



PUBLIC NOTICE

Finance and Management Committee

Wednesday, February 27, 2013

7:30 a.m.

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.

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

- I. Call To Order Elliott Gorelick
- II. Action Items
 - A. Acceptance of November 28, 2012 and January 30, 2013 Minutes Elliott Gorelick
[enclosure]
 - B. Recommendation to Accept January 2013 Unaudited Financial Kerry Easthope
Statements [enclosure]
 - C. Recommendation for Annual Appointment to Finance and Elliott Gorelick
Management Committee for 2013 [enclosure]
- III. Chief Financial Officer Report Kerry Easthope
 - A. AB 97 Impact Update
 - B. FY 2013 Year End Forecast [tbd]
 - C. FY 2014 Budget Calendar [enclosure]
 - D. Revenue Cycle Update
- IV. Chief Executive Officer Report Deborah E. Stebbins
- V. Board / Committee / Staff Comments
- VI. Adjournment

NEXT MEETING SCHEDULED: MARCH 27, 2013



Finance and Management Committee Minutes

November 28, 2012

Members Present: (Voting)	Mike McCormick Elliott Gorelick	Ed Kofman Ann Evans	Jim Yeh, DO William Sellman, MD
Management Present:	Deborah E. Stebbins Kerry J. Easthope	Mary Bond, RN Brian Jung	Richard Espinoza Katy Silverman
Ex Officio/Guests:	Robert Deutsch, MD		
Absent:	James Oddie		
Submitted by:	Kristen Thorson		

TOPIC	DISCUSSION	ACTION FOLLOW-UP
I. Call to Order	Director McCormick called the meeting to order at 7:33 a.m. without a quorum.	
II. Action Items	A. Acceptance of October 31, 2012 Minutes	Mr. Gorelick made a motion to accept the minutes as presented. Mr. Kofman seconded the motion. The motion carried.
	B. Recommendation to Accept the October 2012 Unaudited Financial Statements Mr. Easthope reviewed a PowerPoint Presentation on the October Financial Statements that corresponded with the Financial Statements included in the meeting packet. He noted the following key areas: <ul style="list-style-type: none"> • October Performance Overview • Key Volume Indicators • Case Mix Comparison • Statement of Revenues and Expenses • Profit and Loss (P&L) Statements for Waters Edge and Wound Care • Gross and Net Revenue • Total Operating Expenses • Balance Sheet Summary • Balance Sheet Changes • Financial Ratios 	Mr. Kofman made a motion to recommend acceptance of the October Financial Statements. Ms. Evans seconded the motion. The motion carried.

		For the month, there was a net operating loss of \$18,000 versus a budgeted loss of \$80,000.	
III. Chief Financial Officer Report	A.	<p>2013 Committee Membership</p> <p>Mr. Easthope and Ms. Thorson informed the committee that committee appointments would occur in early 2013 and to begin thinking about their continued commitment to this committee. The approved committee structure and Composition was reviewed.</p>	No action taken.
	B.	<p>December 2012 and January 2013 Committee Schedule</p> <p>Mr. Easthope noted that there would be no committee meeting in December, the November Financial Statements would be reviewed at the January 9, 2013 District Board meeting and the Committee would next meet on January 30, 2013 at which time the December 2012 financial statements would be reviewed.</p>	No action taken.
	C.	Mr. Easthope introduced new Business Office Manager Lola Smart. He also informed the Committee that the Hospital had submitted its application to receive Medi-Cal E.H.R. funding from the State of California and should be receiving the incentive in 60-90 days.	No action taken.
IV. Chief Executive Officer Report	A.	<p>Update on Access to County Funding</p> <p>Ms. Stebbins informed the committee about a source of supplemental funding that the hospital may be able to access through the Health Cares Services Agency.</p>	No action taken.
V. Board / Committee / Staff Comments	No comments.		
VI. Adjournment	Being no further business, the meeting was adjourned at 8:30 a.m.		



Finance and Management Committee Minutes

January 30, 2013

Members Present: (Voting)	Mike McCormick Ed Kofman	Emmons Collins, MD	
Management Present:	Deborah E. Stebbins Kerry J. Easthope	Mary Bond, RN Brian Jung	Richard Espinoza Katy Silverman Lola Smart
Ex Officio/Guests:	Robert Deutsch, MD		
Absent:	Elliott Gorelick	Ann Evans James Oddie	William Sellman, MD
Submitted by:	Kristen Thorson		

TOPIC	DISCUSSION	ACTION FOLLOW-UP
I. Call to Order	Director McCormick called the meeting to order at 7:36 a.m. without a quorum	
II. Action Items	A. Acceptance of October 31, 2012 Minutes	
	B. Recommendation to Accept the December 2012 Unaudited Financial Statements Mr. Easthope reviewed a PowerPoint Presentation on the December Financial Statements that corresponded with the Financial Statements included in the meeting packet. He noted the following key areas: <ul style="list-style-type: none"> • December Performance Overview • Key Volume Indicators • Case Mix Comparison • Statement of Revenues and Expenses • Profit and Loss (P&L) Statements for Waters Edge, Wound Care, Ortho • Gross and Net Revenue • Total Operating Expenses • Balance Sheet Summary • Balance Sheet Changes 	No action was taken because a quorum was not present. The Financial Statements will be presented to the Board of Directors on February 6, 2013 for acceptance.

		<ul style="list-style-type: none"> Financial Ratios <p>For the month, there was a net operating loss of \$11,000 versus a budgeted gain of \$42,000. YTD performance is a loss of 662,000 versus a budgeted loss of \$407,000.</p>	
III. Chief Financial Officer Report	A.	<p>New Acute Medi-Cal Reimbursement Model Update</p> <p>Mr. Easthope out lined a new Medi-Cal reimbursement model that is being developed through the District Hospital Leadership forum. The new model has been submitted to CMS for approval. The Delivery System Reform Incentive Payments (DSRIP) program allows District hospitals to be reimbursed similar to county facilities.</p>	No action taken.
	B.	<p>AB97 Impact Update</p> <p>Mr. Easthope reviewed the presentation slide that outlined the liability and Subacute receivable noting the total impact of AB 97 to be \$480,000 of which \$235,000 was reserved/recorded as of 11/30/12 and an additional \$245,000 was recorded in December 2012.</p>	No action taken.
	C.	<p>Supply Cost Management Assessment</p> <p>Mr. Easthope informed the committee that HFS Consultants are providing a review of supply cost management in which they will look for opportunities to decrease supply costs.</p>	No action taken.
IV. Chief Executive Officer Report	A.	<p>2013 Finance Committee Membership</p> <p>Ms. Stebbins reminded the committee that the annual appointment of committee membership will occur at the February meeting.</p>	No action taken.
V. Board / Committee / Staff Comments	No comments.		
VI. Adjournment	Being no further business, the meeting was adjourned at 8:30 a.m.		

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING JANUARY 31, 2013

**CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
JANUARY 31, 2013**

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ALAMEDA HOSPITAL MANAGEMENT DISCUSSION AND ANALYSIS JANUARY, 2013

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 January 31, 2013 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 January, the hospital experienced a combined negative net operating loss of \$395,000 against a budgeted gain of \$101,000. Year to date the hospital shows a loss of \$1.06 million compared to a budgeted loss of \$306,000. Waters Edge remains steady with a positive net contribution of \$217,000 and a year to date contribution of almost \$1.7 million. Wound Care had another busy month in January as the number of visits has increased. The program's net contribution however fell below budget by \$9,505 in January but is still \$34,623 better than budget year to date.

There are two major contributors to lower Net Revenue in January that will be discussed in more detail as part of the Revenue discussion section of this narrative. One adjustment was the result of notification of an overpayment (\$485,000) from TriCare back in July 2012 for services provided in prior fiscal year, and the second is the true up of two specific payor accounts: HealthComp for hospital covered employee and dependents that receive care at Alameda Hospital (\$134,000) and reclassification and valuation of Kaiser cosmetic cases performed at Alameda during the past 6 months (\$173,000).

Off setting the above adjustments in part, is notification that the hospital has qualified for Acute Disproportionate Share Funds (DSH) for fiscal year 2010, that are to be paid in FY 2013 and a portion in October (FY 2014). The total amount to be received is \$225,000 and this has been recorded as a receivable in January. The first \$132,000 of this is scheduled to be paid in February.

January discharges were 25 or 9.2% above budget and total patient days were 21 or 0.4% greater than budget. More discharges and more patient days brings the acute ALOS back down below budget at 3.9. Total patient days for inpatient acute services were up 6.1%; subacute days were down 2.3%, skilled nursing days were up at South Shore by 11.2% and Waters Edge were down by 2.8%.

Overall outpatient activity was mixed again this month. Outpatient registrations were down 5.6% and emergency room visits were 256 or 18.0% above budget. Outpatient surgeries were below budget for the month by 19 or 13.6%.

The Wound Care program had 356 visits in January compared to a budget of 200, or 78.0% above budget. In January there were 57 HBO treatments compared to 76 in December.

Total gross and net revenue in January was generally in line with activity. The overall inpatient component was above budget by 2.2% and outpatient was up 4.2%.

The overall Case Mix Index (CMI) in January was 1.2999; lower than last month's of 1.3197 and below the FY 2013 year-to-date of 1.3475.

