✓Included in the PDF posted May 6, 2013
CLICK ON THE ORANGE ENCLOSURE LINK TO GO
DIRECTLY TO THE AGENDA ITEM MATERIALS IN THIS PDF

Alameda Hospital
CITY OF ALAMEDA HEALTH CARE DISTRICT

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

WEDNESDAY MAY 8, 2013

6:00 p.m. (CLOSED) | 7:30 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) — J. Michael McCormick

II. Roll Call — Kristen Thorson

III. Adjourn into Executive Closed Session

IV. Closed Session Agenda

A. Call to Order

B. Approval of Closed Session Minutes
   1. April 11, 2013

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

D. Board Quality Committee Report (BQC) — H & S Code Sec. 32155

E. Discussion of Pooled Insurance Claims — Gov't Code Sec. 54956.95

F. Consultation with Legal Counsel Regarding Pending and Threatened Litigation — Gov't Code Sec. 54957.6

G. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions — Gov't Code Sec. 54956.9(a)

H. Discussion of Report Involving Trade Secrets — H & S Code Sec. 32106
   1. Discussion of Hospital Trade Secrets applicable to District's Strategy for Delivery of New Programs and Services

      No action will be taken.

      Estimated Date of Public Disclosure**:** June 2013

I. Adjourn into Open Session

V. Reconvene to Public Session (Expected to start at 7:30 p.m. – Dal Cielo Conference Room)

A. Announcements from Closed Session — J. Michael McCormick

VI. General Public Comment

VII. Regular Agenda

A. Consent Agenda — **ACTION ITEMS**

✓ 1) Approval of April 11, 2013 Meeting Minutes
[enclosure] (pages 3-7)

✓ 2) Approval to Appointment Committee Member to Finance and Management Committee for 2013
[enclosure] (page 8)

✓ 3) Approval of Amendment to Medical Staff Bylaws- Article XII
[enclosure] (pages 9-11)

B. Action Items

✓ 1) Acceptance of March 2013 Unaudited Financial Statements and April 24, 2013 Finance and Management Committee Report — Robert Deutsch, MD; Kerry Easthope
[enclosure] (pages 12-34)

✓ 2) Approval to Enter into a Patient Transportation Services Agreement with City of Alameda, Fire Department — Deborah E. Stebbins
[enclosure] (pages 35-36)

✓ 3) Approval to Award Construction Contract to Signature Construction for the 2 West CMS AFS Upgrade Project — Brian Jung
[enclosure] (pages 37-39)

C. District Board President's Report INFORMATIONAL — J. Michael McCormick

D. Community Relations and Outreach Committee Report INFORMATIONAL — Jordan Battani

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

F. Chief Executive Officer Report INFORMATIONAL — Deborah E. Stebbins

✓ 1) Monthly CEO Report
[enclosure] (pages 40-46)

- Legislative Contacts, Pediatric Readiness Preparedness Site Visit, Kate Creedon Center for Advanced Wound Care, Bay Area Bone & Joint Center, Alameda Hospital Foundation, Community Relations and Outreach, Information Technology Update and Meaningful Use, Capital Projects DSRIP Report Upcoming Special Events, Key Statistics-April 2013 Association of California Health Care District (ACHD) March 2013 Update

✓ 2) FYE June 30, 2013, 3rd Quarter Goals and Objectives Update
[enclosure] (pages 47-55)

VIII. General Public Comments

IX. Board Comments

X. Adjournment

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Wednesday, April 11, 2013 Regular Meeting

Board Members Present	Management Present	Legal Counsel Present	Guests
Jordan Battani Robert Deutsch, MD Tracy Jensen J. Michael McCormick	Deborah E. Stebbins Kerry J. Easthope Brian Jung	Thomas Driscoll, Esq.	
		Medical Staff Present	Excused
		Emmons Collins, MD	Elliott Gorelick
Submitted by: Kristen Thorson, District Clerk			

Topic		Discussion	Action / Follow-Up
I.	Call to Order	The meeting was called to order at 5:39 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 5:40 p.m.	
IV.	Closed Session Agenda		
V.	Reconvene to Public Session	The meeting was reconvened into public session at 8:05 p.m.	

A. Announcements from Closed Session
Director McCormick stated that the Executive Closed Session Minutes were reviewed and approved from the March 7, 2013 Regular Meeting. The Board Quality Committee Report for February was reviewed and accepted as presented. The Board approved the Credentialing Recommendations of the Medical Staff as outlined below. No other action was taken.

Initial Appointments – Medical Staff

	Name	Specialty	Affiliation	
	• Miriam Hasan, MD	Internal Medicine/Hospitalist	AIM	

Topic	Discussion			Action / Follow-Up
	• Vishal Panchal, MD	Teleradiology	BIC	
Reappointments – Medical Staff				
	Name	Specialty	Staff Status	Appointment Period
	• Kenneth Ecomony, MD	Anesthesiology	Courtesy	05/01/13 – 04/30/15
	• Dinane D. Lee, MD	Neurology	Courtesy	04/01/13 – 03/31/15
	• Bill Longwell, MD	Internal Medicine	Courtesy	04/01/13 – 03/31/15
	• Lana Louie, MD	General Surgery	Courtesy	04/01/13 – 03/31/15
	• Paul Suding, MD	General Surgery	Courtesy	04/01/13 – 03/31/15
	• Crystal Terry, MD	Anesthesiology	Active	04/01/13 – 03/31/15
	• Linda Tran, MD	Internal Medicine/Hospitalist	Courtesy	04/01/13 – 03/31/15
	• Lillian Tsao, MD	Family Practice	Courtesy	04/01/13 – 03/31/15
Privilege Requests Privilege requests for Robert Bloom, MD and Vinod Kurupath, MD were approved as presented.				
Resignations				
	• Joanne DePhillips, MD	Internal Medicine /Hospitalist		
	• Joan Kin-Angell, MD	Internal Medicine (Kaiser)		
	• Mark Kogan, MD	Gastroenterology		
	• James Mooney, MD	Urology		
	• Ann Wexler, MD	Internal Medicine		
	• Max Wu, MD	Teleradiology		
VI. General Public Comments There were no comments.				
VII. Regular Agenda				
	A. Consent Agenda			Director Battani made a motion to

Topic		Discussion	Action / Follow-Up
		1) Approval of March 7, 2013 Meeting Minutes	approve the Consent Agenda as presented. Director Deutsch seconded the motion. The motion carried.
		2) Approval of Administrative Policies and Procedures	
		▪ No. 5 – Compliance Plan ▪ No. 10 – Disposal of Surplus Property ▪ No. 47 – Resources for Limited English Language Patients & Patients with Hearing, Vision or Other Communication Barriers ▪ No. 71 – Patient Billing for Clinical Studies and Investigational device Billing ▪ No. 76 – Expense Reimbursement ▪ No. 79 – Child Passenger Safety Seats ▪ No. 81 – Non Discrimination Policy	
		3) Approval of Annual Appointment to the Community Relations and Outreach Committee for 2013	
		4) Approval of the Renewal of the Operating Engineers, Local #39 Memorandum of Understanding - October 1, 2010 – January 1, 2015	
		5) Approval of Medical Staff Application for Hospice and Palliative Medicine Privileges	
	B.	Action Items	
		1) Acceptance of February 2013 Unaudited Financial Statement and March 27, 2013 Finance and Management Committee Report In Director Gorelick's absence, Mr. Easthope provide the following report. The acute average daily census (ADC) was above budget at 40 ADC, much higher than previous months in the fiscal year. Many of the other outpatient volumes were also above budget, including orthopaedics and wound care. The higher census and outpatient volumes contributed to greater than budgeted revenues. Due to the spikes in acute census, expenses were not managed effectively, and salary expense, including registry and overtime were greater than budget. Overall for the month of February there was a loss of $78,000 versus a loss of $38,000. Director Jensen asked about staffing for increased census and at what point additional FTE are added for increased volume. Ms. Stebbins stated that when there is rapid increases census, the Hospital uses the short term expense measures to cover the nursing floors, such as registry and overtime. However, in February, additional nursing department positions (part time, short hour and full time) were posted for hire in order to reduce the use of registry and overtime. The new hire process takes time but once positions are filled, there will be a larger pool of staff to use in times of increased census. Mr. Easthope continued with his report stating that the cash at the end of the month was $5 M or 21 days cash on hand. $1.7 M of the $5 M has been reserved for a Medi-Cal overpayment. Days in accounts payable were 137 at the end of the month and this continues to be of concern to management as well as to vendors. Director McCormick inquired about the variance to pro forma for inpatient and outpatient surgeries of the orthopaedic program. Ms. Stebbins stated that the	Director Jensen made a motion to accept the February 2013 Unaudited Financial Statement and March 27, 2013 Finance and Management Committee Report. Director Battani seconded the motion. The motion carried.

Topic		Discussion	Action / Follow-Up
		ortho program is tracking more to pro formas in terms of office visits and the physicians are completing more outpatient surgeries than inpatient surgeries, the opposites of what was projected, in part due to slower growth in the volume of spine cases versus general orthopedic and sports medicine cases.	
	C.	District Board President's Report Director McCormick commented that the Employee Tenure Recognition Event held in March was very well received by those who attended.	
	D.	Community Relations and Outreach Committee Report	
		1) Community Outreach Calendar (March – May 2013) Director Battani reported that at the last committee meeting, there was great discussions on "leveraging our community network" through social media to help with future communications about the Hospital and community outreach/education around the Affordable Care Act. Director Battani invited the all of the volunteers, including Board members, Committee members, Auxiliary, and Foundation members to a Volunteer Celebration scheduled for Monday, April 29 at 5:30 p.m. She also noted the community outreach and event calendar on page 42 of the board packet.	
	E.	Medical Staff President Report Dr. Collins noted that as a result of the recent Joint Commission Survey, the Surveyors noted that some of the Medical Staff Rules and Regulations needed to be included in the By-Laws. The Medical Staff convened an emergency session of the Medical Executive Committee (MEC) to approve the changes to the By-Laws. Dr. Collins also noted that the Medical Staff now has privileges for hospice and palliative medicine, which reflects a national trend. On April 23, the Medical Staff will be hosting a talk on Type A, Aortic Dissections.	
	F.	Chief Executive Officer Report	
		1) Monthly CEO Report Ms. Stebbins provided an overview of the information found in her written report (beginning on page 43 of the Board Packet): Bay Area Bone & Joint Center, Capital Projects, Foundation/Community Relations and Outreach, Information Technology and Meaningful Use, Kate Creedon Center for Advanced Wound Care, Language Interpreter Program, Long Term Care, Stroke Program, DSRIP Report, Performance Improvement and Quality Management, and Key Statistics – March 2013. Ms. Stebbins highlighted the Capital project relating to seismic compliance and approval of an extension if certin key project are completed on time. She also highlighted the Stroke Award from Get with the Guidelines and the key stats for March 2013.	

Topic		Discussion	Action / Follow-Up
		2) Joint Commission Survey Update Ms. Stebbins added to Dr Collin's comments on the Joint Commission Survey noting that the Hospital is accredited by the Joint Commission as a result of the survey. The hospital will have a focused survey within a 30 day period. Ms. Stebbins will discuss in detail the findings at the Board Quality Committee.	
		3) LAFCo Municipal Service Review (MSR) and Updated Spheres of Influence – City of Alameda Health Care District Ms. Stebbins provided an overview of the MSR for the District. Director Battani and Jensen noted that there were inconsistencies to the report and would provide the District Clerk with the edits in order to communicate with LAFCo.	
VIII.	**General Public Comments**	No comments.	
IX.	**Board Comments**	No comments.	
X.	**Adjournment**	Being no further business the meeting was adjourned at 8:32 p.m.	

Attest:

J. Michael McCormick
President

Tracy Jensen
Secretary

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: April 27, 2013

For: May 8, 2013 District Board Meeting

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

Through: Finance and Management Committee

From: Elliott Gorelick, Chair – Finance and Management Committee

Subject: Recommendation to Appoint Committee Member to to Finance and Management Committee for 2013

RECOMMENDATION:

The Finance and Management Committee recommends that Lynn Bratchett, RN be appointed to the Finance and Management Committee (FMC) for calendar year 2013.

BACKGROUND:

In March 2013 the Board of Directors re-appointed the current committee membership as outlined below. At the time of the appointment, there was one at-large position open on the committee. Since then Lynn Bratchett, RN, BSN, MBA, a recent District Board applicant, expressed interest in participating on the committee and is being recommended for appointment at this time.

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

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: May 1, 2013

For: May 8, 2013, District Board Meeting

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

From: Emmons Collins, MD, Medical Staff President

Subject: Approval of Amendment to Medical Staff Bylaws- Article XII

RECOMMENDATION:

It is recommended that the Board of Directors approve the proposed Article XII amendment to the Medical Staff Bylaws as submitted in the enclosed attachment.

BACKGROUND:

The proposed Article XII, Conflict Management Process, was approved by the Board of Directors on August 8, 2011, as Article 35 of the Medical Staff Rules and Regulations. During our recent Joint Commission survey, Article 35 was cited as not meeting Joint Commission Standard MS.01.01.01. Specifically, the terms of Article 35 should reside in the Medical Staff Bylaws.

