



PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

WEDNESDAY, SEPTEMBER 4, 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. – 2 East Board 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. August 7, 2013 (Regular)
 - C. Board Quality Committee Report (BQC) [H & S Code Sec. 32155](#)
 - D. Discussion of Pooled Insurance Claims [Gov't Code Sec. 54956.95](#)
 - E. Consultation with Legal Counsel Regarding Pending and Threatened Litigation [Gov't Code Sec. 54957.6](#)
 - F. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions [Gov't Code Sec. 54956.9\(a\)](#)
 - G. Discussion of Report Involving Trade Secrets [H & S Code Sec. 32106](#)
 - H. 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 August 7, 2013 Regular Meeting Minutes **[enclosure]** (pages 3-11)

B. Action Items

- ✓ 1) Acceptance of July 2013 Unaudited Financial Statements and August 28, 2013 Finance and Management Committee Report **[enclosure]** (pages 12-34)
- Robert Deutsch, MD
Kerry Easthope
- Request for Change in Committee Meeting Date
- ✓ 2) Acceptance of FYE June 30, 2013, 4th Quarter (Year End) Goals and Objectives Update **[enclosure]** (pages 35-44)
- Deborah E. Stebbins
- ✓ 3) Approval of FY 2014 – Six (6) Month Goals and Objectives **[enclosure]** (pages 45-49)
- Deborah E. Stebbins

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. Affiliation Updates **INFORMATIONAL**

Deborah E. Stebbins

1) Report on Communication and Community Input Plan

2) Due Diligence and Transition Planning Update

G. Chief Executive Officer Report **INFORMATIONAL**

Deborah E. Stebbins

- ✓ 1) Monthly CEO Report
- Affiliation Plan Update, Status of Communication Plan Regarding Affiliation, Bay Area Bone and Joint Center, Community Relations and Foundation Update, Long Term Care Update, Information Technology Update and Meaningful Use, August Preliminary Stats, Premium Pay Expense Reduction – Acute Care, Patient Centered Experience Committee
- [enclosure]** (pages 50-54)

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, August 7, 2013 Regular Meeting

Board Members Present	Management Present	Legal Counsel Present	Guests
Jordan Battani Lynn Bratchett, RN Robert Deutsch, MD Tracy Jensen J. Michael McCormick	Deborah E. Stebbins Kerry Easthope Phyllis Weiss Karen Taylor, RN	Thomas Driscoll, Esq.	Mary Pat Skropeta ,RN Clint Barnes, RN
		Medical Staff Present	Excused
		Emmons Collins, MD	
Submitted by: Kristen Thorson, District Clerk and Sheroza Haniff, Administrative Receptionist			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 6:10 p.m.	
II. Roll Call	Ms. Thorson called roll noting a quorum of Directors was present.	
III. Adjourn into Executive Closed Session	The meeting was adjourned into Executive Closed Session at 6:11 p.m.	
IV. Closed Session Agenda		
V. Reconvene to Public Session	The meeting was reconvened into public session at 8:02 p.m.	
A. Announcements from Closed Session Director McCormick announced that the Minutes of July 10, 2013, the June Quality Report, and the Medical Staff Credentialing Recommendations, as outlined below, were approved.		
<u>Initial Appointments – Medical Staff</u>		
Name	Specialty	Affiliation
• Tin Do, MD	Emergency Medicine	CEP

Topic	Discussion	Action / Follow-Up		
<u>Reappointments – Medical Staff</u>				
	Name	Specialty	Staff Status	Appointment Period
	<ul style="list-style-type: none">Denis Bouvier, DO	Int Med/ Hospitalist	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Gregory Broderick- Villa MD	General Surgery	Courtesy	09/01/13-07/31/15
	<ul style="list-style-type: none">Claude Burdick, MD	Pathology	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Jon Floyd, MD	Urology	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Lilavati Indulkar, MD	Int Med/ Hospitalist	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Tamina Isolani, DO	Int Med/ Hospitalist	Active	10/01/13-09/30/15
	<ul style="list-style-type: none">Helen Maria Jackson, MD	Emergency Medicine	Active	09/01/13-07/31/15
	<ul style="list-style-type: none">William Kammerer, MD	Emergency Medicine	Active	10/01/13-09/30/15
	<ul style="list-style-type: none">Christina Kwok, DPM	Podiatric Surgery	Active	10/01/13-09/30/15
	<ul style="list-style-type: none">Hon-Wai Lam, MD	Urology	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Chi Lee, MD	Urology	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Collin Mbanugo, MD	General Surgery	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Andrew Oienky, MD	Urology	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Joel Piser, MD	Urology	Courtesy	10/01/13-09/30/15
	<ul style="list-style-type: none">Pushpasree Sajja, MD	Int Med/ Hospitalist	Active	10/01/13-09/30/15
	<ul style="list-style-type: none">Robert Shimshak, MD	Radiology	Courtesy	09/01/13-07/31/15
	<ul style="list-style-type: none">Steven Stanten, MD	General Surgery	Courtesy	09/01/13-07/31/15
	<ul style="list-style-type: none">Clifford Tschetter, MD	Pathology	Courtesy	09/01/13-07/31/15
	<ul style="list-style-type: none">Jeffrey Wieder, MD	Urology	Courtesy	10/01/13-09/30/15
<u>Reappointment – Allied Health Professional Status</u>				
	Name	Specialty	Appointment Period	
	<ul style="list-style-type: none">Jennifer Burroughs, NP	Nurse Practitioner-Long Term Care	10/01/13-09/30/15	
	<ul style="list-style-type: none">Delsa Phillips, PA-C	Physician Assistant	10/01/13-09/30/15	

Topic		Discussion	Action / Follow-Up
<u>Resignations</u>			
	Name	Specialty	
	• Stewart Daniels, MD	Ophthalmology, (Retina)	
	• Craig Leong, MD	Ophthalmology, (Retina)	
	• Subransu Ray, MD	Ophthalmology, (Retina)	
	• Dwain Skinner, MD	Anesthesiology	
	• Paul Suding, MD	General Surgery	
	• Daniel Ting, MD	Ophthalmology, (Retina)	
	• Allen Verne, MD	Ophthalmology, (Retina)	
	• Ann Wexler, MD	Hematology/Oncology	
VI. <u>General Public Comments</u>			
There were no public comments			
VII. <u>Regular Agenda</u>			
	A.	Consent Agenda	Director Jensen made a motion to approve the Consent Agenda as presented. Director Deutsch seconded the motion. The motion carried.
		1) Approval of June 17, 2013 Special Meeting Minutes	
		2) Approval of July 10, 2013 Regular Meeting Minutes	
		3) Approval of July 18, 2013 Special Meeting Minutes	
	B.	<u>Education Session</u>	
		A presentation entitled Understanding HCAHPS & Noise Reduction Initiatives was presented by Mary Pat Skropeta, Director of Respiratory Care and Clint Barnes, RN, Nurse Manager of Inpatient Care Services. Ms. Skropeta informed the board that a group of management and staff recently attended a HCAHPS Workshop and she reported on some of the key components learned at the workshop that will be used at Alameda hospital. She focused on the following areas, understanding HCAHPS, common struggles for organizations and taking a new look at how the organization approaches HCAHPS scores. Mr. Barnes reviewed the new committee formation to focus on the entire patient experience.	No action taken.

Topic	Discussion	Action / Follow-Up
	<p>The Patient Centered Experience Team will brainstorm, focus on positive team building, define the terms of the committee, focus on proactive versus reactive, review history of Alameda Hospital and develop an action plan to maintain focus and transparency. He reviewed some of the tactics and actions implemented over the years to help improve the HCAHPS scores. . Mr. Barnes then reviewed communication tactics, immediate implementation plans and process improvement evaluation that the team will use to launch the Patient Centered Experience at Alameda Hospital. Copies of the presentation are available from Administration and are available with the Board meeting video.</p> <p>Director Deutsch inquired about the tactic and effectiveness of “tickets” given out by the nursing supervisors to ‘noisy’ staff. Br. Barnes replied that this tool was not in use, but indicated that rounding is being completed and progressive discipline is being used. Director Deutsch expressed great concern regarding the “Noise at Night” score and the inability to improve the score. He specifically asked for the tactic of giving “tickets” to staff who are talking loudly at night be implemented. He asked that all HCAHPS scores, including “communication with nurses” be shared with nurses and all staff.</p> <p>Director Battani noted that the presentation did not include a plan on how we will identify a plan to address the issues, and how the hospital will know if the plan is successful in real time. She requested follow-up regarding these two areas with more details.</p> <p>Dr. Collins suggested coming up with out of the box ideas to modify the sleep timeline that was presented He agreed with Directors Deutsch and Battani that the Board was anticipating more concrete plans as to how issues would be addressed and resolved concerning HCAHPS scores. Dr. Collins suggested asking Board members or volunteers to walk through the facility as a “new set of eyes” to look at areas that could be easily improved with little cost to the facility.</p> <p>Director Jensen agreed with the previous comments and commented on the surveys given Director Jensen suggested that service standards be incorporated into evaluating staff performance. She also suggested that patients be surveyed in the morning regarding noise to identify concerns in a timelier manner.</p> <p>Karen Taylor, Director of Quality Resource Management clarified and provided more information on the formation of the Patient Centered Experience Committee and the termination of the two focus Performance Improvement Team Charters (Noise and Cleanliness) that were currently working on HCAHPS scores. She noted that what we had been doing was not working and focusing on and improving the entire patient experience is anticipated to improve all scores.</p> <p>Director Bratchett suggested letting the staff closely related to noise at night take on the project of reducing noise at the hospital, looking into patient reports daily to avoid delay in addressing</p>	

Topic	Discussion	Action / Follow-Up
	<p>issues and to determine a timeframe of project completion.</p> <p>Director McCormick noted the frustration of the Board regarding these concerns and agreed with the comments made. He asked that the feedback from the Board be reviewed and a plan be implemented.</p>	
C.	<u>Action Items</u>	
	<p>1) Election of District Board Officers.</p> <p>President McCormick asked for a motion to appoint Lynn Bratchett as Treasurer of City of Alameda Health Care District, Board of Directors.</p>	<p>Director Deutsch made the motion to appoint Director Bratchett as Treasurer. Director Jensen seconded the motion. The motion carried.</p>
	<p>2) District Board Committee Appointment</p> <p>President McCormick asked for a motion to have Director Deutsch continue as chairman of the Finance and Management Committee.</p> <p>President McCormick asked for a motion to appoint Director Bratchett to the Finance and Management Committee.</p>	<p>Director Jensen made the motion to appoint Director Bratchett as chairman of the Finance and Management Committee. Director Bratchett seconded the motion. The motion carried.</p> <p>Director Jensen made the motion. Director Battani seconded the motion. The motion carried.</p>
	<p>3) Acceptance of June 2013 Unaudited Financial Statements and July 31, 2013 Finance and Management Committee Report.</p> <p>Director Deutsch noted page 19 of the open agenda packet to review financials. He noted the negative month, and a year to date loss of 2.4 million against a budgeted gain of \$614,000 due to increased expenses and decreased revenue. Positive year - end adjustments summed up to \$87,000.</p> <p>Director Battani inquired about the over budget expenses on salaries, overtime and temporary agency. Mr. Easthope stated June was a good month for managing overtime to a minimum with a slight slip in the second pay period of June with the salary variances relating to volumes on the acute side. July pay periods had an even greater improvement. Director Battani questioned the tactic management is taking to control the staffing process on the operations side, to avoid losing focus. Ms Stebbins stated more hires were made through the assistance of a new Recruitment Specialist whose emphasis has been on nursing staff and on-call positions. The Hospital is also working to expedite the new-hire process, reorganization and staffing processes, following staffing algorithms, and keeping FTE's at core staffing levels to help reduce the salary</p>	<p>Director Battani made a motion to approve the Unaudited Financial Statements and Committee Report. Director Bratchett seconded the motion. The motion carried.</p>

