Alameda Hospital
CITY OF ALAMEDA HEALTH CARE DISTRICT

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Wednesday, February 6, 2013

6:00 p.m. (CLOSED) | 6:05 p.m. (OPEN)

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

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

I. Call to Order (6:00 p.m. – Dal Cielo Conference Room) — Jordan Battani

II. Roll Call — Kristen Thorson

III. Adjourn into Executive Closed Session

IV. Closed Session Agenda

A. Call to Order

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

C. Adjourn into Open Session

V. Reconvene to Public Session (Expected to start at 6:05 p.m. – Dal Cielo Conference Room)

A. Announcements from Closed Session — Jordan Battani

VI. General Public Comment

VII. Interview and Appointment of New District Board Member

A. Interview Candidates

Candidates listed in alphabetical order. Names will be drawn for order of interviews.

1) Lynn Bratchett
2) Shubha Fanse
3) Tracy Lynn Jensen
4) Terrie Kurrasch

Candidates will be allowed to make an opening statement (up to three minutes), followed by a question period by the current Board of Directors. The candidates will also be allowed to make a closing statement (up to three minutes) at the conclusion of the questioning.

B. Discussion

C. Appointment **ACTION ITEM**

D. Swearing-In \ Oath of Office of Appointed District Board Member

VIII. General Public Comment

IX. Regular Agenda

E. Consent Agenda **ACTION ITEMS**

✓ 1) Approval of January 9, 2013 Meeting Minutes [enclosure] **(PAGES 3-8)**

✓ 2) Approval of Departmental Policies and Procedures [enclosure] **(PAGES 9-15)**

- Respiratory Care Services
- Rehabilitation Services

✓ 3) Approval of Administrative Policies and Procedures [enclosure] **(PAGES 16-17)**

- No. 27 - Operative & Other Invasive Procedures
- No. 39 – Health Record Content
- No. 48 – Clinical Abbreviation List
- No. 59a - Patient Choice in Discharge Planning
- No. 59b - In-Home Assistance Options in Discharge Planning
- No. 85 Anticoagulation Management Program

✓ 4) Acceptance of Report regarding Executive Performance Metrics and Incentive Compensation Plan for FYE June 30, 2012: Special Project Incentive [enclosure] **(PAGES 18-20)**

✓ 5) Acceptance of December 2012 Unaudited Financial Statements [enclosure] **(PAGES 21-42)**

F. Action Items

✓ 1) Approval of Phase 2, Construction Expenses: Boiler Replacement Project to Comply with Bay Area Air Quality Management District Regulations [enclosure] **(PAGES 43-50)** Brian Jung

✓ 2) Election of District Board Officers [enclosure] **(PAGES 51-55)**

3) District Board Committee Appointments [enclosure] **(PAGES 56-59)**

D. Chief Executive Officer Report **INFORMATIONAL** Deborah E. Stebbins

✓ 1) Monthly CEO Report [enclosure] **(PAGES 60-64)**

- Bay Area Bone & Joint Center, Capital Projects, Community Relations and Outreach Update, Key Statistics – December 2012, Information Technology and Meaningful Use, Human Resources, Kate Creedon Center for Advanced Wound Care, DSRIP Report, and Long Term Care

✓ 2) FY2013, 2nd Quarter Goals & Objectives Update

[enclosure] **(PAGES 65-73)**

E. Medical Staff President Report **INFORMATIONAL** Emmons Collins, MD

X. General Public Comments

XI. Board Comments

XII. Adjournment

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Wednesday, January 9, 2013 Regular Meeting

Board Members Present	Management Present	Legal Counsel Present	Guests
Jordan Battani Robert Deutsch, MD J. Michael McCormick Elliott Gorelick	Deborah E. Stebbins Kerry J. Easthope Mary Bond, RN Bruce Matthias	Thomas Driscoll, Esq. Medical Staff Present Emmons Collins, MD	Honorable Wilma Chan Excused
Submitted by: Erica Poncé, Administrative Secretary			

Topic		Discussion	Action / Follow-Up
I.	Call to Order	The meeting was called to order at 6:04 p.m.	
II.	Roll Call	Ms. Thorson called roll noting a quorum of Directors was present.	
III.	Adjourn into Executive Closed Session	The meeting was adjourned into Executive Closed Session at 6:05 p.m.	
IV.	Closed Session Agenda		
V.	Reconvene to Public Session	The meeting was reconvened into public session at 7:58 p.m.	
A. Administration of the Oath of Office The Honorable Wilma Chan, Alameda County Board of Supervisors, administered the Oath of Office to Directors Battani McCormick.			
B. Announcements from Closed Session Director Battani stated that the Board reviewed and approved the Closed Session Minutes from December 5, 2012 and the Board Quality Committee Report. No other action was taken.			

Topic	Discussion	Action / Follow-Up
VI.	General Public Comments	
	A. Jim Oddie congratulated Directors Battani and McCormick on their re-election. As a former member of the Finance and Management Committee, he was proud to be of assistance in the re-election process. As the new District Director for Assembly Member Rob Bonta, Mr. Oddie shared Assembly Member Bonta's congratulations to the newly re-elected Board Members. Assembly Member Bonta has been assigned to the Health Committee in Sacramento, and will fight for Alameda Hospital and others like it. This committee will also take part in the Affordable Health Care Act implementation in California. Mr. Oddie will be in touch with Hospital Management to see how their office can best serve the District in Sacramento. Mr. Oddie announced that his office is pleased to have Director McCormick working with their team doing part-time staff work at the State building in Oakland.	
VII.	Regular Agenda	
	A. Introductions Director Battani introduced Emmons Collins, MD, as the new Medical Staff President. Dr. Collins will represent the Medical Staff in the Executive Closed Sessions and Public Open Sessions of District Board meetings.	
	B. Consent Agenda 1) Approval of December 5, 2012 Meeting Minutes 2) Approval of Department Policies and Procedures	Director Deutsch made a motion to approve the Consent Agenda as presented. Director McCormick seconded the motion. The motion carried.
	C. Action Items 1) Acceptance of November 2012 Unaudited Financial Statements Director McCormick stated that although there was no Finance and Management Committee meeting in December, Kerry Easthope, CEO, has a presentation on the Unaudited Financial Statements for the period ending November 30, 2012. Mr. Easthope gave presentation as referenced in the meeting video. Printed copies of the Power Point presentation are available by request through Administration. The presentation included topics such as the November 2012 Performance Overview, Key Volume Indicators, Case Mix Comparison, Statement of Revenue and	Director Deutsch made a motion to approve the November 2012 Unaudited Financial Statements. Director Gorelick seconded the motion. The motion carried.

Topic	Discussion	Action / Follow-Up

Expenses, Gross and Net Revenues, Total Operating Expenses, Balance Sheet, Balance Sheet Changes, Financial Ratios, and Profit and Loss Statements for Waters Edge, Kate Creedon Center for Advanced Wound Care, and the Bay Area Bone and Joint Center.

There was a discussion about the marketing plan for Bay Area Bone and Joint Center. Ms. Stebbins stated that there is an active marketing plan in place, and the key component to that plan is the orthopaedists who are making presentations in local meetings and a variety of community events. Ms. Stebbins stated that the program is ramping up nicely.

Director McCormick asked for an update on the loan covenants with the Bank of Alameda's as District was out of compliance as of December 31, 2012. Mr. Easthope stated that he and Ms. Stebbins will be meeting with the Bank after getting the December financials finalized, and will update the Board.

Director Gorelick asked if the parcel tax income has been received. Mr. Easthope stated that about $2.8 million was received in December.

Mr. Easthope stated that CHA filed an injunction to stop AB-97, but the injunction did not hold. The Ninth District Court of Appeals overruled the injunction on December 13, 2012. CHA and different organizations are trying to work with the State to find other remedies to keep this from going into effect (due to the negative impact on hospitals throughout the State), or to work with the State on coming up with repayment options for hospitals. The total liability to the District will be about $480,000. We have had about $235,000 in reserves on the books, and we will need to record an additional $245,000. The subacute program will help to pay for the payback of the liability due to a rate increase of about $34 per day for subacute patients from August to October 2012, which the State has not yet paid. There is an entry for accounts receivable on our books of about $260,000.

2) Approval to Renew and Revise Hospitalist Contract with Alameda Inpatient Medical (AIM)

   a) General Public Comment:
   James Yeh, DO, representing AIM, stated that a majority of the group's physicians have worked with Alameda Hospital since 2001 when their practice began, under the leadership of Dr. Yeh and Dr. Collins. AIM is now comprised of

Topic	Discussion	Action / Follow-Up
	over 20 full- and part-time physicians who cover the patients at the Hospital in various capacities. It has become difficult over the years to attract new physicians who tend to seek jobs which allow them to work specific daytime hours in larger practices. AIM has attempted to counteract that by increasing pay. To do so, AIM Board Members each take a decrease in pay every time a new physician is brought in. Dr. Yeh is excited about the possibilities ahead and grateful for the support that AIM has received from the District Board and Medical Staff. b) Ms. Stebbins gave a presentation as referenced in the meeting video. Printed copies of the Power Point presentation are available by request through Administration. The presentation included topics such as Objectives of Contract Renewal Terms, Hospitalist Productivity and Comparative Income, Overview of Proposed Contract Terms, Physician Extender Role, Metrics for Bonus Payment, and Top Ten Acute IP DRG's.	Director Deutsch made a motion to approve the renewal and revisions to the Hospitalist Contract with Alameda Inpatient Medical as presented. Director McCormick seconded the motion. The motion carried three to one (Gorelick).
	D. District Board President Report 1) District Board Vacancy The process is underway to fill the vacancy left by former Board member Stewart Chen. Applications have been taken from members of the community and are being processed. The next step is a candidate orientation scheduled for January 23, 2012. A Special Board Meeting is scheduled for January 28, 2012 which will consist of the interviews and selection of one candidate. 2) Completion of CEO Performance Review The Board has completed the CEO Performance Review which includes input from various stakeholders. Detailed contents of this review are processed during the Board's Executive Closed Session and discussed with Ms. Stebbins. The overall assessment is that Ms. Stebbins has met expectations, and the review is complete.	No action taken.
	E. Chief Executive Officer Report 1) Meaningful Use Presentation Bruce Matthias, Interim Director of Information Technology, and Mary Bond, RN, Executive Director of Nursing and Clinical Services, gave a presentation as referenced in the meeting video. Printed copies of the Power Point presentation are	No action taken.

Topic	Discussion	Action / Follow-Up
	available by request through Administration. The presentation included topics such as The American Recovery and Reinvestment Act, Established Objectives to Meet Goals, CMS Criteria, Timeline for Phase-In, Stages of Meaningful Use, Hospital Incentive, Medicare Incentive Timelines, Medicare Incentive Penalty Deadlines, Attesting and Reporting, Meeting MU requirements, Meaningful Use Measure Highlights, and the IT Steering Committee. There were questions and discussions about the requirements of each stage as well as timing and implementation. Director Battani suggested that Ms. Stebbins as a monthly update regarding Meaningful Use to the monthly CEO report. 2) Monthly CEO Report Ms. Stebbins provided an overview of the information found in her written report (beginning on page 52 of the Board Packet): Bay Area Bone & Joint Center, Physician Relations, Capital Projects, Hospital Foundation Update, Key Statistics – December 2012, Information Technology Update and Meaningful Use, Human Resources, Kate Creedon Center for Advanced Wound Care, DSRIP Report, and Long Term Care. Ms. Stebbins highlighted the Key Statistics and noted that December was a strong month. The number of total surgeries dropped, seeming to be a holiday-schedule related issue. Case Mix Index is lower, but a more accurate number will be available upon completion of December Financials. January patient census looks strong so far. Board Members are invited to attend the Medical Staff Holiday Party at the O'Club in Alameda on Friday, January 11, 2012.	
	F. Medical Staff President Report Dr. Emmons Collins thanked the Board for welcoming him as the new Medical Staff President. He announced the following officers for 2013-2014: William Kammerer, MD, Vice President, and Jack Stehr, MD, Secretary/Treasurer. The following members of the Medical Staff serve as Representatives-at-Large: Roberto Celada, MD; Lisa Collins, MD; Steve Lowery, MD; Elpidio Magalong, MD; Catherine Pyun, DO; and William Sellman, MD.	No action taken.

Topic		Discussion	Action / Follow-Up
		Dr. Collins invited Board Members to a CME program on Tuesday, January 22, 2013 at 12:30 p.m. in the Dal Cielo Conference Room entitled “Be Careful Doc! The Importance of Careful Documentation” by Gregory Cochran, MD.	
	G.	Community Relations and Outreach Committee Report Director Battani announced that there will be a meeting on January 22, 2013 at 7:30 a.m. One purpose of this meeting will be confirming the interest of current members and talking about any changes or additions to membership for the upcoming year. There were several community outreach events throughout December, mostly centered on the Bay Area Bone and Joint Center with Drs. DiStefano and Pirnia visiting various community groups to give presentations.	No action taken.
	H.	ACHD Committee Update Director Gorelick spoke about the Association of California Healthcare District (ACHD) Education Committee, of which he is a member. On February 7-8, 2013, ACHD will host an open orientation in Sacramento with a focus on what it means to be a trustee. In June, ACHD will host their annual conference which will focus on the changes in healthcare and what it means to healthcare districts.	No action taken.
VIII.	**General Public Comments**	There were no comments.	
IX.	**Board Comments**	There were no comments.	
X.	**Adjournment**	Being no further business, the meeting was adjourned at 9:57 p.m.	

Attest:

Jordan Battani	Elliott Gorelick
President	Secretary

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: January 31, 2012

FOR: February 6, 2013 District Board Meeting

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

FROM: Deborah E. Stebbins, CEO
Kristen Thorson, District Clerk

SUBJECT: Approval of Departmental Policies and Procedures

Recommendation:

Management recommends that the Board of Directors approve the policy and procedure manuals for the following Hospital Department / Service:

1. Respiratory Care Services

2. Rehabilitation Services, including Physical Therapy, Occupational Therapy and Speech Therapy

Background:

Title 22 of the California Code of Regulations, and in some cases the Joint Commission, requires some hospital departments or services to have their department specific policies approved by the governing body. In order to comply with this regulation, and assist with the review process, table of contents from the department's policy and procedure manual is attached.

The Respiratory Care Services policies and procedures recommended for approval cover the campus and services provided at the acute hospital including (2070 Clinton Avenue).

The Rehabilitation Services policies and procedures recommended for approval cover the campus and services (inpatient and outpatient) provided at the acute hospital (2070 Clinton Avenue).

Discussion:

The Departmental Manual is available for your review at any time through Administration.

Alameda Hospital

Respiratory Care Service
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Volume 1

Nasal Pharyngeal Airway Insertion

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Inspired Temperature Monitoring

Securing and Endotracheal Tube

Endotracheal tube Closed System Suctioning

Metered Dose Inhaler Delivery in the Intubated Patient Remote Ventilator Alarms

Trach Replacement

Safety Phalange

Extubation

Sputum Induction

Nosocomial Pneumonia Protocol

Mechanical Ventilation

Ventilator Alarm Guidelines

Monitoring of Mechanically Ventilated Patients Infant Ventilation

Trach Care

BiPap

Apnea Testing

Easy Cap CO2 Monitoring

Positive Pressure Ventilation

Intermittent Positive Pressure Ventilation (IPPB) Maximum Volume IPPB

IntraPulmonary Percussive Ventilation (IPV)

Alameda Hospital

Respiratory Care Service

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Volume 2

Infection Control

Miscellaneous

Transport of the Mechanically Ventilated Patient Home Oxygen Co-Ordination

Liquid Oxygen Filling for Discharged patients Safety Program

Bio Terrorism

Utility Failure

Alameda Hospital

Rehabilitation Services

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Ice Therapy

Iontophoresis

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Splint/Splinting

Therapeutic Exercises

Occupational Therapy Evaluation and Testing

Visual Perception

Isotoner Glove

Speech Therapy Evaluation Bedside Swallow Assessment

Videofluoroscopy Swallow Study

Treatment Approaches Aphasia

Speech Production Voice Disorders

Reading Comprehension Written Expression

Cognitive Linguistic Impairment

Nonverbal Communication

Dysphagia

Severity of Impairment Definitions

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: January 30, 2013

For: February 6, 2013 District Board Meeting

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

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

Subject: Approval of Administrative Policies and Procedures

Recommendation:

Management requests approval of the following policies and procedures.