The Medical Staff immediately addressed the issue by recommending Article 35 be moved to the Medical Staff Bylaws as Article XII. In accordance with the Medical Staff Bylaws, the proposed amendment was approved by a special ad hoc meeting of the Medical Executive Committee and thereafter was mailed to the Active Staff for consideration. On April 23rd, the proposed amendment received unanimous approval by voting members of the Medical Staff who were present at the Medical Staff meeting.

Subsequent to the proposed amendment being mailed to the Active Staff, we received notification from the Joint Commission that the citation had been withdrawn. It was agreed, however, to move Article 35 to the Medical Staff Bylaws as Article XII.

.

In accordance with Article XI, the Medical Executive Committee respectfully requests your consideration in approving the proposed amendment to the Medical Staff Bylaws. The current Article XII will become Article XIII.

>><<

ALAMEDA HOSPITALMEDICAL STAFF

PROPOSED AMENDMENT TO MEDICAL STAFF BYLAWS

ARTICLE/SECTION	TITLE	STATUS	REFERENCE
Article XII	Conflict Management Process	Revision	The Joint Commission

Reference:

MS.01.01.01, EP10 and EP11

EP10: The medical staff process to manage conflict between the medical staff and the medical executive committee on issues including adoption of rules, regulations, policies, amendments thereto, etc.
EP11: The medical staff has a process to urgently amend the rules and regulations necessary to comply with law or regulations.

The process for both of the about elements is set forth in Article 35 of the Medical Staff Rules and Regulation. The proposed amendment to the Bylaws will allow Article 35 to be adopted as Article XII of the Medical Staff Bylaws.

A. PROPOSED MEDICAL STAFF RULES.

1. Except as provided at Subsection A.4 below (pertaining to circumstances requiring urgent action), the Medical Executive Committee shall not act on a Proposed Rule (as defined in Section 10.1 of the Bylaws) until the Active Medical Staff has had a reasonable opportunity to review and comment on the Proposed Rule. [This review and comment opportunity may be accomplished by providing all Active Staff Members with a copy of the Proposed Rule at least thirty (30) days prior to the scheduled Medical Executive Committee meeting, together with instructions how interested members may communicate comments.] A comment period of at least fifteen (15) days shall be afforded, and all comments shall be summarized and provided to the Medical Executive Committee prior to Medical Executive Committee action on the Proposed Rule.]

2. Medical Executive Committee approval is required, unless the Proposed Rule is one generated by petition of at least thirty percent (30%) of the Active Medical Staff. In this latter circumstance, if the Medical Executive Committee fails to approve the Proposed Rule, it shall invite the Active Medical Staff to meet to resolve differences, using the procedures set forth in Section C, Conflict Management below.

a. If conflict management is not invoked within thirty (30) days it shall be deemed waived. In that case, the Active Medical Staff's Proposed Rule shall be submitted for vote, and if approved by the Active Medical Staff pursuant to Subsection A.2.c, the Proposed Rule shall be forwarded to the Governing Body for action. The Medical Executive Committee may forward comments to the Governing Body regarding the reasons it declined to approve the Proposed Rule.

b. If resolution management is invoked, the Proposed Rule shall not be voted upon or forwarded to the Governing Body until the resolution management process has been completed, and the results of the resolution management process shall be communicated to the Governing Body.

c. With respect to Proposed Rules generated by petition of the Active Medical Staff, approval of the Active Medical Staff requires the affirmative vote of a majority of the Active Medical Staff members voting on the matter by mailed secret ballot, provided at least 14 days' advance written notice, accompanied by the Proposed Rule, has been given, and at least sixty percent (60%) of votes have been cast.

3. Following approval by the Medical Executive Committee or favorable vote of the Active Medical Staff as described above, the Proposed Rule shall be forwarded to the Governing Body for approval, which approval shall not be withheld unreasonably. The Rule shall become effective immediately following approval of the Governing Body or automatically within 60 days if no action is taken by the Governing Body.

4. Where urgent action is required to comply with law or regulation, the Medical Executive Committee is authorized to provisionally adopt a Rule and forward it to the Governing Body for approval and immediate implementation, subject to the following. If the Active Medical Staff did not receive prior notice of the Proposed Rule (as described at Subsection A.1, the Active Medical Staff shall be notified of the provisionally-adopted and approved Rule, and may, by petition signed by at least thirty percent (30%) of the Active Medical Staff require the Rule to be submitted for possible recall; provided, however, the approved Rule shall remain effective until such time as a superseding Rule meeting the requirements of the law or regulation that precipitated the initial urgency has been approved pursuant to any applicable provision of this Section A.

B. PROPOSED MEDICAL STAFF POLICIES

1. Medical Executive Committee approval is required, unless the proposed policy is one generated by petition of at least thirty percent (30%) of the Active Medical Staff. In this latter circumstance, if the Medical Executive Committee fails to approve the proposed policy, it shall notify the Active Medical Staff. The Medical Executive Committee and the Active Medical Staff each has the option of invoking or waiving the conflict management provisions of Section C below.

   a. If resolution management is not invoked within thirty [30] days it shall be deemed waived. In this circumstance, the Active Medical Staff's proposed policy shall be submitted for vote, and if approved by the Active Medical Staff pursuant to Subsection B.1.c, the proposed Rule shall be forwarded to the Governing Body for action. The Medical Executive Committee may forward comments to the Governing Body regarding the reasons it declined to approve the proposed policy.
   b. If resolution management is invoked, the proposed policy shall not be voted upon or forwarded to the Governing Body until the resolution management process has been completed, and the results of the resolution management process shall be communicated to the Active Medical Staff and the Governing Body.
   c. Approval of the Active Medical Staff shall require the affirmative vote of a majority of the Active Medical Staff members voting on the matter by mailed secret ballot, provided at least fourteen (14) days' advance written notice, accompanied by the proposed Rule, has been given and at least sixty percent (60%) votes have been cast.

2. Following approval by the Medical Executive Committee or the Active Medical Staff as described above, a proposed Rule shall be forwarded to the Governing Body for approval, which approval shall not be withheld unreasonably. The policy shall become effective immediately following approval of the Governing Body or automatically within sixty [60] days if no action is taken by the Governing Body.

3. The Medical Staff shall be notified of the approved policy, and may, by petition signed by at least thirty percent (30%) of the Active Medical Staff require the policy to be submitted for possible recall; provided, however, the approved policy shall remain effective until such time as it is repealed or amended pursuant to any applicable provision of this Section B.

C. CONFLICT MANAGEMENT

In the event of a conflict between the Medical Executive Committee and the Active Medical Staff (as represented by written petition signed by at least thirty percent (30%) of the Active Medical Staff regarding a proposed or adopted Rule or policy, or other issue of significance to the Medical Staff, the President of the Medical Staff shall convene a meeting with the petitioners' representative(s). The foregoing petition shall include a designation of up to five (5) members of the Active Medical Staff who shall serve as the petitioners' representative(s). The Medical Executive Committee shall be represented by an equal number of Medical Executive Committee members. The Medical Executive Committee's and the petitioner's representative(s) shall exchange information relevant to the disagreement and shall work in good faith to resolve differences in a manner that respects the positions of the Medical Staff, the leadership responsibilities of the Medical Executive Committee, and the safety and quality of patient care at the hospital. Resolution at this level requires a majority vote of the Medical Executive Committee's representatives at the meeting and a majority vote of the petitioner's representatives. Unresolved differences shall be submitted to the Governing Body for its consideration in making its final decision with respect to the proposed Rule, policy or issue.

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING MARCH 31, 2013

CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
MARCH 31, 2013

Table of Contents **Page**

ALAMEDA HOSPITAL
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH, 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 March 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 March, the hospital experienced a combined negative net operating loss of $219,000 against a budgeted gain of $204,000. Year to date the hospital shows a loss of $1.35 million compared to a budgeted loss of $135,000. Waters Edge remains steady with a positive net contribution of $388,000 and a year to date contribution of just over $2.4 million. Wound Care had another busy month in March as the number of visits has increased. The program's net contribution however fell below budget by $4,000 in March but is still $13,000 better than budget year to date.

March discharges were 291, which is 10 or 3.6% above budget, and total patient days were 6,269 or 238 (3.9%)% greater than budget. The acute ALOS dropped back down to 4.05 in the month, consistent with year to date average. Total patient days for inpatient acute services were up 4.5%; subacute days were down 3.7%, skilled nursing days were up at South Shore by 6.6% and Waters Edge were up by 5.6%.

Overall outpatient activity was mixed again this month. Outpatient registrations were down only 1.8% and emergency room visits were 43 or 3.0% above budget. Outpatient surgeries were below budget for the month by 23 or 15.8%, which is a little stronger than the trend year-to-date.

The Wound Care program had 432 visits in March compared to a budget of 250, or 72.8% above budget. In March there were 107 HBO treatments compared to 95 in February. The budget number of wound care visits does increase from 250 to 300 visits in April.

Total gross and net revenue in March was generally in line with activity. The overall inpatient component was above budget by 4.6% and outpatient was below budget 4.5%.

The overall Case Mix Index (CMI) in March was 1.3048; lower than last month at 1.3611 and below the FY 2013 year-to-date of 1.3436.

However, offsetting the increase in acute volume and revenues, total expenses were almost $7.2 million in March, $207,000 or 2.9% above budget and very consistent with the year to date trend.

Temporary agency fees, professional fees, supplies, purchased services and rents 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.

Cash and cash equivalents were at $3.2 million at the end of March, lower than prior month due to timing of payrolls and vendor payment distributions. Cash collections in March were again almost $6 million. Net accounts receivable increased by over $700,000 to $12.2 million.

Accounts payable and other accrued expenses increased over $400,000 from $10.9 million to just over $11.3 million.

Lastly, the current ratio dropped slightly to .92 below the required 1.0 of our bank covenants. Net Assets have dropped slightly to approximately $5.8 million.

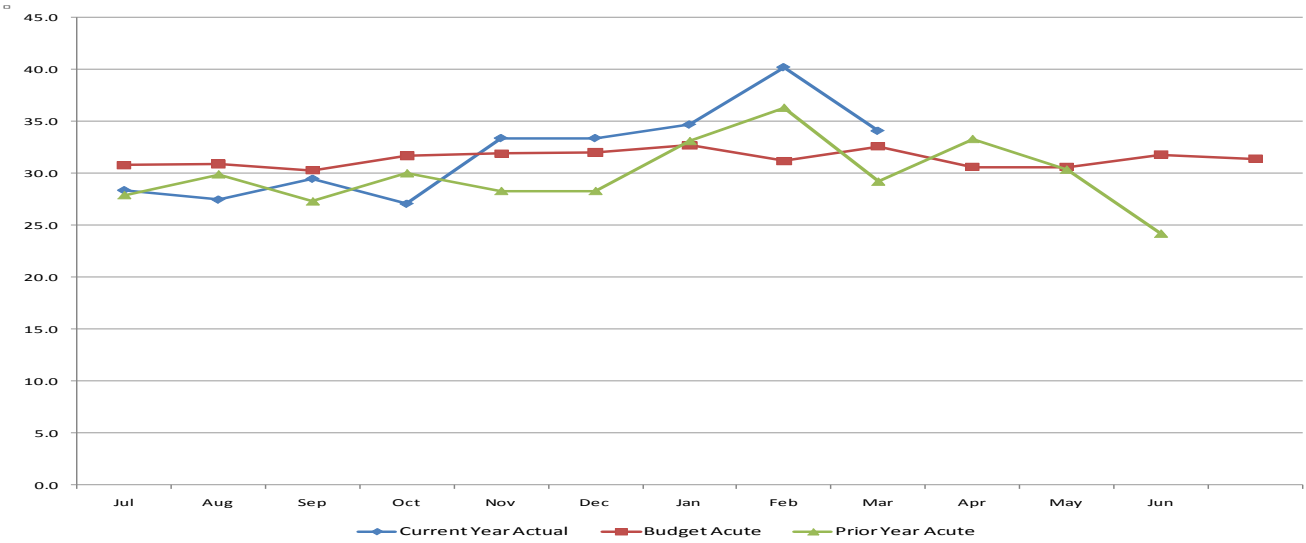
ACTIVITY

ACUTE, SUBACUTE AND SNF SERVICES

Overall, patient days were 3.9% above budget for the month and also above March of last year. This month's acute days were above budget by 4.5%, Subacute was down 3.7%, South Shore was up 6.6% and Waters Edge was up 5.6%.