Topic	Discussion	Action / Follow-Up
	<p>expense. Ms. Stebbins also noted that a day shift supervisor / nurse leader is being added to upgrade the level of nurse supervision and to recognize staffing issues more timely. Director Battani suggested that an audit be completed for the staffing decisions. Ms Weiss, Director of Human Resources reviewed examples of scheduling nuances that are worked through on a daily basis between Human Resources and Staffing to identify areas for improvement and to ensure compliance with Union contracts.</p> <p>Director Battani inquired about the \$1.5 M loan from AHS. Mr. Easthope noted that it was received and would be reflected in the July financial statements.</p> <p>Director Jensen inquired about page 19 of the Board packet in the Financials, the professional fees budgeting error. Mr. Easthope attributed the error to the system spreading the annual budget for only nine months instead of the full 12 months. Director Jensen commented on the self pay payor mix and variance to the budget and asked if this was a trend. Mr. Easthope replied that it was just slightly higher for the month. There was discussion from Director Jensen and Mr. Easthope on the orthopedic volumes, variances to budget and identification of areas for improvement with the orthopedic volumes.</p>	
	<p>4) Approval of FY 2014 Six Month Operating and Capital Budget</p> <p>Mr. Easthope noted page 42 of the packet while narrating a presentation entitled Alameda Hospital Fiscal Year 2014 Six Month Operating & Capital Budgets with Ms. Stebbins. Copies of the presentation are available from Administration and are available with the Board video. The following key areas were reviewed in detail.</p> <ul style="list-style-type: none"> • FY 2014 Budget Process Overview • FY 2013 Actual to Budget Highlights • Key Financial Data Trends • Consolidated 6 Month Budget Comparison • 6 Month Operating Budget Spread • FY 2014 Net Income Waterfall (Revenue and Expense) • Strategic Initiatives – FY 2014 Operating Budget • Key Baseline Budget Volume Assumptions (Acute, Outpatient, Long Term Care) • 6 Month Capital Budget <p>Mr. Easthope stated that based on feedback from the Board and Committee and in context to the recent strategic developments and pending affiliation with Alameda Health System (projected to be in the next 6 months) a 6 month operating and capital budget was prepared for presentation and approval by the. The new budget forecast was developed in June / July given significant changes in the organizational structure during the last six months of FY 2013 vs. the first six months. The Net Income/Loss was proposed at a loss of \$1.09 M, which is an</p>	<p>Director Deutsch made a motion to approve the Operating and Capital budget. Director Bratchett seconded the motion. The motion carried.</p>

Topic	Discussion	Action / Follow-Up
	<p>improvement over the last 6 months of FY 2013 of a negative \$1.8 M.</p> <p>The Capital Budget was also presented by Mr. Easthope and he noted that the original budget was approximately \$1.2 M to \$683,000. Most of the expenditure are related to surgery and equipment to support the new orthopedists. The other major component was for Information Technology and implementation of the EHR and attestation for Meaningful Use.</p> <p>Director Battani inquired if an additional cash infusion would occur after the potential affiliation. Ms. Stebbins replied that an additional \$1.5 M, identified in the Letter of Intent would come after the signing of the Definitive Agreement. M. Easthope added that this source of cash is not include in the budget.</p> <p>Director Jensen inquired about the IGT (Intergovernmental Transfers). Mr. Easthope stated Alameda Hospital can continue to participate in IGT and the available money is shared with other hospitals. Funding will not occur until the first quarter of 2014. Director Jensen asked if the capital budget was a standard budget. Mr. Easthope responded the budget was prioritized based on the hospital's needs.</p> <p>Director Deutsch expressed the needs of IT, unrelated to Meaningful Use, that are needed and required for hospital functions. Further discussion followed regarding the spending authority of the CEO and bringing back capital expenditures, above the CEO spending authority, through the Finance and Management Committee and Board as needed. Additional capital needs have been presented to Alameda Health System as part of discussions. There was discussion regarding the orthopedic surgical equipment and the need considering the lower than anticipated volumes of the program. Director Battani expressed her concern about approving the capital budget with many unknown factor relating to the affiliation. Director McCormick agreed with the comments and suggested that the hospital valuation be evaluated at some point in the future. Director McCormick noted that is has been difficult to meet budgets in prior years.</p> <p>There was additional questions from Director McCormick and discussion by management regarding staffing, salary expenses. Dr. Collins asked questions regarding the budget and past performance and what management was going to do going forward. Management restated that the budget was projected to lose \$1.8 M, volumes and revenue would stay the same, and a expenses are not expected to dramatically increase or decrease overall.</p> <p>The Board and management agreed to delay the purchase of the orthopedic surgical equipment and to bring back approval of items above the CEO spending authority.</p>	
C.	<p>District Board President's Report</p> <p>President McCormick announced an education session for stakeholders, such as the Hospital, regarding the Affordable Care Act which will be held at Laney College on Friday, August 9, 2013 from 3:30 – 5:30 p.m.</p>	No action taken.

Topic		Discussion	Action / Follow-Up
	D.	<p>Community Relations and Outreach Committee Report</p> <p>Director Battani reported that the Committee met in July and that she and Ms. Stebbins provided an update on the communications plan and some of the feedback from the public forums, including parking congestion. Creative solutions for managing the parking situation were discussed and will be reviewed by management as our volumes change. Ms. Stebbins presented the results of the Community Poll regarding the affiliation. In addition, Director Battani stated a number of events that the Hospital will be involved with including the Neptune Beach Community Festival, an Open House at Mastic Senior Center, the Everything Alameda Festival, Stroke Risk Assessment on September 13 and the Annual Fall Gala on October 12, 2013 which will include the presentation of the Kate Creedon award to Denis Drew, MD and Stephen Raskin, MD. This year's theme is King of Hearts.</p>	No action taken.
	E.	<p>Medical Staff President Report</p> <p>Dr. Collins reported the newest member of the Medical Staff, General Surgeon, Dr. John Lee, as of August 1, 2013. The passing of Lawrence Wellter, MD (Radiologist) and Lawrence Sirott, MD (former physician from Alameda Family Physicians) was also reported.</p>	No action taken.
	F.	<p>Affiliation Updates</p> <p>Ms. Stebbins reported a number of community events that have taken place, including four Town Hall Meetings (internal), a presentation to the League of Women Voters, and four Public Forums. Director Battani and Ms. Stebbins attended a meeting with the Governmental Relations and Education Development Committee of the Chamber of Commerce. Ms. Stebbins also reported that she will be speaking at the Community of Harbor Bay Isle Association in August and they have offered to voluntarily endorse the affiliation with Alameda Health System.</p> <p>Ms. Stebbins reported receiving a \$1.5 M line of credit from the Bank of Alameda in July and reported positive strides in the due diligence process.</p>	No action taken.
	G.	<p>Chief Executive Officer Report</p> <p>Ms. Stebbins reported the completion of the Sprinkler Project in the Sub-Acute Unit. No additional comments were made the monthly CEO report found on pages 60-68 of the Board packet.</p>	No action taken.
VIII. General Public Comments No comments.			
IX. Board Comments			

Topic	Discussion	Action / Follow-Up
	No comments.	
X. Adjournment	Being no further business the meeting was adjourned at 10:32 p.m.	

Attest:

J. Michael McCormick
President

Tracy Jensen
Secretary

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING July 31, 2013

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

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ALAMEDA HOSPITAL

MANAGEMENT DISCUSSION AND ANALYSIS

JULY, 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 July 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 July, the first month in the new fiscal year, the hospital experienced a combined net operating loss of \$384,000 against a budgeted loss of \$301,000. Waters Edge had a positive net contribution of \$34,000 this month.

July discharges were 232, which is 18 or 7.3% below budget, and total patient days were 6,004 or 55 (0.9)% greater than budget. The acute ALOS decreased from prior month to 3.6 in the month. Total patient days for inpatient acute services were down 14.8%; subacute days were up 8.1%, skilled nursing days were up at South Shore by 1.9% and Waters Edge were up by 2.9%.

Overall outpatient activity was mixed again this month. Outpatient registrations were up 8.5% ,but Emergency Room visits were 66 or 4.6% below budget. Outpatient surgeries were above budget for the month by 44 or 48.4%, which is considerably better than prior year numbers.

The Wound Care program had 446 visits in July compared to a budget of 350, or 27.4% above budget. In July there were 84 HBO treatments compared to 79 in June.

Total gross and net revenue in July was generally in line with activity. The overall inpatient component was below budget by 8.7% (driven by the lower acute census) and outpatient was above budget 12.1% (driven by higher outpatient registrations).

The overall Case Mix Index (CMI) in July was 1.3240; this is just below the FY 2013 average of 1.3431.

Total expenses were just over \$6.9 million in July, which is \$124,000 or 1.8% below budget. This is better than almost every month in the prior fiscal year.

Salaries, supplies and rents and leases were over budget while temporary agency, benefits, professional fees and purchased services were under budget. All other categories were close to budget. Please see the Expense section for further explanation of the expense variances.

Cash and cash equivalents were \$6.4 million at the end of July, up from prior month due cash receipt from Alameda Health Systems and due to the timing of payroll hitting early in August. Cash collections in July were higher than the previous month at \$7.2 million with June Medi-Cal payments being received. Net accounts receivable decreased by \$1.1 million to \$10.9 million due receiving payments again from Medi-Cal.

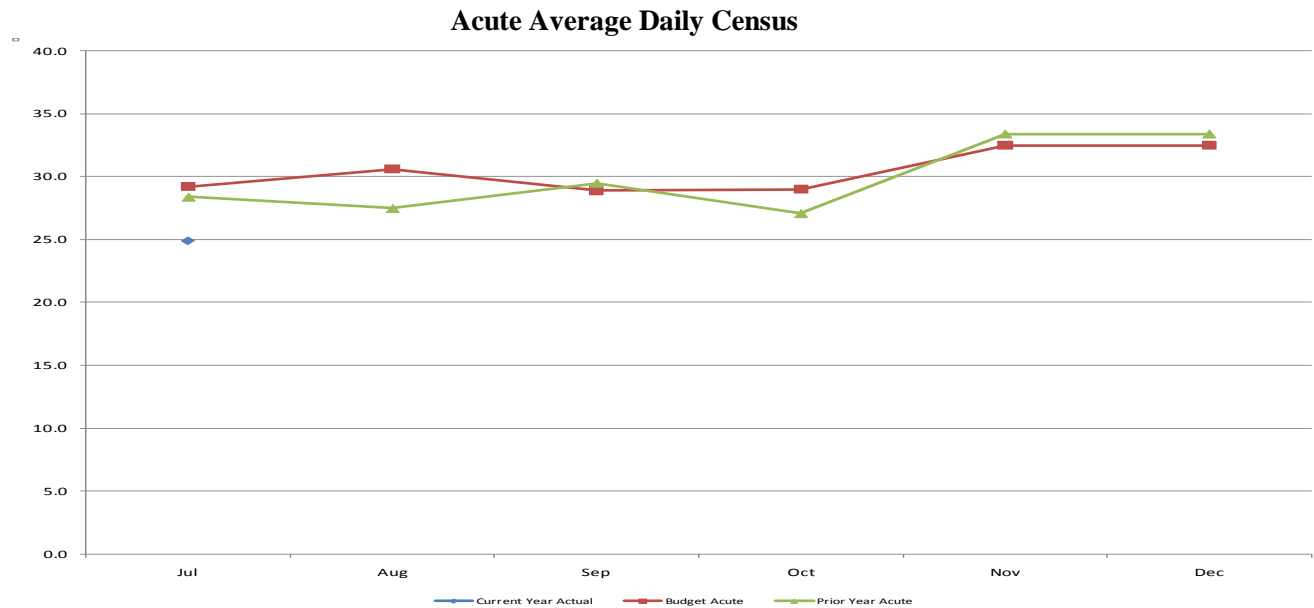
Lastly, the current ratio remains at .89 below the required 1.0 of our bank covenants. Net Assets remain consistent at approximately \$4.4 million.

