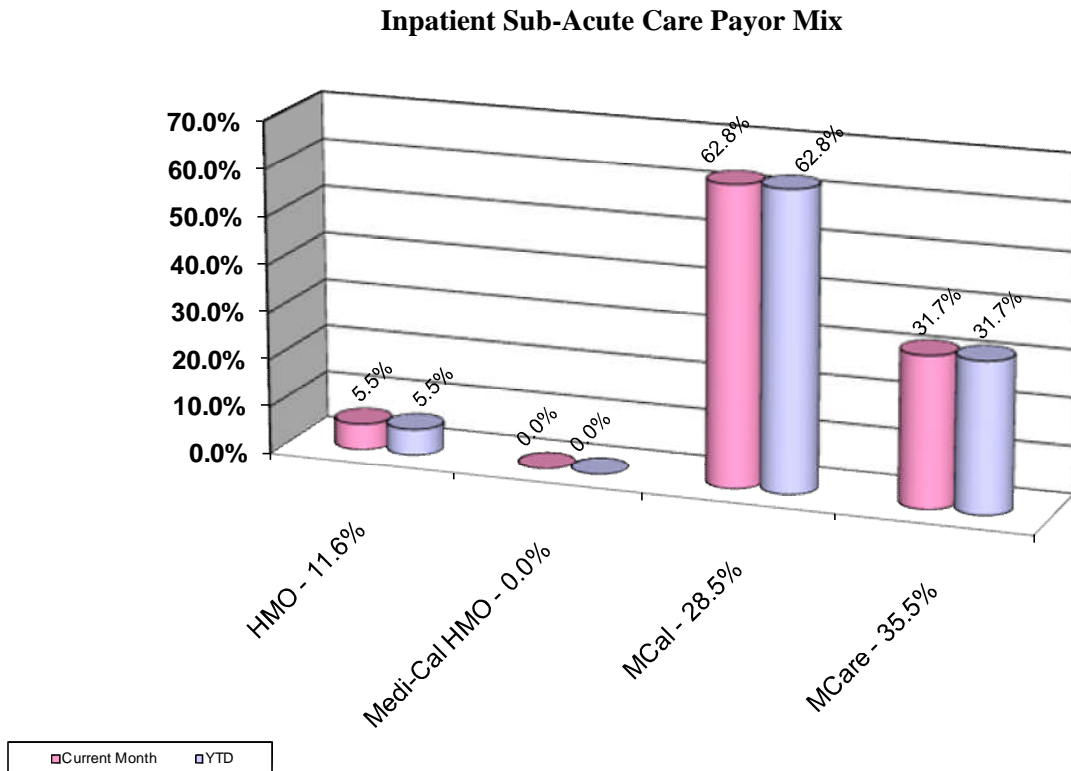


The outpatient gross revenue payor mix for July was comprised of 40.5% Medicare and Medicare Advantage,