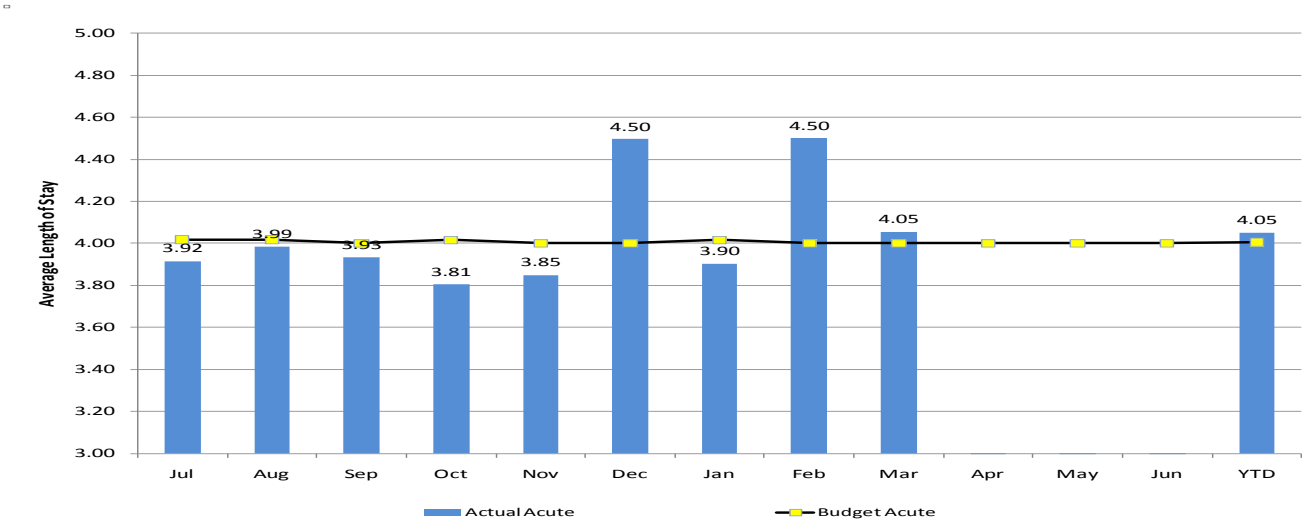
March's acute patient days were 46 days or 4.5% higher than budget for the month and 16.9% higher than March 2012. The acute care program is comprised of the Critical Care Unit (4.3 ADC, 2.9% below budget), Telemetry / Definitive Observation Unit (15.5 ADC, 32.4% above budget) and Med/Surg Unit (14.3 ADC, 13.3% below budget).

Acute Average Daily Census



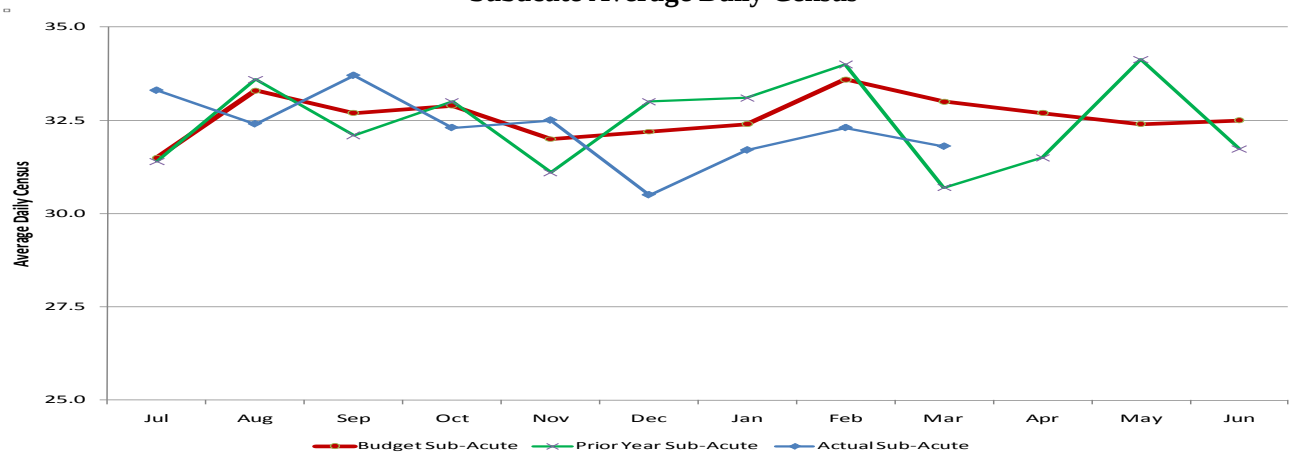
The acute Average Length of Stay (ALOS) decreased from 4.5 in February to 4.05 in March and is just above the budget of 4.00. The YTD acute ALOS for FY 2013 is also 4.05. The graph below shows the ALOS by month compared to the budget.

Acute Average Length of Stay



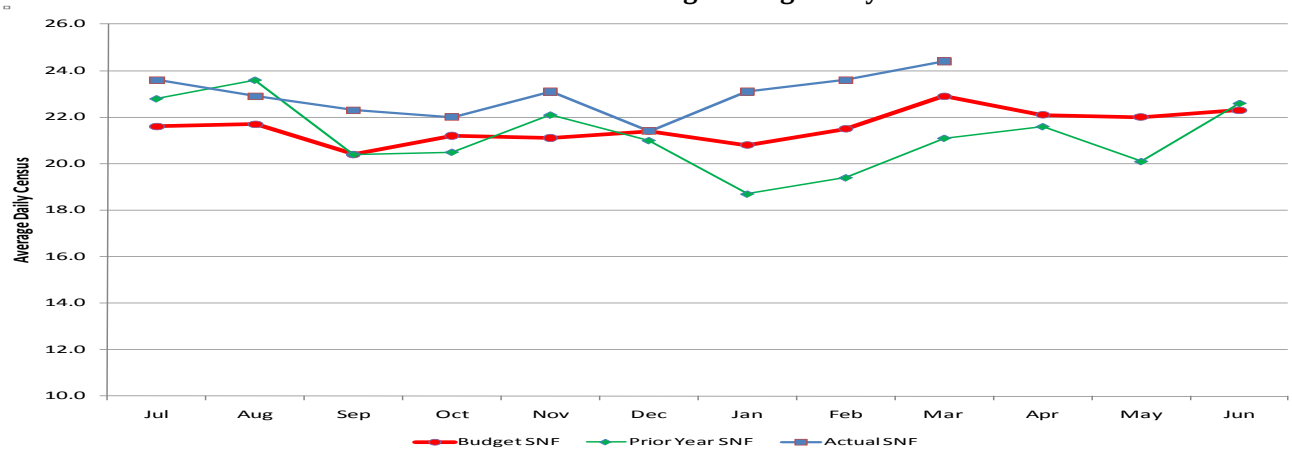
The Subacute program ADC of 31.77 was below budget by 1.23 ADC or 3.7%. The graph below shows the Subacute ADC for the current fiscal year as compared to budget and the prior year.

Subacute Average Daily Census



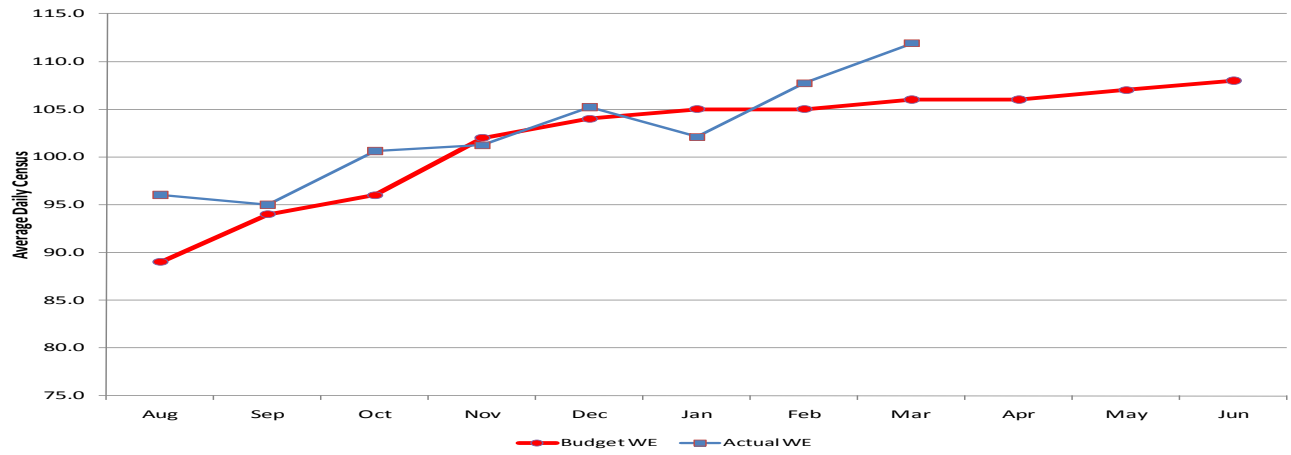
The South Shore ADC was above budget by 47 patient days (6.6%) for the month of March. The graph below shows the South Shore monthly ADC as compared to budget and the prior year. In March the number of Medicare A skilled patients was 3.96 ADC, up from 2.14 ADC in February and just below the budget of 4.35.

South Shore Skilled Nursing Average Daily Census



Waters Edge census was 111.9 ADC or 5.6% above the budget of 106 in March. The Medicare census was 17.6 ADC up from 16.3 ADC in the prior month, and above the Medicare ADC budget of 16.0.

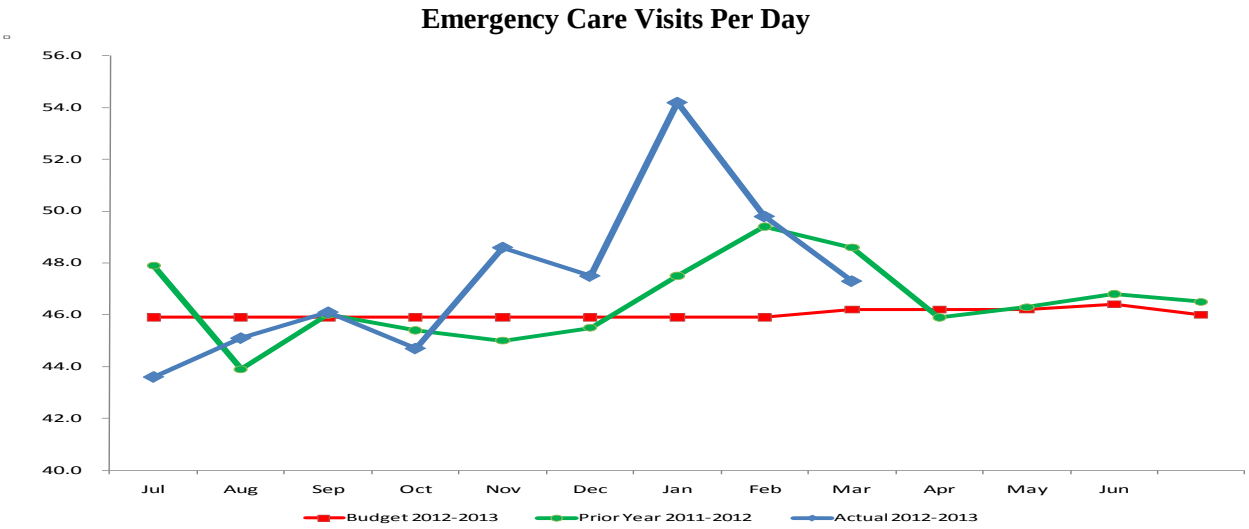
Waters Edge Skilled Nursing Average Daily Census



ANCILLARY SERVICES

Outpatient Services

Emergency Care Center (ECC) visits in March were 1,466, or 43 visits (3.0%) above the budget of 1,423. The inpatient admission rate from the ECC was 17.03% down from the 20.2% admit rate in February. On a per day basis, the total visits represent a decrease of 5.0% from the prior month daily average. In March, there were 294 ambulance arrivals versus 326 in the prior month. Of the 294 ambulance arrivals in the current month, 183 or 62.2% were from Alameda Fire Department (AFD).

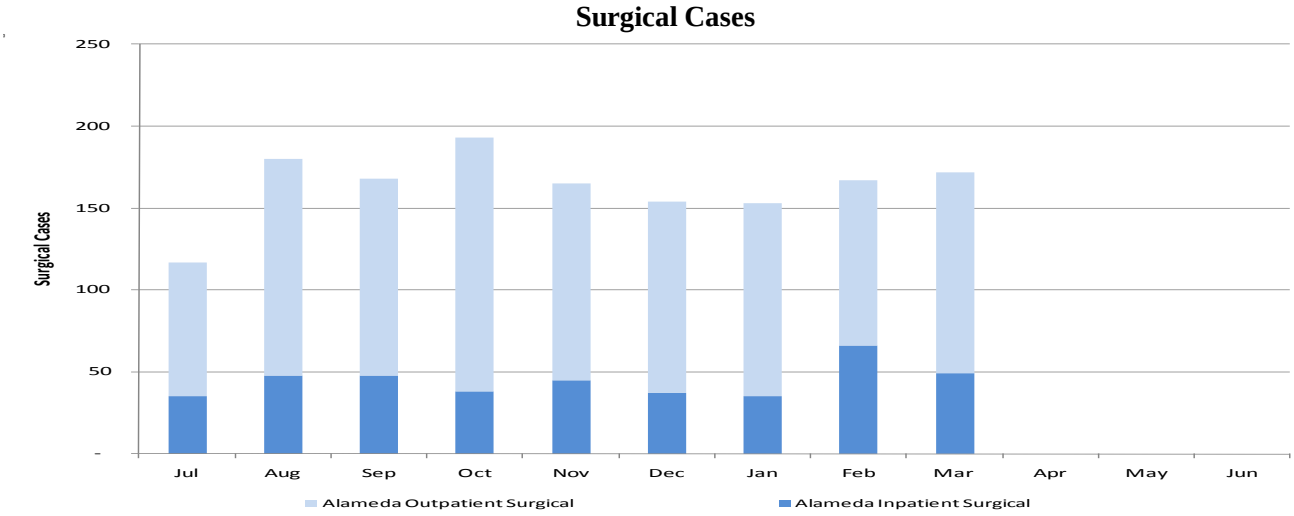


Outpatient registrations totaled 2,179 just 1.8% below budget. This month the number of patient visits were downw in Radiology (259), CT Scan (30), MRI (25) and Ultrasound (22). However, visits were up in Laboratory (144 visits), Occupational Therapy (27), Physical Therapy (37) and Wound Care (182 visits). 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 March there were 189 Therapy visits and 116 Imaging procedures from the new orthopedic clinic, compared to 147 and 108 respectively in February. MRI was budgeted to increase the number of service days from 2 days per week to 3 days per week and this did not begin until mid March.