ACTIVITY

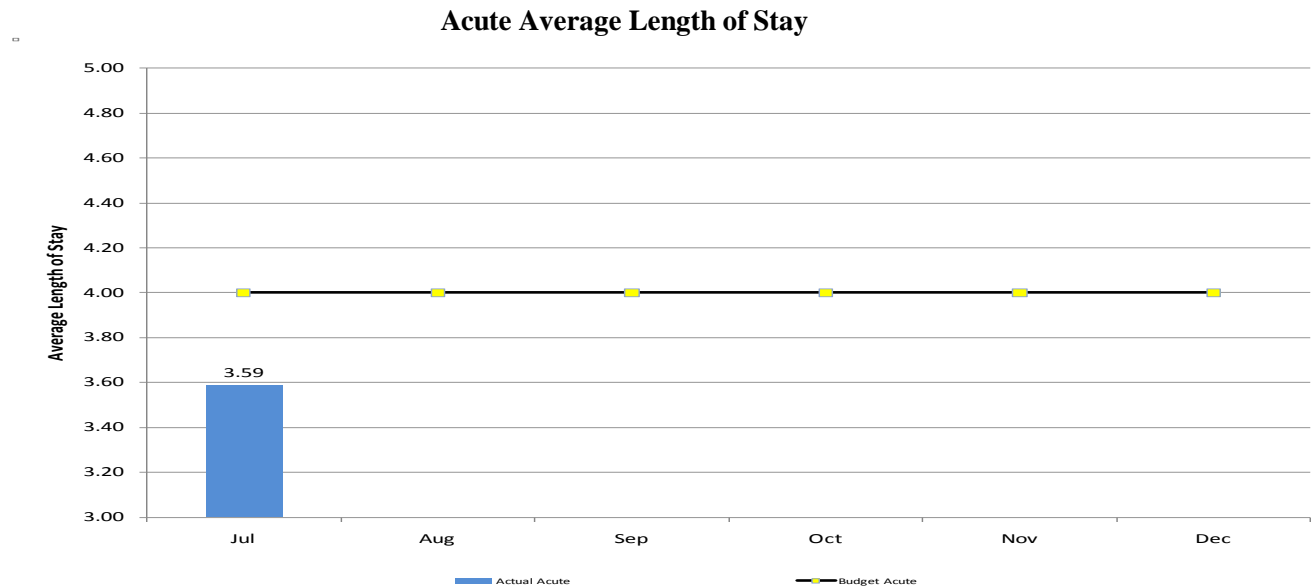
ACUTE, SUBACUTE AND SNF SERVICES

Overall, patient days were 0.9% above budget for the month and above July of last year. This month's acute days were below budget by 14.8%, Subacute was up 8.1%, South Shore was up 1.9% and Waters Edge was up 2.9%.

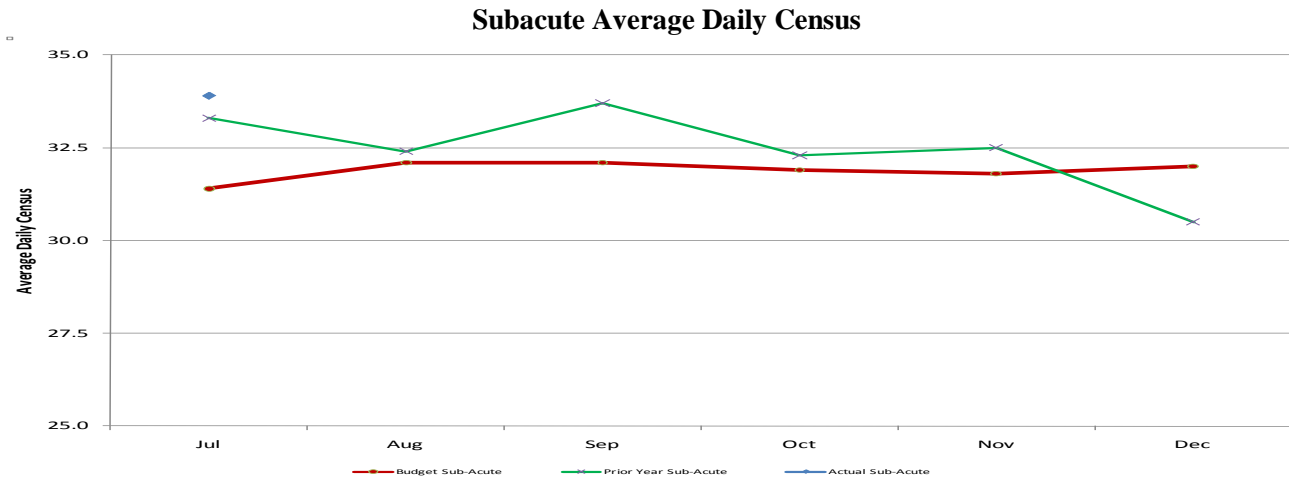
July's acute patient days were 134 days or 14.8% lower than budget for the month and 12.8% lower than July 2012. The acute care program is comprised of the Critical Care Unit (3.4 ADC, 27.1% below budget), Telemetry / Definitive Observation Unit (10.7 ADC, 11.7% below budget) and Med/Surg Unit (also 10.7 ADC, but 13.3% below budget).



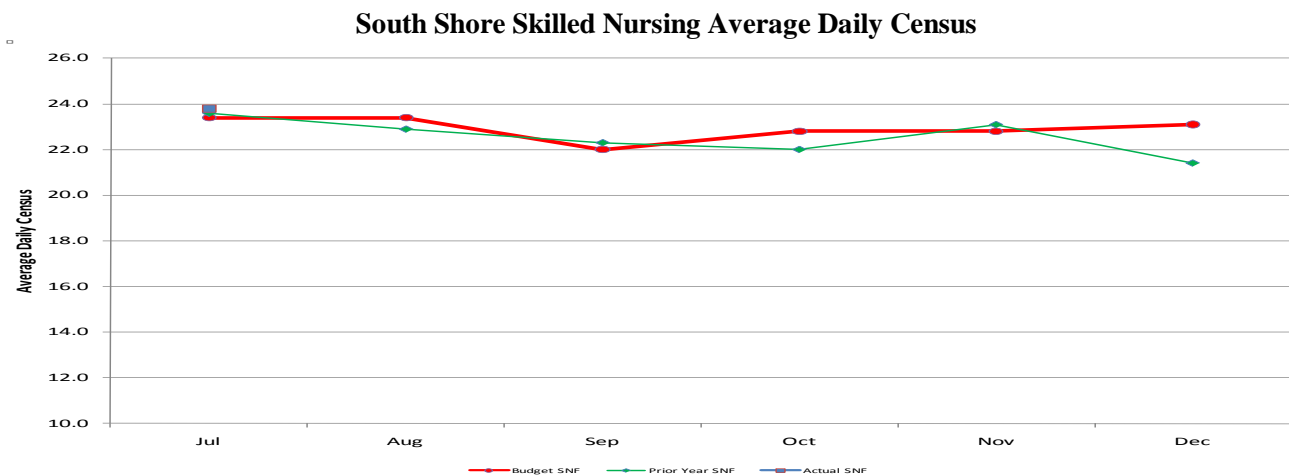
The acute Average Length of Stay (ALOS) decreased from 4.46 in June to 3.59 in July and is below the budget of 4.00. The graph below shows the ALOS by month compared to the budget.



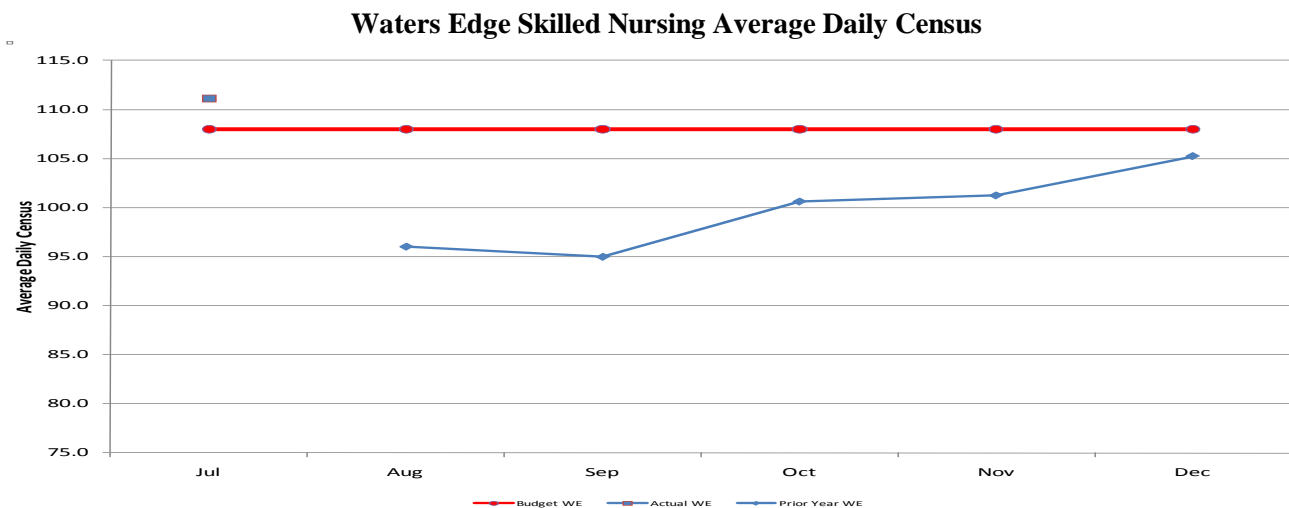
The Subacute program ADC of 33.9 was above the budget by 2.55 ADC or 8.1%. The census has stabilized despite the construction moves. The graph below shows the Subacute ADC for the current fiscal year as compared to budget and the prior year.



The South Shore ADC was above budget by 14 patient days (1.9%) for the month of July. The graph below shows the South Shore monthly ADC as compared to budget and the prior year. In July the number of Medicare A skilled patients was 4.4 ADC, just above the 4.2 ADC in June and above the budget of 4.1.