No. 27– Operative and Other Invasive Procedures	
Revisions made to comply with CMS regulations.	
Purpose:	To assure appropriate assessments in the selection of procedures, patient preparation, care planning and monitoring for optimal outcomes and patient safety.
No. 39 – Health Record Content	
Minor revisions made to reflect current practices and regulations.	
Purpose:	To show responsibility for documentation and proper authentication in the medical record.
No. 48 – Clinical Abbreviation List	
Minor revisions made to clinical abbreviation list only, required regulatory review.	
Purpose:	Clearly understood communications are essential in providing safe, quality personalized care and service to patients and families. Effective use of abbreviations and symbols enhance efficiency and save time and effort in verbal and written communications. However, potential errors may occur when abbreviations are not standardized and readily understood and when dangerous abbreviations are used. Dangerous abbreviations are those with a significant chance for misunderstanding. This policy establishes a list of approved abbreviations as well as a list of mandatory “Do Not Use” and recommended “Do Not Use” abbreviations.
No. 59a – Patient Choice in Discharge Planning	
Revisions made to meet CMS regulatory requirements.	
Purpose:	To inform patients and their families of their freedom to choose among providers for their post-hospital home care.

No. 59b – In-Home Assistance Options in Discharge Planning	
Revisions made to meet CMS regulatory requirements.	
Purpose:	To provide patients and families with a list of bonded insured agencies from which they may choose in-home assistance by non-licensed personnel.
No. 85 – Anticoagulation Management Program	
Revisions made to meet regulatory requirements for LTC residents and to increase monitoring requirements.	
Purpose:	To implement a comprehensive interdisciplinary process for anticoagulant use through the adoption of recognized safe practices and evidence-based guidelines for the prescribing, administration and monitoring of therapeutic doses of heparin, low molecular weight heparin and warfarin to ensure appropriate dosing, effective monitoring and early detection and prevention of adverse reactions.

Background:

The Joint Commission tri-annual accreditation survey is scheduled for Spring, 2013. In preparation for this survey, the hospital has begun its review of all Administrative Policies and Procedures. All Administrative policies and procedures will be brought to the Board of Directors for approval.

The policies and procedures are either new or have been revised to reflect current practices, regulatory language / requirements and/or other pertinent information as indicated above. Each policy and procedure has been reviewed by the appropriate Medical Staff Committees, Hospital Committees, Management Team, and Administration.

Policies and Procedures are available for review upon request from Administration.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: January 30, 2013

For: February 6, 2013 District Board Meeting

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

From: Deborah E. Stebbins, Chief Executive Officer

SUBJECT: Acceptance of Report regarding Executive Performance Metrics and Incentive Compensation Plan for FYE June 30, 2012: Special Project Incentive

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Since only two of three criteria for the award of a special project incentive payment to the CEO and CFO were achieved according to the Executive Performance Metrics and Incentive Compensation Plan approved by the Board in May, 2012, no pay-out will be awarded.

Background:

As an adjunct to the annual performance incentive plan for executives, in May, 2012 the Board approved a Special Project Incentive bonus proposal for efforts of the CEO and CFO on the Waters Edge acquisition and transition. The bonus was to be up to 20% of the potential annual bonus and is described in the attached memorandum. The rationale for singling out this incentive component was recognition of the significant effort that had gone into the many months of negotiation, planning and implementation of the Waters Edge transition, including extensive negotiations required with CMS, as well as the significant projected impact on the organization as a whole.

Two of the three criteria for achievement of the Waters Edge incentive were achieved or exceeded:

1. The transition of licensure and certification into Alameda Hospital was achieved on August 1, 2012.

2. The actual financial results have exceeded pro forma targets significantly: The year to date net income through December 31, 2012 was $1,046,000 compared to a pro forma projection of $196,000. Average census at the facility has also exceeded projections.

However, the third criterion was that the special bonus award be contingent on the YTD achievement of an overall positive revenue over expense of through the end of the first two quarters of FY 2013. Since the latter has not been achieved, the criteria for the special projects incentive were not all met.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: May 3, 2012

FOR: May 7, 2012 District Board Meeting

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

FROM: Michael McCormick, District Board Treasurer
Elliott Gorelick, District Board Secretary

SUBJECT: Approval of Proposed FY 2012 Executive Performance Metrics and Incentive Compensation Plan

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RECOMMENDATION:

At the April meeting of the Board of Directors we were appointed as a Subcommittee to work with management to refine the draft Incentive system presented by the CEO at the April Board meeting. Based on our own deliberations and a follow-up discussion with Ms. Stebbins and Mr. Easthope, we are recommending the following structure for a FY 2012 incentive system:

1. **Base Incentive Program:** No incentive payments would be awarded unless the budgeted bottom line of $540,000 is achieved. Given the financial results through March, 2012 it is highly unlikely that the budgeted bottom line will be achieved by the end of the fiscal year.

2. **Special Project Incentive**: Due to the unique nature of the Waters Edge acquisition, which took over a year to plan and negotiate and is likely to have a extended and profound impact of the Hospital's financial performance, a one-time special incentive could be awarded to the two management team members who were directly involved in completing the analysis and negotiations, the CEO, Deborah Stebbins and CFO, Kerry Easthope.

The recommendation is to award this special incentive on a deferred basis during FY 2013 and as a potential addition to any base incentive plan developed for FY 2013. Further, we recommend that the Board commit to defining the structure of the FY 2013 no later than August, 2012.
An award of the special bonus would be based on the following:

1. Successful transition of the licensure and certification into Alameda Hospital by September 1, 2012. Evaluation of whether the special bonus is to be awarded will be based on operational results through December 31, 2012.

2. The potential bonus would be twenty percent (20%) of the base bonus percentages defined for the achievement of the budget in FY 2012, i.e.

    a. 20% of 25% for the CEO
    b. 20% of 15% for the CFO

3. The bonus award would be contingent on YTD achievement of an overall positive revenue over expense for the first half of FY 2013 (July 1, 2012-December 31, 2012).

4. The bonus would be contingent upon achievement of the financial results projected in the Waters Edge pro forma for a pro-rated basis for the period of time between the date of transition to Alameda Hospital through December 31, 2012.

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING DECEMBER 31, 2012

CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
DECEMBER 31, 2012

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ALAMEDA HOSPITAL
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER, 2012

The management of 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 December 31, 2012 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.

Highlights

Overall for the month of December, the hospital experienced a combined positive net operating loss of just $11,000 against a budgeted gain of $42,000. Year to date the hospital shows a loss of $662,000 compared to a budgeted loss of $407,000. Waters Edge had another good month with a positive net contribution of $271,000 and a year to date contribution of almost $1.45 million. Wound Care had another busy month in December as the number of visits and hyperbaric oxygen (HBO) treatments have increased. The program's net contribution however fell below budget by $10,000 in December but is still $44,000 better than budget year to date.

December discharges were 17 or 6.1% below budget and total patient days were 25 or 0.4% greater than budget. Less discharges and more patient days equates to a longer length of stay, bringing the acute ALOS up to 4.5. Total patient days for inpatient acute services were up 4.3%; subacute days were down 5.4%, skilled nursing days were down at South Shore by just 0.3% and Waters Edge were up by 1.2%.

Overall outpatient activity was mixed again this month. Outpatient registrations were down 19.6% and emergency room visits were 50 or 3.5% above budget. Outpatient surgeries were below budget for the month by 31 or 20.9%.

The Wound Care program had 272 visits in December compared to a budget of 200, or 36% above budget. In December there were 76 HBO treatments compared to 68 in November.

Total gross and net revenue in December was generally in line with activity. The overall inpatient component was above budget by 0.8% and outpatient was down 3.0%.

The overall Case Mix Index (CMI) in December was 1.3197; lower than last month's of 1.4469 and below the FY 2013 average of 1.3541.

Overall expenses were $7.1 million in December, $287,000 or 4.2% above budget. There were two large one-time retro expense items that significantly impacted this months operating expenses: The first is a for four months of rehab service fees associated with South Shore and Subacute totaling $125,000 and the second is for retro pension contribution to SEIU pension fund now that we have completed negotiations with that bargaining group. This retro contribution goes back to May 2012 in the amount of $47,000. With these two extraordinalry items accounted for, December expenses would be about $114,000 greater than budget.

Salaries, temporary agency fees, professional fees, and purchased services were over budget while other categories were close to budget. These variances will be discussed in more detail later in the narrative. As previously discussed, the FY2013 temporary agency budget was understated by about $40,000 per month and we will strive to overcome this variance with positive revenue and/or expense reductions as the year progresses.

The hospital did receive a $200,000 contribution from the foundation for design and build-out of the new Orthopedic center at Marina Village. This is recorded under non operating income on the Statement of Operations.

Cash and cash equivalents were $6 million at the end of December up from $2 million at prior month end. It is important to note that we did receive about $2.8 million in parcel tax money in December. We have also set aside about $1.1 millioin in Medi-Cal overpayment for skilled nursing reimbursement that we expect to be paid back in the near future. Cash collections in December were $6.8 million. Net accounts receivable decreased by $350,000 to $10.4 million.

Accounts payable and other accrued expenses increased by $640,000 from almost $10.3 million to approximately $10.9 million. Much of this increase is a result of the holiday and timing of processing accounts payable payments.

Lastly, the current ratio dropped slightly to .96 just below the required 1.0 of our bank covenants and Total Assets remain at $6.4 million.

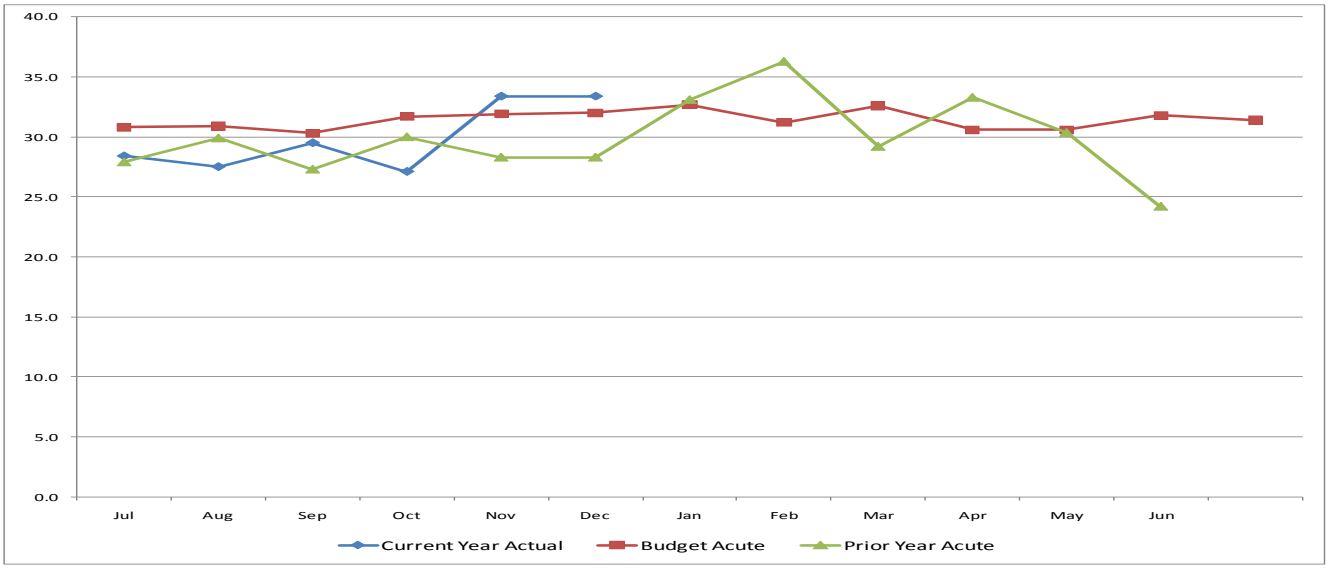
ACTIVITY

ACUTE, SUBACUTE AND SNF SERVICES

Overall, patient days were 0.4% above budget for the month and above December of last year. This month's acute days were above budget by 4.3%, Subacute was down 5.4%, South Shore was down 0.3% and Waters Edge was up 1.2%.

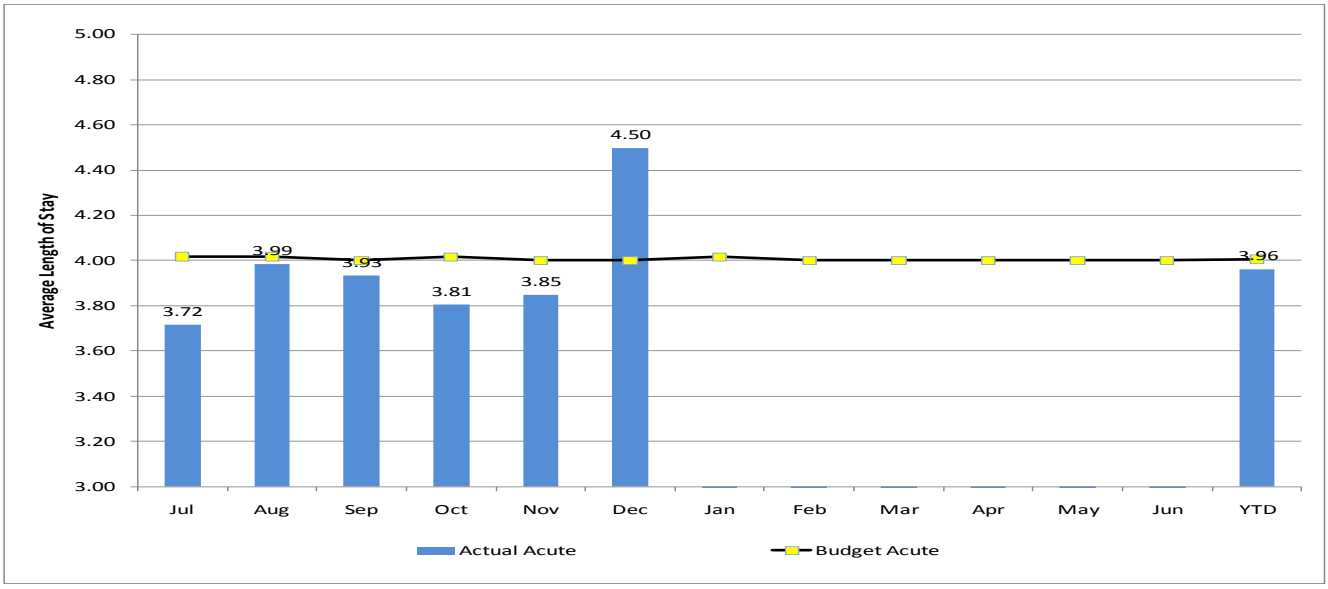
December's acute patient days were 43 days or 4.3% higher than budget for the month and 17.9% higher than December 2011. The acute care program is comprised of the Critical Care Unit (4.1 ADC, 5.9% above budget), Telemetry / Definitive Observation Unit (12.4 ADC, 6.1% above budget) and Med/Surg Unit (16.9 ADC, 2.8% above budget).