Overall expenses were almost \$7.2 million in January, \$180,000 or 2.6% above budget.

Temporary agency fees, benefits and professional fees were over budget while other categories were close to or just under 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 \$365,000 from the State of California to help in the implementation of our electronic medical record. This is recorded under Other Operating Revenue on the Statement of Operations.

Cash and cash equivalents were \$5 million at the end of January down from \$6 million at the prior month end. Cash collections in January were \$5.4 million. Net accounts receivable increased by \$700,000 to \$11.1 million.

Accounts payable and other accrued expenses decreased by \$135,000 from \$10.9 million to almost \$10.8 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 .94 just below the required 1.0 of our bank covenants. Total Assets have dipped to \$6.0 million from the 6.4 million at the end of the prior month.

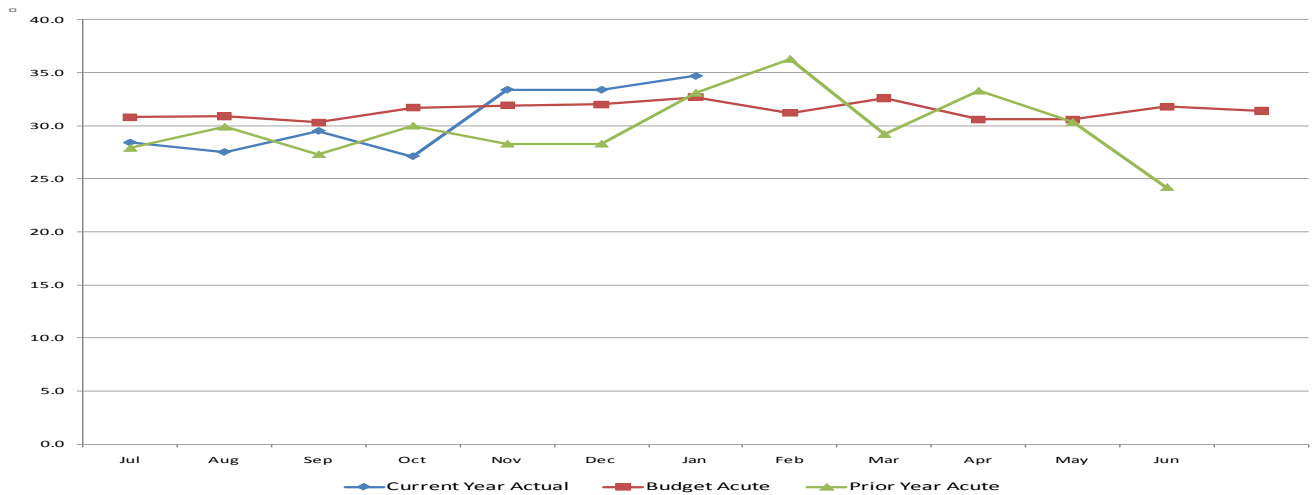
ACTIVITY

ACUTE, SUBACUTE AND SNF SERVICES

Overall, patient days were again 0.4% above budget for the month and just above January of last year. This month's acute days were above budget by 6.1%, Subacute was down 2.3%, South Shore was up 11.2% and Waters Edge was down 2.8%.

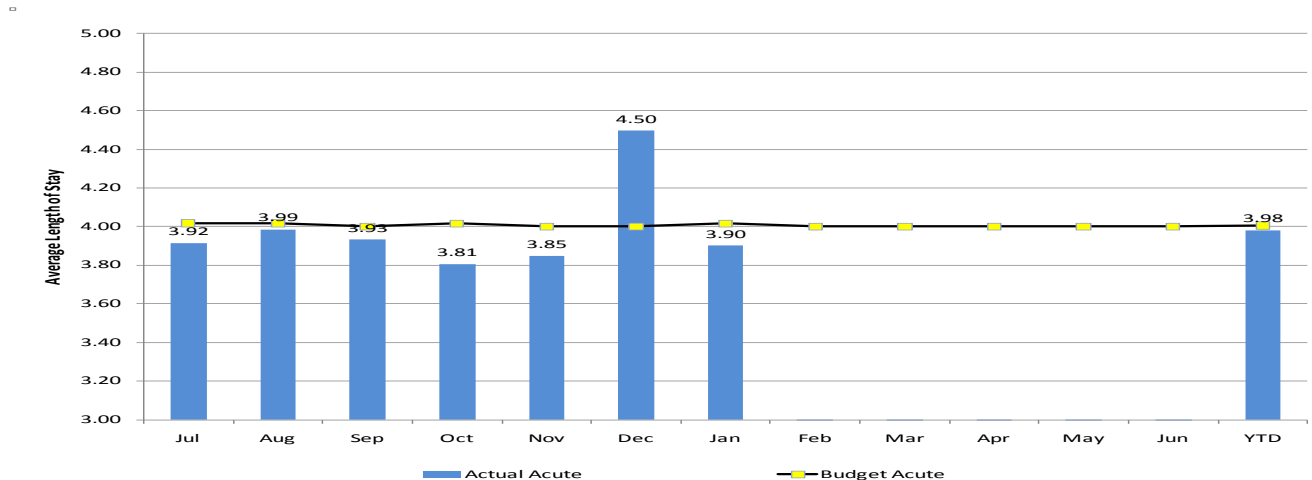
January's acute patient days were 62 days or 6.1% higher than budget for the month and 4.1% higher than January 2012. The acute care program is comprised of the Critical Care Unit (4.9 ADC, 6.3% above budget), Telemetry / Definitive Observation Unit (14.6 ADC, 24.9% above budget) and Med/Surg Unit (15.3 ADC, 7.2% below budget).

Acute Average Daily Census



The acute Average Length of Stay (ALOS) decreased from 4.5 in December to 3.9 in January and is below the budget of 4.02. The YTD acute ALOS for FY 2013 is 3.98. The graph below shows the ALOS by month compared to the budget.

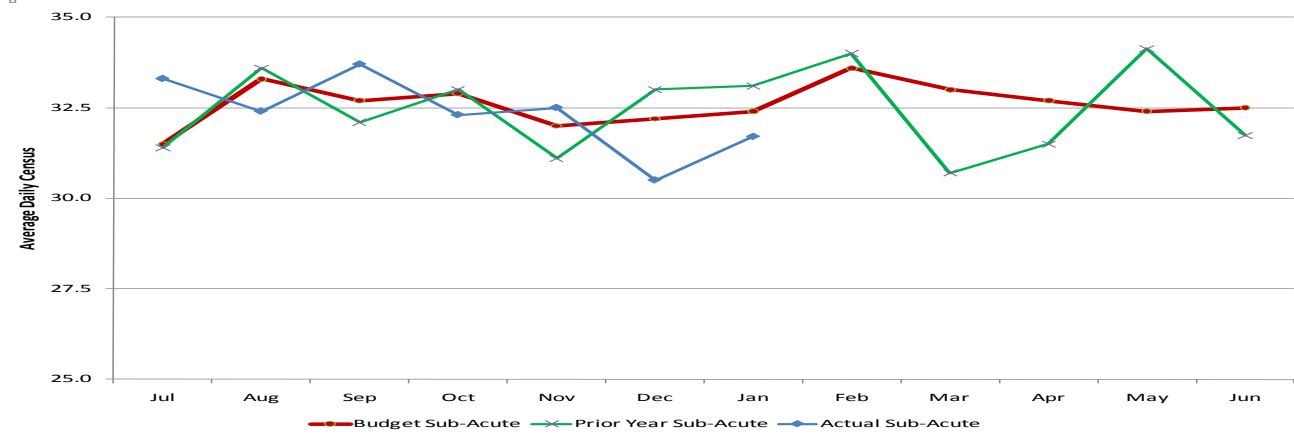
Acute Average Length of Stay



The Subacute program ADC of 31.68 was below budget by 0.74 ADC or 2.3%. The graph below shows the Subacute ADC for

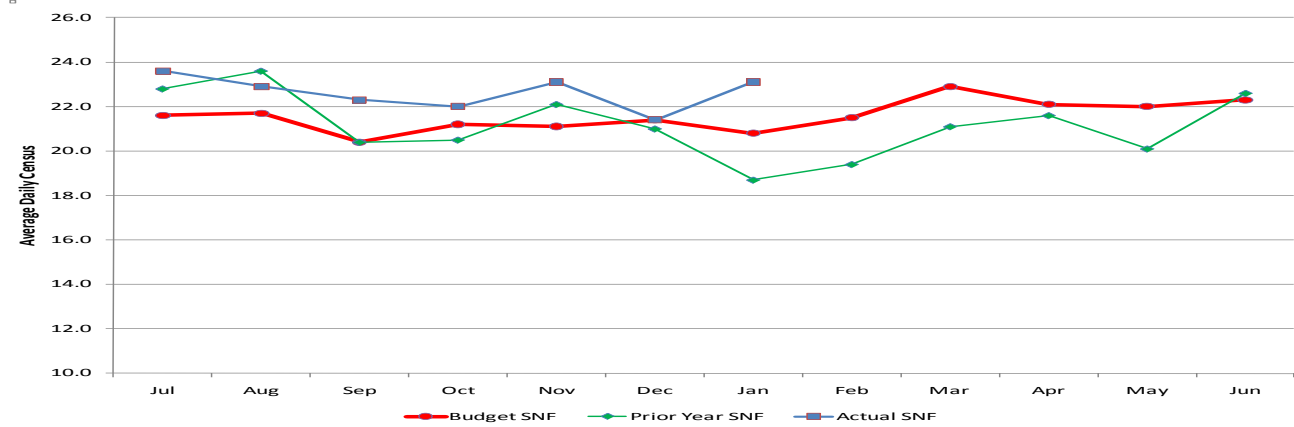
the current fiscal year as compared to budget and the prior year. We purposely postponed new admissions to the subacute unit during our week long annual State survey. Census has since resumed previous levels.