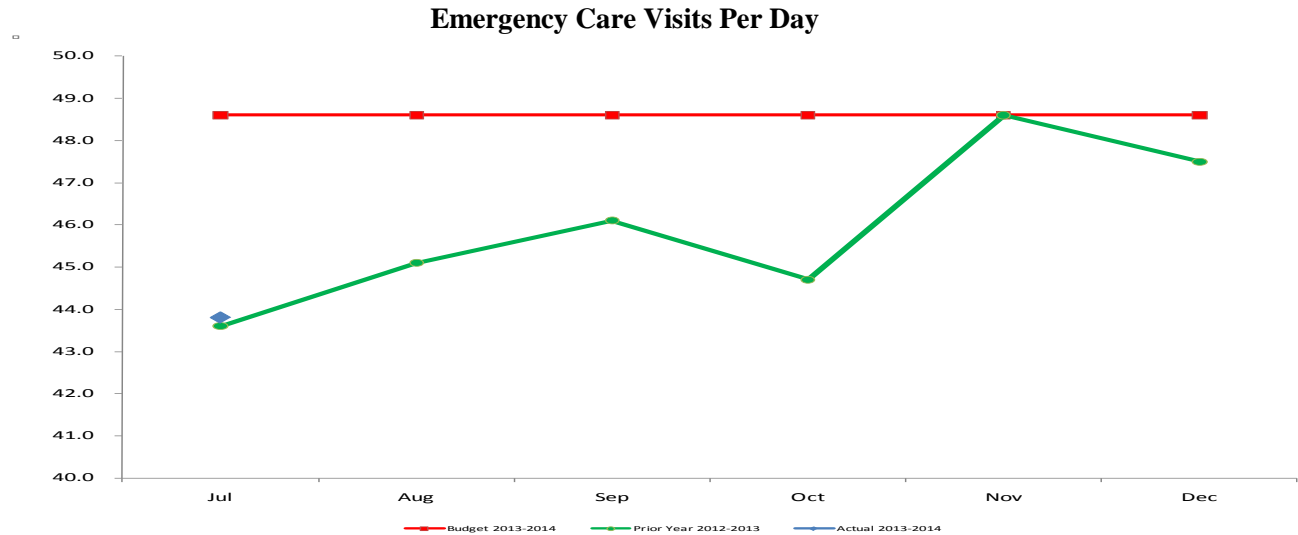
Waters Edge census was 111.1 ADC or 2.9% above the budget of 108.0 in July. The Medicare census was 12.1 ADC just down from 13.4 ADC in the prior month, and below the Medicare ADC budget of 16.2.



ANCILLARY SERVICES

Outpatient Services

Emergency Care Center (ECC) visits in July were 1,357, or 66 visits (4.6%) below the budget of 1,423. The inpatient admission rate from the ECC was 16.6% below the 17.5% admit rate in June. On a per day basis, the total visits represent an increase of 1.9% from the prior month daily average. In July, there were 272 ambulance arrivals versus 294 in the prior month. Of the 272 ambulance arrivals in the current month, 191 or 70.2% were from Alameda Fire Department (AFD).

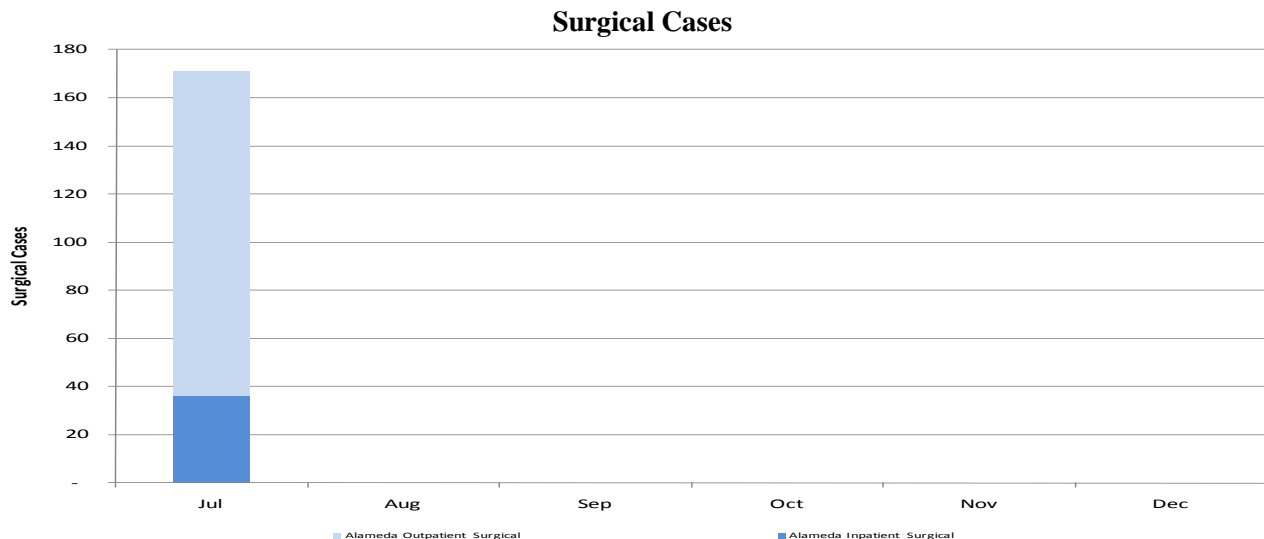


Outpatient registrations totaled 2,199 or 8.5% above the budget. This month the number of patient visits were down in Radiology (19), EKG (9), and IV Therapy (24). However, visits were up in Physical Therapy (267), Occupational Therapy (24) and Laboratory (23). In July there were 230 Therapy visits and 128 Imaging procedures from the new orthopedic clinic, compared to 155 and 138 respectively in June.

In July, Wound Care was above the budget of 350 with 446 visits, or 27.4% over budget. Hyperbaric Oxygen treatments accounted for 84 of those visits, compared to 79 in June.

Surgery

The total number of surgery cases in July were 171 or 30.5% above the budget of 131 and above last year's case volume of 117. Inpatient cases of 35 were below the budget by 4 (10.0%) and outpatient was above budget by 44 (48.4%) at 135 cases.



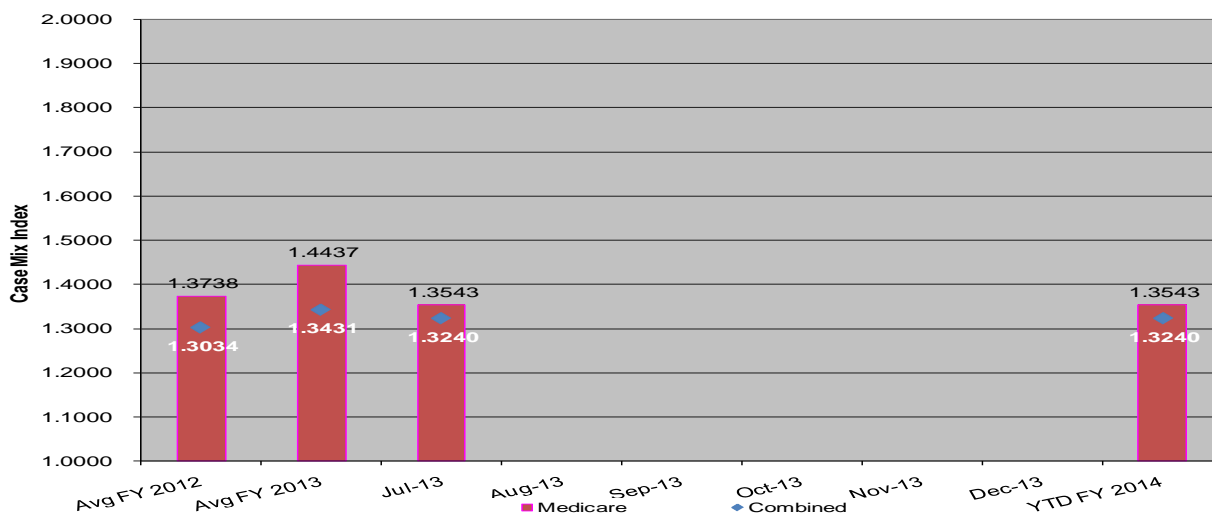
Payer Mix

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

	<u>July Actual</u>	<u>July Budget</u>
Medicare	47.9%	46.7%
Medi-Cal	26.6%	28.0%
Managed Care	17.6%	16.0%
Other	3.2%	2.9%
Commerical	1.3%	1.4%
Self-Pay	3.3%	5.0%
Total	100.0%	100.0%

Case Mix Index

The Hospital's overall Case Mix Index (CMI) for July was 1.3240, down from the prior month of 1.4092 (6.0%). The Medicare CMI was 1.343 in July, also below the prior month high. The graph below shows the Medicare CMI for the Hospital during the current fiscal year as compared to the prior two years.



Revenue

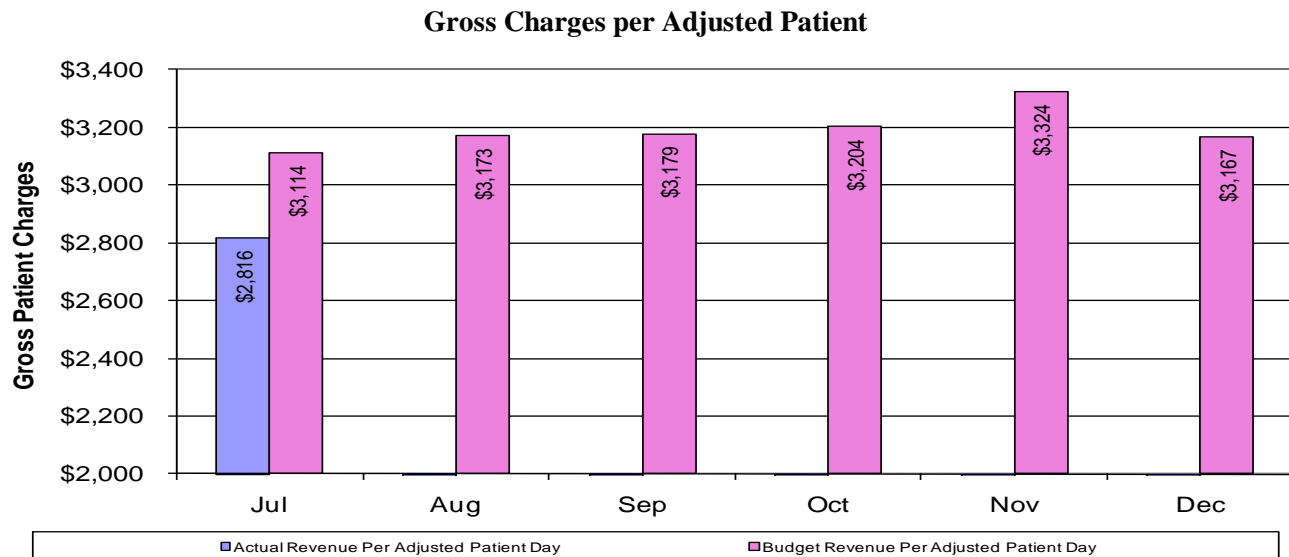
Gross patient charges in July were below budget by \$651,000 or 2.5%. Inpatient gross revenues were \$1.6 below budget and outpatient gross revenues were up almost \$960,000. Acute inpatient days were 14.8% below budget and acute gross revenue was also down 28.8%. Inpatient ancillary service charges were below budget in Laboratory, Pharmacy and Respiratory Therapy, but were up in Imaging and Rehab.

Waters Edge gross and net revenue were above budget in July consistent with the volume. The ancillary revenue was above budget 46.7% (mostly due to therapy services) and the routine daily room and board revenue was above budget by 4.5%. Medicare A patient days were 25.1% lower than budget, contributing to Net Revenue being at budget in the month despite census higher than budget by 2.9%.

Outpatient gross revenues were higher than budget by almost \$960,000 (12.1%). Surgery, Wound Care, and Imaging, were the largest contributors to this being above budget while the Emergency and Respiratory Therapy were below budget. Outpatient MRI volumes was at budget.