In March, Wound Care again exceeded the budget of 250 with 432 visits, or 72.8% over budget. Hyperbaric Oxygen treatments accounted for 107 of those visits, compared to 95 in February.

Surgery

The total number of surgery cases in March were 172 or 14.9% below the budget of 202 and below last year's case volume of 193. Inpatient cases at 49 were below budget by 7 (12.5%) and outpatient was below budget by 23 (15.8%) at 123 cases.



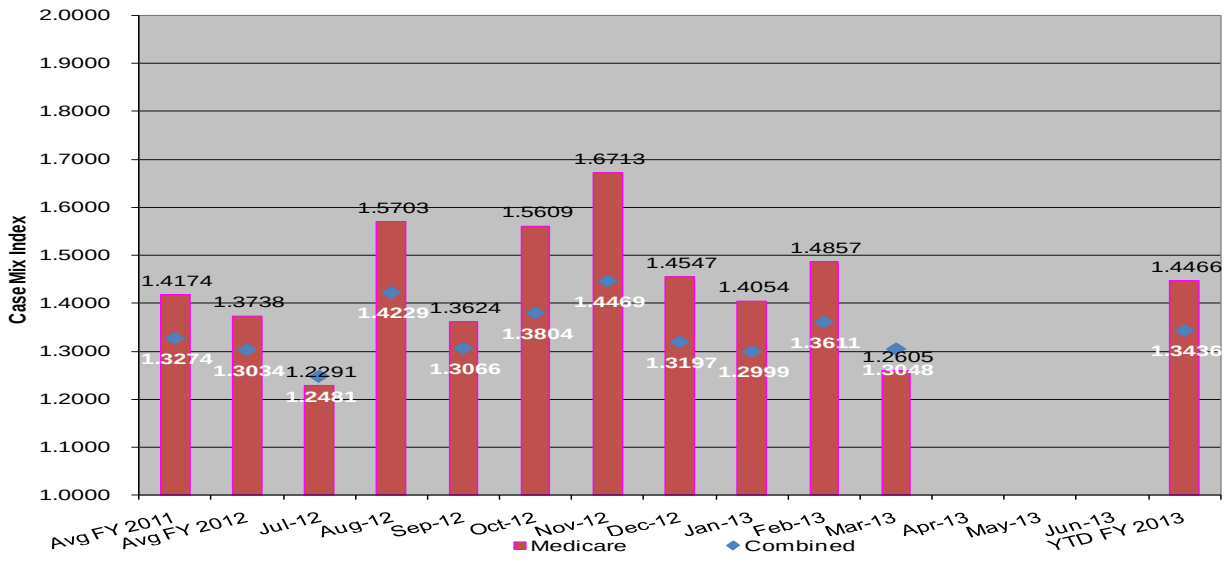
Payer Mix

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

	March Actual	March Budget
Medicare	48.8%	46.4%
Medi-Cal	27.4%	27.1%
Managed Care	14.6%	16.1%
Other	3.2%	3.0%
Commerical	1.4%	2.9%
Self-Pay	4.6%	4.4%
Total	100.0%	100.0%

Case Mix Index

The Hospital's overall Case Mix Index (CMI) for March was 1.3048, down from the prior month of 1.3611. The Medicare CMI was 1.2605 in March, slightly below the overall CMI due to some higher weighted Medi-Cal cases. The CMI is below last month's and also below the FY 2013 YTD. 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 March were over budget by $502,000 or 1.8%. Inpatient gross revenues were $885,000 above budget and outpatient gross revenues were down $384,000. Acute inpatient days were above budget by 4.5% and acute gross revenue was up 2.1%. Inpatient ancillary service charges above budget as would be expected with higher census, in Surgery, Respiratory and Supplies.

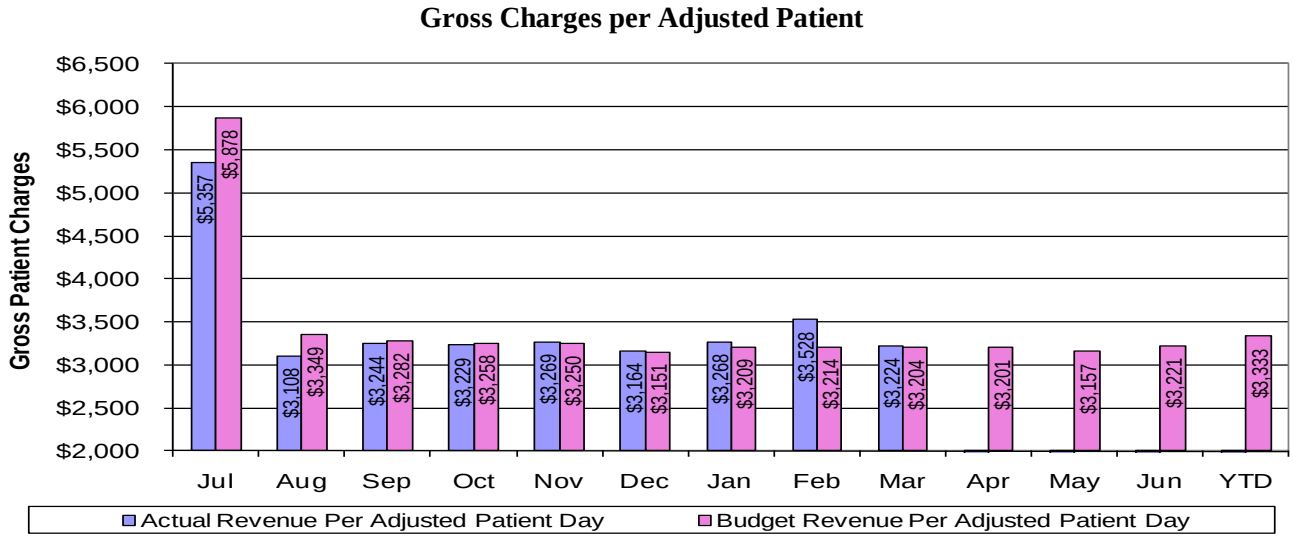
Waters Edge gross and net revenue were above budget in March consistent with the volume. The ancillary revenue was very close to budget and the routine daily room and board revenue was above budget by 6.7%. Net revenue came in above budget due to the higher census overall and in particular for the Medicare patient activity being slightly above budget.

Outpatient gross revenues were lower than budget by $384,000 (4.5%). Pharmacy, Imaging and Laboratory were below budget while the clinics (Wound Care in particular), Emergency and Surgery were above budget. The new orthopedic practice anticipated

increases in Imaging, Rehab Services and Surgery, these volumes and referral patterns are increasing. However, these areas have started a little slower than we have projected in the budget, but they are growing steadily as the year progresses.

Wound Care volume was above budget with the gross revenue exceeding budget by $229,000 due to another busy month, resulting in Net Revenue coming in again better than budget by almost $38,000 for the month, and $207,000 year to date.

On an adjusted patient day basis, total patient revenue was $3,224 above the budget of $3,204 for the month of March. 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.



Contractual Allowances and Net Revenue

Contractual allowances are computed as deductions from gross patient revenues based on the difference between gross patient charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare, Medi-Cal and other third party payers such as Blue Cross. A Net Revenue percentage of 23.8% was budgeted and 22.8% was realized. Year to date net revenue percentage is 22.9% of gross versus a budget of 23.2%. 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 $6.5 million, $196,000 below the budget of $6.7 million. Net Patient Revenue was below budget mainly due to slightly more consvative estimates for the acute care reimbursements. This will be adjusted in subsequent months as collections prove that the additional net revenue is appropriate.

Waters Edge had Net Revenues of almost $1.3 million, $61,000 above the budget of just over $1.2 million. Higher than budgeted overall census as well as high Medicare A census are driving this variance. Year to date, Waters Edge Net Revenue is $216,000 (2.5%) above budget, and consistent with patient census (2.4%) above budget.

The Wound Care program also resulted in a positive net revenue contribution of almost $38,000 for the month. However there are additional expenses associated with providing this additional revenue.

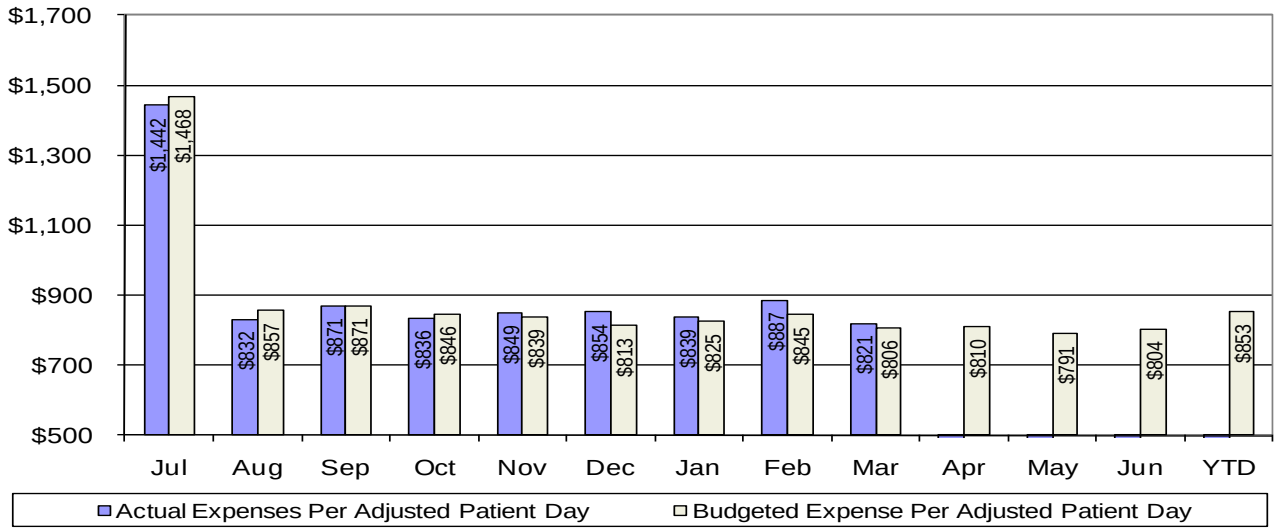
Expenses

Total Operating Expenses

Total operating expenses were $7.2 million which was higher than the fixed budget by $207,000 or 2.9%. Temporary agency fees, benefits, professional fees andsupplies were all above budget while benefits and purchased services 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 below 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 $115,000 (3%).

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 Laboratory, Rehab Services, and Waters Edge ($30,000). In addition again the acute inpatient volume was high in DOU (32.4% above budget) requiring more staffing including registry staffing, about $25,000 higher than year to date average. However, overall temporary agency expense in the month was $30,000 lower than prior month.

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

Benefits

Benefits were above the fixed budget by $15,000. Year to date is also above budget by $137,000. These numbers fluctuate from month to month as employees take non-productive time off and variations in health benefit utilization.

Professional Fees

Professional fees were over budget by $10,000 or 2.3% mostly due to the fees associated with the Interim Director in Information Systems. These fees were unanticipated and are offset partially by savings in salaries. In addition, there were higher management fees for the Wound Care program associated with the higher volumes and revenue. Legal fees were also again higher in March as we engage legal council in various business matters.

Supplies

Supplies expense was $62,000 over budget and year to date supply expense is $423,000 higher than budget. Supply expense is up consistent with the higher revenue due to the census. Departments using more supplies than anticipated were Surgery, Outpatient Clinics (Wound Care and Ortho Clinic), Pharmacy, Subacute, Blood Bank, Respiratory Therapy and the nursing units. Contributing to this months variance was the purchase of chairs for 3-west and Telemetry nursing units totaling about $9,800 and the purchase of two scopes for surgery totaling about $10,000. Given the dollar amount of these items, they are expenses versus capitalized assets.

Purchased Services

Purchased services were $15,000 under budget for the month of March but year to date are $137,000 over budget. Most departments were very clost to budget in March. MRI purchased service for the trailer was budgeted to increase to three days per week on January 1st, however the increase to add the third day started on March 13th, resulting in a positive budget variance. In addition, Pharmacy, Quality and Community Relations were all below budget.

Rents and Leases

Rents and lease expense was $19,000 over budget in the month. This variance is seen in Administration (two months of Xerox lease and copier related expenses), Central Supply equipment rentals and the Orthopedic Clinic lease.

Other Operating Expense

Other operating expenses were over budget this month by just $12,000. However, year to date other expenses are under budget by $100,000; about half from Waters Edge and half from hospital based travel and training budget.

Balance Sheet

Total assets decreased by just over $1 million from the prior month. The following items make up the decrease in assets:

- Total unrestricted cash and cash equivalents for March decreased by $1.8 million and days cash on hand including restricted use funds decreased to 14.6 days cash on hand in March from the 21.0 days cash on hand in February. Patient collections in March averaged $193,300 per day, lower than 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. Year to date, this overpayment amount is estimated at $1.8 million.