Subacute Average Daily Census



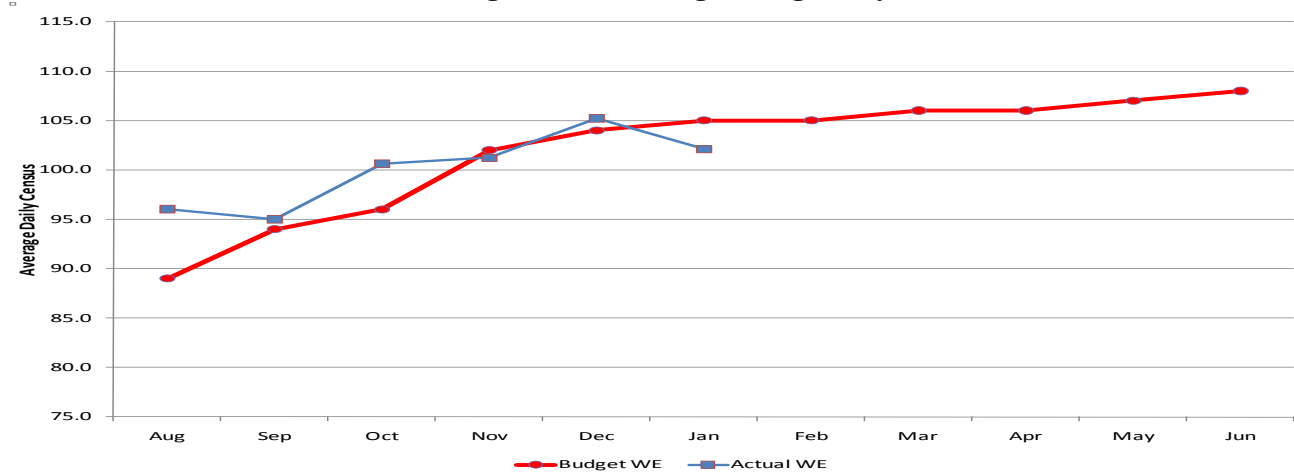
The South Shore ADC was above budget by 72 patient days (11.2%) for the month of January. The graph below shows the South Shore monthly ADC as compared to budget and the prior year. In January the number of Medicare A skilled patients was 2.35 ADC, up from 1.6 ADC in December but still lower than budget of 3.95.

South Shore Skilled Nursing Average Daily Census



Waters Edge census was 102.1 ADC or 2.8% below budget of 105 in January. The Medicare census was 10.5 ADC up from 9.4 ADC in the prior month, but below the Medicare ADC budget of 15.0.

Waters Edge Skilled Nursing Average Daily Census

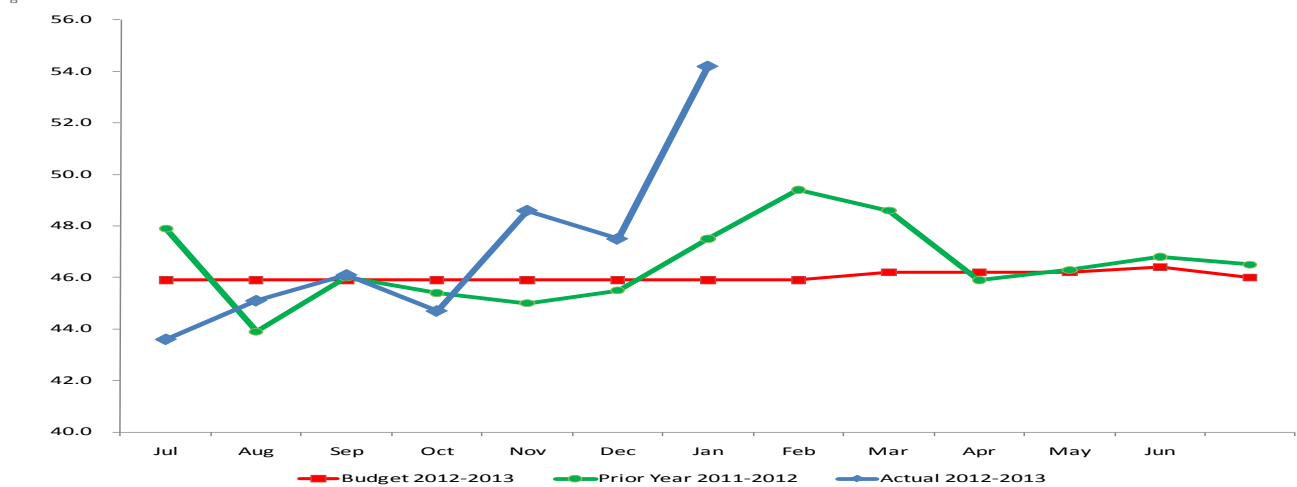


ANCILLARY SERVICES

Outpatient Services

Emergency Care Center (ECC) visits in January were 1,679, and 256 visits (18.0%) above the budget of 1,423. The inpatient admission rate from the ECC was 16.8% just down from the 17.4% in December. On a per day basis, the total visits represent an increase of 14.1% from the prior month daily average. In January, there were 384 ambulance arrivals versus 316 in the prior month. Of the 384 ambulance arrivals in the current month, 254 or 66.2% were from Alameda Fire Department (AFD).

Emergency Care Visits Per Day



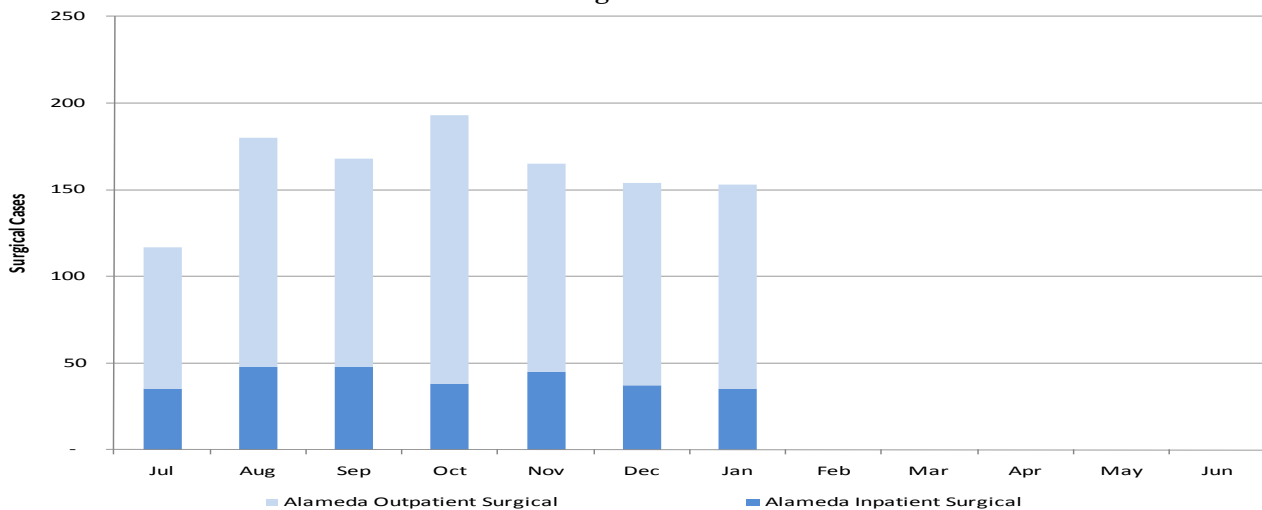
Outpatient registrations totaled 2,040 or 5.6% below budget. This month visits in Physical Therapy, CT, MRI and Radiology were down 216, 12, 26 and 289 visits respectively. However, visits were up in EKG (13 visits), Occupational Therapy (45 visits), and Wound Care (72 visits). Starting in December and 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 January there were 249 Therapy referrals and 101 Imaging referrals, up from 57 and 54 respectively in December.

In January, Wound Care again exceeded the budget of 200 with 356 visits, or 78% over budget. Hyperbaric Oxygen treatments accounted for 57 of those visits, compared to 76 in December.

Surgery

The surgery cases for January were 157 or 19.5% below the budget of 195 but above last year's case volume of 151. Inpatient cases were below budget by 19 cases (34.5%) and outpatient also had 19 cases (13.6%) below budget. Inpatient and outpatient cases totaled 36 and 121 respectively versus 37 and 117 during the prior month.