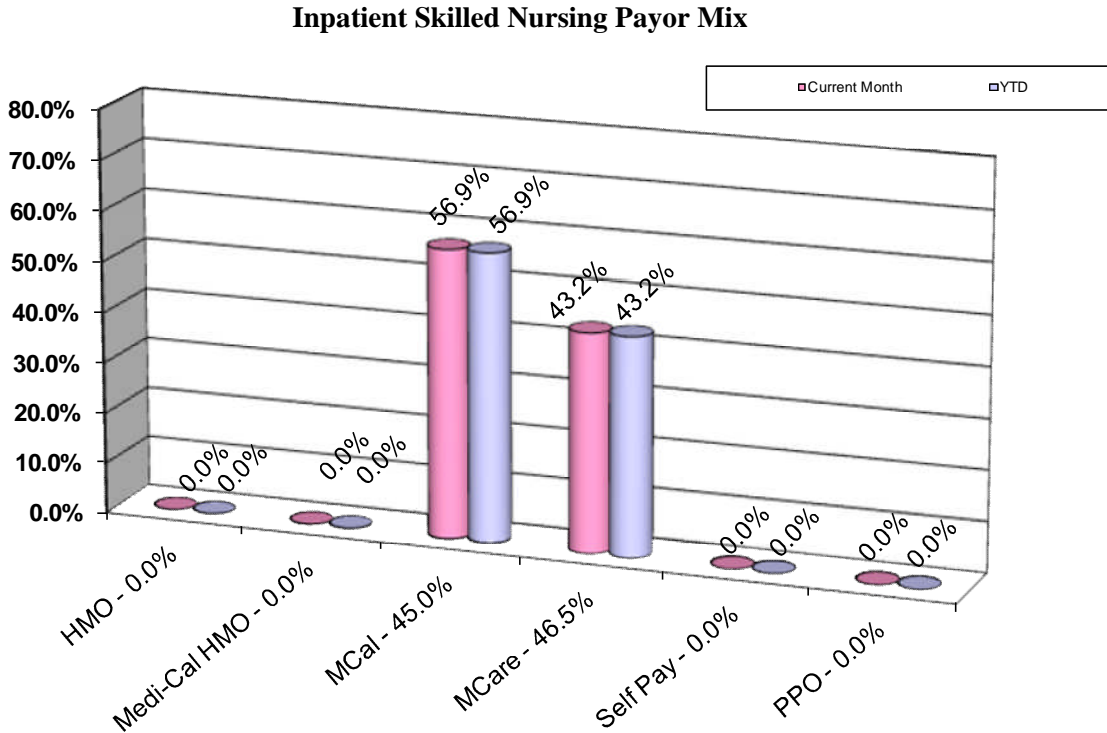
34.6% HMO/PPO, 5.9% Medi-Cal and Medi-Cal HMO, and 10.0% self pay. The graph below shows the current month and fiscal year to date outpatient payor mix and the current months estimated level of reimbursement for each payor.



In July, the Sub-Acute care program again was dominated by Medi-Cal utilization of 62.8%, up from 56.9% in June. 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 July, the Skilled Nursing program gross revenues were comprised primarily of Medicare at 43.2% and Medi-Cal at 56.9%. 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 July contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 78.4% versus the budgeted 77.6%.

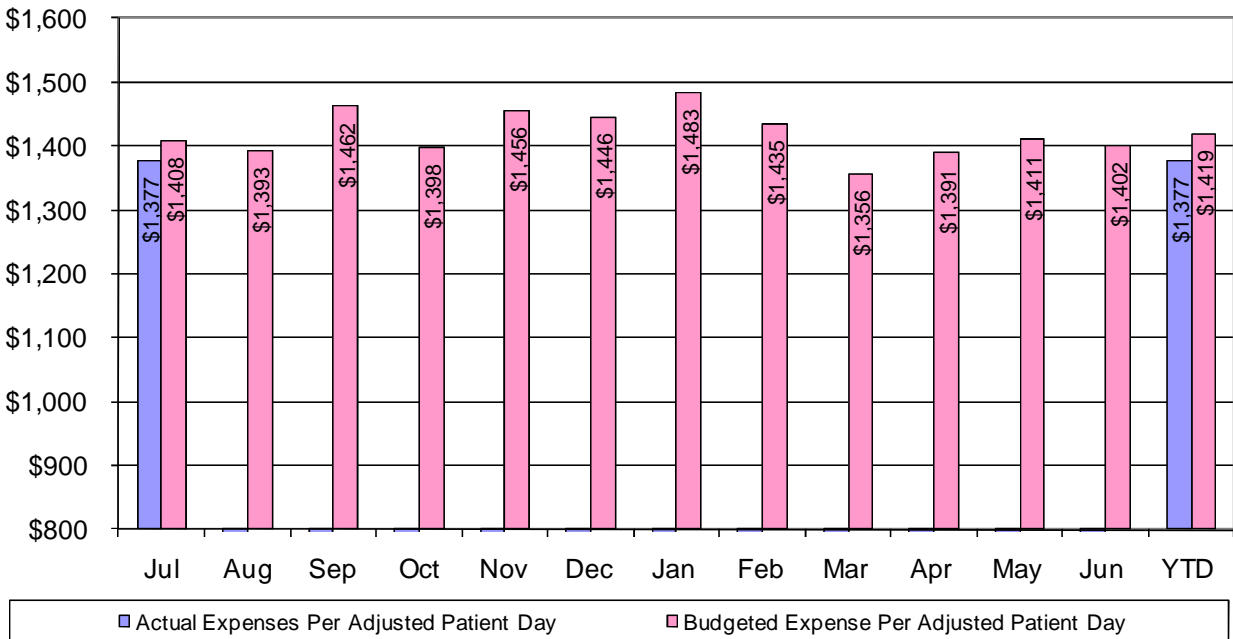
Net Patient Service Revenue

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. This reduction will result in an estimated adjusted amount to be received of \$776,000 for fiscal year 2011. This amount is still receivable as of July 31, 2011.