Acute Average Daily Census



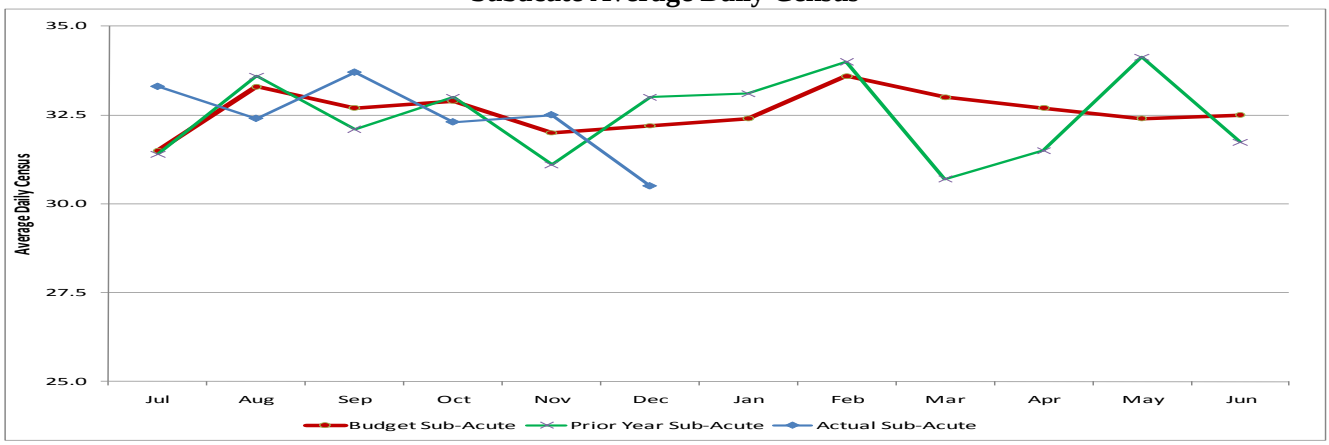
The acute Average Length of Stay (ALOS) increased from 3.85 in November to 4.5 in December and is below the budget of 4.0. This higher ALOS is consistent with 7.2% lower than budgeted acute discharges, yet acute patient days 4.3% higher than budgeted. The YTD acute ALOS for FY 2013 is 3.86. The graph below shows the ALOS by month compared to the budget.

Acute Average Length of Stay



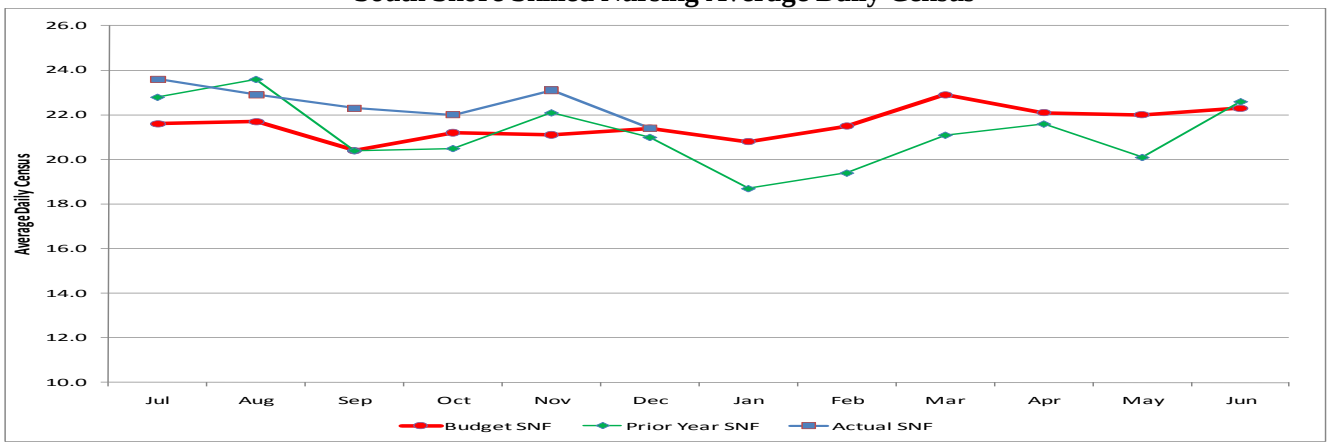
The Subacute program ADC of 30.45 was below budget by 1.74 ADC or 5.4%. The graph below shows the Subacute ADC for the current fiscal year as compared to budget and the prior year. We purposely postponed new admissions to the subacute unit during our week long annual State survey. Census has since resumed previous levels.

Subacute Average Daily Census



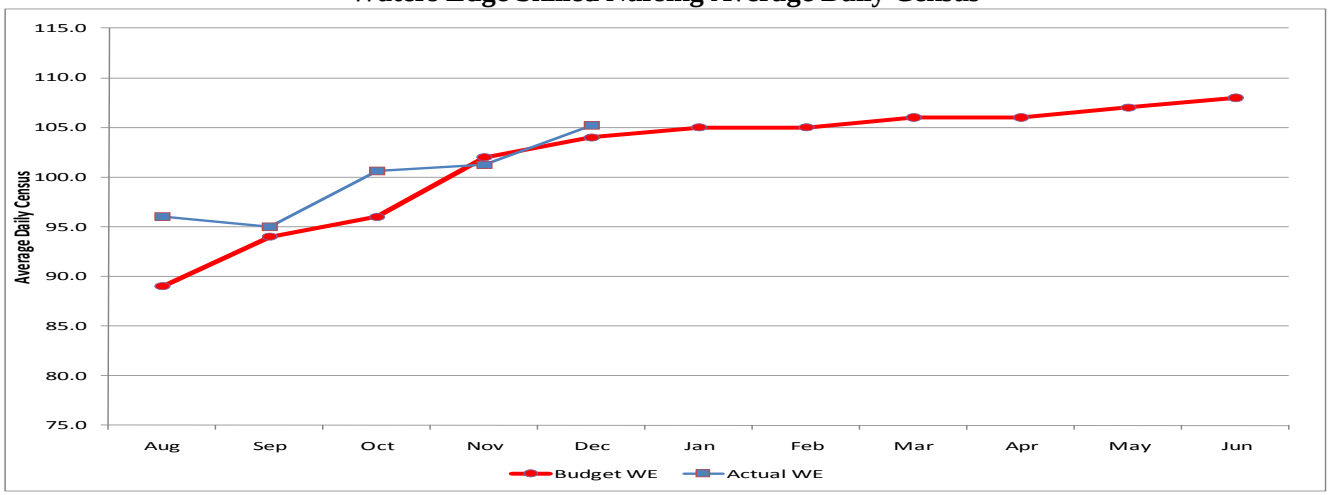
The South Shore ADC was very close to budget, only 2 patient days (0.3%) under for the month of December. The graph below shows the South Shore monthly ADC as compared to budget and the prior year. In December the number of Medicare A skilled patients was 1.6 ADC, down from 1.9 ADC in November and lower than budget of 4.01.

South Shore Skilled Nursing Average Daily Census



Waters Edge census was 105.2 ADC or 1.2% above budget of 104 in December. The Medicare census was 9.4 ADC consistent with the 9.5 ADC in the prior month.

Waters Edge Skilled Nursing Average Daily Census

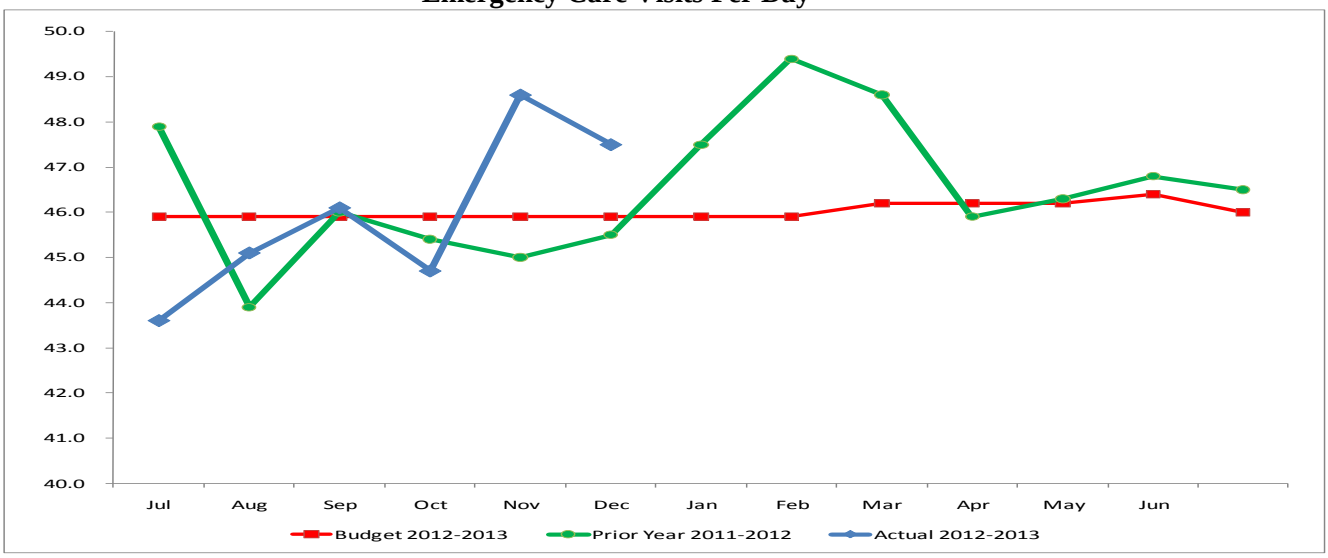


ANCILLARY SERVICES

Outpatient Services

Emergency Care Center (ECC) visits in December were 1,473, 50 visits (3.5%) above the budget of 1,423. The inpatient admission rate from the ECC was 17.4% just down from the 18.0% in November. On a per day basis, the total visits represent an decrease of 2.3% from the prior month daily average. In December, there were 316 ambulance arrivals versus 342 in the prior month. Of the 316 ambulance arrivals in the current month, 230 or 72.8% were from Alameda Fire Department (AFD).

Emergency Care Visits Per Day



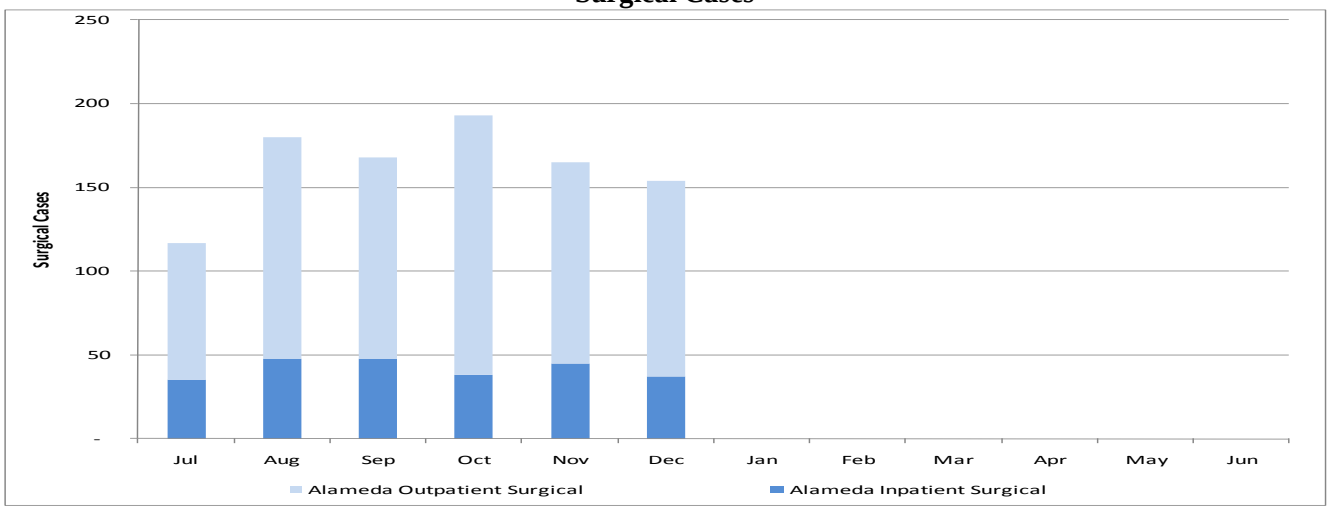
Outpatient registrations totaled 1,620 or 19.6% below budget. This month visits in Physical Therapy, CT, MRI and Radiology were down 216, 12, 26 and 289 visits respectively. However, visits were up in EKG (13 visits), Occupational Therapy (45 visits), and Wound Care (72 visits). Starting in December and going forward, the budget for Physical Therapy and Radiology Services assumes significant increases from referrals by our two new orthopedic physicians. Work is being done to help streamline the referral and registration process of orthopedic clinic patients needing follow up ancillary services at the hospital.

In December, Wound Care again exceeded the budget of 200 with 272 visits, or 36% over budget. Hyperbaric Oxygen treatments accounted for 76 of those visits, compared to 68 in November.

Surgery

The surgery cases for December were 154 or 19.8% below the budget of 192 and below last year's case volume of 167. Inpatient cases were below budget by 15.9% (7 cases) and outpatient cases were 31 (20.9%) below budget. Inpatient and outpatient cases totaled 37 and 117 respectively versus 45 and 120 during the prior month.

Surgical Cases



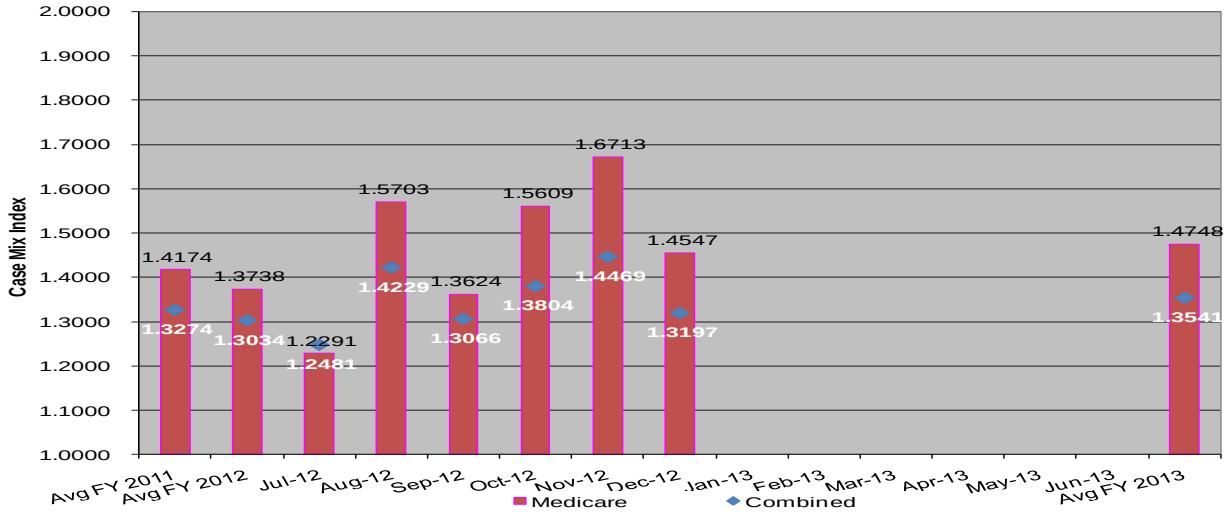
Payer Mix

The Hospital's overall payer mix compared to budget is illustrated below. This is inclusive of the Waters Edge revenue.

	Dec Actual	Dec Budget
Medicare	43.8%	46.5%
Medi-Cal	28.9%	27.5%
Managed Care	15.1%	15.7%
Other	3.5%	3.0%
Commerical	1.8%	3.0%
Self-Pay	6.8%	4.4%
Total	100.0%	100.0%

Case Mix Index

The Hospital's overall Case Mix Index (CMI) for December was 1.3197, down from the prior month high of 1.4469. The Medicare CMI was 1.4547 in December. This is below last month's high but still a strong number. The graph below shows the Medicare CMI for the Hospital during the current fiscal year as compared to the prior two years.



Revenue

Gross patient charges in December were under budget by $82,000, or 0.3%. Inpatient revenues were $152,000 above budget and outpatient revenues were down $234,000. Acute inpatient days were above budget by 4.3% and acute gross revenue was up 2.9%. Overall inpatient ancillary service charges were mixed contributing to the inpatient gross revenue being higher than budget, charges for inpatient medical supplies, pharmacy and rehab therapy were above budget while emergency, clinical laboratory and surgery were down.