Surgical Cases



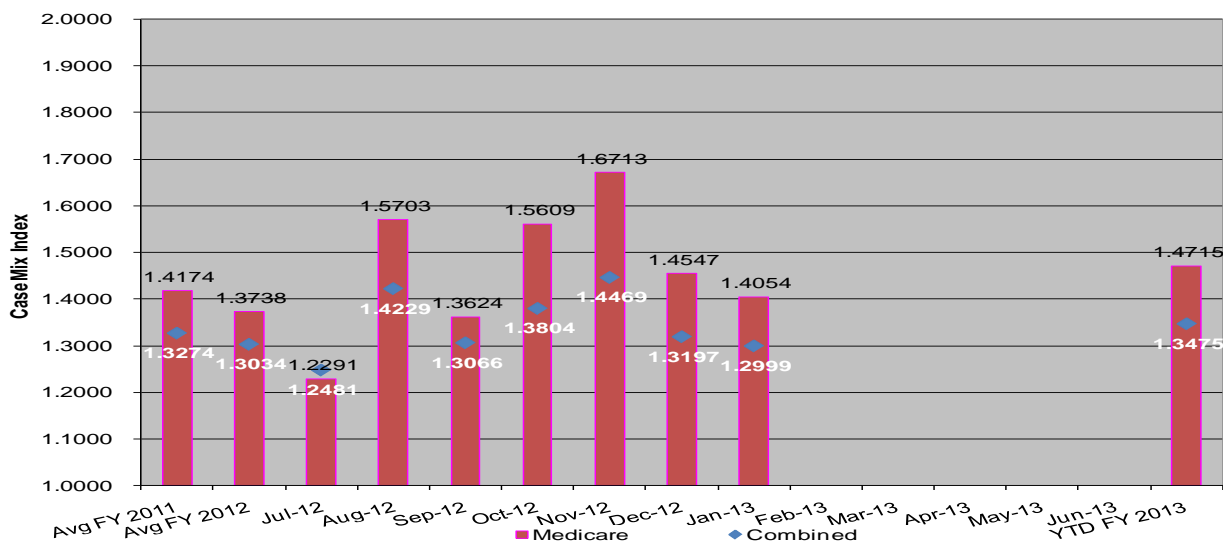
Payer Mix

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

	<u>Jan Actual</u>	<u>Jan Budget</u>
Medicare	48.5%	46.4%
Medi-Cal	26.0%	27.4%
Managed Care	14.4%	15.9%
Other	2.7%	3.0%
Commerical	1.1%	2.9%
Self-Pay	7.2%	4.4%
Total	100.0%	100.0%

Case Mix Index

The Hospital's overall Case Mix Index (CMI) for January was 1.2999, down from the prior month of 1.3197. The Medicare CMI was 1.4054 in January. This is just below last month's 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 January were over budget by \$763,000, or 2.8%. Inpatient revenues were \$420,000 above budget and outpatient revenues were down \$343,000. Acute inpatient days were above budget by 6.1% and acute gross revenue was up 4.1%. Overall inpatient ancillary service charges were mixed contributing to the inpatient gross revenue being higher than budget, charges for inpatient Medical Supplies, Laboratory and Respiratory Therapy were above budget while Surgery, Imaging and Rehab were down.

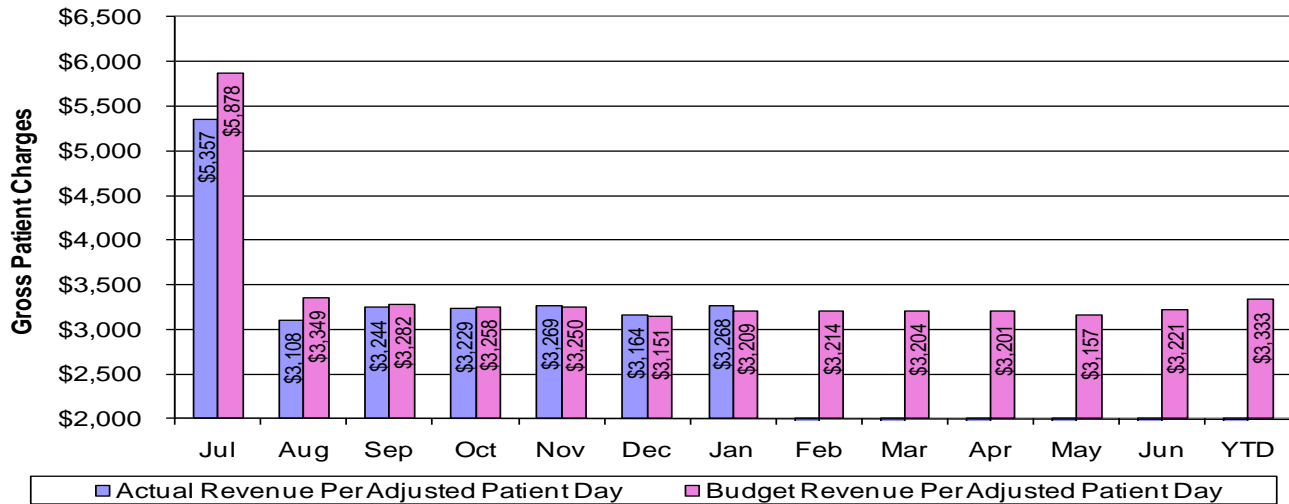
Waters Edge gross and net revenue were right below budget in January consistent with the volume. The ancillary revenue was lower than budget along with the routine daily room and board revenue, and net revenue came in under budget due to lower census overall and in particular for the Medicare patient activity, 30% below budget.

Outpatient gross revenues were higher than budget by \$343,000 (4.2%). Pharmacy and Imaging were again below budget while the clinics (Wound Care in particular), Emergency and Laboratory were above budget. The new orthopedic practice anticipated increases in Imaging, Rehab Services and Surgery, these volumes and referral patterns are climbing. 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 \$128,000 due to another busy month, resulting in Net Revenue coming in again better than budget by \$18,600 for the month, and \$158,700 year to date.

On an adjusted patient day basis, total patient revenue was \$3,268 just above the budget of \$3,209 for the month of January. 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 23.9% was budgeted and 21.0% 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 \$6.28 million, \$300,000 below budget of \$6.58 million. Net Patient Revenue was below budget by \$618,000 as a result of four material adjustments in the month – Tricare overpayment \$485,000, Notification of DSH qualification a positive \$225,000, true up of Healthcomp employee and beneficiary claims at Alameda (\$134,000) and Kaiser cosmetic surgery A/R valuation adjustment (\$173,000).

In February, we became aware of an overpayment from Tricare that was paid in July 2012, for services between September 2011 and February 2012. The hospital was reimbursed close to full billed charges versus the Medicare RUG rates applicable to subacute level of care for Tricare members. This overpayment was an error made by Tricare that was not detected by us when payment was received. We do have a number of questions that need to be resolved to validate and resolve this overpayment claim. We will also request an extended re-payment plan once the final amount overpayment amount is agreed to by both parties.

Disproportionate Share determination and funding occurs two years after the end of each fiscal year. In January, we received that based upon total medi-cal days for FY 2010, that Alameda Hospital did just qualify for DHS participation and that we are to receive \$225,000 from the the State. The first payment of \$132,000 coming in February, with subsequent partial payment scheduled between now and October 2013. This item was not reserved for in the financials.

The HealthComp and Kaiser cosmetic adjustments are one time adjustments in January that include claims that go back several months. Although most HealthComp claims get worked and flow through the system like any other claim, we do need to review this payor account each month to ensure that we have properly reserved any outstanding A/R balance for these accounts. This has been incorporated into our month end close processes.

Kaiser cosmetic valuation is associated with a contract that the hospital has had in place with Kaiser dating back to 2009 to perform

cosmetic surgery cases here at Alameda. For the first couple of years, no cases were performed here. However, activity picked up beginning in the fall of 2012 and between August and November 2012 we did 6 cases totaling \$218,287 in charges. Since these cases are elective, they are paid through the Kaiser medical group and not the health plan as are most routine services. As such, they are to be billed and reimbursed differently. The accounts were erroneously registered as a regular Kaiser account (like we would a Kaiser ER patient) which are reimbursed at 85% of billed charges. A valuation adjustment of \$173,000 was needed to properly value these accounts. They have been billed to the medical group and we expect payment of about \$12,000 within the next couple of weeks. This will be properly accounted for going forward.

Waters Edge had Net Revenues of \$1.046 million, \$173,000 below the budget of \$1.2 million. Lower than budgeted overall and medicare A census are driving this variance. Year to date, Waters Edge Net Revenue is \$100,000 (1.6%) above budget, and consistent with patient census (1.7%) above budget.

The Wound Care program also resulted in a positive net revenue contribution of \$18,600. However there are additional expenses associated with providing this additional revenue.

Other Operating Revenue is about \$333,000 positive this month due to receiving EHR incentive funds from the State of California to help with our electronic medical record implementation (\$365,000). Year to date, Other Operating Revenue is \$88,000 higher than budget.