Total Operating Expenses

Total operating expenses were less than the fixed budget by \$185,000 or 3.4%. On an adjusted patient day basis, our cost per adjusted patient day was \$1,377 which was \$32 per adjusted patient day favorable to budget but \$47 higher than the prior month. This variance in expenses per adjusted patient day was primarily the result of favorable variances in temporary agency, benefits and supplies offset by unfavorable variances in salaries and professional fees. The graph on the following page shows the actual hospital operating expenses on an adjusted patient day basis for the 2012 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 Temporary Agency Expenses

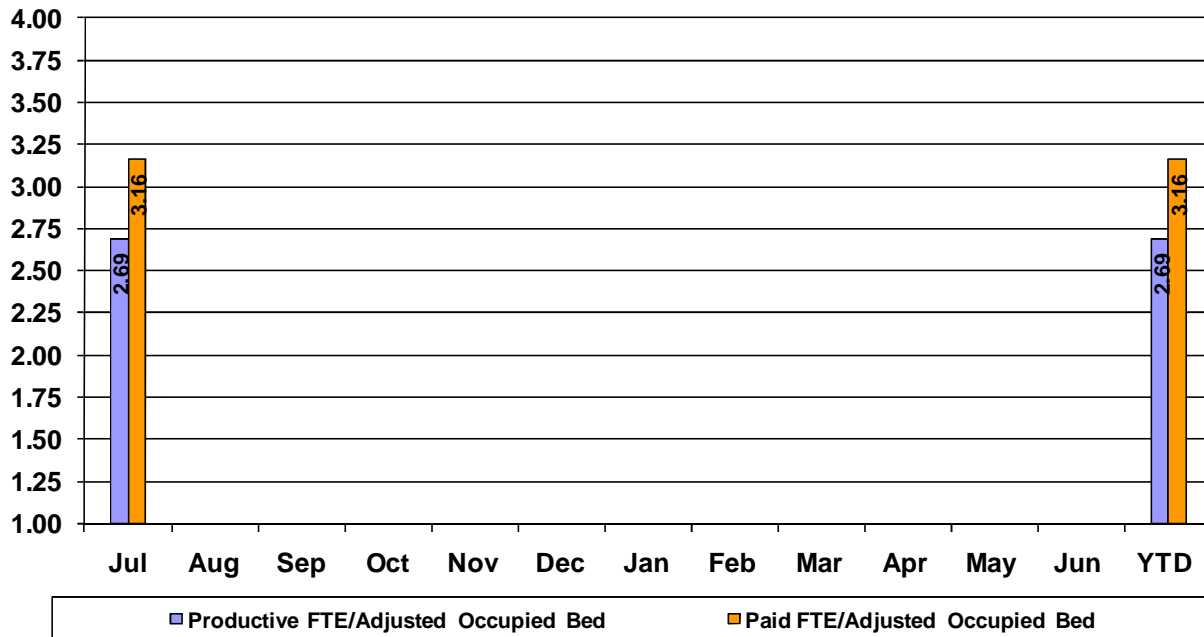
Salary and temporary agency costs combined were favorable to the fixed budget by \$21,000 but were unfavorable to budgeted levels on a per adjusted patient day (PAPD) basis by \$4 or 0.5%; however, the unfavorable variance was improved from June’s 4.8%. On an adjusted occupied bed basis, productive FTE’s were right at budget of 2.7 FTE’s and paid FTE’s were 2.2% below budget.

The unfavorable variance in productive FTE’s PAPD was primarily in the nursing units. In addition to core staffing issues, the nursing staff was required to attend mandatory stroke training in July, which increased the unfavorable variance.

Nursing administration is implementing initiatives to address the core staffing issues to bring productive staffing in line with budgeted hours per patient day. These levels include reconfiguring the staffing matrices to reduce RN relief coverage from 1 FTE to .5 FTE and modifying the RN – LVN skill mix on the sub acute unit to lower the average hourly cost

The graph on the following page shows the productive and paid FTE’s per adjusted occupied bed for FY 2012 by month.