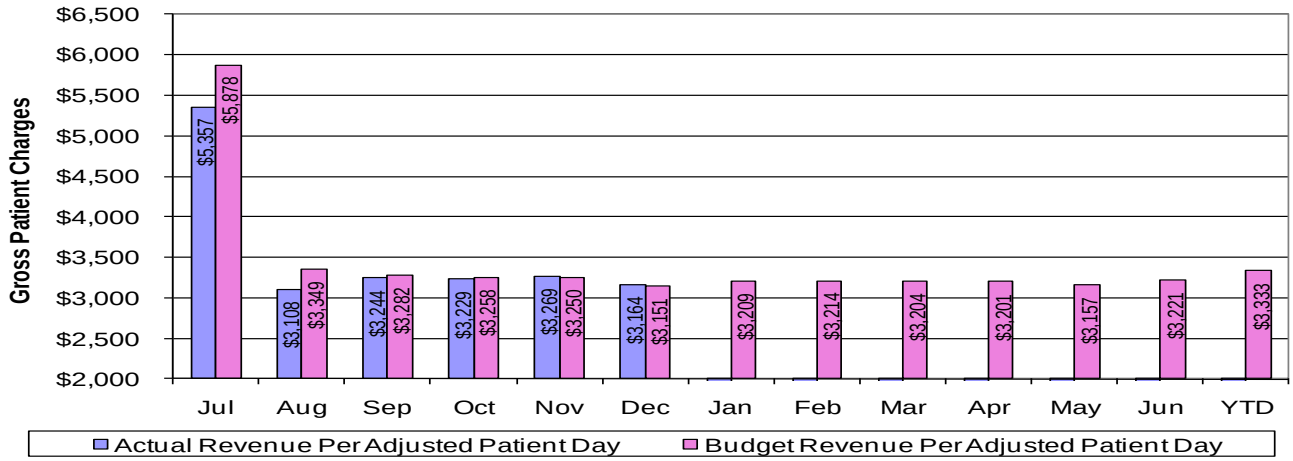
Waters Edge gross and net revenue were right on budget in December consistent with the volume. Although the ancillary revenue was lower than budget, the routine daily room and board revenue and Medicare A RUG activity resulted in net revenue coming in right at budget.

Outpatient gross revenues were lower than budget by $234,000 (3.0%). Surgery, Imaging, Pharmacy and Rehab were again below budget while the clinics (Wound Care in particular) and Emergency were above budget. The new orthopedic practice anticipated increases in Imaging, Rehab Services and Surgery, these volumes and referral patterns are still being developed. These areas have started a little slower than we have projected in the budget, but they are growing steadily.

Wound Care volume was above budget with the gross revenue exceeding budget by $149,000 due to the ramp up of higher intensity services such as hyperbaric oxygen treatments, resulting in Net Revenue coming in again better than budget by $17,000 for the month.

On an adjusted patient day basis, total patient revenue was $3,164, just above the budget of $3,151 for the month of December. The table below shows the Hospital's monthly gross revenue per adjusted patient day by month and year-to-date for Fiscal Year 2013 compared to budget. Note the overall revenue per day dropped in August with the addition of Waters Edge days and revenue in the mix. Waters Edge provides a significant amount of days (almost double) yet these patients have primarily room and board charges and very little ancillary services compared to acute patients.

Gross Charges per Adjusted Patient



Contractual Allowances

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 payers such as Blue Cross. A collection ratio of 23.7% was budgeted and 24.2% was realized. Medi-Cal reimbursement at both South Shore and Waters Edge were calculated at a per diem rate of $316 which is consistent with budget and AB97 rate reduction.

Overall, Net Revenue was $6.38 million, $39,000 below budget of $6.34 million.

Waters Edge had Net Revenues of $1.135 million, consistent with budget of $1.132 million.

The Wound Care program also resulted in a positive net revenue contribution of $17,000. However there are additional expenses associated with providing this additional revenue.

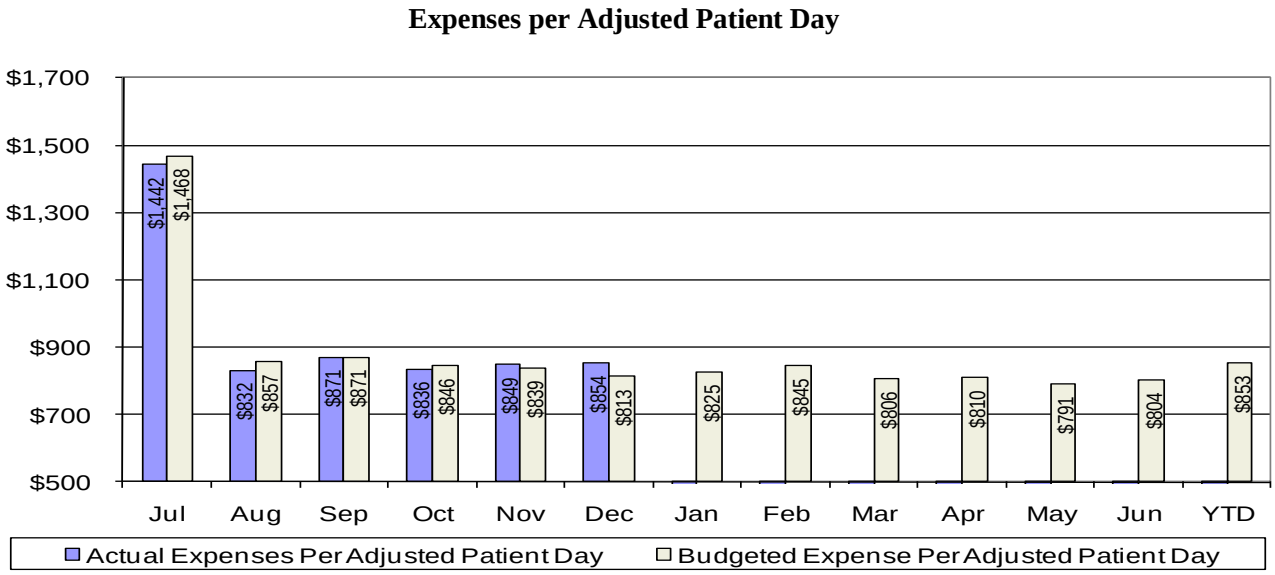
Other Operating Revenue has been running about $9,000 positive each month. December has a medicare take back posted to this account in error that is being reviewed and corrected in January. This will not be recurring.

Expenses

Total Operating Expenses

Total operating expenses were $7.1 million which was higher than the fixed budget by $287,000 or 4.2%. Salaries, temporary agency fees, professional fees, and purchased services were above budget while supplies and utilities were under budget. All other expense categories were reasonably close to budget. As mentioned at the July meeting the temporary agency budget is understated by $40,000 per month.

The graph on the next page shows the actual Hospital operating expenses on an adjusted patient day basis for the fiscal year by month as compared to budget. Note that expenses per patient day were very close to budget this month and last.



The following are explanations of the significant areas of variance that were experienced in the current month.

Salary and Temporary Agency Expenses

Salary and temporary agency costs combined were unfavorable to the fixed budget by $141,000. While the temporary agency expenses were budgeted lower than they should have been, there are still several areas using temporary staff to replace vacant positions. The departments still utilizing temporary staff to replace budgeted vacant positions are Respiratory Therapy, Laboratory and General Accounting. In addition again the acute inpatient volume was high in CCU (5.9% above budget) and DOU (6.1% above budget) requiring more staffing including registry staffing.

We did have additional salary expense in pharmacy, as we have hired and are training new pharmacists. We are also working to expand the pharmacy service hours so there could be some additional salary expense in pharmacy going forward. However, it should reduce the amount paid for our contracted after hour pharmacy service.

We have also seen additional salary expense in environmental services as they strive to improve hospital cleanliness. This department has also assumed additional responsibility this year of operating room cleaning duties that have contributed to their expense variance.

Benefits

Benefits were very close to the fixed budget, $4,000 under budget . However, in December we did record the retroactive pension expense of $47,000 for SEIU, otherwise benefit expense would have been lower than budgt for the month. On a year-to-date bases benefits are still over budget by $78,000 or 1.4%.

Professional Fees

Professional fees were over budget by $44,000 or 10.5% partly due to the fees associated with the Interim Director in Information Systems. These fees were unanticipated but are offset by savings in salaries. In addition, there were higher management fees for the Wound Care program associated with the higher volumes and revenue, as well as, extra fees in General Accounting for consulting resources associated with preparing the FY 2012 cost reports ($10,000).

Supplies

Supplies expense was $19,000 less than budget but year to date, supply expense is still $323,000 higher than budget. Wound Care supply expense is $18,000 higher than budget because of prior month minor equipment invoices recorded in December as well as higher than anticipated medical supplies used in some wound care procedures. Pharmaceutical expense was lower this month by about $25,000 correlating with lower IVT program visits.

Purchased Services

Purchased services were over budget for the month of December by $135,000 or 24.6% and year to date this month accounts for the total variance. While many departments are under budget in December, the main contributer to the variance this month is Rehab Therapy Services at South Shore. About $125,000 of the variance is four months (July – October) invoices for Select Therapy who provided rehab services at South Shore. This will be non-recurring as we now have processes in place to get these invoices on a timely basis. Waters Edge pharmacy management expense was also about $14,000 higher than budget, however overall Waters Edge expenses are well below budget.

Rents and Leases

Rents and leases were just over the fixed budget by $5,000 this month and $6,000 over year to date as the current orthopedic clinic space was not included in this years budget.

Other Operating Expense

Other operating expenses were right at the budget this month, and under the budget by $105,000 year to date, while depreciation was above budget by $5,000 primarily due to the Wound Care leasehold improvement expense being higher than budget.

Non Operating Income / (Expense)

In December, the hospital received a $200,000 contribution from the Foundation to support the design and build out of the Orthopedic Center at Marina Village. Unlike in prior years, and based upon the recommendation of our external auditor and cost report firm, we are recording this as Other Income. Previously these contributions were recorded directly to "fund balance" accounts that would go directly to owners equity and not be reflected until presentation of the consolidated audited financials.

Balance Sheet

Total assets increased by about $750,000 from the prior month. The following items make up the increase in current assets:

- Total unrestricted cash and cash equivalents for November increased by almost $3 million and days cash on hand including restricted use funds increased to 27.0 days cash on hand in December from 9.4 days cash on hand in November. Patient collections in December averaged $218,600 per day, just below prior month. This extra cash is being held for repayment of LTC anticipated over payments since August 2012 and the addition of Waters Edge. The State of California is in the process of having this rate adjusted to mitigate this issue going forward. The District also received the first of two property tax installments totaling just over $2.8 million.

- Net patient accounts receivable was $10.4 million, down $350,000 from $10.8 million at the end of November.

- Days in outstanding receivables were 53.7 at December month end, a decrease from November of 56.2 days. Collections in December were $6.8 million compared to $6.6 million in November.

- Prepaids and other increased by $60,000 for prepaid annual maintenance contract on the PACS system and Hospital licensing Fees.

Overall, total liabilities increased by about $750,000 as well from prior month.

- Accounts payable increased by almost $641,000 in December to almost $10.9 million which equates to 147 AP Days, up from from 135 days in November. Most of this increase was associated with the timing of vendor payments at the end of December during the holidays. Early January saw higher payments getting made, thus reducing accounts payable and cash balances.

- Payroll related accruals increased by $585,000 due to the timing the the pay periods in the month.

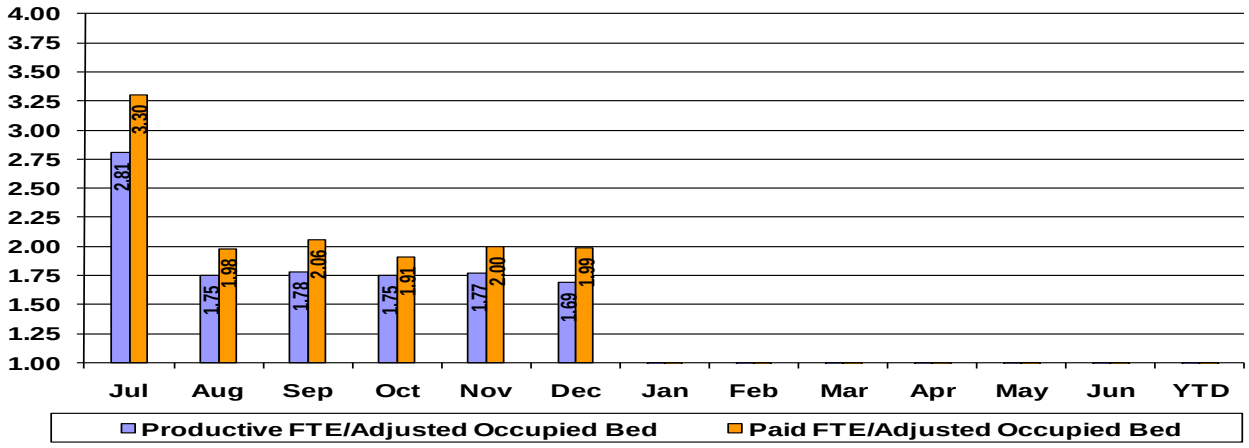
- Deferred revenues decreased by $477,000 due to the recognition of one-twelfth of the 2012/2013 parcel tax revenues.

- Current Portion of Long Term Debt in the month of December also increased by about $60,000. There was a YTD adjustemtent to true up the Long Term and Short Term portions of the Bank of Alameda loan payments. All three loans reconcile with the loan amortization schedules.

Key Statistics

FTE's Per Adjusted Occupied Bed

For the month of December Productive FTE's per Adjusted Occupied Bed were 1.69, just below the budget of 1.72 FTE's by 1.5%. Paid FTE's per Adjusted Occupied Bed were 1.99 or just 0.3% above the budget. The graph below shows the productive and paid FTE's per Adjusted Occupied Bed for FY 2013 by month.



Current Ratio

The current ratio for December is 0.96, down slightly from .97 in November. The current ratio needs to be above 1.0 by the end of the 2nd quarter of FY 2013 (December 31, 2012) to be in compliance with our bank covenants. In addition, total net assets need to be greater than $7.50 million and is currently at $6.4 million.

The Bank of Alameda loan committee agreed to waive the loan covenants that we have been in non-compliance with until the end of the 2nd quarter of FY 2013. We will be scheduling a meeting with our bank representatives to discuss our progress YTD and to request additional waiver of these covenants.

A/R days

Net days in net accounts receivable (A/R) are currently at 53.7. This is down from the prior month of 56.2. Net A/R days are down as the result of stable cash collections. We expect A/R balances and cash flows to remain more constant in the weeks and months to come.

Days Cash on Hand

Days cash on hand for December were 27.0, an increase from prior month of 9.4. While cash collections have improved, cash is also needed to pay down vendor balances and the property tax proceeds will be used to subsidize operations over the course of the fiscal year as well as other capital project commitments.

The following pages include the detailed financial statements for the six (6) months ended December 31, 2012, of Fiscal Year 2013.