Expenses

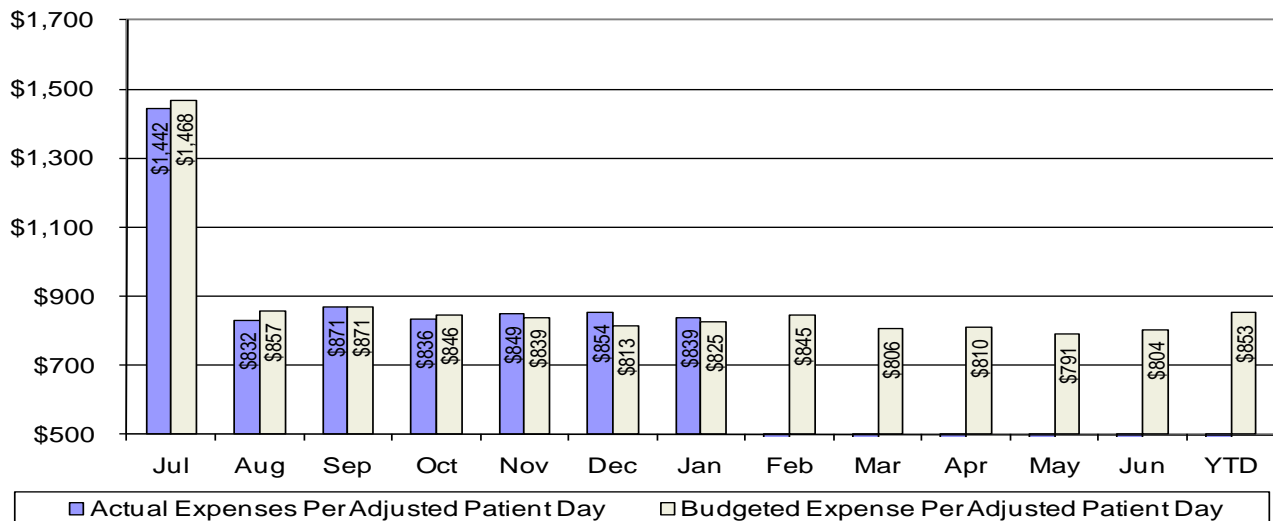
Total Operating Expenses

Total operating expenses were almost \$7.2 million which was higher than the fixed budget by \$180,000 or 2.6%. Temporary agency fees, benefits and professional fees were above budget while salaries and supplies 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.

We are currently drilling down on those expense categories where we have a material year to date variance from budget to determine what changes can be made to mitigate these variances for the remainder of the fiscal year.

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.

Expenses per Adjusted Patient Day



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 \$78,000. 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 (6.3% above budget) and DOU (24.9% 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.

We are also looking at salary and wage expenses in other areas that have unfavorable YTD variance, including subacute, emergency department, admitting, lab and primary care clinic.

Benefits

Benefits were above the fixed budget by \$71,000 the majority of which was vacation / PTO accrual. Year to date is above budget by \$149,000. This number fluctuates from month to month as employees take non-productive time off. Less time was taken in January than was budgeted.

Professional Fees

Professional fees were over budget by \$29,000 or 7.0% 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 legal fees in Administration associated with business development opportunities for the hospital.

Supplies

Supplies expense was \$26,000 less than budget but year to date, supply expense is still \$298,000 higher than budget. General pharmaceutical and Other Supply expenses was lower this month while cost of blood products and IVT Pharmaceuticals were up higher in the month, consistent with patient volumes.

Purchased Services

Purchased services were just \$11,000 over budget for the month of January and year to date are \$146,000 over budget. Most departments were slightly over or under budget in January. Waters Edge pharmacy management expense was about \$9,500 higher than budget, however total Waters Edge operating expenses are well below budget for the month and YTD.

Other Operating Expense

Other operating expenses were over budget this month by just \$11,000. The most significant variance in January was recruitment fees for new management personnel.

Balance Sheet

Total assets decreased by about \$36,500 from the prior month. The following items make up the decrease in current assets:

- Total unrestricted cash and cash equivalents for January decreased by almost \$1 million and days cash on hand including restricted use funds decreased to 22.5 days cash on hand in January from the high of 27.0 days cash on hand in December. Patient collections in January averaged \$175,000 per day, below prior month. Please note there is extra cash that is being held for repayment of LTC 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, but as of January has not been corrected.

- Net patient accounts receivable was \$11.1 million, up over \$700,000 from \$10.4 million at the end of December. We have seen payment delays from most payors during January, including Medi-Cal (LTC claims), Medicare and the Commercial payors. The increase in January net patient receivables is the result of lower cash collections during the month.
- Days in outstanding receivables were 57.6 at January month end, an increase from December of 53.7 days. Cash collections in January were \$5.4 million compared to \$6.8 million in December. The Christmas / New Years holiday season typically results in delayed claims processing. We do expect February and early March to be strong cash collection months, especially given the higher acute censuses over the past two to three months.
- Other Receivables increase by \$249,000. Of this, \$225,000 is the Disproportionate Share receivable from the State. The first cash is to be received in February.
- Inventories decreased by \$55,000 during the month during the normal course of business.

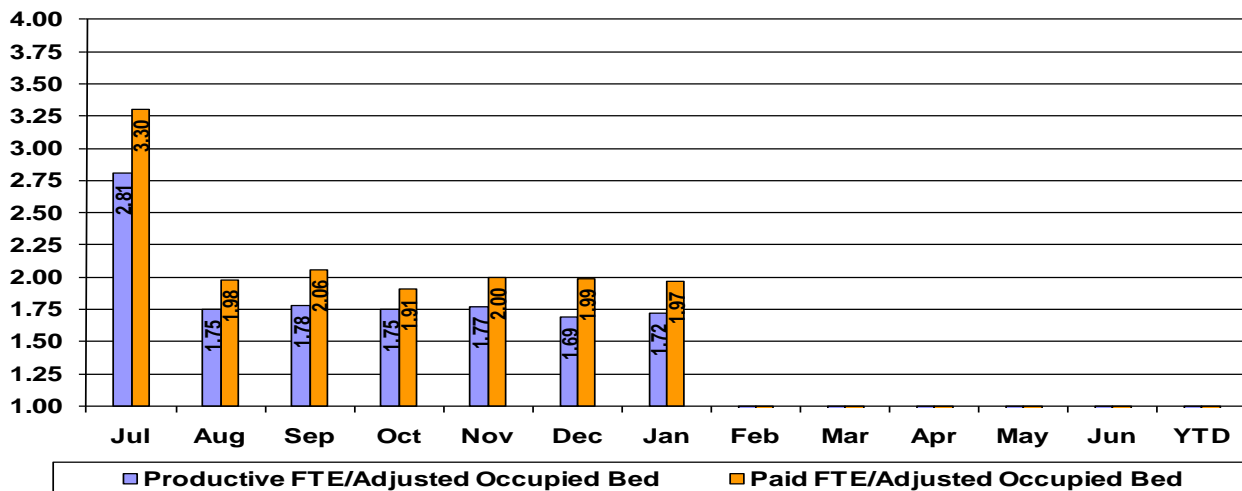
Overall, total liabilities increased by about \$348,000 as well from prior month.

- Accounts payable decreased by almost \$135,000 in January to just under \$10.8 million which equates to 153 AP Days, up from 147 days in December. Slightly lower operating expenses per day in January results in the higher AP days, since total A/P decreased from prior month. .
- Payroll related accruals increased by \$406,000 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 January decreased by about \$54,000 as we continue to reduce short term liability to the State that ends this year.
- Third Party Payer Settlement is a combination of the \$485,000 Tricare overpayment liability as well as additional accruals for Medi-Cal overpayment for skilled nursing days.

Key Statistics

FTE's Per Adjusted Occupied Bed

For the month of January Productive FTE's per Adjusted Occupied Bed were 1.72, just below the budget of 1.73 FTE's by 0.8%. Paid FTE's per Adjusted Occupied Bed were 1.97 or just 1.2% below 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 January is 0.94, down from .96 in December. We have met with representatives from the Bank of Alameda regarding these loan covenant ratios and other matters. We will be providing them with a loan covenant waiver request along with fiscal year end projections.

A/R days

Net days in net accounts receivable (A/R) are currently at 57.6. This is up from the prior month of 53.7. Net A/R days are up as the result of lower than normal cash collections in the month. We are taking actions to help ensure that 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 22.5, a decrease from prior month of 27.0. While cash collections have improved, cash is also needed to pay down vendor balances as 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 seven (7) months ended January 31, 2013, of Fiscal Year 2013.