FTE's per Adjusted Occupied Bed



Benefits

Benefits were favorable to the fixed budget by \$39,000 or 26.9%. There was a favorable vacation accrual entry of \$34,000 due to the increased use of vacation and PTO for furloughs.

Professional Fees

Professional fees were unfavorable to budget by \$27,000 in July due to the fees related to interim controller services (\$13,000) and consulting fees related to ongoing strategic initiatives. The interim controller fees were offset by a favorable variance in general accounting productive salaries.

Supplies

Supplies were favorable to budget by \$132,000 or \$32 per adjusted patient day in July. This favorable variance was the result of lower than budgeted patient related supplies such as medical supplies expense, pharmacy supplies, and prosthetics due to low patient volume and below budget inpatient surgeries.

Purchased Services

Purchased services were favorable to budget by \$43,000 or \$10 per adjusted patient day for the month.

Rents and Leases

Rents and leases were \$9,000 over the fixed budget and \$2 per adjusted patient day unfavorable to budget for the month of July.

The following pages include the detailed financial statements for the twelve (12) months ended July 31, 2011, of fiscal year 2012.

**ALAMEDA HOSPITAL
KEY STATISTICS
JULY 2011**

	<u>ACTUAL JULY 2011</u>	<u>CURRENT FIXED BUDGET</u>	<u>VARIANCE (UNDER) OVER</u>	<u>%</u>	<u>JULY 2010</u>	<u>YTD JULY 2011</u>	<u>YTD FIXED BUDGET</u>	<u>VARIANCE</u>	<u>%</u>	<u>YTD JULY 2010</u>
Discharges:										
Total Acute	224	240	(16)	-6.7%	210	224	240	(16)	-6.7%	210
Total Sub-Acute	2	2	-	0.0%	1	2	2	-	0.0%	1
Total Skilled Nursing	7	9	(2)	-22.2%	11	7	9	(2)	-22.2%	11
	<u>233</u>	<u>251</u>	<u>(18)</u>	<u>-7.2%</u>	<u>222</u>	<u>233</u>	<u>251</u>	<u>(18)</u>	<u>-7.2%</u>	<u>222</u>
Patient Days:										
Total Acute	866	959	(93)	-9.7%	836	866	959	(93)	-9.7%	836
Total Sub-Acute	973	1,023	(50)	-4.9%	1,012	973	1,023	(50)	-4.9%	1,012
Total Skilled Nursing	706	688	18	2.6%	638	706	688	18	2.6%	638
	<u>2,545</u>	<u>2,670</u>	<u>(125)</u>	<u>-4.7%</u>	<u>2,486</u>	<u>2,545</u>	<u>2,670</u>	<u>(125)</u>	<u>-4.7%</u>	<u>2,486</u>
Average Length of Stay										
Total Acute	3.87	4.00	(0.13)	-3.2%	3.98	3.87	4.00	(0.13)	-3.2%	3.98
Average Daily Census										
Total Acute	27.94	30.94	(3.10)	-10.0%	26.97	27.94	30.94	(3.00)	-9.7%	26.97
Total Sub-Acute	31.39	33.00	(1.67)	-5.1%	32.65	31.39	33.00	(1.61)	-4.9%	32.65
Total Skilled Nursing	22.77	22.19	0.60	2.7%	20.58	22.77	22.19	0.58	2.6%	20.58
	<u>82.10</u>	<u>86.13</u>	<u>(4.17)</u>	<u>-4.8%</u>	<u>80.19</u>	<u>82.10</u>	<u>86.13</u>	<u>(4.61)</u>	<u>-5.4%</u>	<u>80.19</u>
Emergency Room Visits										
	1,485	1,426	59	4.1%	1,415	1,485	1,426	59	4.1%	1,415
Outpatient Registrations										
	1,775	2,011	(236)	-11.7%	1,991	1,775	2,011	(236)	-11.7%	1,991
Surgery Cases:										
Inpatient	33	45	(12)	-26.7%	52	33	45	(12)	-26.7%	52
Outpatient	164	129	35	27.1%	129	164	129	35	27.1%	129
	<u>197</u>	<u>174</u>	<u>23</u>	<u>13.2%</u>	<u>181</u>	<u>197</u>	<u>174</u>	<u>23</u>	<u>13.2%</u>	<u>181</u>
Kaiser Inpatient Cases	-	-	-	-	-	-	-	-	-	-
Kaiser Eye Cases	-	-	-	-	-	-	-	-	-	-
Kaiser Outpatient Cases	-	-	-	-	-	-	-	-	-	-
Total Kaiser Cases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
% Kaiser Cases	0.0%	0.0%			0.0%	0.0%	0.0%			0.0%
Adjusted Occupied Bed										
	124.19	126.35	(2.16)	-1.7%	118.45	124.19	126.35	(2.16)	-1.7%	118.45
Productive FTE										
	335.55	341.14	(5.59)	-1.6%	352.47	335.55	341.14	(5.59)	-1.6%	352.47
Total FTE										
	394.19	410.08	(15.89)	-3.9%	417.09	394.19	410.08	(15.89)	-3.9%	417.09
Productive FTE/Adj. Occ. Bed										
	2.70	2.70	0.00	0.1%	2.98	2.70	2.70	0.00	0.1%	2.98
Total FTE/ Adj. Occ. Bed										
	3.17	3.25	(0.07)	-2.2%	3.52	3.17	3.25	(0.07)	-2.2%	3.52