ALAMEDA HOSPITAL
KEY STATISTICS
DECEMBER 2012

	ACTUAL DECEMBER 2012	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	DECEMBER 2011	YTD DECEMBER 2012	YTD FIXED BUDGET	VARIANCE	%	YTD DECEMBER 2011
Discharges:										
Total Acute	230	248	(18)	-7.2%	243	1,375	1,436	(61)	-4.3%	1,372
Total Sub-Acute	3	1	2	200.0%	-	15	13	2	15.4%	12
Total South Shore	5	12	(7)	-58.3%	13	35	49	(14)	-28.6%	50
Total Waters Edge	19	13	6	46.2%	-	70	61	9	14.8%	-
	257	274	(17)	-6.1%	256	1,495	1,559	(64)	-4.1%	1,434
Patient Days:										
Total Acute	1,034	991	43	4.3%	877	5,495	5,754	(259)	-4.5%	5,268
Total Sub-Acute	944	998	(54)	-5.4%	1,023	5,965	5,969	(4)	-0.1%	5,958
Total South Shore	662	664	(2)	-0.3%	652	4,147	3,909	238	6.1%	4,001
Total Waters Edge	3,262	3,224	38	1.2%	-	15,245	14,839	406	2.7%	-
	5,902	5,877	25	0.4%	2,552	30,852	30,471	381	1.3%	15,227
Average Length of Stay										
Total Acute	4.50	4.00	0.50	12.4%	3.61	4.00	4.01	(0.01)	-0.2%	3.84
Average Daily Census										
Total Acute	33.35	31.97	1.39	4.3%	28.29	29.86	31.27	(1.41)	-4.5%	28.63
Total Sub-Acute	30.45	32.19	(1.74)	-5.4%	33.00	32.42	32.44	(0.02)	-0.1%	32.38
Total South Shore	21.35	21.42	(0.06)	-0.3%	21.03	22.54	21.24	1.29	6.1%	21.74
Total Waters Edge	105.23	104.00	1.23	1.2%	-	99.64	96.99	2.65	2.7%	-
	190.39	189.58	0.81	0.4%	82.32	184.46	181.94	(1.43)	-0.8%	82.76
Emergency Room Visits	1,473	1,423	50	3.5%	1,409	8,448	8,446	2	0.0%	1,409
Wound Care Clinic Visits	272	200	72	36.0%	-	1,089	750	339	45.2%	-
Outpatient Registrations	1,620	2,014	(394)	-19.6%	1,698	11,180	11,767	(587)	-5.0%	10,933
Surgery Cases:										
Inpatient	37	44	(7)	-15.9%	36	249	236	13	5.5%	216
Outpatient	117	148	(31)	-20.9%	131	726	975	(249)	-25.5%	955
	154	192	(38)	-19.8%	167	975	1,211	(236)	-19.5%	1,171
Adjusted Occupied Bed (AOB)	268.00	270.10	(2.10)	-0.8%	118.30	240.68	240.62	0.06	0.0%	121.29
Productive FTE	453.88	464.24	(10.36)	-2.2%	319.13	445.36	443.07	2.29	0.5%	340.03
Total FTE	532.83	535.63	(2.79)	-0.5%	385.45	508.02	506.49	1.53	0.3%	395.09
Productive FTE/Adj. Occ. Bed	1.69	1.72	(0.03)	-1.5%	2.70	1.85	1.84	0.01	0.5%	2.80
Total FTE/ Adj. Occ. Bed	1.99	1.98	0.01	0.3%	3.26	2.11	2.10	0.01	0.3%	3.26

City of Alameda Health Care District
Statements of Financial Position
December 31, 2012

	Current Month	Prior Month	Prior Year End
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 5,996,164	$ 2,005,641	$ 3,327,884
Patient Accounts Receivable, net	10,428,899	10,774,877	8,835,256
Other Receivables	3,179,878	6,130,476	6,488,283
Third-Party Payer Settlement Receivables	-	-	-
Inventories	1,027,006	1,002,949	1,045,311
Prepaids and Other	705,778	644,360	416,371
Total Current Assets	21,337,725	20,558,303	20,113,105
Assets Limited as to Use, net	131,524	118,499	64,183
Fixed Assets			
Land	877,945	877,945	877,945
Depreciable capital assets	44,541,685	44,541,685	43,470,520
Construction in progress	3,642,033	3,613,386	4,102,468
Depreciation	(40,102,903)	(40,029,905)	(39,670,499)
Property, Plant and Equipment, net	8,958,760	9,003,111	8,780,434
Total Assets	**$ 30,428,009**	**$ 29,679,913**	**$ 28,957,722**
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	$ 1,108,515	$ 1,051,729	$ 1,724,249
Accounts Payable and Accrued Expenses	10,914,554	10,273,326	7,848,673
Payroll Related Accruals	5,278,857	4,693,169	4,307,924
Deferred Revenue	2,867,423	3,344,436	5,726,305
Employee Health Related Accruals	635,518	629,642	691,942
Third-Party Payer Settlement Payable	1,395,366	1,176,665	601,233
Total Current Liabilities	22,200,233	21,168,967	20,900,326
Long Term Debt, net	1,794,049	2,078,854	1,022,152
Total Liabilities	23,994,282	23,247,821	21,922,478
Net Assets:			
Unrestricted	6,092,203	6,103,593	6,761,061
Temporarily Restricted	341,524	328,499	274,183
Total Net Assets	6,433,727	6,432,092	7,035,244
Total Liabilities and Net Assets	**$ 30,428,009**	**$ 29,679,913**	**$ 28,957,722**

City of Alameda Health Care District

Statements of Operations

December 31, 2012

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Patient Days	5,902	5,877	25	0.4%	2,552	30,852	30,471	381	1.3%	15,227
Discharges	257	274	(17)	-6.1%	256	1,495	1,560	(65)	-4.2%	1,434
ALOS (Average Length of Stay)	22.96	21.47	1.50	7.0%	9.97	20.64	19.53	1.10	5.7%	10.62
ADC (Average Daily Census)	190.4	189.6	0.81	0.4%	82.3	167.7	165.6	2.07	1.3%	82.8
CMI (Case Mix Index)	1.3197				1.3531	1.3567				1.3380
Revenues										
Gross Inpatient Revenues	$ 18,672	$ 18,520	$ 152	0.8%	$ 14,418	$ 104,506	$ 106,045	$ (1,539)	-1.5%	$ 86,229
Gross Outpatient Revenues	7,632	7,866	(234)	-3.0%	6,302	45,822	44,919	903	2.0%	40,665
Total Gross Revenues	26,304	26,386	(82)	-0.3%	20,720	150,328	150,964	(636)	-0.4%	126,895
Contractual Deductions	18,399	19,271	872	4.5%	15,074	106,562	110,816	4,254	3.8%	94,665
Bad Debts	1,458	694	(764)	-110.0%	683	7,525	4,194	(3,331)	-79.4%	2,985
Charity and Other Adjustments	90	167	76	45.9%	363	525	1,014	489	48.2%	1,123
Net Patient Revenues	6,356	6,253	103	1.6%	4,601	35,716	34,940	776	2.2%	28,122
Net Patient Revenue %	24.2%	23.7%			22.2%	23.8%	23.1%			22.2%
Net Clinic Revenue	35	42	(7)	-15.9%	46	248	250	(2)	-1.0%	208
Other Operating Revenue	(7)	50	(58)	-114.4%	7	57	302	(245)	-81.1%	209
Total Revenues	**6,384**	**6,345**	**39**	0.6%	**4,653**	**36,021**	**35,492**	**529**	1.5%	**28,539**
Expenses										
Salaries	3,572	3,521	(50)	-1.4%	2,885	19,955	20,269	314	1.5%	17,126
Temporary Agency	152	62	(91)	-147.3%	111	1,094	377	(717)	-190.0%	616
Benefits	1,001	1,005	4	0.4%	765	5,608	5,530	(78)	-1.4%	5,106
Professional Fees	463	419	(44)	-10.5%	421	2,467	2,328	(139)	-6.0%	2,278
Supplies	719	738	19	2.6%	578	4,645	4,322	(323)	-7.5%	3,559
Purchased Services	685	550	(135)	-24.6%	368	3,255	3,119	(135)	-4.3%	2,091
Rents and Leases	209	205	(5)	-2.2%	54	1,152	1,146	(6)	-0.5%	457
Utilities and Telephone	71	87	16	18.4%	67	443	507	65	12.8%	392
Insurance	39	42	2	5.5%	25	228	233	5	2.3%	167
Depreciation and amortization	73	68	(5)	-7.3%	71	436	408	(28)	-6.8%	442
Other Opertaing Expenses	112	113	2	1.5%	120	595	700	105	15.0%	553
Total Expenses	**7,097**	**6,810**	**(287)**	-4.2%	**5,465**	**39,876**	**38,940**	**(936)**	-2.4%	**32,786**
Operating gain (loss)	**(713)**	**(465)**	**(248)**	-53.3%	**(811)**	**(3,856)**	**(3,448)**	**(407)**	11.8%	**(4,247)**
Non-Operating Income / (Expense)										
Parcel Taxes	492	500	(8)	-1.6%	488	2,882	2,999	(117)	-3.9%	2,891
Investment Income	1	-	1	0.0%	0	7	-	7	0.0%	3
Interest Expense	(18)	(8)	(10)	-130.2%	(15)	(62)	(48)	(14)	28.6%	(99)
Other Income / (Expense)	227	15	212	1421.9%	23	366	90	276	308.4%	141
Net Non-Operating Income / (Expense)	**701**	**507**	**195**	**38.4%**	**497**	**3,193**	**3,041**	**153**	**5.0%**	**2,936**
Excess of Revenues Over Expenses	**$ (11)**	**$ 42**	**$ (53)**	**-126.7%**	**$ (315)**	**$ (662)**	**$ (407)**	**$ (255)**	**62.6%**	**$ (1,312)**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day

December 31, 2012

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 2,246	$ 2,212	$ 34	1.5%	$ 3,931	$ 2,355	$ 2,445	$ (90)	-3.7%	$ 3,848
Gross Outpatient Revenues	918	939	(21)	-2.3%	1,718	1,033	1,036	(3)	-0.3%	1,815
Total Gross Revenues	3,164	3,151	12	0.4%	5,650	3,387	3,480	(93)	-2.7%	5,663
Contractual Deductions	2,213	2,302	89	3.9%	4,110	2,401	2,555	154	6.0%	4,225
Bad Debts	175	83	(92)	-111.4%	186	170	97	(73)	-75.4%	133
Charity and Other Adjustments	11	20	9	45.5%	99	12	23	12	49.4%	50
Net Patient Revenues	765	747	18	2.4%	1,254	805	805	(1)	-0.1%	1,255
Net Patient Revenue %	24.2%	23.7%			22.2%	23.8%	23.1%			22.2%
Net Clinic Revenue	4	5	(1)	-15.3%	12	6	6	(0)	-3.2%	9
Other Operating Revenue	(1)	6	(7)	-114.5%	2	1	7	(6)	-81.5%	9
Total Revenues	**768**	**758**	**10**	1.3%	**1,269**	**812**	**818**	**(7)**	-0.8%	**1,274**
Expenses										
Salaries	430	421	(9)	-2.1%	787	450	467	18	3.8%	764
Temporary Agency	18	7	(11)	-149.0%	30	25	9	(16)	-183.4%	27
Benefits	120	120	(0)	-0.3%	209	120	127	7	5.7%	228
Professional Fees	56	50	(6)	-11.2%	115	56	54	(2)	-3.6%	102
Supplies	86	88	2	1.9%	158	105	100	(5)	-5.0%	159
Purchased Services	82	66	(17)	-25.4%	100	73	72	(1)	-2.0%	93
Rents and Leases	25	24	(1)	-3.0%	15	26	26	0	1.7%	20
Utilities and Telephone	9	10	2	17.8%	18	10	12	2	14.7%	17
Insurance	5	5	0	4.9%	7	5	5	0	4.5%	7
Depreciation and Amortization	9	8	(1)	-8.1%	19	10	9	(0)	-4.4%	20
Other Operating Expenses	13	14	0	0.8%	33	13	16	3	16.9%	25
Total Expenses	**854**	**813**	**(40)**	-4.9%	**1,490**	**892**	**898**	**5**	0.6%	**1,463**
Operating Gain / (Loss)	**(86)**	**(56)**	**(30)**	-54.4%	**(221)**	**(81)**	**(79)**	**(1)**	1.6%	**(190)**
Non-Operating Income / (Expense)										
Parcel Taxes	59	60	(1)	-0.9%	133	65	69	(4)	-6.1%	129
Investment Income	0	-	0	0.0%	0	0	-	0	0.0%	0
Interest Expense	(2)	(1)	(1)	-131.8%	(4)	(1)	(1)	(0)	25.7%	(4)
Other Income / (Expense)	27	2	26	1432.6%	6	8	2	6	299.2%	6
Net Non-Operating Income / (Expense)	**84**	**61**	**24**	**39.4%**	**135**	**72**	**70**	**2**	**2.6%**	**131**
Excess of Revenues Over Expenses	**$ (1)**	**$ 5**	**$ (6)**	-126.9%	**$ (86)**	**$ (9)**	**$ (9)**	**$ 1**	-6.0%	**$ (59)**

Wound Care - Statement of Operations
December 31, 2012

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	272	200	72	36.0%	1,089	750	339	45.2%
Revenue								
Gross Revenue	569,398	420,784	148,614	35.3%	2,318,449	1,577,940	740,509	46.9%
Deductions from Revenue	455,518	324,172	131,346		1,816,028	1,215,645	600,383	
Net Revenue	113,880	96,612	17,268		502,421	362,295	140,126	
Expenses								
Salaries	12,082	14,912	2,830	19.0%	73,166	89,468	16,302	18.2%
Benefits	3,455	4,220	765	18.1%	19,115	25,320	6,205	24.5%
Professional Fees	62,658	49,703	(12,955)	-26.1%	263,750	193,135	(70,615)	-36.6%
Supplies	25,939	7,532	(18,407)	-244.4%	96,494	45,192	(51,302)	-113.5%
Purchased Services	2,870	2,083	(787)	-37.8%	25,859	12,499	(13,360)	-106.9%
Rents and Leases	5,412	5,080	(332)	-6.5%	31,848	30,480	(1,368)	-4.5%
Depreciation	8,685	4,900	(3,785)	-77.2%	35,220	29,400	(5,820)	-19.8%
Other	601	5,917	5,316	89.8%	11,542	35,502	23,960	67.5%
Total Expenses	121,702	94,347	(27,355)	-29.0%	556,994	460,996	(95,998)	-20.8%
Excess of Revenue over Expenses	(7,823)	2,265	(10,088)	445.4%	(54,573)	(98,701)	44,128	44.7%

Note: Of the 272 visits, 76 were hyberbaric oxygen treatment visits.