**ALAMEDA HOSPITAL
KEY STATISTICS
JANUARY 2013**

	<u>ACTUAL JANUARY 2013</u>	<u>CURRENT FIXED BUDGET</u>	<u>VARIANCE (UNDER) OVER</u>	<u>%</u>	<u>JANUARY 2012</u>	<u>YTD JANUARY 2013</u>	<u>YTD FIXED BUDGET</u>	<u>VARIANCE</u>	<u>%</u>	<u>YTD JANUARY 2012</u>
Discharges:										
Total Acute	276	253	23	9.2%	263	1,651	1,689	(38)	-2.2%	1,635
Total Sub-Acute	3	1	2	200.0%	-	18	14	4	28.6%	12
Total South Shore	6	9	(3)	-33.3%	10	41	58	(17)	-29.3%	60
Total Waters Edge	<u>16</u>	<u>13</u>	<u>3</u>	<u>23.1%</u>	<u>-</u>	<u>86</u>	<u>74</u>	<u>12</u>	<u>16.2%</u>	<u>-</u>
	301	276	25	9.2%	273	1,796	1,835	(39)	-2.1%	1,707
Patient Days:										
Total Acute	1,077	1,015	62	6.1%	1,025	6,572	6,769	(197)	-2.9%	6,293
Total Sub-Acute	982	1,005	(23)	-2.3%	1,027	6,947	6,974	(27)	-0.4%	6,985
Total South Shore	716	644	72	11.2%	581	4,863	4,553	310	6.8%	4,582
Total Waters Edge	<u>3,165</u>	<u>3,255</u>	<u>(90)</u>	<u>-2.8%</u>	<u>-</u>	<u>18,410</u>	<u>18,094</u>	<u>316</u>	<u>1.7%</u>	<u>-</u>
	5,940	5,919	21	0.4%	2,633	36,792	36,390	402	1.1%	17,860
Average Length of Stay										
Total Acute	3.90	4.02	(0.11)	-2.8%	3.90	3.98	4.01	(0.03)	-0.7%	3.85
Average Daily Census										
Total Acute	34.74	32.74	2.00	6.1%	33.06	30.57	31.48	(0.92)	-2.9%	29.27
Total Sub-Acute	31.68	32.42	(0.74)	-2.3%	33.13	32.31	32.44	(0.13)	-0.4%	32.49
Total South Shore	23.10	20.77	2.32	11.2%	18.74	22.62	21.18	1.44	6.8%	21.31
Total Waters Edge	<u>102.10</u>	<u>105.00</u>	<u>(2.90)</u>	<u>-2.8%</u>	<u>-</u>	<u>100.05</u>	<u>98.34</u>	<u>1.72</u>	<u>1.7%</u>	<u>-</u>
	191.61	190.94	0.68	0.4%	84.94	185.55	183.43	(1.04)	-0.6%	83.07
Emergency Room Visits	1,679	1,423	256	18.0%	1,473	10,127	9,869	258	2.6%	1,473
Wound Care Clinic Visits	356	200	156	78.0%	-	1,445	950	495	52.1%	-
Outpatient Registrations	2,040	2,162	(122)	-5.6%	1,933	13,220	13,929	(709)	-5.1%	12,866
Surgery Cases:										
Inpatient	36	55	(19)	-34.5%	45	283	291	(8)	-2.7%	261
Outpatient	<u>121</u>	<u>140</u>	<u>(19)</u>	<u>-13.6%</u>	<u>106</u>	<u>847</u>	<u>1,115</u>	<u>(268)</u>	<u>-24.0%</u>	<u>1,061</u>
	157	195	(38)	-19.5%	151	1,130	1,406	(276)	-19.6%	1,322
Adjusted Occupied Bed (AOB)	275.37	272.90	2.48	0.9%	123.61	245.68	244.93	0.75	0.3%	121.63
Productive FTE	472.99	472.34	0.65	0.1%	344.61	449.70	447.29	2.41	0.5%	341.36
Total FTE	543.21	544.93	(1.71)	-0.3%	391.85	513.47	512.03	1.44	0.3%	395.32
Productive FTE/Adj. Occ. Bed	1.72	1.73	(0.01)	-0.8%	2.79	1.83	1.83	0.00	0.2%	2.81
Total FTE/ Adj. Occ. Bed	1.97	2.00	(0.02)	-1.2%	3.17	2.09	2.09	(0.00)	0.0%	3.25

City of Alameda Health Care District
Statements of Financial Position
January 31, 2013

	Current Month	Prior Month	Prior Year End
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 5,019,811	\$ 5,996,164	\$ 3,327,884
Patient Accounts Receivable, net	11,140,157	10,428,899	8,835,256
Other Receivables	3,428,917	3,179,878	6,488,283
Third-Party Payer Settlement Receivables	-	-	-
Inventories	971,887	1,027,006	1,045,311
Prepays and Other	692,317	705,778	416,371
Total Current Assets	21,253,089	21,337,725	20,113,105
Assets Limited as to Use, net	141,504	131,524	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	3,752,486	3,642,033	4,102,468
Depreciation	(40,175,214)	(40,102,903)	(39,670,499)
Property, Plant and Equipment, net	8,996,902	8,958,760	8,780,434
Total Assets	\$ 30,391,495	\$ 30,428,009	\$ 28,957,722
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 1,054,889	\$ 1,108,515	\$ 1,724,249
Accounts Payable and Accrued Expenses	10,779,597	10,914,554	7,848,673
Payroll Related Accruals	5,684,717	5,278,857	4,307,924
Deferred Revenue	2,390,458	2,867,423	5,726,305
Employee Health Related Accruals	650,317	635,518	691,942
Third-Party Payer Settlement Payable	2,043,843	1,395,366	601,233
Total Current Liabilities	22,603,821	22,200,233	20,900,326
Long Term Debt, net	1,738,539	1,794,049	1,022,152
Total Liabilities	24,342,360	23,994,282	21,922,478
Net Assets:			
Unrestricted	5,697,631	6,092,203	6,761,061
Temporarily Restricted	351,504	341,524	274,183
Total Net Assets	6,049,135	6,433,727	7,035,244
Total Liabilities and Net Assets	\$ 30,391,495	\$ 30,428,009	\$ 28,957,722

City of Alameda Health Care District

Statements of Operations

January 31, 2013

\$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	5,940	5,919	21	0.4%	2,633	36,792	36,390	402	1.1%	17,860
Discharges	301	276	25	9.2%	273	1,796	1,835	(39)	-2.1%	1,707
ALOS (Average Length of Stay)	19.73	21.47	(1.73)	-8.1%	9.64	20.49	19.83	0.65	3.3%	10.46
ADC (Average Daily Census)	191.6	190.9	0.68	0.4%	84.9	171.1	169.3	1.87	1.1%	83.1
CMI (Case Mix Index)	1.2999				1.4193	1.3475				1.3496
Revenues										
Gross Inpatient Revenues	\$ 19,413	\$ 18,994	\$ 420	2.2%	\$ 15,619	\$ 123,920	\$ 125,039	\$ (1,119)	-0.9%	\$ 101,849
Gross Outpatient Revenues	8,496	8,153	343	4.2%	7,113	54,318	53,072	1,246	2.3%	47,778
Total Gross Revenues	27,910	27,147	763	2.8%	22,732	178,238	178,111	127	0.1%	149,627
Contractual Deductions	21,208	19,730	(1,478)	-7.5%	16,942	127,770	130,547	2,776	2.1%	111,607
Bad Debts	675	749	75	10.0%	36	8,200	4,943	(3,256)	-65.9%	3,021
Charity and Other Adjustments	159	181	22	12.4%	133	684	1,195	511	42.8%	1,256
Net Patient Revenues	5,868	6,486	(618)	-9.5%	5,620	41,584	41,426	158	0.4%	33,742
Net Patient Revenue %	21.0%	23.9%			24.7%	23.3%	23.3%			22.6%
Net Clinic Revenue	27	42	(15)	-35.6%	40	275	292	(17)	-5.9%	248
Other Operating Revenue	383	50	333	661.2%	8	440	352	88	24.9%	216
Total Revenues	6,278	6,578	(300)	-4.6%	5,668	42,298	42,070	229	0.5%	34,207
Expenses										
Salaries	3,626	3,636	10	0.3%	2,896	23,581	23,905	324	1.4%	20,022
Temporary Agency	157	69	(88)	-126.6%	135	1,251	447	(804)	-180.2%	750
Benefits	1,113	1,042	(71)	-6.8%	899	6,720	6,572	(149)	-2.3%	6,005
Professional Fees	443	414	(29)	-7.0%	394	2,910	2,742	(168)	-6.1%	2,672
Supplies	717	742	26	3.4%	610	5,362	5,065	(298)	-5.9%	4,169
Purchased Services	576	565	(11)	-1.9%	520	3,831	3,684	(146)	-4.0%	2,517
Rents and Leases	205	205	(0)	-0.1%	122	1,357	1,351	(6)	-0.5%	579
Utilities and Telephone	95	87	(7)	-8.6%	70	537	594	57	9.6%	462
Insurance	35	42	6	15.3%	25	263	275	12	4.3%	192
Depreciation and amortization	72	68	(4)	-6.3%	69	508	476	(32)	-6.7%	511
Other Operating Expenses	124	113	(11)	-9.7%	99	719	813	94	11.6%	652
Total Expenses	7,163	6,983	(180)	-2.6%	5,839	47,039	45,923	(1,116)	-2.4%	38,531
Operating gain (loss)	(885)	(405)	(480)	-118.3%	(170)	(4,741)	(3,853)	(887)	23.0%	(4,324)
Non-Operating Income / (Expense)										
Parcel Taxes	477	500	(23)	-4.5%	478	3,360	3,499	(139)	-4.0%	3,368
Investment Income	1	-	1	0.0%	1	8	-	8	0.0%	4
Interest Expense	(16)	(8)	(8)	-100.4%	(15)	(78)	(56)	(22)	38.8%	(114)
Other Income / (Expense)	28	15	13	89.0%	38	394	105	290	277.1%	179
Net Non-Operating Income / (Expense)	490	507	(17)	-3.3%	502	3,684	3,548	136	3.8%	3,437
Excess of Revenues Over Expenses	\$ (395)	\$ 101	\$ (496)	-489.4%	\$ 331	\$ (1,057)	\$ (306)	\$ (751)	245.5%	\$ (886)