- Net patient accounts receivable was $12.2 million, up more than $700,000 from $11.5 million at the end of February. This is expected to come back down in April. The increase is a combination of consecutive high gross charge months for both the acute hospital and Waters Edge that are still pending collection and the timing of receipt and posting the last medi-cal remittance advice in the month.

- Days in outstanding receivables were 61.6 at March month end, an increase from the February number of 58.3 days. Cash collections in March were almost $6 million compared to $6 million in February. The holiday delays have ceased and cash collections were getting back on track. Collections per day were $193,300 which was below the prior month due to the same dollars collected in February but in three less days.

- Inventories increased by over $24,000 during the month during the normal course of business. This also fluctuates slightly from month to month.

Overall, total liabilities decreased by almost $900,000 as well from prior month.

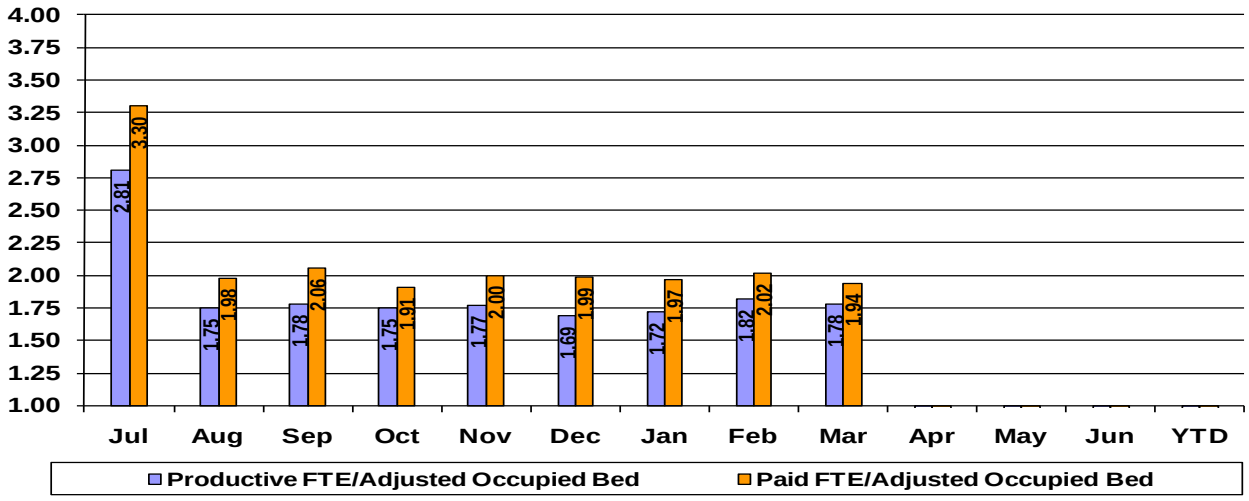
- Accounts payable increased by over $400,000 in March to approximately $11.3 million which equates to 157 AP Days, up from from 137 days in February.

- Payroll related accruals decreased by over $900,000 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 March decreased by about $26,000 as we continue to reduce short term liability to the State that ends this year.
- Third Party Settlement increased by $163,000 associated with recording of the Medi-Cal overpayment reserve.

Key Statistics

FTE's Per Adjusted Occupied Bed

For the month of March Productive FTE's per Adjusted Occupied Bed were 1.78, above the budget of 1.69 FTE's by 5.6%. Paid FTE's per Adjusted Occupied Bed were 1.94 or 1.0% 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 March is 0.92, down slightly from .93 in February. 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 accounts receivable (A/R) are currently at 61.6. This is up from the prior month of 58.3. 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 and in fact decrease to the mid 50's during the next few weeks.

Days Cash on Hand

Days cash on hand for March were 14.6, a decrease from prior month of 21.0. 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 nine (9) months ended March 31, 2013, of Fiscal Year 2013.

ALAMEDA HOSPITAL
KEY STATISTICS
MARCH 2013

	ACTUAL MARCH 2013	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	MARCH 2012	YTD MARCH 2013	YTD FIXED BUDGET	VARIANCE	%	YTD MARCH 2012
Discharges:										
Total Acute	261	253	8	3.2%	245	2,162	2,160	2	0.1%	2,125
Total Sub-Acute	2	5	(3)	-60.0%	5	23	22	1	4.5%	20
Total South Shore	3	10	(7)	-70.0%	10	48	77	(29)	-37.7%	79
Total Waters Edge	25	13	12	92.3%	-	129	100	29	29.0%	-
	291	281	10	3.6%	260	2,362	2,359	3	0.1%	2,224
Patient Days:										
Total Acute	1,058	1,012	46	4.5%	905	8,755	8,654	101	1.2%	8,215
Total Sub-Acute	985	1,023	(38)	-3.7%	951	8,835	8,938	(103)	-1.2%	8,887
Total South Shore	757	710	47	6.6%	653	6,280	5,865	415	7.1%	5,778
Total Waters Edge	3,469	3,286	183	5.6%	-	24,895	24,320	575	2.4%	-
	6,269	6,031	238	3.9%	2,509	48,765	47,777	988	2.1%	22,880
Average Length of Stay										
Total Acute	4.05	4.00	0.05	1.3%	3.69	4.05	4.01	0.04	1.1%	3.87
Average Daily Census										
Total Acute	34.13	32.65	1.48	4.5%	29.19	31.95	31.58	0.37	1.2%	29.98
Total Sub-Acute	31.77	33.00	(1.23)	-3.7%	30.68	32.24	32.62	(0.38)	-1.2%	32.43
Total South Shore	24.42	22.90	1.52	6.6%	21.06	22.92	21.41	1.51	7.1%	21.09
Total Waters Edge	111.90	106.00	5.90	5.6%	-	102.45	100.08	2.37	2.4%	-
	202.23	194.55	7.68	3.9%	80.94	189.57	185.69	(0.01)	0.0%	83.50
Emergency Room Visits	1,466	1,423	43	3.0%	1,504	12,987	12,577	410	3.3%	12,752
Wound Care Clinic Visits	432	250	182	72.8%	-	2,256	1,450	806	55.6%	-
Outpatient Registrations	2,179	2,220	(41)	-1.8%	1,901	17,205	18,273	(1,068)	-5.8%	16,621
Surgery Cases:										
Inpatient	49	56	(7)	-12.5%	57	406	406	-	0.0%	367
Outpatient	123	146	(23)	-15.8%	136	1,071	1,405	(334)	-23.8%	1,322
	172	202	(30)	-14.9%	193	1,477	1,811	(334)	-18.4%	1,689
Adjusted Occupied Bed (AOB)	285.06	281.25	3.80	1.4%	125.42	253.43	252.09	1.34	0.5%	122.46
Productive FTE	508.41	474.84	33.56	7.1%	353.09	461.00	452.26	8.74	1.9%	344.10
Total FTE	553.45	540.54	12.91	2.4%	397.39	521.66	516.62	5.05	1.0%	396.42
Productive FTE/Adj. Occ. Bed	1.78	1.69	0.10	5.6%	2.82	1.82	1.79	0.03	1.4%	2.81
Total FTE/ Adj. Occ. Bed	1.94	1.92	0.02	1.0%	3.17	2.06	2.05	0.01	0.4%	3.24

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

	Current Month	Prior Month	Prior Year End
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 3,218,998	$ 4,995,909	$ 3,327,884
Patient Accounts Receivable, net	12,208,612	11,487,583	8,835,256
Other Receivables	3,317,066	3,435,872	6,488,283
Third-Party Payer Settlement Receivables	-	-	-
Inventories	1,035,894	1,011,420	1,045,311
Prepaids and Other	661,724	679,227	416,371
Total Current Assets	20,442,294	21,610,011	20,113,105
Assets Limited as to Use, net	165,718	153,386	64,183
Fixed Assets			
Land	877,945	877,945	877,945
Depreciable capital assets	44,608,450	44,558,908	43,470,520
Construction in progress	3,958,726	3,856,883	4,102,468
Depreciation	(40,319,418)	(40,246,981)	(39,670,499)
Property, Plant and Equipment, net	9,125,704	9,046,755	8,780,434
Total Assets	**$ 29,733,716**	**$ 30,810,152**	**$ 28,957,722**
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	$ 1,001,213	$ 1,028,051	$ 1,724,249
Accounts Payable and Accrued Expenses	11,361,533	10,928,989	7,848,673
Payroll Related Accruals	4,987,669	5,891,902	4,307,924
Deferred Revenue	1,436,180	1,912,806	5,726,305
Employee Health Related Accruals	654,246	655,694	691,942
Third-Party Payer Settlement Payable	2,889,982	2,726,397	601,233
Total Current Liabilities	22,330,823	23,143,839	20,900,326
Long Term Debt, net	1,626,092	1,682,933	1,022,152
Total Liabilities	23,956,914	24,826,772	21,922,478
Net Assets:			
Unrestricted	5,401,083	5,619,993	6,761,061
Temporarily Restricted	375,718	363,386	274,183
Total Net Assets	5,776,801	5,983,379	7,035,244
Total Liabilities and Net Assets	**$ 29,733,716**	**$ 30,810,151**	**$ 28,957,722**

City of Alameda Health Care District

Statements of Operations

March 31, 2013

$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Patient Days	6,269	6,031	238	3.9%	2,509	48,765	47,777	988	2.1%	22,880
Discharges	291	281	10	3.6%	260	2,362	2,359	3	0.1%	2,224
ALOS (Average Length of Stay)	21.54	21.46	0.08	0.4%	9.65	20.65	20.25	0.39	1.9%	10.29
ADC (Average Daily Census)	202.2	194.5	7.68	3.9%	80.9	178.0	174.4	3.61	2.1%	83.5
CMI (Case Mix Index)	1.3048				1.4546	1.3436				1.3595
Revenues										
Gross Inpatient Revenues	$ 20,208	$ 19,322	$ 886	4.6%	$ 14,140	$ 164,344	$ 161,573	$ 2,771	1.7%	$ 131,524
Gross Outpatient Revenues	8,227	8,612	(384)	-4.5%	7,771	70,035	69,487	549	0.8%	62,526
Total Gross Revenues	28,436	27,934	502	1.8%	21,912	234,379	231,060	3,320	1.4%	194,050
Contractual Deductions	21,059	20,341	(718)	-3.5%	16,775	169,312	169,098	(214)	-0.1%	145,414
Bad Debts	792	770	(22)	-2.8%	(17)	9,567	6,405	(3,162)	-49.4%	3,365
Charity and Other Adjustments	113	186	73	39.3%	136	1,158	1,550	391	25.3%	1,505
Net Patient Revenues	6,472	6,637	(165)	-2.5%	5,017	54,343	54,008	335	0.6%	43,766
Net Patient Revenue %	22.8%	23.8%			22.9%	23.2%	23.4%			22.6%
Net Clinic Revenue	50	42	8	19.8%	51	400	375	24	6.4%	336
Other Operating Revenue	10	50	(40)	-79.8%	15	458	453	5	1.1%	239
Total Revenues	**6,532**	**6,729**	**(196)**	-2.9%	**5,084**	**55,200**	**54,836**	**364**	0.7%	**44,341**
Expenses										
Salaries	3,576	3,597	21	0.6%	2,869	30,526	30,773	247	0.8%	25,614
Temporary Agency	205	68	(136)	-199.7%	127	1,690	594	(1,096)	-184.7%	1,051
Benefits	1,124	1,108	(15)	-1.4%	927	8,846	8,709	(137)	-1.6%	7,697
Professional Fees	435	426	(10)	-2.3%	321	3,783	3,562	(221)	-6.2%	3,373
Supplies	814	751	(62)	-8.3%	740	6,973	6,550	(423)	-6.5%	5,520
Purchased Services	551	566	15	2.6%	366	4,943	4,807	(137)	-2.8%	3,471
Rents and Leases	224	205	(19)	-9.3%	148	1,813	1,760	(52)	-3.0%	847
Utilities and Telephone	85	87	2	2.7%	53	713	768	56	7.2%	589
Insurance	28	42	14	33.5%	25	332	358	26	7.3%	246
Depreciation and amortization	72	68	(4)	-6.5%	67	652	612	(40)	-6.6%	646
Other Opertaing Expenses	125	113	(12)	-10.7%	111	939	1,040	100	9.6%	823
Total Expenses	**7,238**	**7,031**	**(207)**	-2.9%	**5,756**	**61,210**	**59,531**	**(1,678)**	-2.8%	**49,876**
Operating gain (loss)	**(706)**	**(302)**	**(403)**	-133.4%	**(672)**	**(6,010)**	**(4,696)**	**(1,314)**	28.0%	**(5,535)**
Non-Operating Income / (Expense)										
Parcel Taxes	478	500	(22)	-4.4%	478	4,315	4,499	(184)	-4.1%	4,324
Investment Income	1	-	1	0.0%	1	9	-	9	0.0%	5
Interest Expense	(23)	(8)	(15)	-190.1%	(12)	(122)	(72)	(50)	68.6%	(138)
Other Income / (Expense)	32	15	17	110.9%	26	454	134	320	237.8%	233
Net Non-Operating Income / (Expense)	**487**	**507**	**(20)**	**-4.0%**	**493**	**4,656**	**4,561**	**95**	**2.1%**	**4,423**
Excess of Revenues Over Expenses	**$ (219)**	**$ 204**	**$ (423)**	**-207.1%**	**$ (179)**	**$ (1,354)**	**$ (135)**	**$ (1,219)**	**905.9%**	**$ (1,112)**