Wound Care volume was up to prior levels with the gross revenue above budget by more than \$270,000, resulting in Net Revenue coming in \$54,000 above budget for the month. The higher volume has returned in July after the unusual low volume seen in June.

On an adjusted patient day basis, total patient revenue was \$2,816 below the budget of \$3,114 for the month of July. The table below shows the Hospital's monthly gross revenue per adjusted patient day by month and year-to-date for Fiscal Year 2014 compared to budget.



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 23.2% was budgeted and 23.2% was realized. Medi-Cal reimbursement at both South Shore and Waters Edge were calculated at a per diem rate of \$316 which is consistent with budget and AB97 rate reduction.

Overall, Net Revenue was just over \$6.0 million, \$189,000 below the budget of \$6.2 million. The lower than budgeted inpatient acute census, and lower emergency visits are key drivers to the lower Net Revenue. Beginning April 1, 2013, the Federal budget sequestration goes into effect. This is a 2% reduction in all Medicare reimbursements which equate to about \$40,000 per month for Alameda.

Waters Edge had Net Revenues of \$1.24 million, just above the budget by \$9,000 or 0.7%. Although census was higher than budgeted overall census, we had less of the higher payer Medicare patients and more of the lower payer Medi-Cal patients driving this negative variance. .

The Wound Care program net revenue was higher than budget by \$54,000 (35%) on volumes 27% higher than projected.

Expenses

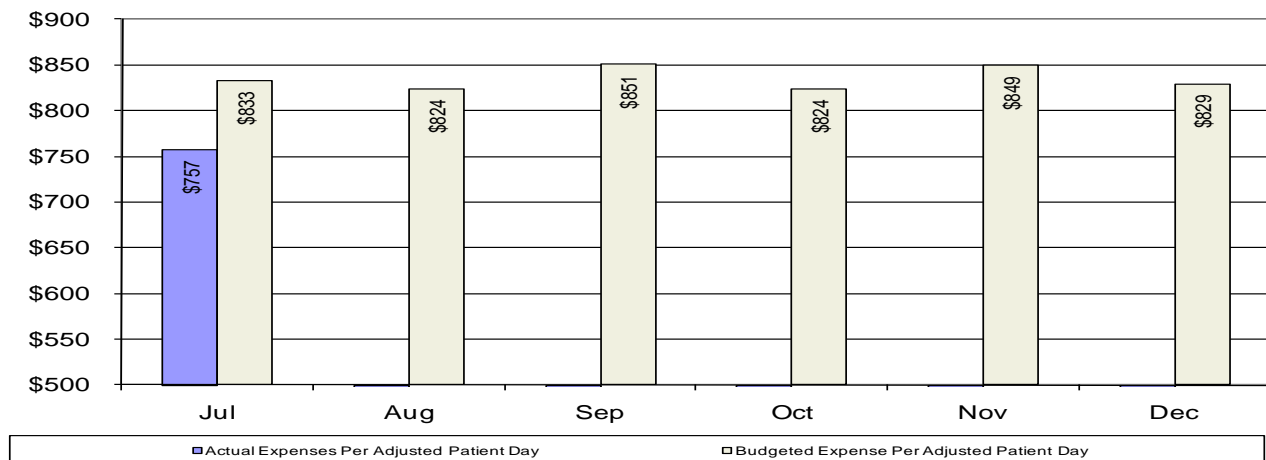
Total Operating Expenses

Total operating expenses were just under \$7.0 million which was lower than the fixed budget by \$124,000 or 1.8%. This is a welcome change from the prior year negative expense variances. Expenses are lower to a great extent because of the lower acute census in July.

Salaries, supplies and rents and leases were all above budget while temporary agency, benefits, professional fees and purchased were under budget. All other expense categories were reasonably close to budget.

The graph on the below shows the actual Hospital operating expenses on an adjusted patient day basis for the fiscal year by month as compared to budget.

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 \$20,000 (0.5%). Salaries are above budget \$96,000 while Registry (temporary agency services) is below budget \$76,000.

Registry expense was lower mainly due to the acute units using less staff due to the lower census. While the overall temporary agency expense was below budget there were a few departments utilizing temporary staff such as Rehab and Information Systems.

Salaries are up in the Subacute, South Shore and the Emergency Room. We are continuing to work on better staffing levels as the volume fluctuates during the summer months. The use of overtime and double time premium pay has dropped by approximately \$30,000 over prior period averages as we strive to get better control of this expensive component of the total salaries.

Benefits

Benefits were below the fixed budget by \$140,000. While these numbers fluctuate from month to month, benefits are down this month due to higher usage of PTO/Vacation resulting in a \$17,000 expense reduction. We have been encouraging employees to use their PTO/Vacation time which thus reduces the amount of accrual needed. Health Claims and required IBNR reserve were also lower in the month contributing to a very favorable variance in the month. While we are significantly under budget overall, Pension expense line was higher than budget.

Professional Fees

Professional fees were just under budget by \$12,000 or 2.5%. While Pharmacy increased use of Night Hawk pharmacy service and Wound Care Clinic management fees (due to volume) were above budget, Administration was under budget resulting in a positive variance overall. The 1206 b clinic was under budget \$14,000. We did miss an accrual for this department totaling about \$10,000, but would have still been under budget by \$4,000 based on RVU productivity.

Supplies

Supplies expense were \$26,000 above budget. This variance is primarily due to small Medical Supplies variances in numerous departments: 1206 b clinic, subacute, CT supplies and prosthetics being the greatest variance.

Purchased Services

Purchased services were below budget for the month of July by \$17,000 or 2.9%. While there were some departments higher than budget, similar to past months, there were several departments under budget such as Business Office, Environmental Services and Pharmacy resulting in the overall variance being positive to budget.

Rents and Leases

Rents and lease expense was \$12,000 over budget in the month. While Respiratory Therapy was below budget this month, Central Supply, Engineering and Administration were over budget. We continue to have higher equipment rental expense, primarily for bed / mattress rentals. We are obtaining quotes to purchase the needed mattresses vs. continuing to rent. In addition, the annual rent increase for the south shore building was about \$1,000 per month higher than budgeted (taxes and fees assessments).

Other Operating Expense

Other Operating Expenses were under budget this month by \$12,000. This positive variance is due mostly to lower recruiting expenses and lower dues and subscription expenses.

Depreciation Expense

Depreciation Expenses was \$5,000 over budget. This is expected to normalize to budget over the course of the six month budget period.

Non-Operating Income / (Expense):

Other Income was \$14,000 under budget. We had assumed in the budget a contribution from the Foundation during this six month budget period of \$150,000. We have not recorded a portion of the receivable for this but will do so once a contribution is made later in the year.

Balance Sheet

Total assets increased by almost \$500,000 from the prior month. The following items make up the increase in assets:

- Total unrestricted cash and cash equivalents for July increased by approximately \$1.5 million and days cash on hand including restricted use funds also increased to 30.0 days cash on hand in July from the 21.8 days cash on hand in June. Patient collections in July averaged just over \$230,000 per day, considerably higher than the prior month. The slow down in cash payments from the state Medi-Cal program seen in June has ended with cash back up in July. Note there is also 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 \$2.3 million. We did receive the \$1.5 million loan from AHS during July, of which, \$1.2 million was paid out to vendors during the month.
- Net patient accounts receivable was \$10.9 million, down about \$1.1 million from \$12.0 million at the end of June. This has dropped significantly as the Medi-Cal program resumed payments in July and the timing of other Medicare payments began received for LTC
- Other Receivables have decreased slightly after recording the property tax receivable last month.
- Days in outstanding receivables were back down to 56.5 at July month end, a decrease from the June number of 60.35 days. Cash collections in July were \$7.2 million compared to \$5.5 million in June.

Overall, total liabilities increased by \$850,000 from the prior month:

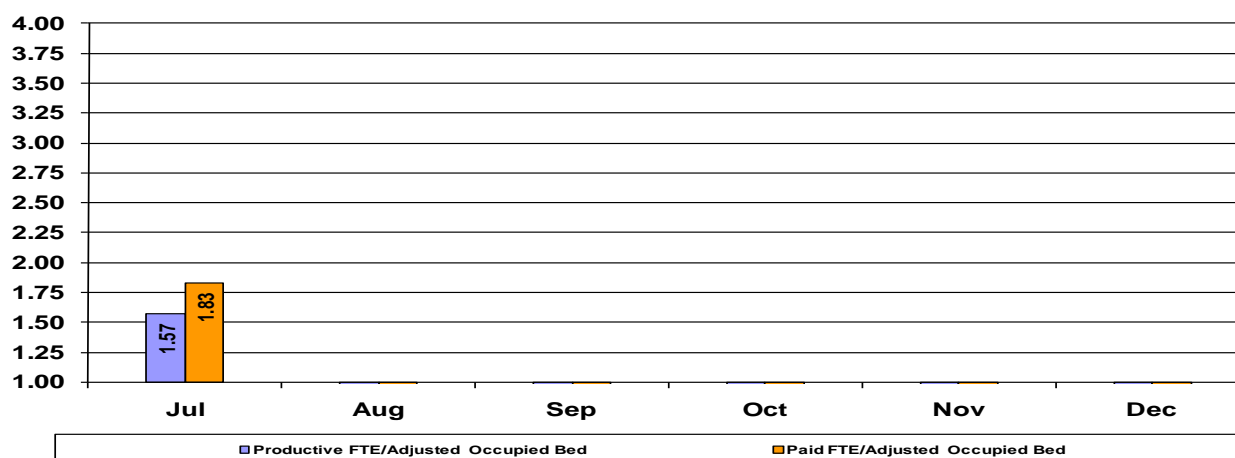
- Accounts payable decreased over \$700,000 in July to approximately \$11.1 million which equates to 151 AP Days, just up from the 149 days in June. The net decrease was all associated with payments made utilizing the AHS \$1.5 million loan.

- Payroll related accruals increased about \$250,000 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 2013/2014 parcel tax revenues, which will be realized over the course of the fiscal year.
- Current Portion of Long Term Debt in the month of July increased by \$1.5 million due to the payment received from Alameda Health Systems.
- Third Party Payer Settlement remained fairly consistent with prior month.

Key Statistics

FTE's Per Adjusted Occupied Bed

For the month of July Productive FTE's per Adjusted Occupied Bed were 1.57, below the budget of 1.73 FTE's by 9.1%. Paid FTE's per Adjusted Occupied Bed were 1.83 or 7.2% below the budget. The graph below shows the productive and paid FTE's per Adjusted Occupied Bed for FY 2014 by month.



Current Ratio

The current ratio for July remains steady at 0.89. We have received a waiver to the 1.0 loan covenant from the Bank of Alameda through the quarter ending September 30, 2013.

A/R days

Net days in accounts receivable (A/R) are currently at 56.5. This is down from the prior month of 60.3. Net A/R days are down due to the higher cash collections as Medi-Cal payments have increased to normal levels in July.

Days Cash on Hand

Days cash on hand for July were 30.0, an increase from prior month of 21.8. We did receive the \$1.5 million loan from Alameda Health System as called for in the Affiliation Letter of Intent, on July 22nd. These funds were used to help reduce vendor accounts payables in July.

The following pages include the detailed financial statements for the first (1) month ended July 31, 2013, of Fiscal Year 2014.