City of Alameda Health Care District
Statements of Operations - Per Adjusted Patient Day
January 31, 2013

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	\$ 2,273	\$ 2,245	\$ 28	1.3%	\$ 4,076	\$ 2,342	\$ 2,412	\$ (71)	-2.9%	\$ 3,882
Gross Outpatient Revenues	995	964	31	3.2%	1,856	1,026	1,024	3	0.3%	1,821
Total Gross Revenues	3,268	3,209	59	1.8%	5,932	3,368	3,436	(68)	-2.0%	5,703
Contractual Deductions	2,483	2,332	(151)	-6.5%	4,421	2,414	2,518	104	4.1%	4,254
Bad Debts	79	89	10	10.8%	9	155	95	(60)	-62.5%	115
Charity and Other Adjustments	19	21	3	13.2%	35	13	23	10	43.9%	48
Net Patient Revenues	687	767	(80)	-10.4%	1,467	786	799	(13)	-1.7%	1,286
Net Patient Revenue %	21.0%	23.9%			24.7%	23.3%	23.3%			22.6%
Net Clinic Revenue	3	5	(2)	-36.2%	10	5	6	(0)	-7.9%	9
Other Operating Revenue	45	6	39	654.0%	2	8	7	2	22.4%	8
Total Revenues	735	778	(42)	-5.5%	1,479	800	812	(12)	-1.5%	1,304
Expenses										
Salaries	425	430	5	1.2%	756	446	461	16	3.4%	763
Temporary Agency	18	8	(10)	-124.5%	35	24	9	(15)	-174.4%	29
Benefits	130	123	(7)	-5.8%	235	121	127	6	4.6%	229
Professional Fees	52	49	(3)	-6.0%	103	55	53	(2)	-3.9%	102
Supplies	84	88	4	4.3%	159	101	98	(4)	-3.7%	159
Purchased Services	67	67	(1)	-1.0%	136	72	71	(1)	-1.8%	96
Rents and Leases	24	24	0	0.9%	32	26	26	0	1.6%	22
Utilities and Telephone	11	10	(1)	-7.6%	18	10	11	1	11.5%	18
Insurance	4	5	1	16.1%	7	5	5	0	6.2%	7
Depreciation and Amortization	8	8	(0)	-5.3%	18	10	9	(0)	-4.5%	19
Other Operating Expenses	15	13	(1)	-8.7%	26	14	16	2	13.4%	25
Total Expenses	839	825	(13)	-1.6%	1,524	883	886	3	0.4%	1,468
Operating Gain / (Loss)	(104)	(48)	(56)	-116.3%	(44)	(83)	(74)	(9)	12.3%	(165)
Non-Operating Income / (Expense)										
Parcel Taxes	56	59	(3)	-5.4%	125	63	68	(4)	-6.0%	128
Investment Income	0	-	0	0.0%	0	0	-	0	0.0%	0
Interest Expense	(2)	(1)	(1)	-98.5%	(4)	(1)	(1)	(0)	36.0%	(4)
Other Income / (Expense)	3	2	2	87.3%	10	7	2	5	269.3%	7
Net Non-Operating Income / (Expense)	57	60	(2)	-4.2%	131	70	68	1	1.7%	131
Excess of Revenues Over Expenses	\$ (46)	\$ 12	\$ (58)	-485.8%	\$ 86	\$ (14)	\$ (6)	\$ (8)	140.6%	\$ (34)

Wound Care - Statement of Operations
January 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	356	200	156	78.0%	1,445	950	495	52.1%
Revenue								
Gross Revenue	548,718	420,784	127,934	30.4%	2,867,167	1,998,724	868,443	43.4%
Deductions from Revenue	<u>438,974</u>	<u>324,172</u>	<u>114,802</u>		<u>2,255,002</u>	<u>1,539,817</u>	<u>715,185</u>	
Net Revenue	<u>109,744</u>	<u>96,612</u>	<u>13,132</u>		<u>612,165</u>	<u>458,907</u>	<u>153,258</u>	
Expenses								
Salaries	13,447	15,232	1,785	11.7%	86,613	104,700	18,087	17.3%
Benefits	3,846	4,311	465	10.8%	22,961	29,630	6,670	22.5%
Professional Fees	70,837	49,703	(21,134)	-42.5%	334,587	242,838	(91,749)	-37.8%
Supplies	9,455	7,532	(1,923)	-25.5%	105,949	52,724	(53,225)	-101.0%
Purchased Services	4,457	2,083	(2,374)	-114.0%	30,316	14,582	(15,734)	-107.9%
Rents and Leases	5,992	5,080	(912)	-18.0%	37,840	35,560	(2,280)	-6.4%
Depreciation	8,685	4,900	(3,785)	-77.2%	43,905	34,300	(9,605)	-28.0%
Other	675	5,917	5,242	88.6%	12,217	41,419	29,202	70.5%
Total Expenses	<u>117,394</u>	<u>94,758</u>	<u>(22,636)</u>	<u>-23.9%</u>	<u>674,388</u>	<u>555,753</u>	<u>(118,634)</u>	<u>-21.3%</u>
Excess of Revenue over Expenses	<u>(7,650)</u>	1,854	(9,505)	512.6%	<u>(62,223)</u>	<u>(96,846)</u>	34,623	35.8%

Note: Of the 356 visits, 57 were hyperbaric oxygen treatment visits.

City of Alameda Health Care District
Waters Edge Skilled Nursing - Statement of Operations
January 31, 2013

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Patient Days								
Medicare	325	465	(140)	-30.1%	1,836	2,055	(219)	-10.7%
Medi-Cal	2,620	2,418	202	8.4%	14,891	13,985	906	6.5%
Managed Care	36	93	(57)	-61.3%	272	796	(524)	-65.8%
Self Pay/Other	<u>184</u>	<u>279</u>	<u>(95)</u>	<u>-34.1%</u>	<u>1,411</u>	<u>1,258</u>	<u>153</u>	<u>12.2%</u>
Total	3,165	3,255	(90)	-2.8%	18,410	18,094	316	1.7%
Revenue								
Routine Revenue	2,500,140	2,515,810	(15,670)	-0.6%	14,326,070	14,192,168	133,902	0.9%
Ancillary Revenue	<u>305,177</u>	<u>436,783</u>	<u>(131,606)</u>	<u>-30.1%</u>	<u>1,762,684</u>	<u>2,592,458</u>	<u>(829,774)</u>	<u>-32.0%</u>
Total Gross Revenue	2,805,317	2,952,593	(147,276)	-5.0%	16,088,754	16,784,626	(695,872)	-4.1%
Deductions from Revenue	<u>1,759,153</u>	<u>1,733,172</u>	<u>(25,981)</u>	<u>-1.5%</u>	<u>9,537,241</u>	<u>10,358,824</u>	<u>821,584</u>	<u>7.9%</u>
Net Revenue	<u>1,046,164</u>	<u>1,219,421</u>	<u>(173,257)</u>	<u>-14.2%</u>	<u>6,551,513</u>	<u>6,425,802</u>	<u>125,712</u>	<u>2.0%</u>
Expenses								
Salaries	465,213	518,666	53,453	10.3%	2,578,310	2,962,224	383,914	13.0%
Benefits	96,126	155,600	59,474	38.2%	564,938	888,667	323,729	36.4%
Professional Fees	5,441	8,999	3,558	39.5%	50,525	73,994	23,469	31.7%
Supplies	59,157	98,759	39,602	40.1%	399,584	588,186	188,602	32.1%
Purchased Services	100,540	137,355	36,815	26.8%	629,507	789,471	159,964	20.3%
Rents and Leases	76,733	76,552	(181)	-0.2%	462,135	459,312	(2,823)	-0.6%
Utilities	15,435	14,999	(436)	-2.9%	72,889	89,993	17,104	19.0%
Insurance	-	12,165	12,165	100.0%	14,098	72,990	58,892	80.7%
Other	<u>10,813</u>	<u>20,031</u>	<u>9,218</u>	<u>46.0%</u>	<u>87,191</u>	<u>124,899</u>	<u>37,708</u>	<u>30.2%</u>
Total Expenses	829,458	1,043,126	213,668	20.5%	4,859,177	6,049,736	1,190,559	19.7%
Excess of Revenue over Expenses	<u>216,705</u>	<u>176,295</u>	<u>40,410</u>		<u>1,692,336</u>	<u>376,066</u>	<u>1,316,271</u>	