City of Alameda Health Care District

Statements of Operations - Per Adjusted Patient Day

March 31, 2013

	Current Month					Year-to-Date				
	Actual	Budget	$ Variance	% Variance	Prior Year	Actual	Budget	$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	$ 2,291	$ 2,216	$ 75	3.4%	$ 3,637	$ 2,363	$ 2,365	$ (2)	-0.1%	$ 3,896
Gross Outpatient Revenues	933	988	(55)	-5.6%	1,999	1,007	1,017	(10)	-1.0%	1,852
Total Gross Revenues	3,224	3,204	20	0.6%	5,636	3,370	3,382	(12)	-0.3%	5,748
Contractual Deductions	2,387	2,333	(54)	-2.3%	4,315	2,435	2,475	40	1.6%	4,308
Bad Debts	90	88	(1)	-1.6%	(4)	138	94	(44)	-46.7%	100
Charity and Other Adjustments	13	21	9	40.0%	35	17	23	6	26.6%	45
Net Patient Revenues	734	761	(27)	-3.6%	1,291	781	790	(9)	-1.1%	1,297
Net Patient Revenue %	22.8%	23.8%			22.9%	23.2%	23.4%			22.6%
Net Clinic Revenue	6	5	1	18.4%	13	6	5	0	4.6%	10
Other Operating Revenue	1	6	(5)	-80.0%	4	7	7	(0)	-0.6%	7
Total Revenues	**741**	**772**	**(31)**	-4.0%	**1,308**	**794**	**803**	**(9)**	-1.1%	**1,314**
Expenses										
Salaries	405	413	7	1.7%	738	439	450	11	2.5%	759
Temporary Agency	23	8	(15)	-196.3%	33	24	9	(16)	-179.7%	31
Benefits	127	127	(0)	-0.2%	239	121	127	7	5.2%	228
Professional Fees	49	49	(1)	-1.1%	83	54	52	(2)	-4.3%	100
Supplies	92	86	(6)	-7.0%	190	100	96	(4)	-4.6%	164
Purchased Services	62	65	2	3.8%	94	71	70	(1)	-1.0%	103
Rents and Leases	25	23	(2)	-8.0%	38	26	26	(0)	-1.2%	25
Utilities and Telephone	10	10	0	3.8%	14	10	11	1	8.9%	17
Insurance	3	5	2	34.2%	6	5	5	0	8.9%	7
Depreciation and Amortization	8	8	(0)	-5.3%	17	9	9	(0)	-4.7%	19
Other Operating Expenses	14	13	(1)	-9.5%	29	14	15	2	11.2%	24
Total Expenses	**821**	**806**	**(14)**	-1.7%	**1,480**	**874**	**871**	**(2)**	-0.3%	**1,477**
Operating Gain / (Loss)	**(80)**	**(35)**	**(45)**	-130.7%	**(173)**	**(80)**	**(68)**	**(11)**	16.5%	**(164)**
Non-Operating Income / (Expense)										
Parcel Taxes	54	57	(3)	-5.5%	123	62	66	(4)	-5.8%	128
Investment Income	0	-	0	0.0%	0	0	-	0	0.0%	0
Interest Expense	(3)	(1)	(2)	-186.7%	(3)	(2)	(1)	(1)	65.6%	(4)
Other Income / (Expense)	4	2	2	108.4%	7	7	2	5	231.8%	7
Net Non-Operating Income / (Expense)	**55**	**58**	**(3)**	**-5.1%**	**127**	**67**	**67**	**0**	**0.3%**	**131**
Excess of Revenues Over Expenses	**$ (25)**	**$ 23**	**$ (48)**	-205.8%	**$ (46)**	**$ (13)**	**$ (2)**	**$ (11)**	639.6%	**$ (33)**

Wound Care - Statement of Operations
March 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	432	250	182	72.8%	2,256	1,450	806	55.6%
Revenue								
Gross Revenue	755,316	525,980	229,336	43.6%	4,247,275	3,050,684	1,196,591	39.2%
Deductions from Revenue	596,700	405,215	191,485		3,339,800	2,350,247	989,553	
Net Revenue	158,616	120,765	37,851		907,474	700,437	207,037	
Expenses								
Salaries	18,865	15,232	(3,633)	-23.9%	120,558	135,164	14,606	10.8%
Benefits	5,395	4,311	(1,085)	-25.2%	32,669	38,252	5,583	14.6%
Professional Fees	83,502	61,379	(22,123)	-36.0%	493,697	365,596	(128,101)	-35.0%
Supplies	21,458	7,532	(13,926)	-184.9%	153,059	67,788	(85,271)	-125.8%
Purchased Services	1,386	2,083	697	33.5%	33,337	18,748	(14,589)	-77.8%
Rents and Leases	5,686	5,080	(606)	-11.9%	49,550	45,720	(3,830)	-8.4%
Depreciation	8,685	4,900	(3,785)	-77.2%	61,275	44,100	(17,175)	-38.9%
Other	3,645	5,917	2,272	38.4%	18,814	53,253	34,439	64.7%
Total Expenses	148,622	106,434	(42,189)	-39.6%	962,959	768,621	(194,338)	-25.3%
Excess of Revenue over Expenses	9,994	14,331	(4,337)	-30.3%	(55,485)	(68,184)	12,699	-18.6%

Note: Of the 379 visits, 95were hyberbaric oxygen treatment visits.

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

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Patient Days								
Medicare	546	496	50	10.1%	2,838	2,971	(133)	-4.5%
Medi-Cal	2,686	2,418	268	11.1%	19,887	18,587	1,300	7.0%
Managed Care	53	93	(40)	-43.0%	374	973	(599)	-61.6%
Self Pay/Other	184	279	(95)	-34.1%	1,796	1,789	7	0.4%
Total	3,469	3,286	183	5.6%	24,895	24,320	575	2.4%
Revenue								
Routine Revenue	2,710,877	2,539,770	171,107	6.7%	19,445,176	19,025,924	419,252	2.2%
Ancillary Revenue	430,298	436,783	(6,485)	-1.5%	2,544,268	3,424,605	(880,337)	-25.7%
Total Gross Revenue	3,141,175	2,976,553	164,622	5.5%	21,989,444	22,450,529	(461,085)	-2.1%
Deductions from Revenue	1,853,471	1,750,213	(103,257)	-5.9%	13,010,607	13,687,686	677,079	4.9%
Net Revenue	1,287,704	1,226,340	61,365	5.0%	8,978,837	8,762,843	215,994	2.5%
Expenses								
Salaries	442,155	522,463	80,308	15.4%	3,421,350	3,956,823	535,473	13.5%
Temporary Agency	29,333	-	(29,333)	-100.0%	64,005	-	(64,005)	-100.0%
Benefits	107,702	156,739	49,037	31.3%	768,448	1,201,006	432,558	36.0%
Professional Fees	2,666	8,999	6,333	70.4%	51,531	91,992	40,461	44.0%
Supplies	67,994	98,802	30,808	31.2%	522,420	781,311	258,891	33.1%
Purchased Services	138,715	138,282	(433)	-0.3%	873,423	1,056,525	183,102	17.3%
Rents and Leases	77,339	76,552	(787)	-1.0%	616,502	612,416	(4,086)	-0.7%
Utilities	11,560	14,999	3,439	22.9%	105,263	119,991	14,728	12.3%
Insurance	2,500	12,165	9,665	79.4%	21,598	97,320	75,722	77.8%
Other	19,622	20,031	409	2.0%	118,002	164,961	46,959	28.5%
Total Expenses	899,586	1,049,032	149,446	14.2%	6,562,542	8,082,345	1,519,803	18.8%
Excess of Revenue over Expenses	388,118	177,308	210,810		2,416,295	680,498	1,735,798	

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

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	227	216	11	5.1%	658	811	(153)	-18.9%
Revenue								
Gross Revenue	60,033	108,890	(48,857)	-44.9%	243,996	980,010	(736,014)	-75.1%
Deductions from Revenue	42,023	76,223	(34,200)		166,427	686,007	(519,580)	
Net Revenue	18,010	32,667	(14,657)		77,569	294,003	(216,434)	
Expenses								
Salaries	32,665	33,064	399	1.2%	183,881	214,437	30,556	14.2%
Benefits	9,342	9,357	15	0.2%	52,538	60,686	8,147	13.4%
Professional Fees	30,577	25,000	(5,577)	-22.3%	151,648	179,500	27,852	15.5%
Supplies	4,517	2,105	(2,412)	-114.6%	39,787	13,685	(26,102)	-190.7%
Purchased Services	4,901	3,895	(1,006)	-25.8%	39,340	25,315	(14,025)	-55.4%
Rents and Leases	4,660	2,632	(2,028)	-77.1%	24,483	17,104	(7,379)	-43.1%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Other	1,036	3,263	2,227	68.3%	28,918	61,211	32,293	52.8%
Total Expenses	87,698	79,316	(8,382)	-10.6%	520,595	571,938	51,342	9.0%
Excess of Revenue over Expenses	(69,688)	(46,649)	(23,039)	-49.4%	(443,026)	(277,935)	(165,092)	-59.4%
Hospital Based Activity:								
Inpatient Days	22	44	(22)	-50.0%	56	176	(120)	-68.2%
Inpatient Surgeries	3	10	(7)	-70.0%	9	40	(31)	-77.5%
Outpatient Surgeries	12	5	7	140.0%	35	26	9	34.6%
							-	
Therapy Referred Visits	189	400	(211)	-52.8%	504	1,600	(1,096)	-68.5%
Imaging Referred Procedures	116	234	(118)	-50.4%	417	820	(403)	-49.1%
Inpatient Gross Charges	379,993	619,000	(239,007)	-38.6%	952,599	2,476,000	(1,523,401)	-61.5%
Inpatient Net Revenue	58,929	139,000	(80,071)	-57.6%	166,037	556,000	(389,963)	-70.1%
Outpatient Gross Charges	436,032	388,330	47,702	12.3%	1,380,974	1,581,250	(200,276)	-12.7%
Outpatient Net Revenue	74,125	87,356	(13,231)	-15.1%	247,078	353,622	(106,544)	-30.1%
Total Gross Charges	816,025	1,007,330	(191,305)	-19.0%	2,333,573	4,057,250	(1,723,677)	-42.5%
Total Net Revenue	133,054	226,356	(93,302)	-41.2%	413,115	909,622	(496,507)	-54.6%

City of Alameda Health Care District
1206b Clinic - Statement of Operations
March 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits								
Primary Care	141				1,124			
Surgery	39				452			
Neurology	14				243			
Total Visits	194				1,819			
Revenue								
Gross Revenue	63,427	142,006	(78,579)	-55.3%	908,561	1,278,053	(369,492)	-28.9%
Deductions from Revenue	38,026	93,724	(55,698)		593,037	843,515	(250,478)	
Net Revenue	25,401	48,282	(22,881)		315,524	434,538	(119,014)	
Expenses								
Salaries	29,755	19,337	(10,418)	-53.9%	279,906	163,075	(116,831)	-71.6%
Benefits	8,510	5,472	(3,038)	-55.5%	64,380	46,150	(18,230)	-39.5%
Professional Fees	13,662	21,708	8,046	37.1%	203,206	195,374	(7,832)	-4.0%
Supplies	3,214	954	(2,260)	-236.9%	9,197	8,585	(612)	-7.1%
Purchased Services	7,152	4,783	(2,369)	-49.5%	85,281	43,049	(42,232)	-98.1%
Rents and Leases	12,139	11,606	(533)	-4.6%	100,769	104,457	3,688	3.5%
Depreciation	494	207	(287)	-138.6%	2,438	1,864	(574)	-30.8%
Other	(1,489)	2,292	3,781	165.0%	29,636	20,626	(9,010)	-43.7%
Total Expenses	73,437	66,359	(7,078)	-10.7%	774,813	583,180	(191,633)	-32.9%
Excess of Revenue over Expenses	(48,036)	(18,077)	(29,959)	165.7%	(459,289)	(148,642)	(310,647)	209.0%

Note:
Clinic Hours by Physician
Dr. Celada - M,W,F Mornings only
Dr. Brimer - M & Th full days, plus T Mornings
Dr. Dutaret - T & W full days

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

	Current Month	Year-to-Date
Cash flows from operating activities		
Net Income / (Loss)	$ (218,914)	$ (1,353,580)
Items not requiring the use of cash:		
Depreciation and amortization	72,437	$ 652,197
Write-off of Kaiser liability	-	$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	(721,029)	(3,373,356)
Other Receivables	118,806	3,171,217
Third-Party Payer Settlements Receivable	163,585	2,288,749
Inventories	(24,474)	9,417
Prepaids and Other	17,503	(245,353)
Accounts payable and accrued liabilities	432,544	3,512,860
Payroll Related Accruals	(904,233)	679,745
Employee Health Plan Accruals	(1,448)	(37,696)
Deferred Revenues	(476,626)	(4,290,125)
Cash provided by (used in) operating activities	(1,541,849)	1,014,075
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(12,332)	(101,535)
Additions to Property, Plant and Equipment	(151,386)	(997,467)
Other	4	(6,398)
Cash provided by (used in) investing activities	(163,714)	(1,105,401)
Cash flows from financing activities		
Net Change in Long-Term Debt	(83,680)	(119,097)
Net Change in Restricted Funds	12,332	101,535
Cash provided by (used in) financing and fundraising activities	(71,347)	(17,561)
Net increase (decrease) in cash and cash equivalents	(1,776,910)	(108,887)
Cash and cash equivalents at beginning of period	4,995,909	3,327,884
Cash and cash equivalents at end of period	$ 3,219,001	$ 3,218,998