**ALAMEDA HOSPITAL
KEY STATISTICS
JULY 2013**

	<u>ACTUAL JULY 2013</u>	<u>CURRENT FIXED BUDGET</u>	<u>VARIANCE (UNDER) OVER</u>	<u>%</u>	<u>JULY 2012</u>	<u>YTD JULY 2013</u>	<u>YTD FIXED BUDGET</u>	<u>VARIANCE</u>	<u>%</u>	<u>YTD JULY 2012</u>
Discharges:										
Total Acute	215	226	(11)	-5.0%	225	215	226	(11)	-5.0%	225
Total Sub-Acute	1	3	(2)	-66.7%	2	1	3	(2)	-66.7%	2
Total South Shore	4	6	(2)	-33.3%	2	4	6	(2)	-33.3%	2
Total Waters Edge	<u>12</u>	<u>15</u>	<u>(3)</u>	<u>-20.0%</u>	<u>-</u>	<u>12</u>	<u>15</u>	<u>(3)</u>	<u>-20.0%</u>	<u>-</u>
	232	250	(18)	-7.3%	229	232	250	(18)	-7.3%	229
Patient Days:										
Total Acute	771	905	(134)	-14.8%	881	771	905	(134)	-14.8%	881
Total Sub-Acute	1,051	972	79	8.1%	1,032	1,051	972	79	8.1%	1,032
Total South Shore	738	724	14	1.9%	731	738	724	14	1.9%	731
Total Waters Edge	<u>3,444</u>	<u>3,348</u>	<u>96</u>	<u>2.9%</u>	<u>-</u>	<u>3,444</u>	<u>3,348</u>	<u>96</u>	<u>2.9%</u>	<u>-</u>
	6,004	5,949	55	0.9%	2,644	6,004	5,949	55	0.9%	2,644
Average Length of Stay										
Total Acute	3.59	4.00	(0.41)	-10.3%	3.92	3.59	4.00	(0.41)	-10.3%	3.92
Average Daily Census										
Total Acute	24.87	29.19	(4.32)	-14.8%	28.42	24.87	29.19	(4.32)	-14.8%	28.42
Total Sub-Acute	33.90	31.35	2.55	8.1%	33.29	33.90	31.35	2.55	8.1%	33.29
Total South Shore	23.81	23.35	0.45	1.9%	23.58	23.81	23.35	0.45	1.9%	23.58
Total Waters Edge	<u>111.10</u>	<u>108.00</u>	<u>3.10</u>	<u>2.9%</u>	<u>-</u>	<u>111.10</u>	<u>108.00</u>	<u>3.10</u>	<u>2.9%</u>	<u>-</u>
	193.68	191.90	1.77	0.9%	85.29	193.68	191.90	(1.77)	-0.9%	85.29
Emergency Room Visits	1,357	1,423	(66)	-4.6%	1,352	1,357	16,800	(15,443)	-91.9%	16,911
Wound Care Clinic Visits	446	350	96	27.4%	7	446	2,450	(2,004)	-81.8%	-
Outpatient Registrations	2,199	2,027	172	8.5%	1,841	2,199	24,972	(22,773)	-91.2%	22,228
Surgery Cases:										
Inpatient	36	40	(4)	-10.0%	35	36	548	(512)	-93.4%	482
Outpatient	<u>135</u>	<u>91</u>	<u>44</u>	<u>48.4%</u>	<u>82</u>	<u>135</u>	<u>1,818</u>	<u>(1,683)</u>	<u>-92.6%</u>	<u>1,656</u>
	171	131	40	30.5%	117	171	2,366	(2,195)	-92.8%	2,138
Adjusted Occupied Bed (AOB)	295.77	274.33	21.45	7.8%	125.11	295.77	274.33	21.45	7.8%	125.11
Productive FTE	465.59	474.92	(9.32)	-2.0%	351.97	465.59	474.92	(9.33)	-2.0%	353.83
Total FTE	540.85	540.75	0.10	0.0%	412.64	540.85	540.75	0.10	0.0%	398.25
Productive FTE/Adj. Occ. Bed	1.57	1.73	(0.16)	-9.1%	2.81	1.57	1.73	(0.16)	-9.1%	2.83
Total FTE/ Adj. Occ. Bed	1.83	1.97	(0.14)	-7.2%	3.30	1.83	1.97	(0.14)	-7.2%	3.18

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

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year End</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 6,439,805	\$ 4,861,959	\$ 4,861,959
Patient Accounts Receivable, net	10,902,164	12,041,516	12,041,516
Other Receivables	6,250,816	6,301,762	6,301,762
Third-Party Payer Settlement Receivables	-	-	-
Inventories	1,276,129	1,266,892	1,266,892
Prepays and Other	572,320	450,309	450,309
Total Current Assets	<u>25,441,235</u>	<u>24,922,439</u>	<u>24,922,439</u>
Assets Limited as to Use, net	200,778	189,755	189,755
Fixed Assets			
Land	877,945	877,945	877,945
Depreciable capital assets	45,495,434	45,422,895	45,422,895
Construction in progress	3,546,741	3,583,725	3,583,725
Depreciation	<u>(40,668,979)</u>	<u>(40,581,813)</u>	<u>(40,581,813)</u>
Property, Plant and Equipment, net	<u>9,251,141</u>	<u>9,302,752</u>	<u>9,302,752</u>
Total Assets	<u>\$ 34,893,154</u>	<u>\$ 34,414,946</u>	<u>\$ 34,414,946</u>
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 2,326,007	\$ 826,007	\$ 826,007
Accounts Payable and Accrued Expenses	11,085,668	11,823,357	11,823,357
Payroll Related Accruals	5,444,798	5,195,271	5,195,271
Deferred Revenue	5,253,942	5,731,269	5,731,269
Employee Health Related Accruals	708,148	714,297	714,297
Third-Party Payer Settlement Payable	<u>3,771,493</u>	<u>3,796,593</u>	<u>3,796,593</u>
Total Current Liabilities	28,590,056	28,086,794	28,086,794
Long Term Debt, net	<u>1,926,176</u>	<u>1,578,289</u>	<u>1,578,289</u>
Total Liabilities	<u>30,516,232</u>	<u>29,665,083</u>	<u>29,665,083</u>
Net Assets:			
Unrestricted	4,350,108	4,350,108	4,350,108
Temporarily Restricted	<u>26,814</u>	<u>399,755</u>	<u>399,755</u>
Total Net Assets	<u>4,376,922</u>	<u>4,749,863</u>	<u>4,749,863</u>
Total Liabilities and Net Assets	<u>\$ 34,893,153</u>	<u>\$ 34,414,946</u>	<u>\$ 34,414,946</u>

City of Alameda Health Care District

Statements of Operations

July 31, 2013

\$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	6,004	5,948	56	0.9%	2,644	6,004	5,948	56	0.9%	2,644
Discharges	232	250	(18)	-7.3%	229	232	249	(17)	-6.9%	229
ALOS (Average Length of Stay)	25.88	23.77	2.11	8.9%	11.55	25.88	23.86	2.02	8.4%	11.55
ADC (Average Daily Census)	193.7	191.9	1.80	0.9%	-	193.7	191.9	1.80	0.9%	85.3
CMI (Case Mix Index)	1.3240				1.2481	1.3240				1.2481
Revenues										
Gross Inpatient Revenues	\$ 16,910	\$ 18,520	\$ (1,610)	-8.7%	\$ 14,163	\$ 16,910	\$ 18,520	\$ (1,610)	-8.7%	\$ 14,163
Gross Outpatient Revenues	8,914	7,954	960	12.1%	6,573	8,914	7,954	960	12.1%	6,573
Total Gross Revenues	25,824	26,474	(651)	-2.5%	20,736	25,824	26,474	(651)	-2.5%	20,736
Contractual Deductions	19,469	19,087	(382)	-2.0%	15,048	19,469	19,087	(382)	-2.0%	15,048
Bad Debts	239	1,102	863	78.3%	818	239	1,102	863	78.3%	818
Charity and Other Adjustments	137	133	(4)	-3.0%	124	137	133	(4)	-3.0%	124
Net Patient Revenues	5,978	6,152	(174)	-2.8%	4,746	5,978	6,152	(174)	-2.8%	4,746
Net Patient Revenue %	23.2%	23.2%			22.9%	23.2%	23.2%			22.9%
Net Clinic Revenue	75	88	(13)	-14.5%	39	75	88	(13)	-14.5%	39
Other Operating Revenue	10	12	(3)	-20.8%	6	10	12	(3)	-20.8%	6
Total Revenues	6,063	6,252	(189)	-3.0%	4,792	6,063	6,252	(189)	-3.0%	4,792
Expenses										
Salaries	3,575	3,479	(96)	-2.7%	3,007	3,575	3,479	(96)	-2.7%	3,007
Temporary Agency	105	181	76	41.8%	154	105	181	76	41.8%	154
Benefits	903	1,043	140	13.4%	630	903	1,043	140	13.4%	630
Professional Fees	489	501	12	2.5%	335	489	501	12	2.5%	335
Supplies	782	756	(26)	-3.4%	648	782	756	(26)	-3.4%	648
Purchased Services	554	571	17	2.9%	459	554	571	17	2.9%	459
Rents and Leases	232	221	(12)	-5.3%	115	232	221	(12)	-5.3%	115
Utilities and Telephone	79	83	5	5.8%	67	79	83	5	5.8%	67
Insurance	38	38	(0)	-0.2%	34	38	38	(0)	-0.2%	34
Depreciation and amortization	88	83	(5)	-6.0%	66	88	83	(5)	-6.0%	66
Other Operating Expenses	98	111	12	11.2%	82	98	111	12	11.2%	82
Total Expenses	6,943	7,067	124	1.8%	5,597	6,943	7,067	124	1.8%	5,597
Operating gain (loss)	(880)	(815)	(65)	-7.9%	(806)	(880)	(815)	(65)	7.9%	(806)
Non-Operating Income / (Expense)										
Parcel Taxes	477	487	(10)	-2.0%	477	477	487	(10)	-2.0%	477
Investment Income	1	-	1	0.0%	2	1	-	1	0.0%	2
Interest Expense	(10)	(16)	5	33.1%	(9)	(10)	(16)	5	-33.1%	(9)
Other Income / (Expense)	28	43	(14)	-33.9%	27	28	43	(14)	-33.9%	27
Net Non-Operating Income / (Expense)	496	514	(18)	-3.5%	497	496	514	(18)	-3.5%	497
Excess of Revenues Over Expenses	\$ (384)	\$ (301)	\$ (83)	27.4%	\$ (309)	\$ (384)	\$ (301)	\$ (83)	27.4%	\$ (309)