City of Alameda Health Care District
Waters Edge Skilled Nursing - Statement of Operations
December 31, 2012

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Patient Days								
Medicare	292	372	(80)	-21.5%	1,511	1,590	(79)	-5.0%
Medi-Cal	2,673	2,418	255	10.5%	12,271	11,567	704	6.1%
Managed Care	31	155	(124)	-80.0%	236	703	(467)	-66.4%
Self Pay/Other	266	279	(13)	-4.7%	1,227	979	248	25.3%
Total	3,262	3,224	38	1.2%	15,245	14,839	406	2.7%
Revenue								
Routine Revenue	2,580,579	2,435,380	145,199	6.0%	11,825,930	11,676,358	149,572	1.3%
Ancillary Revenue	305,506	436,783	(131,277)	-30.1%	1,457,507	2,155,675	(698,168)	-32.4%
Total Gross Revenue	2,886,085	2,872,163	13,922	0.5%	13,283,437	13,832,033	(548,596)	-4.0%
Deductions from Revenue	1,751,274	1,740,531	(10,743)	-0.6%	7,778,087	8,625,652	847,565	9.8%
Net Revenue	1,134,811	1,131,632	3,179	0.3%	5,479,738	5,206,381	273,357	5.3%
Expenses								
Salaries	463,113	518,666	55,553	10.7%	2,113,097	2,443,558	330,461	13.5%
Benefits	93,001	155,600	62,599	40.2%	468,812	733,067	264,255	36.0%
Professional Fees	6,792	8,999	2,207	24.5%	45,084	64,995	19,911	30.6%
Supplies	79,809	98,759	18,950	19.2%	340,427	489,427	149,000	30.4%
Purchased Services	114,853	137,355	22,502	16.4%	528,967	652,116	123,149	18.9%
Rents and Leases	77,028	76,552	(476)	-0.6%	385,402	382,760	(2,642)	-0.7%
Note Utilities	8,540	14,999	6,459	43.1%	57,454	74,994	17,540	23.4%
Insurance	3,000	12,165	9,165	75.3%	14,098	60,825	46,727	76.8%
Other	17,969	20,031	2,062	10.3%	76,378	104,868	28,490	27.2%
Total Expenses	864,105	1,043,126	179,021	17.2%	4,029,719	5,006,610	976,891	19.5%
Excess of Revenue over Expenses	270,706	88,506	182,200		1,450,019	199,771	1,250,248	

City of Alameda Health Care District
Orthopedic Clinic - Statement of Operations
December 31, 2012

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	71	124	(53)	-42.7%	125	275	(150)	-54.5%
Revenue								
Gross Revenue	17,516	31,613	(14,097)	-44.6%	37,099	75,871	(38,772)	-51.1%
Deductions from Revenue	12,261	24,355	(12,093)		24,716	58,451	(33,735)	
Net Revenue	5,255	7,258	(2,004)		12,383	17,420	(5,037)	
Expenses								
Salaries	41,599	33,064	(8,535)	-25.8%	89,851	116,701	26,850	23.0%
Benefits	11,897	9,357	(2,540)	-27.1%	25,646	33,026	7,381	22.3%
Professional Fees	13,077	25,000	11,923	47.7%	64,879	104,500	39,621	37.9%
Supplies	1,412	2,105	693	32.9%	18,493	7,370	(11,123)	-150.9%
Purchased Services	1,214	3,895	2,681	68.8%	22,719	13,630	(9,089)	-66.7%
Rents and Leases	2,060	2,633	573	21.8%	10,372	9,208	(1,164)	-12.6%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Other	(5,097)	3,263	8,360	256.2%	24,286	51,424	27,138	52.8%
Total Expenses	66,162	79,317	13,155	16.6%	256,246	335,859	79,614	23.7%
Excess of Revenue over Expenses	(60,908)	(72,059)	11,151	15.5%	(243,863)	(318,439)	74,577	23.4%
Hospital Based Activity:								
Inpatient Days	-	26	(26)	-100.0%	7	62	(55)	-88.6%
Note Inpatient Surgeries	-	6	(6)	-100.0%	1	14	(13)	-92.9%
Outpatient Surgeries	6	4	2	50.0%	6	12	(6)	-50.0%
							-	
Therapy Referred Volume	57	250	(193)	-77.2%	67	550	(483)	-87.8%
Imaging Referred Volume	54	123	(69)	-56.1%	92	279	(187)	-67.0%
Inpatient Gross Charges	0	371,400	(371,400)	-100.0%	100,822	866,600	(765,778)	-88.4%
Inpatient Net Revenue	0	83,400	(83,400)	-100.0%	18,004	194,600	(176,596)	-90.7%
Outpatient Gross Charges	200,441	239,685	(39,244)	-16.4%	246,037	607,155	(361,118)	-59.5%
Outpatient Net Revenue	38,084	53,580	(15,496)	-28.9%	46,747	135,030	(88,283)	-65.4%
Total Gross Charges	200,441	611,085	(410,644)	-67.2%	346,859	1,473,755	(1,126,896)	-76.5%
Total Net Revenue	38,084	136,980	(98,896)	-72.2%	64,751	329,630	(264,879)	-80.4%

City of Alameda Health Care District
Statement of Cash Flows
For the Six Months Ended December 31, 2012

	Current Month	Year-to-Date
Cash flows from operating activities		
Net Income / (Loss)	$ (11,217)	$ (662,262)
Items not requiring the use of cash:		
Depreciation and amortization	72,998	$ 435,682
Write-off of Kaiser liability	-	$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	345,978	(1,593,643)
Other Receivables	2,950,598	3,308,405
Third-Party Payer Settlements Receivable	218,701	794,133
Inventories	(24,057)	18,305
Prepaids and Other	(61,418)	(289,407)
Accounts payable and accrued liabilities	641,228	3,065,881
Payroll Related Accruals	585,688	970,933
Employee Health Plan Accruals	5,876	(56,424)
Deferred Revenues	(477,013)	(2,858,882)
Cash provided by (used in) operating activities	4,247,362	3,132,721
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(13,025)	(67,341)
Additions to Property, Plant and Equipment	(28,647)	(614,009)
Other	(173)	(6,596)
Cash provided by (used in) investing activities	(41,845)	(687,946)
Cash flows from financing activities		
Net Change in Long-Term Debt	(228,019)	156,163
Net Change in Restricted Funds	13,025	67,341
Cash provided by (used in) financing and fundraising activities	(214,994)	223,504
Net increase (decrease) in cash and cash equivalents	3,990,523	2,668,279
Cash and cash equivalents at beginning of period	2,005,641	3,327,884
Cash and cash equivalents at end of period	$ 5,996,166	$ 5,996,164

City of Alameda Health Care District
Ratio's Comparison

Financial Ratios	Audited Results FY 2009	FY 2010	FY 2011	FY 2012	YTD 12/31/2012
Profitability Ratios					
Net Patient Revenue (%)	22.69%	24.16%	23.58%	22.90%	23.76%
Earnings Before Depreciation, Interest, Taxes and Amortization (EBITA)	3.62%	4.82%	-1.01%	-1.48%	-1.48%
EBIDAP[Note 5]	-5.49%	-3.66%	-13.41%	-11.22%	-8.46%
Total Margin	1.03%	2.74%	-2.61%	-3.21%	-1.84%
Liquidity Ratios					
Current Ratio	1.15	1.23	1.05	0.96	0.96
Days in accounts receivable ,net	57.26	51.83	46.03	55.21	53.73
Days cash on hand (with restricted)	13.6	21.6	14.1	17.7	27.0
Debt Ratios					
Cash to Debt	115.3%	249.0%	123.3%	123.56%	211.11%
Average pay period (includes payroll)	58.03	57.11	62.68	72.94	78.39
Debt service coverage	3.87	5.98	(0.70)	(0.53)	(0.14)
Long-term debt to fund balance	0.20	0.14	0.18	0.28	0.31
Return on fund balance	8.42%	18.87%	-19.21%	-27.35%	-10.29%
Debt to number of beds	13,481	10,482	11,515	16,978	9,728

City of Alameda Health Care District
Ratio's Comparison

Financial Ratios	Audited Results FY 2009	FY 2010	FY 2011	FY 2012	YTD 12/31/2012
Patient Care Information					
Bed Capacity	161	161	161	161	281
Patient days(all services)	30,463	30,607	30,270	30,448	30,852
Patient days (acute only)	11,787	10,579	10,443	10,880	5,495
Discharges(acute only)	2,812	2,802	2,527	2,799	1,375
Average length of stay (acute only)	4.19	3.78	4.13	3.89	4.00
Average daily patients (all sources)	83.46	83.85	82.93	83.19	167.67
Occupancy rate (all sources)	52.94%	52.08%	51.51%	51.67%	59.67%
Average length of stay	4.19	3.78	4.13	3.89	4.00
Emergency Visits	17,337	17,624	16,816	16,964	8,448
Emergency visits per day	47.50	48.28	46.07	46.35	45.91
Outpatient registrations per day[Note 1]	82.05	79.67	65.19	60.67	65.66
Surgeries per day - Total	16.12	13.46	6.12	6.12	5.31
Surgeries per day - excludes Kaiser	5.14	5.32	6.12	6.12	5.31

Notes:

1. Includes Kaiser Outpatient Sugercial volume in Fiscal Years 2008, 2009 and through March 31, 2010.
2. In addition to these general requirements a feasibility report will be required.
3. Based upon Moody's FY 2008 preliminary single-state provider medians.
4. EBIDA - Earnings before Interest, Depreciation and Amoritzation
5. EBIDAP - Earnings before Interest, Depreciation and Amortization and Parcel Tax Proceeds

Glossary of Financial Ratios

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

DATE: January 30, 2013

FOR: February 6, 2013 District Board Meeting

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

FROM: Brian Jung, Chief Business Development Officer

SUBJECT: Approval of Phase 2, Construction Expenses: Boiler Replacement Project to Comply with Bay Area Air Quality Management District Regulations

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Recommendation:

Hospital management recommends that the Board of Directors approve plans to begin the construction phase of replacing the existing boilers at 2070 Clinton Avenue, Alameda, California. The Board previously approved pre-construction costs of the work needed to reach compliance mandated by the Bay Area Air Quality Management District, and we are now seeking approval for funds needed to complete the job.

Management requests $100,000 in construction and engineering (structural and electrical) expenses, as well as approval to proceed with a bid from California Boiler as the selected vendor. This request increases the total expected budget for the project to $129,000 primarily due to higher than anticipated costs for hardware equipment and installation.

This total includes the following cost categories:

Boiler Project Category	Total Amount	**REQUEST**
Boilers & Construction	$92,000	$92,000
Structural Engineering	$4,000	$4,000
Electrical Engineering	$4,000	$4,000
Subtotal Requested Funding		**$100,000**
*Project Management/Engineering Plans	$25,000	
*Permits & Fees	$4,000	
PROJECT TOTAL	$129,000	**$100,000**

*Granted July 2012

Financing for this project is anticipated to come from the positive cash flow of existing operations, per the financial analysis provided to the Board in discussion, review and approval of the FY 2013-2014 Capital and Operating Budgets.

Background:

On July 2, 2012 the Board of Directors approved pre-construction expenses to bring the current boilers used at 2070 Clinton Avenue into compliance with the Bay Area Air Quality Management District regulations. Oldham Engineering was contracted to provide pre-construction project management and engineering plans. In order to proceed with OSHPD submission and approval, details from the selected equipment/construction vendor is required, necessitating the need to contract with the selected vendor.

Discussion:

Management solicited two vendors for competitive bids and received proposals from California Boiler and Commercial Energy. A review and analysis of both submission was performed and management determined that each were qualified to perform the work. The California Boiler bid totaled $92,000 and required an additional $8,000 for outside structural and electrical engineering. The Commercial Energy bid totaled $107,000 with no additional outside fees required.

Management is recommending California Boiler as the vendor of choice.

CALIFORNIA BOILER™
Complete Boiler Service, Sales, Parts & Rentals

January 21, 2013

Alameda Hospital
20710 Clinton Avenue
Alameda, CA 94501

Re: One (1) Parker Boiler Retrofit for Alameda Hospital, Revised to Include 2nd Gas Flow Meter and Assistance in Completing AQMD Forms.

Attn: Tom Jones

California Boiler is pleased to offer this proposal to supply and install One (1) Parker Boiler low NOX retrofit burners with VFD to comply with BAAQMD Regulation 9 Rule 7 for boilers. BAAQMD Regulation 9 Rule 7 requires that all 5-10 million btuh boilers be retrofitted to 15 PPM NOX.

Our Scope of Supply shall be as follows:

Construction Coordination services will be provided including but not limited to the following:

- **Initial Project Schedule on Microsoft Project 2010.**
- **All coordination with PG&E, City of Alameda and OSPHD as required for project. Any OSHPD inspector costs are the hospitals.**
- **Coordination and completion of any incentive applications.**
- **City of Alameda Permit application as needed. Permit cost added to contract as an extra.**
- **All on going project update meetings.**
- **Training of operators per the Scope of work below.**
- **Project close out paperwork including manuals.**

~~SCOPE OF WORK~~

On a pre scheduled overnight natural gas shut down install new flanged natural gas isolation valves in the natural gas piping downcomers high enough to allow for new meters to be installed. Re establish gas service and light all boilers.

Install Two (2) 3" flanged Dresser Roots direct read only non resettable gas meters in the downcomers below the above new isolation valves. This can be done one boiler at at a time to prevent further outages.

- Purchase and Deliver One (1) Parker "L" retrofit burner package with VFD.
- Remove the existing atmospheric burners, gas train, controls and haul away.
- Slide in the new Parker low Nox burner package.
- **Rework the natural gas to connect to the new burners.**
- **Customer to have pressure boosted to 10"w.c.**
- Run a new conduit from **Alameda Hospital supplied 3 phase 460 volt disconnect to power the One (1) new 5 HP fan motor.**
- Supply 36" metal fiber burners, manifold pilot and carryover parts, pilot valves, reg and strainers, new control panels with Fireye flame safeguard, switches, lights, relays VFD's and controllers, thermocouples and Siemens gas train for **One (1)** boiler.
- Provide start up services by a factory qualified technician.
- Provide two hours training to familiarize your personnel with the features and operational characteristics of the new burner systems.

Customer is responsible for upgrading electrical service to accommodate One (1) 5hp fan motor.

Total Price for the above scope of work..... $91,866.00
Price includes labor, material and sales tax for a complete turnkey job. **Price does not include BAAQMD permit application or third party source testing. BAAQMD Registration Paperwork will be filled out by the customer, we will be happy to assist the customer in filling out BAAQMD application forms as needed.**

TERMS: **30% Due Upon Receipt Of Order**
60% Upon Notice To Ship
10% Due Upon Completion

"OAC"
Standard Terms And Conditions Apply

- Prices Are Guaranteed For Thirty (30) Days From The Date Of This Proposal.
- Labor Is Based On Standard Working Hours, From Monday ⇨ Friday, 8:00am ⇨ 5:00pm Unless Specifically Stated Otherwise.
- Handling Of Hazardous Materials Not Included Or Anticipated On This Project Unless Specifically Addressed In The Description Of This Project.
- Boiler-Boil-Out, If Applicable, By Others.
- Building / Air Quality Permits and Engineering, If Required, Are Not Included in This Proposal Unless Specifically Addressed In The Description of This Project.

We trust that the above meets with your favorable consideration. Please feel free to contact me at our office 209-549-1889 or E-Mail me at jsanford@centralboilerservice.com if you have any questions.

California Boiler	**Alameda Hospital**
John Sanford	Authorized Signature
Job Number	Purchase Order Number
Date	Date

R1-HTEALAMEDAHOSPITALSPARKERRETROFITREVDEC2012

DATE: June 26, 2012

FOR: July 2, 2012 District Board Meeting

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

FROM: Brian Jung, Chief Business Development Officer

SUBJECT: Approval of Phase 1, Pre-Construction Expenses: Boiler Replacement Project to Comply with Bay Area Air Quality Management District Regulations

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Recommendation:

Hospital management recommends that the Board of Directors approve plans to replace the existing boilers at 2070 Clinton Avenue, Alameda, California, which are currently out of compliance with emissions standards set by the Bay Area Air Quality Management District. While the total proposed budget for this capital-investment project, to be completed by December 31, 2012 is $100,000, management is currently requesting only $29,000 for pre-construction expenses.

This total includes the following cost categories:

Boiler Project Category	Total Amount	**JULY REQUEST**
*Project Management/Engineering Plans	$25,000	$25,000
*Permits & Fees	$4,000	$4,000
***Subtotal Requested Funding**	$29,000	**$29,000**
Boilers & Construction	$62,000	
Owners Contingency (10%)	$9,000	
TOTAL	**$100,000**	

Given the anticipated lead time necessary for getting California Office of Statewide Health Planning Department (OSHPD) approval, meeting the deadline set at the end of the year will be extremely challenging. Therefore, management urges to Board to approve these plans as quickly as possible.

Likely Time Schedule

• Engineering Design	2 months	Jul 2012 – Aug 2012
• OSHPD Review & Approval	4 months	Aug 2012 – Nov 2012
• Construction	2 months	Dec 2012 – Jan 2013
• DEADLINE (Past Due)		December 31, 2012

Financing for this project is anticipated to come from the positive cash flow of existing operations, per the financial analysis provided to the Board in discussion, review and approval of the FY 2012-2013 Capital and Operating Budgets.

Background:

On May 4, 2011, the Bay Area Air Quality Management District, the State agency responsible for controlling air pollution in the nine-county region of the San Francisco Bay Area amended Regulation 9, Rule 7 which addresses nitrogen oxides and carbon monoxides from industrial, institutional, and commercial boilers, steam generators, and process heaters. The amendments lowered emission limits and extended the compliance deadlines to January 1, 2013.

Specifically, boilers with a rated heat input between 2.0 million and 10.0 million BTU/hr have nitrous oxide emission limits at 15 ppmv and carbon monoxide emission limits at 400 ppmv. Additionally, single facilities with multiple boilers must have at least 33% of its boilers in compliance by January 1, 2013 and at least 66% of its boilers in compliance by January 1, 2014, and 100% of its boilers in compliance by January 1, 2015.