City of Alameda Health Care District
Ratio's Comparison

Financial Ratios	Audited Results FY 2009	FY 2010	FY 2011	FY 2012	YTD 3/31/2013
Profitability Ratios					
Net Patient Revenue (%)	22.69%	24.16%	23.58%	22.90%	23.19%
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%	-8.87%
Total Margin	1.03%	2.74%	-2.61%	-3.21%	-2.45%
Liquidity Ratios					
Current Ratio	1.15	1.23	1.05	0.96	0.92
Days in accounts receivable ,net	57.26	51.83	46.03	55.21	61.56
Days cash on hand (with restricted)	13.6	21.6	14.1	17.7	14.6
Debt Ratios					
Cash to Debt	115.3%	249.0%	123.3%	123.56%	128.83%
Average pay period (includes payroll)	58.03	57.11	62.68	72.94	76.78
Debt service coverage	3.87	5.98	(0.70)	(0.53)	(0.52)
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%	-23.43%
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 3/31/2013
Patient Care Information					
Bed Capacity	161	161	161	161	281
Patient days(all services)	30,463	30,607	30,270	30,448	48,765
Patient days (acute only)	11,787	10,579	10,443	10,880	8,755
Discharges(acute only)	2,812	2,802	2,527	2,799	2,162
Average length of stay (acute only)	4.19	3.78	4.13	3.89	4.05
Average daily patients (all sources)	83.46	83.85	82.93	83.19	177.97
Occupancy rate (all sources)	52.94%	52.08%	51.51%	51.67%	63.34%
Average length of stay	4.19	3.78	4.13	3.89	4.05
Emergency Visits	17,337	17,624	16,816	16,964	12,987
Emergency visits per day	47.50	48.28	46.07	46.35	47.40
Outpatient registrations per day[Note 1]	82.05	79.67	65.19	60.67	62.79
Surgeries per day - Total	16.12	13.46	6.12	6.12	5.39
Surgeries per day - excludes Kaiser	5.14	5.32	6.12	6.12	5.39

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.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: May 1, 2013

For: May 8, 2013 District Board Meeting

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

From: Deborah E. Stebbins, CEO
Karen Taylor, RN, Director of Quality & Risk
Richard Espinoza, Director of Long Term Care Operations

Subject: Approval to Enter Into a Patient Transportation Services Agreement with City of Alameda Fire Department

---

Recommendation:

Alameda Hospital Administration recommends that the District Board approve entering into a contract with the City of Alameda, Fire Department for patient transportation services.

Background:

In July, 2012, Alameda Hospital entered into an agreement he City of Alameda to utilize the new non-emergency ambulance service provided by the Alameda Fire Department. Previously agreements were held with multiple private ambulance companies located outside the City. The partnership has provided the community with local, reliable service by professional Emergency Medical Technicians. The Alameda Fire Departments response times and commitment to the community continue to benefit patients needing transport to other health care facilities and providers. Since entering into the agreement, the Alameda Fire Department has actively participated in Hospital quality and utilization reviews to ensure patient safety.

In early 2013, negotiations opened between the two organizations to look at a comprehensive transportation service agreement that included the existing non-emergency ambulance (BLS) service as well as acute services (ALS) and long-term care services to routine medical appointments. It is the goal of AFD to expand their volume and revenue through the provision of more comprehensive coverage, which in turn will justify expanded equipment in the Fire Department.

Discussion:

After several meetings, Alameda Hospital (AH) and the City of Alameda Fire Department (AFD) were able to agree on a contract draft. The agreement includes that AFD will dispatch all calls (emergent & routine) as handled by AFD or one of at least 3 subcontractors. AFD will handle all billing for themselves and the subcontractors.

Monthly meetings will be held as needed between AH and AFD to review transportation data and any issues related to transport of patients. Both the AFD and AH will maintain a log of transportations.

AFD will handle all potential complaints from their subcontractors and work with AH to resolve any such complaints. AFD and AH will assign “Point of Contact” person to handle any transportation conflicts.

Full implementation of the contract agreements is expected on or about May 22, 2013 after City of Alameda approval of the contract draft.

Copies of the contract available upon request the Alameda Hospital Administration and Office of the District Clerk.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

Date: May 1, 2013

For: May 8, 2013 District Board Meeting

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

From: Brian Jung, Chief Business Development Officer

Subject: Approval to Award Construction Contract to Signature Construction for the Alameda Hospital, Stevens Wing Sub-Acute Unit: CMS-Mandated Sprinkler Upgrade

---

RECOMMENDATION:

Hospital Administration is recommending that the District Board authorize management to award a contract to Signature Construction for the installation of a new hydrostatically calculated fire suppression sprinkler system in the 7,500 sq. ft. Sub-Acute unit within the Stephens Wing of Alameda Hospital at 2070 Clinton Avenue, Alameda, California. The contract will be in the amount of $195,375.

BACKGROUND:

The Center for Medicare & Medicaid Services (CMS) published in 2008 its final Regulation in mandating sprinklers in all existing nursing homes regardless of the construction type of the building. The new Regulation was effective October 14, 2008 and requires that all nursing homes in the United States be fully sprinklered by August 13, 2013. There are no provisions in the regulation to extend the time frame for compliance beyond August 13, 2013.

The 1999 NFPA 13 is the appropriate reference standard for the 2000 Life Safety Code, as well as the 2010 California Building Code . No nursing home will be allowed to avoid installing sprinklers based on the use of the Fire Safety Evaluation System (FSES) or by waiver. The Regulation states that the sprinkler systems have to be installed in accordance with the 1999 edition of NFPA 13, Standard for the Installation of Sprinkler Systems. .

Currently, the Sub-Acute unit in the 2 West wing of the hospital does not have any sprinkler system in place. Both South Shore and Waters Edge skilled nursing facilities are compliant with the CMS regulation requiring and no additional work is needed at those buildings.

Non-compliance with this CMS regulation could result in a suspension of Medicare and Medicaid reimbursements from the Federal government, a situation that the Hospital cannot afford. Therefore it is imperative that this project be completed correctly and on time.

On July 2, 2012, the Board approved disbursement of $87,000 for the sprinkler project's architectural design, engineering and project management expenses, and then on July 25, approved the estimated $200,000 total project budget as part of the Hospital's 2012-2013 Capital Plan.

DISCUSSION:

We utilized a pre-qualification process to determine the initial pool of bidders, which resulted in four submissions from interested contractors. All four bidders qualified and were invited to participate in a bidders conference held on April 16, 2013. Contractors were provided a complete set of construction plans and architectural specifications, as well as a set of the District's bid documents and requirements. Complete bid proposals were due on April 24, 2013 at 2:00 p.m. at which time, all bids were opened and the bid amounts read.

All pre-qualified contractors submitted proposals, giving us four competitive bids for consideration.

The four bid prices are as follows:

- Signature Construction $195,375
- Cameron Builders $241,067
- Gonsalves & Stronck $287,027
- Advanced Engineering Sales $315,000

After careful review of the four bids, all were found to be responsible competent proposals. Given this, the recommendation is to contract with the lowest bidder, **Signature Construction**.

Signature Construction's bid is approximately $95,375 higher than the original construction budget estimate, which was prepared prior to the development of the construction documents, and which was originally scheduled to be performed all at once. Subsequent complications with securing licensing approval from the Department of Public Health to temporarily relocate all affected patients to 21 beds in the 2 South Wing that were previously placed in suspension, necessitated that the work be done in stages and over a longer period of time. This increased associated construction costs. However the Alameda Hospital Foundation has approved a $400,000 loan to cover the expenses of all immediate-term seismic and CMS-mandated facility capital projects, including the revised budget for the sprinkler upgrades, so full funding for the project has been secured.

The contract documents will specify a 90 day construction timeline with a $1,000 per day penalty for any time that the project runs past the CMS deadline of August 13, 2013 (with no fault of the owner). Once approved by the District Board, management will give notice to award the contract, and after receiving the approved building permit from OSHPD, provide the official Notice to Proceed to the contractor.

Jtech will continue to serve as our project manager during construction and will review and approve all payment requests from the contractor.

Signature Construction has been in business for 48 years and is based out of Burlingame, CA. Eight of their employees live in Alameda County. One of the sub-contractors, Westates is based in San Leandro, Alameda County, and the other, Janus Corporation is headquartered in Concord, CA. The District's Bid Contract requires the contractor pay prevailing wages as established by the State of California Department of Industrial Relations for Alameda County.

Alameda Hospital

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: May 3, 2013

FOR: May 8, 2013 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

---

1. Legislative Contacts

Over the last month, I have met, along with other East Bay hospital executives, with Assemblyman Rob Bonta and Eric Stalwell, the newly elected Congressman, who won the election in November against Pete Stark. Under redistricting, we are no longer in Congressman Stalwell's district, but it was an excellent opportunity to participate in orienting him to many of the issues facing all East Bay hospitals as we approach hospital reform.

We gave feedback to Assemblyman Bonta on the devastating impact the DP NF reductions included in AB 97 will have on hospitals with such programs. AB 900 is legislation introduced to essentially reverse the cuts under AB 97. I am happy to report that following our discussion on that topic, AB 900 passed out of the Health Care Committee of the Assembly, a committee on which Bonta serves, unanimously.

We also discussed some of the ramification of AB 975, which Bonta has co-authored, which threatens hospitals that do not provide a certain level of charity care, which is defined strictly as care given to patients where there is no expectation of any reimbursement for care from any source, to have their tax-exempt status scrutinized.

In the meetings with Stalwell, we discussed the implications of reduced DSH reimbursement coinciding with implementation of Health Care Reform for disproportionate share hospitals and the general impact of Medicare cuts being considered in Congress on all hospitals. We also encouraged him to consider co-sponsoring HR 1250, which would markedly streamline the bureaucracy of the RAC and MAC audit programs. It is noteworthy that we have had over $400,000 in Medicare claims held up under these programs year to date in FY 2013. Of the 29 Alameda Hospital RAC claims that have reached the level of ALJ review, we have won all of our appeals.

2. Pediatric Readiness Preparedness Site Visit

The Hospital's Emergency Care Center will participate in the Pediatric Readiness, Preparedness, Assessment, Education and Partnership Project on Thursday June 20, 2013. This project, a joint collaboration between the Alameda County EMS and Children's Hospital, will help us improve our ability to provide pediatric care as well as strengthen our ties with the community. Dr. Augusta Saulys from Children's Hospital will lead a team of Emergency Management and Pediatric staff who will assess our ECC for pediatric competencies during "day to day" and emergency/medical surge events. They will also provide on-site training and feedback and a customized report with recommendations on strategies for improvement.

3. Kate Creedon Center for Advanced Wound Care

The Center treated 102 active patients in April bringing the total patients seen since the Center opened to 278. 91patient referrals were made to ancillary departments at the Hospital. Seventy-nine (79%) of the patients were non-Alameda residents up from seventy-seven (77%) in March.

Overall, the variance from the patient volume forecasted in the original pro forma is a favorable 47.1%. The healing rate rose from 82.50% to 83% for 100% healing at 20 weeks of treatment.

The Center participated at the Podiatry conference held on April 27th at the Health Education Center in Oakland and will be presented by Dr. Florey, Medical Director for the Alta Bates Medical Group at their meeting in May.

4. Bay Area Bone & Joint Center

There were 197 orthopedic visits at the Bay Area Bone & Joint Center during the month of April, which represents a modest decline of 7%, due in part to one week of PTO taken by one of the physicians. While these monthly visits were 9% under pro forma levels, the year-to-date visits remain 12% greater than pro forma expectations. Seven surgeries were performed in April, which is 50% less than the previous monthy and 25% below year-to-date pro forma levels. In an effort to more fully understand the financial status and contribution of the orthopedic service line, management is in the process of performing a net income analysis, including the impact of both the clinic operations as well as associated ancillary services.

Drs. DiStefano and Pirnia remain active in the community. The doctors have had ongoing meetings with the clinic physicians at Coast Guard Island who have been pleased with the physicians' care and the services provided by the Hospital's Diagnostic Imaging Department. On April 24, nearly 50 people attended the community lecture on low back and leg pain, presented by Dr. Nicholas Pirnia. The next lecture, "Common Shoulder Pain" will be presented by Dr. James DiStefano on Wednesday, May 22, 2013 at 6:30 p.m. Community lectures will continue at the Hospital monthly through July. They continue to meet with Alameda physicians. In May they will begin meeting with physicians outside of Alameda.

5. Alameda Hospital Foundation

The Alameda Hospital Foundation has selected Drs. Denis Drew and Stephen Raskin, the physicians of Preventive Cardiology Associates, as this years recipients of the Kate Creedon Award. Both of these outstanding physicians have been members of the Medical Staff since the late 1970's. Alamedan's have benefitted greatly from the their presence here and we are honored to recognized their achievements at the Foundation's Annual Fall Gala on October 12, 2013.