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

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	\$ 1,844	\$ 2,178	\$ (334)	-15.3%	\$ 3,659	\$ 1,844	\$ 2,178	\$ (334)	-15.3%	\$ 3,659
Gross Outpatient Revenues	972	935	37	3.9%	1,698	972	935	37	3.9%	1,698
Total Gross Revenues	2,816	3,114	(297)	-9.5%	5,357	2,816	3,114	(297)	-9.5%	5,357
Contractual Deductions	2,123	2,245	121	5.4%	3,887	2,123	2,245	121	5.4%	3,887
Bad Debts	26	130	104	79.9%	211	26	130	104	79.9%	211
Charity and Other Adjustments	15	16	1	4.5%	32	15	16	1	4.5%	32
Net Patient Revenues	652	724	(71)	-9.9%	1,226	652	724	(71)	-9.9%	1,226
Net Patient Revenue %	23.2%	23.2%			22.9%	23.2%	23.2%			22.9%
Net Clinic Revenue	8	10	(2)	-20.8%	10	8	10	(2)	-20.8%	10
Other Operating Revenue	1	1	(0)	-26.5%	2	1	1	(0)	-26.5%	2
Total Revenues	661	735	(74)	-10.1%	1,238	661	735	(74)	-10.1%	1,238
Expenses										
Salaries	390	409	19	4.7%	777	390	409	19	4.7%	777
Temporary Agency	11	21	10	46.1%	40	11	21	10	46.1%	40
Benefits	98	123	24	19.7%	163	92	123	31	25.3%	163
Professional Fees	53	59	6	9.5%	87	53	59	6	9.5%	87
Supplies	85	89	4	4.1%	167	85	89	4	4.1%	167
Purchased Services	60	67	7	10.0%	119	60	67	7	10.0%	119
Rents and Leases	25	26	1	2.4%	30	25	26	1	2.4%	30
Utilities and Telephone	9	10	1	12.7%	17	9	10	1	12.7%	17
Insurance	4	4	0	7.1%	9	4	4	0	7.1%	9
Depreciation and Amortization	10	10	0	1.7%	17	10	10	0	1.7%	17
Other Operating Expenses	11	15	4	27.5%	21	11	13	2	17.7%	21
Total Expenses	757	833	76	9.1%	1,446	750	831	81	9.7%	1,446
Operating Gain / (Loss)	(96)	(98)	2	1.7%	(208)	(89)	(96)	7	-7.1%	(208)
Non-Operating Income / (Expense)										
Parcel Taxes	52	57	(5)	-9.1%	123	52	57	(5)	-9.1%	123
Investment Income	0	-	0	0.0%	0	0	-	0	0.0%	0
Interest Expense	(1)	(2)	1	38.0%	(2)	(1)	(2)	1	-38.0%	(2)
Other Income / (Expense)	3	5	(2)	-38.7%	7	3	5	(2)	-38.7%	7
Net Non-Operating Income / (Expense)	54	60	(6)	-10.5%	128	54	60	(6)	-10.5%	128
Excess of Revenues Over Expenses	\$ (42)	\$ (37)	\$ (5)	12.6%	\$ (80)	\$ (35)	\$ (35)	\$ 0	-1.2%	\$ (80)

Wound Care - Statement of Operations
July 31, 2013

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Clinic Visits	446	350	96	27.4%	446	350	96	27.4%
Revenue								
Gross Revenue	966,906	689,761	277,145	40.2%	966,906	689,761	277,145	40.2%
Deductions from Revenue	<u>754,187</u>	<u>531,392</u>	<u>222,795</u>		<u>754,187</u>	<u>531,392</u>	<u>222,795</u>	
Net Revenue	<u>212,719</u>	<u>158,369</u>	<u>54,350</u>		<u>212,719</u>	<u>158,369</u>	<u>54,350</u>	
Expenses								
Salaries	18,609	15,898	(2,711)	-17.1%	18,609	15,898	(2,711)	-17.1%
Benefits	4,678	4,749	70	1.5%	4,678	4,749	70	1.5%
Professional Fees	95,935	73,306	(22,629)	-30.9%	95,935	73,306	(22,629)	-30.9%
Supplies	30,607	28,239	(2,368)	-8.4%	30,607	28,239	(2,368)	-8.4%
Purchased Services	4,593	4,000	(593)	-14.8%	4,593	4,000	(593)	-14.8%
Rents and Leases	6,123	5,686	(437)	-7.7%	6,123	5,686	(437)	-7.7%
Depreciation	8,834	8,685	(149)	-1.7%	8,834	8,685	(149)	-1.7%
Other	<u>1,706</u>	<u>2,079</u>	<u>373</u>	<u>17.9%</u>	<u>1,706</u>	<u>2,079</u>	<u>373</u>	<u>17.9%</u>
Total Expenses	<u>171,085</u>	<u>142,642</u>	<u>(28,444)</u>	<u>-19.9%</u>	<u>171,085</u>	<u>142,642</u>	<u>(28,444)</u>	<u>-19.9%</u>
Excess of Revenue over Expenses	<u>41,634</u>	<u>15,727</u>	<u>25,907</u>	<u>164.7%</u>	<u>41,634</u>	<u>15,727</u>	<u>25,907</u>	<u>164.7%</u>

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

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Patient Days								
Medicare	376	502	(126)	-25.1%	376	502	(126)	-25.1%
Medi-Cal	2,928	2,576	352	13.7%	2,928	2,576	352	13.7%
Managed Care	43	68	(25)	-36.8%	43	68	(25)	-36.8%
Self Pay/Other	<u>97</u>	<u>202</u>	<u>(105)</u>	<u>-52.0%</u>	<u>97</u>	<u>202</u>	<u>(105)</u>	<u>-52.0%</u>
Total	3,444	3,348	96	2.9%	3,444	3,348	96	2.9%
Revenue								
Routine Revenue	2,731,416	2,613,836	117,580	4.5%	2,731,416	2,613,836	117,580	4.5%
Ancillary Revenue	<u>420,325</u>	<u>286,476</u>	<u>133,849</u>	<u>46.7%</u>	<u>420,325</u>	<u>286,476</u>	<u>133,849</u>	<u>46.7%</u>
Total Gross Revenue	3,151,741	2,900,312	251,429	8.7%	3,151,741	2,900,312	251,429	8.7%
Deductions from Revenue	<u>1,913,072</u>	<u>1,670,580</u>	<u>(242,492)</u>	<u>-14.5%</u>	<u>1,913,072</u>	<u>1,670,580</u>	<u>(242,492)</u>	<u>-14.5%</u>
Net Revenue	<u>1,238,669</u>	<u>1,229,732</u>	<u>8,937</u>	<u>0.7%</u>	<u>1,238,669</u>	<u>1,229,732</u>	<u>8,937</u>	<u>0.7%</u>
Expenses								
Salaries	467,277	474,565	7,288	1.5%	467,277	474,565	7,288	1.5%
Temporary Agency	12,203	20,067	7,864	-100.0%	12,203	20,067	7,864	-100.0%
Benefits	98,699	97,307	(1,391)	-1.4%	98,699	97,307	(1,391)	-1.4%
Professional Fees	3,891	5,200	1,309	25.2%	3,891	5,200	1,309	25.2%
Supplies	67,245	63,381	(3,864)	-6.1%	67,245	63,381	(3,864)	-6.1%
Purchased Services	119,938	129,300	9,362	7.2%	119,938	129,300	9,362	7.2%
Rents and Leases	77,043	75,400	(1,643)	-2.2%	77,043	75,400	(1,643)	-2.2%
Utilities	12,207	11,767	(440)	-3.7%	12,207	11,767	(440)	-3.7%
Insurance	-	2,392	2,392	100.0%	-	2,392	2,392	100.0%
Other	<u>11,851</u>	<u>16,308</u>	<u>4,457</u>	<u>27.3%</u>	<u>11,851</u>	<u>16,308</u>	<u>4,457</u>	<u>27.3%</u>
Total Expenses	<u>870,354</u>	<u>895,687</u>	<u>25,334</u>	<u>2.8%</u>	<u>870,354</u>	<u>895,687</u>	<u>25,334</u>	<u>2.8%</u>
Excess of Revenue over Expenses	<u>368,315</u>	<u>334,045</u>	<u>34,270</u>		<u>368,315</u>	<u>334,045</u>	<u>34,270</u>	
check total	771,655	798,380			771,655	798,380		

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

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Clinic Visits	260	302	(42)	-13.9%	260	302	(42)	-13.9%
Revenue								
Gross Revenue	92,476	128,652	(36,176)	-28.1%	92,476	128,652	(36,176)	-28.1%
Deductions from Revenue	<u>50,501</u>	<u>90,069</u>	<u>(39,568)</u>		<u>50,501</u>	<u>90,069</u>	<u>(39,568)</u>	
Net Revenue	<u>41,975</u>	<u>38,583</u>	<u>3,392</u>		<u>41,975</u>	<u>38,583</u>	<u>3,392</u>	
Expenses								
Salaries	32,402	32,903	501	1.5%	32,402	32,903	501	1.5%
Benefits	8,146	9,828	1,682	17.1%	8,146	9,828	1,682	17.1%
Professional Fees	24,577	25,000	423	1.7%	24,577	25,000	423	1.7%
Supplies	1,293	3,467	2,174	62.7%	1,293	3,467	2,174	62.7%
Purchased Services	4,282	6,083	1,801	29.6%	4,282	6,083	1,801	29.6%
Rents and Leases	4,660	4,667	7	0.1%	4,660	4,667	7	0.1%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Other	<u>1,049</u>	<u>2,608</u>	<u>1,559</u>	<u>59.8%</u>	<u>1,049</u>	<u>2,608</u>	<u>1,559</u>	<u>59.8%</u>
Total Expenses	<u>76,409</u>	<u>84,556</u>	<u>8,147</u>	<u>9.6%</u>	<u>76,409</u>	<u>84,556</u>	<u>8,147</u>	<u>9.6%</u>
Excess of Revenue over Expenses	<u>(34,434)</u>	<u>(45,973)</u>	<u>11,539</u>	<u>25.1%</u>	<u>(34,434)</u>	<u>(45,973)</u>	<u>11,539</u>	<u>25.1%</u>
<u>Hospital Based Activity:</u>								
Inpatient Days	25	22	3	13.6%	25	22	3	13.6%
Inpatient Surgeries	2	5	(3)	-60.0%	2	5	(3)	-60.0%
Outpatient Surgeries	5	9	(4)	-44.4%	5	9	(4)	-44.4%
Therapy Referred Visits	230	175	55	31.4%	230	175	55	31.4%
Imaging Referred Procedures	128	110	18	16.4%	128	110	18	16.4%
Inpatient Gross Charges	<u>426,237</u>	<u>309,500</u>	<u>116,737</u>	<u>37.7%</u>	<u>426,237</u>	<u>309,500</u>	<u>116,737</u>	<u>37.7%</u>
Inpatient Net Revenue	<u>41,215</u>	<u>69,500</u>	<u>(28,285)</u>	<u>-40.7%</u>	<u>41,215</u>	<u>69,500</u>	<u>(28,285)</u>	<u>-40.7%</u>
Outpatient Gross Charges	<u>456,739</u>	<u>305,755</u>	<u>150,984</u>	<u>49.4%</u>	<u>456,739</u>	<u>305,755</u>	<u>150,984</u>	<u>49.4%</u>
Outpatient Net Revenue	<u>77,646</u>	<u>66,893</u>	<u>10,753</u>	<u>16.1%</u>	<u>77,646</u>	<u>66,893</u>	<u>10,753</u>	<u>16.1%</u>
Total Gross Charges	<u>882,976</u>	<u>615,255</u>	<u>267,721</u>	<u>43.5%</u>	<u>882,976</u>	<u>615,255</u>	<u>267,721</u>	<u>43.5%</u>
Total Net Revenue	<u>118,861</u>	<u>136,393</u>	<u>(17,532)</u>	<u>-12.9%</u>	<u>118,861</u>	<u>136,393</u>	<u>(17,532)</u>	<u>-12.9%</u>