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

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year End</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 692,243	\$ 1,802,225	\$ 1,802,225
Patient Accounts Receivable, net	8,597,131	7,249,185	7,249,185
Other Receivables	8,316,672	8,216,998	8,216,998
Third-Party Payer Settlement Receivables	301,795	278,580	278,580
Inventories	1,188,185	1,238,762	1,238,762
Prepays and Other	<u>367,538</u>	<u>262,359</u>	<u>262,359</u>
Total Current Assets	19,463,564	19,048,109	19,048,109
Assets Limited as to Use, net	494,917	483,716	483,716
Fixed Assets			
Land	877,945	877,945	877,945
Depreciable capital assets	43,429,274	43,385,071	43,385,071
Construction in progress	3,017,346	2,921,048	2,921,048
Depreciation	<u>(38,939,152)</u>	<u>(38,862,494)</u>	<u>(38,862,494)</u>
Property, Plant and Equipment, net	<u>8,385,413</u>	<u>8,321,570</u>	<u>8,321,570</u>
Total Assets	<u>\$ 28,343,894</u>	<u>\$ 27,853,395</u>	<u>\$ 27,853,395</u>
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 961,784	\$ 711,784	\$ 711,784
Accounts Payable and Accrued Expenses	7,386,098	7,025,089	7,025,089
Payroll Related Accruals	4,310,043	4,003,695	4,003,695
Deferred Revenue	5,248,887	5,725,900	5,725,900
Employee Health Related Accruals	360,000	343,382	343,382
Third-Party Payer Settlement Payable	<u>267,474</u>	<u>267,474</u>	<u>267,474</u>
Total Current Liabilities	18,534,286	18,077,324	18,077,324
Long Term Debt, net	<u>1,115,474</u>	<u>1,142,109</u>	<u>1,142,109</u>
Total Liabilities	<u>19,649,760</u>	<u>19,219,433</u>	<u>19,219,433</u>
Net Assets:			
Unrestricted	7,971,640	8,022,670	8,022,670
Temporarily Restricted	<u>722,494</u>	<u>611,292</u>	<u>611,292</u>
Total Net Assets	<u>8,694,134</u>	<u>8,633,962</u>	<u>8,633,962</u>
Total Liabilities and Net Assets	<u>\$ 28,343,894</u>	<u>\$ 27,853,395</u>	<u>\$ 27,853,395</u>