At their last Board meeting, the Foundation authorized a loan to the Hospital for $405,000 which will allow us to complete the final four projects relating to NPC seismic and other regulatory compliance by the specified deadlines. This allows us to secure our extension to 2015 of our other SPC seismic projects.

6. Community Relations and Outreach

Hospital volunteers were recognized at a special reception held on Monday, April 29, 2013. Members of the Auxiliary, Foundation Board, and District Board Committees attended the celebration. Emmy Crevani, outgoing Auxiliary President, was honored.

The Hospital will be offering the “3B’s Health Screenings” at the Park Street Spring Festival on Saturday, May 11, 2013 and at the Alameda Asian Pacific Islander Heritage Festival at South Shore Center on May 19, 2013.

7. Information Technology Update and Meaningful Use

a) Meaningful Use
The Information Technology Department continues to focus efforts toward the attainment of Meaningful Use Stage I. An assessment was performed by an outside party and the results show we are on tract for beginning our attestation in June. The IT Steering committee is scheduled to meet on May 6, 2013 and will review the findings. Reports run on May 1, show that our CPOE (Computerized Physician Order Entry) percentage for Meaningful Use is currently 49%, we are already comfortably exceeding the threshold of 30%. Copies can be made available to the Board if requested.

b) Replacement of Existing NetFax System
   a. Both Lab and Radiology reports are LIVE and being distributed by the new system. Medical Records reports is scheduled for conversion the week of May 13, 2013.

c) New Electronic EKG Workflow
   a. Electronic EKG workflow and MEDITECH integration went LIVE May 1, 2013. EKG images are also available remotely through Citrix.

d) Bed Board
   a. We are now LIVE with the Electronic Bed Board, which streamlines the interaction between Admitting, Nursing and Environmental Serivces.

e) Waters Edge Infrastructure
   a. The Wiring at Water's Edge has been completed and the network team form IT is currently installing switches and new PC's so they will become part of the hospital network infrastructure.

f) Staffing
   a. The Network Administrator started on April 1, 2013 and has been doing a great job at resolving some of our old and new network issues. A vacated Data Analyst remains open.

8. Capital Projects

a) Seismic Anchoring
Construction on the NPC-2 compliance of emergency lighting in the original hospital is complete and signed-off with OSHPD approval.

Construction of the emergency communications NPC-2 compliance project, which entailed anchoring of existing systems is complete and is awaiting sign-off approval from OSHPD.

b) Bulk Oxygen Tank
The public bid process to select a construction vendor has begun, now that OSHPD has issued it's first set of back check comments on the structural plans for the bulk oxygen tank replacement. Completion and submission of the hospital's response is expected to be completed shortly. Completion of the project is still projected to be July 2013. Construction permits from the City of Alameda have been secured.

c) SB90/SB499 Extension
OSHPD has approved an administrative extension for SPC2 compliance of the Original Hospital and Stephens Wing to be January 1, 2015. Our SB 90 Extension application continues to be under review, and if approved could extend the deadline beyond that date to January 1, 2020.

CMS Sprinkler Mandate
This project is on schedule to be completed before the August 13, 2013 deadline. OSHPD has approved plans to install sprinklers in the sub-acute unit located on 2 West. A public bid for the construction contractors was held, and management is recommending to the Board that the qualified low bidder be approved. Work is anticipated to begin in mid-May.

On May 2, 2013, we completed a State survey of the 2 South unit, where we plan to place six sub-acute patients for approximately 12 weeks while we complete the installation of fire sprinklers in 2 West. The survey was the final step required before this project,which must be completed by June, can commence. Many hospital departments participated very effectively in readying the 2 South unit for this construction. The surveyors found no deficiencies.

9. 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.

10. Upcoming Special Events

Both National Nurse's Week and National Hospital Week take place during the month, May 6-12, 2013 and May 12-18, 2013 respectively.

Nurses Week activities include lunchtime continuing education presentations on Risk Management, Cultural Differences, and Healthy Weight Secrets. Our annual Florence Nightingale Award for Nursing Excellence presentation is scheduled to take place during the Ice Cream Social between 2:00 p.m. and 4:00 p.m. in the Dal Cielo Room on Wednesday, May 8, 2013. The award is presented annually to a nurse nominated by her/his peers and who truly practices person-centered caring and serves as a positive role model for professional nursing practice.

National Hospital week will be celebrated by the Hospital's annual "BBQ", for Hospital employees, phycians, volunteers and District Board members. The BBQ is planned for Thursday, May 16, 2013.

11. Key Statistics

	April Preliminary	April Budget	% Δ compared to Budget	% Δ compared to March	March Actual
Average Daily Census	193.67	191.46	1.2%	-4.2%	202.22
Acute	30.47	30.63	-0.5%	-10.7%	34.13
Subacute	30.27	32.70	-7.4%	-4.7%	31.77
South Shore	23.17	22.13	4.7%	-5.1%	24.42
Waters Edge	109.77	106.00	3.6%	-1.9%	111.90
Patient Days	5,810	5,744	1.1%	-7.3%	6,269
ER Visits	1,313	1,377	-4.6%	-10.4%	1,466

continued	April Preliminary	April Budget	% Δ compared to Budget	% Δ compared to March	March Actual
Wound Care Visits	460	300	53.3%	6.5%	432
OP Registrations (excl WC)	2,054	2,285	-10.1%	-5.7%	2,179
Total Surgeries	185	207	-10.6%	7.6%	172
Inpatient Surgeries	60	51	17.6%	22.4%	49
Outpatient Surgeries	125	156	-19.9%	1.6%	123
Case Mix Index	1.1854				1.3048

12. Association of California Health Care District (ACHD) March 2013 Update

This monthly update (see attached) from the ACHD regarding activities of the Association will be provided as information to the Board each month. As a reminder, the District is a member of ACHD.

A · C · H · D
ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS

ACHD Update for March 2013

Legislative Update
The Advocacy Team has completed their assessment of 2013 Bills of interest to our members; detailed information on these Bills can be found on the ACHD website (www.achd.org) under the pull down menu "Legislative/Advocacy-Legislative Reports." The Association subscribes to a service that tracks the activity of all Bills that we are following and the status of those Bills is updated as they are either amended or moved through the legislative process. The Bill tracking reports are by issue area and include the contact information for the advocate should you need additional information.

Cuts to DP/SNF
AB 900, a Bill to reverse the DP/SNF cuts associated with AB 97 (2011) is set for its first hearing on April 30 in the Assembly Health Committee. The "Yes on AB 900" campaign is growing, and the ACHD Advocacy Team has organized a coalition of the California Special Districts Association, the Regional Council of Rural Counties and the California State Association of Counties to support the Bill. Pending members of this coalition are the Farm Bureau and the Democratic State Central Committee. For those who have written letters of support for AB 900-THANK YOU! If you have not yet submitted a support letter, a draft letter can be found here. As always, please provide ACHD with a copy of your letter to tom.petersen@achd.org.

Media Training
Member interest in education on how to develop/communicate key messages that promote their District is rapidly growing. The training sessions are being presented regionally, with the first session to be hosted by Petaluma Healthcare District. Sequoia Healthcare District and Palomar Health have volunteered to host training sessions in June and ACHD will be sending invitations to the Districts in those regions. Districts interested in learning more about the training or hosting a training session, should contact Leyla Taber at leyla.taber@achd.org. The training session is a one day event, limited to 12 attendees of Association members and is offered at no charge.

Best Practices in Governance
ACHD is in the process of defining criteria for Healthcare District Best Practices in Governance. Please watch your in-box for information on how your District can receive recognition for excellence in District Governance.

Board Self-Assessments
As of the end of March, ten Districts have completed the Board Self-Assessment process. ACHD staff utilizes survey results, to craft educational opportunities that address those areas the self-assessment identified as needing improvement. If your District is interested in participating in this exclusive Association Member benefit, please contact Leyla Taber at leyla.taber@achd.org.

Annual Meeting
Registration for the Annual Meeting scheduled for May 22-24 in La Jolla, California is now open at www.achd.org. This year's program content reflects feedback we have received suggesting that we provide the Membership with presentations that address the varied interests of our members.

= Quarterly Goal (from budget or proforma)

May 8, 2013 District Board Meeting

City of Alameda Health Care District

2009-2013 Goals and Objectives

FY 2013 Third Quarter Update

(January – February –March)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)	$149,201	
Achieve Wound Care Proforma Annual Net Income(Direct Only): **$46,000**		($51,000)	($19,000)	$30,000	$86,000
	Actual	($63,317)	$8,744	($912)	
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	$966,276	
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	$17.4M	
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 achieved			
Reduction in AP days to 90 days or less		Not achieved			
Minimum of 15 days cash on hand for four (4) consecutive months		Not achieved			
(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.				
		The amount of short term capital needs has increased since the beginning of the FY to $1.090.000. $200,000 secured from AHF in			

= Quarterly Goal (from budget or proforma)

		2012, with an additional $400,000 anticipated in the form of an AHF loan. The remainder is in process.			
(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	4.13 M 27.2 % (excl. WE)	
Increase Long Term Care Medicare A - Net Revenue by 25% **Baseline: $485 per Medicare A Day**		$654/day 35% increase	$667/day 38% increase	$626/day 29% 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	.08	.54	
Achieve increase of 2,110 outpatient registrations attributable to Ortho Program		N/A	412	633	1,065
	Actual	N/A	72	302	
(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		.37	.23	.58	
Achieve increase of 696 OP registrations attributable to Wound Care Program		83	160	195	258
	Actual	55	107	168	

= 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. Established ongoing relationship with the United States Coast Guard clinic to bring new orthopedic patient base to the hospital. Discussions initiated with La Clinica de Raza and the Center for Elder Independence to augment their current service offerings with hospital-based medical/surgical care.			
2) Access to Capital		Discussions initiated with Capital Partners Program at SEIU and other potential partners to secure funding for seismic retrofit			
3) Improved negotiating leverage in commercial market		Completed two revisions in commercial contracting			
4) Use for unused space on and off campus		Converting former Cardiofit area in 1 South, currently used for storage, to revenue-generating space for new and existing programs (i.e., Stroke Rehab, Speech/Occupational Therapy). Evaluating Willow Street annex and 2 South space for potential programs, including hand/plastic surgery, integrative medicine, and others.			
(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	IP = 162 OP = 1,336	
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. Q2: Continued development of hospital signage program in Chinese, including completion of Asian alternative menu, with recipe development in process. Evaluating potential Integrative Medicine program combining Eastern and Western practices for both in-patient and out-patient settings. Also evaluating potential partnership opportunity with day program for elderly Chinese.**				
(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	107.2	

= Quarterly Goal (from budget or proforma)

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	84.6	
Medicare ADC	9	11.3	15.3	17
Actual	9.0	10.5	14.7	

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 approved byOSHPD with start of construction anticipated Q2 2013. Emergency lighting and emergency communication anchoring completed and respectively approved and pending approval (Q2 2013) by OSHPD.
2) Sprinkler Project LTC	Construction and design plans completed and approved by OSHPD. Bid process completed with construction anticipated to commence in Q2 and be completedin 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 approved by the City of Alameda and OSHPD. Building permit has been secured with public bidding process for construction vendor to commence upon completion of financing mechanism. $200K in capital was secured with a loan from the AHF, with the remaining balance (approximately $350K) requested in the form of a grant from the Valley Foundation. An application has been submitted and the decision is in process. Currently, the space is being used as a staging area until build out construction begins.

= Quarterly Goal (from budget or proforma)

(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. Construction vendor has been selected and work anticipated to begin Q2 2013.
(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 36 out of 40 departments and/or directors &managers. Examples: Establish proficiency with HealthshareIQ database (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), Meditech Bed Board, Excel (advanced and basic), Crystal Reports, ICD-10, .

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	595	
b) Baseline (Neurology): 2,256/Yr	**Goal: 2,369/Yr or 592/Qtr**	Actual:	680	495	552	
c) Baseline(Gen. Surgery): 3,529/Yr	**Goal: 3,705/Yr or 929/Qtr**	Actual:	979	1,429	786	
NOTES	**Q1: 1 Primary Care Physician on vacation for 2 weeks. Q2: Neurologist on vacation for 2 weeks**					

= Quarterly Goal (from budget or proforma)

(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)	299	
Sport Baseline (9 months, Start Oct 1): 921	N/A	146	314	461
Actual	N/A	66 (Nov-Dec)	234	

(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 Q2 2013.

(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. 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 to join our Medical Staff. Actively seeking another Primary Care physician for the 1206(b) clinic.

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.	

= Quarterly Goal (from budget or proforma)

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). Format well received by the District Board with the addition of a brief summary on outlier items identified.			
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 UNDER REVEW)**					
Baseline (FY 2012): Under Review **Goal: Under Review**		Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
(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%	Not Available	
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%	Not Available	
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%	Not Available	
(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			

= Quarterly Goal (from budget or proforma)

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.
(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	New meeting date scheduled for the week of 5/20/13. Active participation for special ticket price for Oakland A's game on May 14.
Develop and implement one (1) hospital-wide recognition program	New meeting date scheduled for the week of 5/20/13.
(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. Plans for a permanent market have been postponed until a resolution to the problem of insufficient parking space can be achieved.
(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. Format has been well received. Have also included positive feedback patients/community roundtable as a standing agenda item to allow group to share positive feedback from patients/community.