Discussion:

There are 2 existing boilers at Alameda Hospital, each of which are rated at 5.7 million BTU/hr, therefore compliance with the 33% regulation will require that at least one boiler be replaced and operationally functional by the end of the 2012 calendar year. The 66% regulation means that the second boiler must be in compliance and operational a year later, however replacing both boilers at the same time is more cost-effective for the hospital in the near term.

In July 2011, Alameda Hospital engaged the engineering consulting firm, Oldham Engineering to assess the Hospital's status regarding Regulation 9, Rule 7, and it was determined that both boilers would need to be replaced with new ones that would also be equipped with burners capable of increased power output. The increase in burner power output necessitates OSHPD approval of the engineering design plans.

If the boilers are metered, there is an option to extend the January 1, 2013 deadline to a date when 10% of the yearly allotment of full capacity is used up (estimated to be mid-2013). However, the existing boilers are not currently metered, and adding meters is believed to be prohibitively expensive, so this option is not a feasible consideration for the Hospital.

The amount of time required to complete the OSHPD approval process is unknown, but generally believed to be longer rather than shorter, especially given the current economic climate dominated by state budget deficits and reduced state employee work weeks. The four month period allotted in the project timeline is aggressive, and the project is still likely to miss the state-mandated deadline. Therefore, management urges the Board to consider approving this project as soon as possible, so that the hospital can show the State that it is, at least, well on its way to full compliance with the air quality regulations.

Date: January 30, 2013

For: February 6, 2013 District Board Meeting

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

From: Kristen Thorson, District Clerk

Subject: Election of District Officers

The annual election of City of Alameda Health Care District Officers will take place at the February 6, 2013 Board Meeting.

Article III, Section 1 of the District Bylaws provides for the election of District Officers. Section 1.D. reads: "Officers shall hold their office for terms of one (1) year or until such time as a successor is elected….Officers may serve consecutive terms." A copy of the entirety of Article III, including the basic duties of each office, is attached for reference.

The following is a list of the current officers:

Current Office	Board Member Name
President	Jordan Battani
1st Vice President	Robert Deutsch, MD
2nd Vice President	Vacant
Treasurer	J. Michael McCormick
Secretary	Elliott Gorelick

The current Board of Directors has been polled as to preference for office for calendar year 2013 as indicated below.

Board Member Name	Preference for 2013
Jordan Battani*	1st or 2nd Vice President
Robert Deutsch, MD	1st Vice President
Elliott Gorelick	No Response
J. Michael McCormick	President
Appointed Seat	

*Director Battani indicated that she would continue as President unless someone else wanted to do it, and then would defer to such Director.

The current President, Director Battani, will call for nominations for each office beginning with President and proceed with discussion and voting for each office. The nominations, discussion and voting will continue in the following order: 1st Vice President, 2nd Vice President, Treasurer, and Secretary.

Please note from the Bylaws: *Section 1. C. "Each officer shall be elected upon receiving a majority vote with each member of the Board of Directors having one vote. In the event that there is no majority for a single office, the candidate with the fewest votes shall be eliminated from candidacy and a runoff election with the remaining candidates shall take place. In the event that more than two candidates have an equal number of votes, the office shall be selected by random lot."*

ARTICLE I

OFFICERS

Section 1. Officers

A. The officers of this District shall be President, First Vice-President, Second Vice-President, Secretary, Treasurer, and such other officers as the Board of Directors shall determine are necessary and appropriate.

B. The offices of President, First Vice-President, Second Vice-President and Secretary shall be filled by election from the membership of the Board of Directors. The office of Treasurer may or may not be filled by a member of the Board of Directors.

C. Each officer shall be elected upon receiving a majority vote with each member of the Board of Directors having one vote. In the event that there is no majority for a single office, the candidate with the fewest votes shall be eliminated from candidacy and a runoff election with the remaining candidates shall take place. In the event that more than two candidates have an equal number of votes, the office shall be selected by random lot.

D. Officers shall be elected at such regular Board meeting as is specified by the Board.

E. Officers shall hold their office for terms of one (1) year or until such time as a successor is elected. An officer may be removed from office by a majority of the Board of Directors at any time. Officers may serve consecutive terms.

Section 2. President

A. The President shall perform the following duties:

1. Preside over the meetings of the Board of Directors;

2. Sign and execute jointly with the Secretary, in the name of the District, all contracts and conveyances and all other instruments in writing that have been authorized by the Board of Directors;

3. Exercise the power to co-sign, with the Secretary checks drawn on the funds of the District whenever:

a. There is no person authorized by resolution of the Board of Directors to sign checks on behalf of the District regarding a particular matter; or

b. It is appropriate or necessary for the President and Secretary to sign a check drawn on District funds.

4. Have, subject to the advice and control of the Board of Directors, general responsibility for the affairs of the District, and generally discharge all other duties that shall be required of the President by the Bylaws of the District.

B. If at any time, the President is unable to act as President, the Vice Presidents, in the order hereinafter set forth, shall take the President's place and perform the President's duties; and if the Vice Presidents are also unable to act, the Board may appoint someone else to do so, in whom shall be vested, temporarily, all the functions and duties of the office of the President.

Section 3. Vice-Presidents

A. In the absence of the President or given the inability of the President to serve, the First Vice-President, or in the First Vice-President's absence, the Second Vice-President, shall perform the duties of the President.

B. Perform such reasonable duties as may be required by the members of the Board of Directors or by the President.

Section 4. Secretary

The Secretary shall have the following duties:

A. To act as Secretary of the District and the Board of Directors.

B. To be responsible for the proper keeping of the records of all actions, proceedings, and minutes of meetings of the Board of Directors.

C. To be responsible for the proper recording, and maintaining in a special book or file for such purpose, all ordinances and resolutions of the Board of Directors (other than amendments to these Bylaws) pertaining to policy or administrative matters of the District and its facilities.

D. To serve, or cause to be served, all notices required either by law or these Bylaws, and in the event of the Secretary's absence, inability, refusal or neglect to do so, such notices may be served by any person so directed by the President or Board of Directors.

E. To have custody of the seal of this District and the obligation to use it under the direction of the Board of Directors.

F. To perform such other duties as pertain to the Secretary's office and as are prescribed by the Board of Directors.

Section 5. Treasurer

A. The Board of Directors shall establish its own treasury and shall appoint a Treasurer charged with the safekeeping and disbursal of the funds in the treasury.

B. The Board of Directors shall fix the amount of bond to be given by the Treasurer and shall provide for the payment of the premium therefor.

C. The Treasurer, who may or may not be a member of the Board of Directors, shall be selected by the Board of Directors based upon his or her competence, skill, and expertise.

D. The Treasurer shall be responsible for the general oversight of the financial affairs of the District, including, but not limited to receiving and depositing all funds accruing to the District, coordinating and overseeing the proper levy and collection of the District's annual parcel tax, performance of all duties incident to the office of Treasurer and such other duties as may be delegated or assigned to him or her by the Board of Directors, provided, however, that the Chief Financial Officer of the District shall implement, and carry out the day to day aspects of the District's financial affairs.

E. The Treasurer shall maintain active and regular contact with the administrative staff for the purpose of obtaining that information necessary to carry out his or her duties.

Date: January 31, 2013

For: February 6, 2013 District Board Meeting

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

From: Kristen Thorson, District Clerk

Subject: Board Member Appointment and Committee Chair Selection for Board Designated Committees for 2013

At the February 6, 2013 Board Meeting, the District Board of Directors will discuss and vote on the appointment and committee chair selection for the three (3) Board designated committees.

BACKGROUND / DISCUSSION:

The current committee assignments, including chairmanship are listed below for reference.

	Voting Member and Chair	Voting Member	Ex Officio
Finance and Management	J. Michael McCormick	Elliott Gorelick	Jordan Battani
Board Quality	Robert Deutsch, MD	OPEN	Jordan Battani
Community Relations and Outreach	OPEN	Jordan Battani	N/A

There are three (3) standing committees of the District: Finance and Management Committee, Board Quality Committee, and Community Relations and Outreach Committee. Each committee composition requires two (2) members of the City of Alameda Health Care District Board of Directors, both of whom shall be voting members of the committee.

The District Board has approved committee structures for each committee. Per the approved committee structure and purpose, the committee(s) shall be appointed annually. The current committee structure as it pertains to the Board of Directors is outlined below. Article V – Committees of the Bylaws is also attached for reference.

In preparation for the 2013 committee appointment, current Board Members were asked their preferences for committees as well as the capacity to serve, either Chair or Voting Member (VM). The following responses were received.

Board Member Name	1st Choice Preference	2nd Choice Preference
Jordan Battani	Community Relations & Outreach	
Robert Deutsch, MD	Board Quality, Chair	Finance and Management, VM
Elliott Gorelick	Finance and Management, Chair	
J. Michael McCormick	Ex Officio*	Ex Officio*

*Ex Officio if elected to Office of President

COMMITTEE COMPOSITION AND VOTING RIGHTS

Board Quality Committee

The committee shall be comprised of the following members:

i. Two members of the City of Alameda Health Care District Board of Directors both of whom shall be voting members of the committee.

ii. The President of the City of Alameda Health Care District Board of Directors shall be an ex-officio, non-voting member, unless the President is serving as a voting member of the committee.

Finance and Management Committee

The committee shall be comprised of the following members:

i. Two members of the City of Alameda Health Care District Board of Directors both of whom shall be voting members of the committee.

ii. The President of the City of Alameda Health Care District Board of Directors shall be an ex-officio, non-noting member, unless the President is serving as a voting member of the committee.

Community Relations and Outreach Committee:

The committee shall be comprised of the following members:

i. At least two members of the City of Alameda Health Care District Board of Directors all of whom shall be voting members of the committee. One of these members also shall be appointed to serve as the committee co-chair. The other co-chair will be an at large member from the community who will be elected each year.

ii. The President of the City of Alameda Health Care District Board of Directors shall be an ex-officio, non-noting member, unless the President is serving as a voting member of the committee.

CITY OF ALAMEDA HEALTH CARE DISTRICT BYLAWS

ARTICLE V

COMMITTEES

Section 1. Committees Generally

A. The Board of Directors may, by resolution, establish one or more committees and delegate to such committees any aspect of the authority of the Board of Directors. Membership and chairmanship of such committees shall be appointed by the Board. The Board of Directors shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted.

B. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of members present at which a quorum is present shall be the act of the committee.

C. Unless the Board of Directors or the committee shall otherwise provide, the regular and special meetings and other actions of any Committee shall be governed by the same requirements set forth in Article II, Sections 7 and 8 applicable to meetings and actions of the Board of Directors.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: January 31, 2013

FOR: February 6, 2012 District Board Meeting

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

FROM: Deborah E. Stebbins, Chief Executive Officer

SUBJECT: CEO Report to the Board of Directors

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1. Bay Area Bone & Joint Center

In its first three months of operation, the Bay Area Bone & Joint Center has had 291 patient visits* including 149 in January, representing an 84% increase over the previous month and 6% ahead of the YTD pro forma target. Six surgeries were performed in January, up from the previous month of five. Monthly surgeries are currently at 55% of the pro forma target of 11.

**Patient visits include multiple treatment visits made under a single registered visit.*

An aggressive and comprehensive marketing campaign continues with print advertisements in local papers and publications, as well as numerous in-person presentations, meetings and sponsorships including: the Midway Womens Shelter Walk/Run at Harbor Bay Isle, an open house for Oakland and Alameda primary care physicians, the ACCMA Annual Dinner with hospital CEOs and medical staff leaders, the Alameda Kiwanis Club, the U.S. Coast Guard Island Clinic, and Alameda "Friends of the Park" Board of Directors. Additionally, a monthly community lecture series focused on various orthopaedic issues will commence on January 31 with this month's topic being "Preventing Athletic Injuries."

2. Capital Projects

a) Seismic

Two of the three NPC-2 upgrade projects due on December 31, 2012 have been substantially completed with the third project expected to be completed by Q3 2013. NPC-2 compliance of the emergency lighting in the original hospital is 98% complete and was slightly delayed because of additional OSHPD approval needed to document a minor change in existing field conditions. Final OSHPD sign-off and approval is scheduled for early February.

OSHPD plan approval was also secured for the emergency communications NPC-2 compliance project, which entailed anchoring of existing systems. This work also achieved a 90% completion status on December 31, 2012 and is expected to be 100% complete by mid-February .

b) Bulk Oxygen Tank

The NPC-2 bulk oxygen tank replacement is likely to be completed in the July timeframe. Structural plans submitted in December are in review at OSHPD and we expect a response sometime in March. Two 30-day back check response periods are possible before the public bid process to select a construction vendor can begin, making OSHPD approval the likely rate limiting factor. Completion of the manufactured tank by Air Liquide is expected in mid-May. In the meantime, Management has secured the requisite use permits from OSHPD and the City of Alameda and is in the process of preparing for the public bid process to select a construction vendor.

c) SB90/SB499 Extension Report

The Hospital completed its application to extend the deadline to become SPC2 compliant beyond the current deadline of December 31, 2012 and continues to await a final decision from OSHPD.

d) CMS Sprinkler Mandate Report

This project is on schedule to be completed before the August 18, 2013 deadline. Management is working on plans to temporarily transfer existing patients to beds that are currently in suspension with the State of California Department of Public Health. The move is anticipated in May at the earliest. Completed plans were submitted to OSHPD and were officially logged into the state's project tracking system on January 2, 2013. A "rapid review" process by OSHPD is expected, and subsequent public bid process should allow the estimated 100 days or less of construction to be finished by the mandated deadline.

3. Community Relations and Outreach Update

Due to the recent spike in flu activity, the Hospital offered a Community Flu Vaccination Clinic on January 23, 2013. Over 60 people received free flu shots.

4. Key Statistics –December 2012

Because of the timing and distribution of materials prior to the end of the month, Janaury monthly statistics will be presented at the Board meeting on February 6, 2013.

5. Information Technology Update and Meaningful Use

a) Meaningful Use

The Hospital is on track to meet its goal to be ready for attestation for Stage I, mid calendar year 2013. The first key milestone (Emergency Department Module, part of Phase II implementation) includes Provider Order Management, and occurred on January 29, 2013.

b) Replacement of Existing NetFax System

Hardware is scheduled to be delivered the first week of February and a phased in rollover to the new system will begin shortly thereafter, beginning with lab reports. The NetFax System sends automated test results and reports from Meditech to providers.

c) New Electronic EKG Workflow

A new electronic EKG workflow software from Integrator is being implemented this week with the finalization of set-up and staff and physician training. This new workflow will replace the current manual system. The go-live date will be determined once training is complete.

d) Electronic Bed Board

The implementation of the Electronic Bed Board is in process and will streamline workflow between Admitting, Staffing, and Envrironmental Services. The go-live date is still pending as departments finalize workflow.

e) Waters Edge Infrastructure

A contractor has been selected to perform the wiring upgrade Waters Edge. This upgrade will improve connectivity throughout the facility.

6. Human Resources

We encourage District Board Members to attend the Annual Service Awards on March 11, 2013 at 5:00 p.m. in the Dal Cielo Conference Room at Alameda Hospital. This year, we look forward to incorporating the Waters Edge employees as we erecognize their tenure along with other members of the District/Hospital staff.

7. Kate Creedon Center for Advanced Wound Care

After six months in operation, the Kate Creedon Center for Advanced Wound Care continues to run ahead of budget in volume growth. The center is currently running 74% over budgeted number of patient days, and has achieved an 81%

healing rate with the standard being 100% healed within 16 weeks of the first treatment. Notably, the success of the program has enabled numerous patients to avoid the need for amputation.