City of Alameda Health Care District

Statements of Operations

July 31, 2011

\$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	2,545	2,670	(125)	-4.7%	2,486	2,545	2,670	(125)	-4.7%	2,486
Discharges	233	251	(18)	-7.2%	222	233	251	(18)	-7.2%	222
ALOS (Average Length of Stay)	10.92	10.64	0.29	2.7%	11.20	10.92	10.64	0.29	2.7%	11.20
ADC (Average Daily Census)	82.1	86.1	(4.03)	-4.7%	80.2	82	86.1	(4.03)	-4.7%	80.2
CMI (Case Mix Index)	1.3168				1.4619	1.3168				1.4619
Revenues										
Gross Inpatient Revenues	\$ 14,176	\$ 15,546	\$ (1,370)	-8.8%	\$ 14,121	\$ 14,176	\$ 15,546	\$ (1,370)	-8.8%	\$ 14,121
Gross Outpatient Revenues	7,343	7,208	135	1.9%	6,695	7,343	7,208	135	1.9%	6,695
Total Gross Revenues	21,518	22,754	(1,235)	-5.4%	20,816	21,518	22,754	(1,235)	-5.4%	20,816
Contractual Deductions	16,266	16,764	497	3.0%	14,880	16,266	16,764	497	3.0%	14,880
Bad Debts	337	725	388	53.5%	719	337	725	388	53.5%	719
Charity and Other Adjustments	265	175	(90)	-51.3%	212	265	175	(90)	-51.3%	212
Net Patient Revenues	4,650	5,090	(440)	-8.6%	5,005	4,650	5,090	(440)	-8.6%	5,005
Net Patient Revenue %	21.6%	22.4%			24.0%	21.6%	22.4%			24.0%
Net Clinic Revenue	35	17	18	110.6%	42	35	17	18	110.6%	42
Other Operating Revenue	6	10	(4)	-37.2%	9	6	10	(4)	-37.2%	9
Total Revenues	4,692	5,116	(425)	-8.3%	5,056	4,692	5,116	(425)	-8.3%	5,056
Expenses										
Salaries	2,877	2,858	(20)	-0.7%	3,031	2,877	2,858	(20)	-0.7%	3,031
Temporary Agency	111	151	41	26.9%	170	111	151	41	26.9%	170
Benefits	760	799	39	4.9%	896	760	799	39	4.9%	896
Professional Fees	314	286	(27)	-9.5%	307	314	286	(27)	-9.5%	307
Supplies	613	745	132	17.7%	668	613	745	132	17.7%	668
Purchased Services	321	364	43	11.8%	381	321	364	43	11.8%	381
Rents and Leases	87	79	(9)	-10.9%	52	87	79	(9)	-10.9%	52
Utilities and Telephone	68	65	(3)	-5.1%	44	68	65	(3)	-5.1%	44
Insurance	25	17	(8)	-47.6%	36	25	17	(8)	-47.6%	36
Depreciation and amortization	77	68	(9)	-13.5%	83	77	68	(9)	-13.5%	83
Other Operating Expenses	66	72	6	8.7%	73	66	72	6	8.7%	73
Total Expenses	5,318	5,503	185	3.4%	5,740	5,318	5,503	185	3.4%	5,740
Operating gain (loss)	(627)	(387)	(240)	-62.0%	(684)	(627)	(387)	(240)	62.0%	(684)
Non-Operating Income / (Expense)										
Parcel Taxes	478	478	(1)	-0.2%	478	478	478	(1)	-0.2%	478
Investment Income	0	(12)	12	-104.0%	3	0	(12)	12	-104.0%	3
Interest Expense	(10)	-	(10)	0.0%	(7)	(10)	-	(10)	0.0%	(7)
Other Income / (Expense)	23	23	(0)	-0.8%	23	23	23	(0)	-0.8%	23
Net Non-Operating Income / (Expense)	491	490	1	0.3%	497	491	490	1	0.3%	497
Excess of Revenues Over Expenses	\$ (135)	\$ 103	\$ (239)	-231.1%	\$ (187)	\$ (135)	\$ 103	\$ (239)	-231.1%	\$ (187)

City of Alameda Health Care District
Statements of Operations - Per Adjusted Patient Day
July 31, 2011