City of Alameda Health Care District
Orthopedic Clinic - Statement of Operations
January 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	124	142	(18)	-12.7%	249	417	(168)	-40.3%
Revenue								
Gross Revenue	35,747	32,667	3,080	9.4%	72,846	108,538	(35,692)	-32.9%
Deductions from Revenue	25,023	25,167	(144)		49,739	83,618	(33,879)	
Net Revenue	10,724	7,500	3,224		23,107	24,920	(1,813)	
Expenses								
Salaries	32,021	33,064	1,043	3.2%	121,872	149,765	27,893	18.6%
Benefits	9,158	9,357	199	2.1%	34,804	42,383	7,580	17.9%
Professional Fees	24,577	25,000	423	1.7%	89,456	129,500	40,044	30.9%
Supplies	3,152	2,105	(1,047)	-49.7%	21,645	9,475	(12,170)	-128.4%
Purchased Services	6,792	3,895	(2,897)	-74.4%	29,511	17,525	(11,986)	-68.4%
Rents and Leases	9,320	2,632	(6,688)	-254.1%	19,692	11,840	(7,852)	-66.3%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Other	679	3,263	2,584	79.2%	24,965	54,687	29,722	54.3%
Total Expenses	85,699	79,316	(6,383)	-8.0%	341,945	415,175	73,231	17.6%
Excess of Revenue over Expenses	(74,975)	(71,816)	(3,159)	-4.4%	(318,838)	(390,255)	71,417	18.3%
<u>Hospital Based Activity:</u>								
Inpatient Days	12	35	(23)	-65.9%	19	97	(78)	-80.4%
Inpatient Surgeries	2	8	(6)	-75.0%	3	22	(19)	-86.4%
Outpatient Surgeries	10	4	6	150.0%	16	16	-	0.0%
Therapy Referred Volume	101	300	(199)	-66.3%	168	850	(682)	-80.2%
Imaging Referred Volume	101	133	(32)	-24.1%	193	412	(219)	-53.2%
Inpatient Gross Charges	202,063	495,200	(293,137)	-59.2%	302,885	1,361,800	(1,058,915)	-77.8%
Inpatient Net Revenue	29,743	111,200	(81,457)	-73.3%	47,747	305,800	(258,053)	-84.4%
Outpatient Gross Charges	369,574	260,085	109,489	42.1%	615,611	867,240	(251,629)	-29.0%
Outpatient Net Revenue	70,219	58,270	11,949	20.5%	116,966	193,300	(76,334)	-39.5%
Total Gross Charges	571,637	755,285	(183,648)	-24.3%	918,496	2,229,040	(1,310,544)	-58.8%
Total Net Revenue	99,962	169,470	(69,508)	-41.0%	164,713	499,100	(334,387)	-67.0%

City of Alameda Health Care District
Statement of Cash Flows
For the Seven Months Ended January 31, 2013

	<u>Current Month</u>	<u>Year-to-Date</u>
Cash flows from operating activities		
Net Income / (Loss)	\$ (394,763)	\$ (1,057,025)
Items not requiring the use of cash:		
Depreciation and amortization	72,311	\$ 507,993
Write-off of Kaiser liability	-	\$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	(711,258)	(2,304,901)
Other Receivables	(249,039)	3,059,366
Third-Party Payer Settlements Receivable	648,477	1,442,610
Inventories	55,119	73,424
Prepays and Other	13,461	(275,946)
Accounts payable and accrued liabilities	(134,957)	2,930,924
Payroll Related Accruals	405,860	1,376,793
Employee Health Plan Accruals	14,799	(41,625)
Deferred Revenues	(476,965)	(3,335,847)
Cash provided by (used in) operating activities	<u>(756,956)</u>	<u>2,375,765</u>
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(9,980)	(77,321)
Additions to Property, Plant and Equipment	(110,453)	(724,461)
Other	191	(6,405)
Cash provided by (used in) investing activities	<u>(120,241)</u>	<u>(808,187)</u>
Cash flows from financing activities		
Net Change in Long-Term Debt	(109,135)	47,028
Net Change in Restricted Funds	9,980	77,321
Cash provided by (used in) financing and fundraising activities	<u>(99,156)</u>	<u>124,348</u>
Net increase (decrease) in cash and cash equivalents	(976,353)	1,691,927
Cash and cash equivalents at beginning of period	5,996,164	3,327,884
Cash and cash equivalents at end of period	<u>\$ 5,019,813</u>	<u>\$ 5,019,812</u>

**City of Alameda Health Care District
Ratio's Comparison**

Financial Ratios	<u>Audited Results</u>				YTD
	FY 2009	FY 2010	FY 2011	FY 2012	1/31/2013
<u>Profitability Ratios</u>					
Net Patient Revenue (%)	22.69%	24.16%	23.58%	22.90%	23.33%
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%	-9.06%
Total Margin	1.03%	2.74%	-2.61%	-3.21%	-2.50%
<u>Liquidity Ratios</u>					
Current Ratio	1.15	1.23	1.05	0.96	0.94
Days in accounts receivable ,net	57.26	51.83	46.03	55.21	57.60
Days cash on hand (with restricted)	13.6	21.6	14.1	17.7	22.5
<u>Debt Ratios</u>					
Cash to Debt	115.3%	249.0%	123.3%	123.56%	184.77%
Average pay period (includes payroll)	58.03	57.11	62.68	72.94	78.95
Debt service coverage	3.87	5.98	(0.70)	(0.53)	(0.42)
Long-term debt to fund balance	0.20	0.14	0.18	0.28	0.32
Return on fund balance	8.42%	18.87%	-19.21%	-27.35%	-17.47%
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				YTD
	FY 2009	FY 2010	FY 2011	FY 2012	1/31/2013
Patient Care Information					
Bed Capacity	161	161	161	161	281
Patient days(all services)	30,463	30,607	30,270	30,448	36,792
Patient days (acute only)	11,787	10,579	10,443	10,880	6,572
Discharges(acute only)	2,812	2,802	2,527	2,799	1,651
Average length of stay (acute only)	4.19	3.78	4.13	3.89	3.98
Average daily patients (all sources)	83.46	83.85	82.93	83.19	171.13
Occupancy rate (all sources)	52.94%	52.08%	51.51%	51.67%	60.90%
Average length of stay	4.19	3.78	4.13	3.89	3.98
Emergency Visits	17,337	17,624	16,816	16,964	10,127
Emergency visits per day	47.50	48.28	46.07	46.35	47.10
Outpatient registrations per day ^{Note 1}	82.05	79.67	65.19	60.67	61.49
Surgeries per day - Total	16.12	13.46	6.12	6.12	5.27
Surgeries per day - excludes Kaiser	5.14	5.32	6.12	6.12	5.27

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 instruments.
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: February 27, 2013
To: Finance and Management Committee
From: Elliott Gorelick, Chair – Finance and Management Committee
Subject: Recommendation for Annual Appointment to Finance and Management Committee

RECOMMENDATION:

I am proposing that the following participants be recommended for reappointment to the Finance and Management Committee (FMC) by the Board of Directors for the annual appointment for 2013.

	Name
Medical Staff Representative	William Sellman, MD
Medical Staff Representative	Emmons Collins, MD
At Large Representative	Ann Evans
At Large Representative	Ed Kofman

BACKGROUND:

The Board of Directors, on February 6, 2013, appointed myself, Elliott Gorelick as Chair of the committee and Robert Deutsch, MD as the second voting member from the Board of Directors.

The following structure has been approved by this committee as well as the District Board of Directors.

1. Finance and Management Committee:
 - a. Primary Purpose: The primary purpose of the Finance and Management Committee is to review and recommend the annual budget, review performance relative to budget, and review other aspects of the district's financial performance. The Committee shall also serve the function of reviewing the annual report from the Hospital's external auditor, including the annual presentation of audit findings. The committee may also review and advise regarding operational issues, management systems issues,

management information systems, and other aspects of the district's overall operational management.

- b. Committee Composition and Voting Rights: 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.
 - iii. Two members of the Alameda Hospital Medical Staff both of whom shall be voting members of the committee.
 - iv. Up to three at large members chosen for expertise needed by the district each of whom shall be voting members of the committee.
 - v. The City of Alameda Health Care District Chief Executive Officer, Chief Financial Officer, and other hospital management as delegated, who shall not be voting members of the committee.
- c. Terms: The committee shall be appointed annually.
- d. Meeting Frequency: Committee shall meet monthly.

CITY OF ALAMEDA HEALTHCARE DISTRICT
ALAMEDA HOSPITAL
FISCAL YEAR 2014 BUDGET CALENDAR

<u>KEY DATE</u>	<u>ACTIVITY</u>
Week of Feb 25	Executive Team to review FY2013 volume projections and develop FY2014 assumptions
Mar 4 – Mar 8	Finalize FY2014 volume projections Update Position Control Schedules with Management Staff
Mar 4 – Mar 15	Review and revise nurse staffing productive hour targets. Calculate labor budget including hours, dollars and benefits. Invite Capital Budget requests from Management and Medical Staff Project Gross/Net Revenue
Mar 18 – Mar 29	Project non-wage expense with Management Staff
Mar 27	Present draft volume assumptions to the Finance Committee
Apr 3	Present draft volume assumptions to the Board Capital Budget requests from Management and Medical Staff due back to Financial Planning
Apr 1 – 19	Finalize labor and non-labor budgets, gross/net revenue projections Prepare preliminary budget package for review by Executive Team Consolidate Capital Budget requests.
Week of Apr 22	Executive Team review of preliminary budget package including Capital Budget requests Identify areas for further review/revision. Schedule budget meetings with Management Staff
Apr 22 – 26	Budget Meetings/Training (As Necessary)
Apr 26	Review Capital Budget with Medical Executive Committee
Apr 29 – May 3	Input revisions from Budget Meetings
Week of May 6	Finalize Operating and Capital Budgets with Executive Team
May 13 – 24	Prepare Operating & Capital Budget Package for presentation to Finance Committee/District Board.
May 29	Present Budget Package to Finance Committee
Jun 5	Present Budget Package to District Board