In the month of January, the Center has generated 129 ancillary services for the Hospital, more than a 30% increase over the previous month. January saw 300 wound care patient visits* vs. 283 in December. There are 94 patients currently on the schedule compared to 71 at this time last month. Efforts to gain patients from off-island have been very successful: 76% of patients thus far have originated from outside Alameda. Since the hyperbaric oxygen treatments (HBOT) have started at the end of August, 317 HBOT have been administered, of which 52 were completed in January.

*Patient visits include multiple treatment visits made under a single registered visit.

As of January 1, 2013 the center has been added as an authorized provider to the Alta Bates Medical Group and will be formally presented to their primary care physician group at their physician symposium in March. Additionally, the Center has hired a new part-time nurse case manager, who will start in February and eliminate the need for clinical staff overtime.

8. DSRIP Report

The hospital successfully submitted the requested criteria for two Category IV projects and continues to await a CMS decision on all criteria previously submitted regarding a three-year proposal for delivery system reform under California's Section 1115 Waiver's Delivery System Reform Incentive Pool (DSRIP) Program. DSRIP is designed to promote a higher quality of care and improved health of patients and families served by the California's non-designated public hospitals. DHCS has recommended to CMS that district hospitals not submit any projects for Category III: Population Focused Improvement, but that a minimum of two projects be submitted for Category IV: Patient Safety. Management is in the process of setting these proposed criteria, which were submitted in mid-January.

9. Long Term Care

Integration of Long Term Care services continues with the completion of a mock Medical Record that all locations have had input on. Medical Records that are organized in the same fashion and utilize the same forms allows for continuity of this service line not only for our internal staff, but for physicians who may have interactions at our multiple sites. This will be reviewed by our Long Term Care Medical Director for any additional input and/or changes and then taken to the Medical Committee(s) for final approval.

Admissions and discharges for Waters Edge have increased month to month with January demonstrating to have the highest volume since Alameda Hospital assumed facility operations. Tracking of admissions reflects an increase in

referrals from a myriad of East Bay hospitals.

Finally, it is important to note under CMS's Nursing Home Compare Five-Star rating report, under the section for Quality Measures, our long term care service line went from Two-Stars to Four-Stars. This is a major accomplishment for our facilities in that we achieved this improvement in just four months time.

= Quarterly Goal (from budget or proforma)

November 7, 2012 District Board Meeting

City of Alameda Health Care District

2009-2013 Goals and Objectives

FY 2013 Second Quarter

(October – November - December)Update

= Quarterly Goal (from budget or proforma)

Financial Strength					
Achieve long-term financial viability					
Initiatives		**Status**			
(A) STRATEGY:	Meet or exceed budgeted Net Income of $613,695 by end of FY 2013	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Achieve Orthopedic Proforma Annual Net Income: **$596,000**		N/A	$116,000	$179,000	$301,000
	Actual	N/A	($179,112)		
Achieve Wound Care Proforma Annual Net Income(Direct Only): **$46,000**		($51,000)	($19,000)	$30,000	$86,000
	Actual	($63,317)	$8,744		
Achieve Waters Edge Proforma Annual Net Income: **$1.34 M (August 1, 2012)**		$4,000	$196,000	$500,000	$642,000
	Actual	403,952	$1,046,067		
NOTES	**Q1 (Wound Care): variance to goal a result of budget assumptions that began in July and patient care that began in late July.**				
(B) STRATEGY:	Cash Collections at or above actual Net Revenue	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Baseline: $73.6 M (FY2013)		$16.5 M	$18.4 M	$19.0 M	$19.7 M
	Actual	$12.9 M	$21.6M		
NOTES	**Q1: Medical billing issues. P&L to Cash Lag omitted.**				
(C) STRATEGY:	Achieve three (3) financial thresholds necessary to consider and present an employee wage increase or one-time bonuses to the Board of Directors by end of FY2013.				
Positive Net Margin for six (6) consecutive months		Not completed			
Reduction in AP days to 90 days or less		Not completed			
Minimum of 15 days cash on hand for four (4) consecutive months		Not completed			
(D) STRATEGY:	Secure financing options and/or grants to cover $940,000 in short term capital needs (i.e. compliance with NPC2 seismic requirements, CMS regulatory requirements, boiler project) by end of 2nd Quarter FY 2013.				
		In process			

= Quarterly Goal (from budget or proforma)

(E) STRATEGY:	Define longer term financing needs to cover major capital projects over next three (3) years: seismic upgrades, physician relocation, 1925 building remediation and meaningful use by end of FY 2013.				
		In process			
(F) STRATEGY:	Increase specific areas of Net Revenue	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Increase annual acute commercial net revenue by 5% through volume growth and improved third party payor contract rates by end of FY 2013 **Baseline: $16.2 M (27.6% of Total Net A/R)**		$4.2 million 28.9%	Not Available		
Increase Long Term Care Medicare A - Net Revenue by 25% **Baseline: $485 per Medicare A Day**		$654/day 35% increase	$667/day 38% increase		

Growth					
Pursue fiscally responsible growth in services that target the most pressing acute and non-acute healthcare needs of the community.					
Initiatives		**Status**			
(A) STRATEGY:	Successful implementation of Comprehensive Orthopedic Program	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Achieve increase of 0.9 ADC attributable to Ortho Program by end of FY 2013		N/A	7 days		
Achieve increase of 2,110 outpatient registrations attributable to Ortho Program		N/A	412	633	1,065
	Actual	N/A	72		
(B) STRATEGY:	Successful implementation of Kate Creedon Center for Advanced Wound Care	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Achieve increase of 0.1 ADC attributable to Wound Care Program by end of FY 2013		28 days	21 days		
Achieve increase of 696 OP registrations attributable to Wound Care Program		83	160	195	258
	Actual	55	107		
NOTES	**Q1 (Wound Care ADC): Statistics to be reviewed in Q2**				

= Quarterly Goal (from budget or proforma)

(C) STRATEGY:	Partnership Discussions Advance at least two collaborative initiatives with a partner which brings financial and community benefit to both parties by end of FY 2013, through one or more of the following:				
1) New Volume		Secured PIMMS, Inc contract for access to commercial maritime patient market at 66% reimbursement rate. Negotiating with University of Pacific Dental School to bring Max-Face residency program surgeries to Alameda Hospital Evaluating potential new Gero-Psych program with Telecare			
2) Access to Capital		Discussions initiated with Capital Partners Program at SEIU to potentially secure partial funding for seismic retrofit			
3) Improved negotiating leverage in commercial market		Completed one revision in commercial contract			
4) Use for unused space on and off campus		Evaluating 2 South space for potential Gero-Psych program			
(D) STRATEGY:	Increase market share penetration in Asian residents originating from on and off island of Alameda by 5%	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Baseline Asian Pacific Islander Volume: IP (522) | OP Registrations (4,900)		IP: 120 OP: 1,284	IP = 122 OP = 1,227		
NOTES	**Q1: Initiated hospital signage program in Chinese. Developing Asian alternative meal menu. Initiated exploratory discussions with Asian Health Services. Asian greens vendors at Farmers Market.**				
(E) STRATEGY:	Successful transition of Waters Edge operation	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Achieve average 101.1 ADC as outlined in the pro forma to be measured at the end of each quarter following transfer of operation. (Start August 1, 2012)		91.5	100.7	105.3	107
	Actual	96.28	102.4		
Achieve payor mix targets as outlined in proforma / budget for FY2013		Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Medi-Cal ADC		73.5	77	78	78
	Actual	77.23	82.2		
Medicare ADC		9	11.3	15.3	17
	Actual	9.0	10.5		

= Quarterly Goal (from budget or proforma)

Facilities and Technology	
Enhance our facility and technological capabilities to foster the achievement of our goals.	
Initiatives	**Status**
(A) STRATEGY: Make sufficient progress by end of CY 2012 on the following seismic and regulatory projects to receive necessary extensions under SB90:	
1) NPC2 Projects	Bulk oxygen tank construction and design plans submitted to OSHPD and await approval, Emergency Lighting construction and 98% complete with final approval expected in February, Emergency Communication compliance 95% complete with final approval expected in February.
2) Sprinkler Project LTC	Construction and design plans completed and submitted to OSHPD. Awaiting approval with construction anticipated to commence in Q2 and completion by August.
3) Boiler Replacement	Construction and design plans in process.
(B) STRATEGY: Develop a master use plan for the remaining leased space at Marina Village by October, 2012.	
Rehabilitation and Orthopedic Program	Architectural, mechanical, and electrical design plans completed and submitted to City of Alameda and OSHPD. Building permit has been secured with public bidding process for construction vendor to commence upon completion of financing mechanism.
(C) STRATEGY: Complete an assessment of meaningful use status by end of 2nd Quarter FY 2013 that includes an action and implementation plan to meet Stage One requirements.	
	Status completed and reported to the Board in January, on track for attestation in mid-2013, update on milestones to be provided to board each month.
(D) STRATEGY: Update the facility master plan options for compliance with 2020 and/or 2030 seismic requirements by end of FY 2013.	
	Collapse strength core testing initiated to maintain “active” status of SB1953 construction retrofit building permit. Public bid process documents for construction vendor in development.
(E) STRATEGY: Each departmental director / manager to establish goals for improvement in their technological proficiency both personally and for their departments by September 30, 2012.	
	In progress. Goals identified and reported for 12 out of 40 departments and/or directors &managers. Examples: Establish proficiency with HealthshareIQ database

= Quarterly Goal (from budget or proforma)

	(CBDO), MedAssets/Alliance budgeting software proficiency (complete for all Nursing departments, Respiratory, Pharmacy, 1206b Clinic and the Kate Creedon Center for Wound Care), build and become proficient in the ECHO program (QRM).

Physicians						
Ensure that the Hospital attracts qualified and capable physicians through collaboration and alignment.						
Initiatives			**Status**			
(A) STRATEGY: 1206 (b) Clinic Operations						
Complete assessment / audit regarding the efficiency and profitability of clinic operations by end of Q1 FY2013			Completed and presented to District Board in Closed Session in January 2013.			
Increase WRVU's by specialty by 5%			Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
a) Baseline (Primary Care): 2,457/Yr	**Goal: 2,580/Yr or 655/Qtr**	Actual:	585	676		
b) Baseline (Neurology): 2,256/Yr	**Goal: 2,369/Yr or 592/Qtr**	Actual:	680	495		
c) Baseline(Gen. Surgery): 3,529/Yr	**Goal: 3,705/Yr or 929/Qtr**	Actual:	979	1,429		
NOTES	**Q1: 1 Primary Care Physician on vacation for 2 weeks. Q2: Neurologist on vacation for 2 weeks**					
(B) STRATEGY: Comprehensive Orthopedic Program						
Achieve office visit volumes as projected in Ortho pro formas			Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Spine Baseline (9 months, Start Oct 1): 715			N/A	129	222	364
		Actual	N/A	59 (Nov-Dec)		
Sport Baseline (9 months, Start Oct 1): 921			N/A	146	314	461
		Actual	N/A	66 (Nov-Dec)		
(C) STRATEGY: Conduct physician satisfaction survey by September 1, 2012 to establish a baseline for measuring future change in satisfaction and targeting areas for improvement in hospital-physician relationships.						
			Physician Survey was conducted by NRC Picker in late 4th quarter of 2012. Results to be analyzed in Q1 2013.			

= Quarterly Goal (from budget or proforma)

(D) STRATEGY: Explore opportunities to collaborate with the Alameda County Medical Center and other East Bay physicians for coverage of selected specialties by end of Q3 FY 2013.	
Recruit new physicians in two needed specialties which may include: Urology, ENT, General Surgery	Golden Gate Urology has joined our Medical Staff and opened an Alameda office in October, 2012. Plastic Surgeon Kyle Belek, M.D., has joined the Medical Staff, is seeing patients at the Wound Care Center, and will do surgical procedures at Alameda Hospital. Orthopedists Pirnia & DiStefano began their Alameda practice on October 29, 2012. Discussions to collaborate with ACMC are ongoing. Alameda Oral Surgeon Wendy Liao has joined our Medical Staff and will do her maxillofacial surgeries at Alameda Hospital. Discussions are ongoing to recruit a General Surgeon, who has completed his residency to join our Medical Staff in September, 2013.

Quality/Service				
Achieve superior clinical and service results on a consistent basis.				
Initiatives	**Status**			
(A) STRATEGY: Conduct formal review of the effectiveness of our current Performance Improvement Committee (PIC) and Board Quality Committee (BQC) structure and process: Focus on the right problems and make modifications in structure as necessary.				
Develop one-page dashboard of key quality indicators to minimize discussion of "routine" items and focus on outlier items for in-depth discussion.	One page dashboard developed and in use with the Board of Directors (November 2012).			
Incorporate service and system issues identified as problematic for physicians to be discussed in more depth at BQC.	Two status update meetings held with physician leadership.			
(B) STRATEGY: Reduce all DRG Readmission Rates by 20% to coincide with CMS guidelines by end of FY 2013 **(STRATEGY CURRENTLY UNDER REVEW)**				
Baseline (FY 2012): Under Review **Goal: Under Review**	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)

= Quarterly Goal (from budget or proforma)

(C) STRATEGY: Continue to use Core Measures data for all "Best Practice" indicators as an improvement tool to reach benchmarks as set by CMS.					
Improve compliance scores for three (3) of the ten (10) Value Base Purchasing Indicators that are substantially below the National/CMS averages		Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
Discharge Instructions for Patients with Heart Failure	**AH Baseline: 56% (Q4-11 Data)** **CMS Average: 92%**	Q1-12 AH: 69% CMS: 93%	Q2- 12 AH: 73% CMS: 93%		
Antibiotic discontinued within 24 hours of surgery end time	**Baseline: 73% (Q4-11 Data)** **CMS Average: 97%**	Q1-12 AH: 88% CMS: 97%	Q2-12 AH: 88% CMS: 97%		
Venous Thrombosis Prophylaxis given within 24 hours prior to or after surgery	**Baseline: 80% (Q4-11 Data)** **CMS Average: 97%**	Q1-12 AH: 84% CMS: 97%	Q2-12 AH: 86% CMS: 97%		
(D) STRATEGY: Introduce new websites that are program specific which are linked to general Hospital website.					
Kate Creedon Center for Advanced Wound Care by July 31, 2012		www.creedonwoundcenter.com launched and linked to www.alamedahospital.org 7/18/2012			
Comprehensive Orthopedic Program by October 31, 2012		www.bayareabonejoint.com went live in mid October as scheduled.			
Long Term Care (Waters Edge, South Shore Skilled Nursing, and Subacute) - TBD		TBD			

People	
Foster a culture of exemplary performance through recruitment and retention practices that are founded on adherence to core performance standards and the continual development and celebration of our employees.	
Initiatives	**Status**
(A) STRATEGY: Develop a communications plan directed at staff, physicians and community regarding the rationale for Alameda Hospital pursuing "partnerships" and "affiliation" with other health care organizations.	
	Under development.

= Quarterly Goal (from budget or proforma)

(B) STRATEGY:	Activate an Employee Relations Committee to discuss best mechanisms for recognition of individual employees and special achievement by departments.
Develop and implement one (1) annual special employee event	HR staff planning meeting scheduled for November 7.
Develop and implement one (1) hospital-wide recognition program	HR staff planning meeting scheduled for November 7.
(C) STRATEGY:	Evaluate feasibility of holding weekly farmer's market on or near Hospital to enrich staff environment and bring community to Hospital for outreach activities. Special focus on tailoring vendors for outreach to Asian community.
	Pacific Farmers' Market Association brought "trial" farmer's market to 2012 AH Health Fair Day on 10/20/12, including 2 asian greens vendors. Discussions initiated with PCFMA and Heart of the City to establish permanent market in early 2013.
(D) STRATEGY:	Develop an organization-wide focus to foster and encourage transformation to a culture of accountability.
Examine and clarify the role and responsibilities of departmental managers in fostering critical thinking and problem resolution	Held management team-wide exercise in developing customized action plans around key manager core responsibilities: 1) 6 critical areas of focus identified, 2) individual action plans initiated
Revise format of monthly management meetings to incorporate projects and achievements at the individual department level and relationship to overall success of hospital	New format started in October 2012.