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	\$ 3,669	\$ 3,978	\$ (309)	-7.8%	\$ 3,853	\$ 3,669	\$ 3,978	\$ (309)	-7.8%	\$ 3,853
Gross Outpatient Revenues	1,901	1,844	56	3.1%	1,827	1,901	1,844	56	3.1%	1,827
Total Gross Revenues	5,570	5,822	(252)	-4.3%	5,680	5,570	5,822	(252)	-4.3%	5,680
Contractual Deductions	4,210	4,290	79	1.8%	4,060	4,210	4,290	79	1.8%	4,060
Bad Debts	87	186	98	53.0%	196	87	186	98	53.0%	196
Charity and Other Adjustments	69	45	(24)	-53.0%	58	69	45	(24)	-53.0%	58
Net Patient Revenues	1,204	1,302	(99)	-7.6%	1,366	1,204	1,302	(99)	-7.6%	1,366
Net Patient Revenue %	21.6%	22.4%			24.0%	21.6%	22.4%			24.0%
Net Clinic Revenue	9	4	5	113.0%	11	9	4	5	113.0%	11
Other Operating Revenue	2	3	(1)	-36.5%	2	2	3	(1)	-36.5%	2
Total Revenues	1,214	1,309	(95)	-7.2%	1,380	1,214	1,309	(95)	-7.2%	1,380
Expenses										
Salaries	745	731	(14)	-1.9%	827	745	731	(14)	-1.9%	827
Temporary Agency	29	39	10	26.0%	46	29	39	10	26.0%	46
Benefits	197	205	8	3.8%	245	197	205	8	3.8%	245
Professional Fees	81	73	(8)	-10.7%	84	81	73	(8)	-10.7%	84
Supplies	159	191	32	16.8%	182	159	191	32	16.8%	182
Purchased Services	83	93	10	10.8%	104	83	93	10	10.8%	104
Rents and Leases	23	20	(2)	-12.2%	14	23	20	(2)	-12.2%	14
Utilities and Telephone	18	17	(1)	-6.3%	12	18	17	(1)	-6.3%	12
Insurance	6	4	(2)	-49.3%	10	6	4	(2)	-49.3%	10
Depreciation and Amortization	20	17	(3)	-14.8%	23	20	17	(3)	-14.8%	23
Other Operating Expenses	17	18	1	7.6%	20	17	18	1	7.6%	20
Total Expenses	1,377	1,408	32	2.2%	1,566	1,377	1,408	32	2.2%	1,566
Operating Gain / (Loss)	(162)	(99)	(63)	-63.9%	(187)	(162)	(99)	(63)	63.9%	(186)
Non-Operating Income / (Expense)										
Parcel Taxes	124	122	1	1.0%	130	124	122	1	1.0%	130
Investment Income	0	(3)	3	-104.0%	1	0	(3)	3	-104.0%	1
Interest Expense	(3)	-	(3)	0.0%	(2)	(3)	-	(3)	0.0%	(2)
Other Income / (Expense)	6	6	0	0.4%	6	6	6	0	0.4%	6
Net Non-Operating Income / (Expense)	127	125	2	1.4%	136	127	125	2	1.4%	136
Excess of Revenues Over Expenses	\$ (35)	\$ 26	\$ (61)	-232.6%	\$ (51)	\$ (35)	\$ 26	\$ (61)	-232.6%	\$ (51)

City of Alameda Health Care District
Statement of Cash Flows
For the One Month Ended July 31, 2011

	<u>Current Month</u>	<u>Year-to-Date</u>
Cash flows from operating activities		
Net Income / (Loss)	\$ (135,933)	\$ (135,933)
Items not requiring the use of cash:		
Depreciation and amortization	76,658	\$ 76,658
Write-off of Kaiser liability	-	\$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	(1,347,946)	(1,347,946)
Other Receivables	(99,674)	(99,674)
Third-Party Payer Settlements Receivable	(23,215)	(23,215)
Inventories	50,577	50,577
Prepays and Other	(105,179)	(105,179)
Accounts payable and accrued liabilities	361,009	361,009
Payroll Related Accruals	306,348	306,348
Employee Health Plan Accruals	16,618	16,618
Deferred Revenues	(477,013)	(477,013)
Cash provided by (used in) operating activities	<u>(1,377,750)</u>	<u>(1,377,750)</u>
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(11,201)	(11,201)
Additions to Property, Plant and Equipment	(140,501)	(140,501)
Other	84,903	84,903
Cash provided by (used in) investing activities	<u>(66,799)</u>	<u>(66,799)</u>
Cash flows from financing activities		
Net Change in Long-Term Debt	223,365	223,365
Net Change in Restricted Funds	111,202	111,202
Cash provided by (used in) financing and fundraising activities	<u>334,567</u>	<u>334,567</u>
Net increase (decrease) in cash and cash equivalents	(1,109,982)	(1,109,982)
Cash and cash equivalents at beginning of period	1,802,225	1,802,225
Cash and cash equivalents at end of period	<u>\$ 692,243</u>	<u>\$ 692,243</u>