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

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Clinic Visits								
Primary Care	102				102			
Surgery	63				63			
Neurology	28				28			
Total Visits	<u>193</u>				<u>193</u>			
Revenue								
Gross Revenue	73,628	129,400	(55,772)	-43.1%	73,628	129,400	(55,772)	-43.1%
Deductions from Revenue	<u>40,834</u>	<u>77,650</u>	<u>(36,816)</u>		<u>40,834</u>	<u>77,650</u>	<u>(36,816)</u>	
Net Revenue	<u>32,794</u>	<u>51,750</u>	<u>(18,956)</u>		<u>32,794</u>	<u>51,750</u>	<u>(18,956)</u>	
Expenses								
Salaries	31,669	24,978	(6,691)	-26.8%	31,669	24,978	(6,691)	-26.8%
Temporary Agency	-	-	-	-100.0%	-	-	-	-100.0%
Benefits	7,962	7,461	(501)	-6.7%	7,962	7,461	(501)	-6.7%
Professional Fees	3,774	18,000	14,226	79.0%	3,774	18,000	14,226	79.0%
Supplies	6,567	1,356	(5,211)	-384.3%	6,567	1,356	(5,211)	-384.3%
Purchased Services	8,075	6,468	(1,607)	-24.8%	8,075	6,468	(1,607)	-24.8%
Rents and Leases	15,194	12,661	(2,533)	-20.0%	15,194	12,661	(2,533)	-20.0%
Depreciation	494	182	(312)	-171.4%	494	182	(312)	-171.4%
Other	<u>6,094</u>	<u>5,167</u>	<u>(927)</u>	<u>-17.9%</u>	<u>6,094</u>	<u>5,167</u>	<u>(927)</u>	<u>-17.9%</u>
Total Expenses	<u>79,829</u>	<u>76,273</u>	<u>(3,556)</u>	<u>-4.7%</u>	<u>79,829</u>	<u>76,273</u>	<u>(3,556)</u>	<u>-4.7%</u>
Excess of Revenue over Expenses	<u>(47,035)</u>	<u>(24,523)</u>	<u>(22,512)</u>	<u>91.8%</u>	<u>(47,035)</u>	<u>(24,523)</u>	<u>(22,512)</u>	<u>91.8%</u>

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 One Month Ended July 31, 2013

	<u>Current Month</u>	<u>Year-to-Date</u>
Cash flows from operating activities		
Net Income / (Loss)	\$ (383,965)	\$ (383,965)
Items not requiring the use of cash:		
Depreciation and amortization	87,577	\$ 87,577
Write-off of Kaiser liability	-	\$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	1,139,352	1,139,352
Other Receivables	50,946	50,946
Third-Party Payer Settlements Receivable	(25,100)	(25,100)
Inventories	(9,237)	(9,237)
Prepays and Other	(122,011)	(122,011)
Accounts payable and accrued liabilities	(737,689)	(737,689)
Payroll Related Accruals	249,527	249,527
Employee Health Plan Accruals	(6,149)	(6,149)
Deferred Revenues	(477,327)	(477,327)
Cash provided by (used in) operating activities	<u>(234,075)</u>	<u>(234,076)</u>
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(11,023)	(11,023)
Additions to Property, Plant and Equipment	(35,966)	(35,966)
Other	383,965	383,965
Cash provided by (used in) investing activities	<u>336,976</u>	<u>336,976</u>
Cash flows from financing activities		
Net Change in Long-Term Debt	1,847,887	1,847,887
Net Change in Restricted Funds	(372,941)	(372,941)
Cash provided by (used in) financing and fundraising activities	<u>1,474,945</u>	<u>1,474,945</u>
Net increase (decrease) in cash and cash equivalents	1,577,846	1,577,846
Cash and cash equivalents at beginning of period	4,861,959	4,861,959
Cash and cash equivalents at end of period	<u><u>\$ 6,439,806</u></u>	<u><u>\$ 6,439,806</u></u>

City of Alameda Health Care District Ratio's Comparison

Financial Ratios	Audited Results			Unaudited	YTD
	FY 2010	FY 2011	FY 2012	FY 2013	7/31/2013
<u>Profitability Ratios</u>					
Net Patient Revenue (%)	24.16%	23.58%	22.90%	23.34%	23.15%
Earnings Before Depreciation, Interest, Taxes and Amortization (EBITA)	4.82%	-1.01%	-1.48%	-1.48%	-1.48%
EBIDAP ^{Note 5}	-3.66%	-13.41%	-11.22%	-9.39%	-12.59%
Total Margin	2.74%	-2.61%	-3.21%	-3.13%	-6.33%
<u>Liquidity Ratios</u>					
Current Ratio	1.23	1.05	0.96	0.89	0.89
Days in accounts receivable ,net	51.83	46.03	55.21	60.35	56.53
Days cash on hand (with restricted)	21.6	14.1	17.7	21.8	30.0
<u>Debt Ratios</u>					
Cash to Debt	249.0%	123.3%	123.56%	210.11%	156.17%
Average pay period (includes payroll)	57.11	62.68	72.94	78.69	77.84
Debt service coverage	5.98	(0.70)	(0.53)	(1.21)	(0.12)
Long-term debt to fund balance	0.14	0.18	0.28	0.33	0.49
Return on fund balance	18.87%	-19.21%	-27.35%	-48.16%	-8.77%
Debt to number of beds	10,482	11,515	16,978	9,728	9,728

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

	Audited Results			Unaudited	YTD
Financial Ratios	FY 2010	FY 2011	FY 2012	FY 2013	7/31/2013
Patient Care Information					
Bed Capacity	161	161	161	281	281
Patient days(all services)	30,607	30,270	30,448	66,645	6,004
Patient days (acute only)	10,579	10,443	10,880	11,559	771
Discharges(acute only)	2,802	2,527	2,799	2,838	215
Average length of stay (acute only)	3.78	4.13	3.89	4.07	3.59
Average daily patients (all sources)	83.85	82.93	83.19	182.59	193.68
Occupancy rate (all sources)	52.08%	51.51%	51.67%	64.98%	68.92%
Average length of stay	3.78	4.13	3.89	4.07	3.59
Emergency Visits	17,624	16,816	16,964	17,175	1,357
Emergency visits per day	48.28	46.07	46.35	47.05	43.77
Outpatient registrations per day ^{Note 1}	79.67	65.19	60.67	64.07	70.94
Surgeries per day - Total	13.46	6.12	6.12	5.52	5.52
Surgeries per day - excludes Kaiser	5.32	6.12	6.12	5.52	5.52

Notes:

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

Glossary of Financial Ratios

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

September 4, 2013 District Board Meeting
City of Alameda Health Care District
2009-2013 Goals and Objectives

FY 2013 Fourth Quarter Update

(April - May - June) Year End Update



= Quarterly Goal (from budget or proforma)
 Goal Not Met
 Goal Met

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	147,961
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)	(\$45,070)
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	1,025,290
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	20.2M
NOTES	Q1: Medical billing issues. P&L to Cash Lag omitted. Medi-Cal delay at the end of June = approx. \$800,000 in cash.				
(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.					Goal Reached
Positive Net Margin for six (6) consecutive months		Not achieved – FYE Negative Margin (\$2.4 Million)			No
Reduction in AP days to 90 days or less		Not achieved – FYE days at 149			No
Minimum of 15 days cash on hand for four (4) consecutive months		Not achieved – FYE days cash 11.5, without LTC medi-cal overpayment dollars (approx \$2.2 million)			No

= Quarterly Goal (from budget or proforma)
 Goal Not Met
 Goal Met




(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 2 nd Quarter FY 2013.					Goal Reached	
	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 2012, with an additional \$400,000 secured in May 2013 in the form of an AHF loan. The remainder is in process and under discussion with Alameda Health System.				Yes	
(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.					Goal Reached	
	Covered under the term of the LOI with AHS				Yes	
(F) STRATEGY: Increase specific areas of Net Revenue		Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)	Goal Reached
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 M 28.9%	\$4.5 M 29%	4.13 M 27.2 % (excl. WE)	4.0 M 26.0 %	\$16.83 27.7 %
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	789.84/day 63% increase	\$684.21 41.25% 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)	Goal Reached
Achieve increase of 0.9 ADC attributable to Ortho Program by end of FY 2013		N/A	.08	.54	.51	.42
Achieve increase of 2,110 outpatient registrations attributable to Ortho Program		N/A	412	633	1,065	2,110
Actual		N/A	72	302	929	1,715

= Quarterly Goal (from budget or proforma)
 Goal Not Met
 Goal Met

(B) STRATEGY: Successful implementation of Kate Creedon Center for Advanced Wound Care		Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)	Goal Reached
Achieve increase of 0.1 ADC attributable to Wound Care Program by end of FY 2013		.37	.23	.58	.17	.29 IP
Achieve increase of 696 OP registrations attributable to Wound Care Program		83	160	195	258	696
Actual		55	107	168	161	491
NOTES: Q4: Goal included 250 WC registrations and 446 other OP registrations. Actual WC registrations exceeded goal by 241. Other hospital Registrations merged with WC REC account. Exceeded goal overall.						
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:						Goal Reached
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. AHS Affiliation.					Yes
2) Access to Capital	Discussions initiated with Capital Partners Program at SEIU and other potential partners to secure funding for seismic retrofit. Seismic capital provided through terms of AS affiliation.					Yes
3) Improved negotiating leverage in commercial market	Completed two revisions in commercial contracting					Yes
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.					Yes
(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)	Goal Reached
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	IP = 132 OP = 1274	IP= 536 OP= 5,121
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.					

= Quarterly Goal (from budget or proforma)
 Goal Not Met
 Goal Met

(E) STRATEGY: Successful transition of Waters Edge operation		Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)	Goal Reached
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	101.1
Actual		96.28	102.4	107.2	110.88	104.19
Achieve payor mix targets as outlined in proforma / budget for FY2013		Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)	Goal Reached
Medi-Cal ADC		73.5	77	78	78	76.63
Actual		77.23	82.2	84.6	84.71	82.19
Medicare ADC		9	11.3	15.3	17	13.15
Actual		9.0	10.5	14.7	13.58	11.95
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:						Goal Reached
1) NPC2 Projects	Bulk oxygen tank construction and design plans approved by OSHPD construction started July 2013. Emergency lighting and emergency communication anchoring completed and respectively approved and pending approval (Q2 2013) by OSHPD.					All projects in process
2) Sprinkler Project LTC	Construction and design plans completed and approved by OSHPD. Bid process completed with construction commenced in May 2013, and completed on August 12, 2013.					Yes
3) Boiler Replacement	Construction and design plans in process.					Yes

 = Quarterly Goal (from budget or proforma)
  Goal Not Met
 Goal Met

(B) STRATEGY: Develop a master use plan for the remaining leased space at Marina Village by October, 2012.		Goal Reached
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. Plans have been suspended due to pending affiliation with AHS.	Yes
(C) STRATEGY: Complete an assessment of meaningful use status by end of 2 nd Quarter FY 2013 that includes an action and implementation plan to meet Stage One requirements.		Goal Reached
	Status completed and reported to the Board in January 2013, on track for attestation in mid-2013, update on milestones to be provided to board each month.	Yes
(D) STRATEGY: Update the facility master plan options for compliance with 2020 and/or 2030 seismic requirements by end of FY 2013.		Goal Reached
	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.	Yes
(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.		Goal Reached
	In progress. Goals identified and reported for 40 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 .	Yes

= Quarterly Goal (from budget or proforma)
 Goal Not Met
 Goal Met




Physicians							
Ensure that the Hospital attracts qualified and capable physicians through collaboration and alignment.							
Initiatives			Status				
(A) STRATEGY: 1206 (b) Clinic Operations							Goal Reached
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.				Yes
Increase WRVU's by specialty by 5%			Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)	Goal Reached
a) Baseline (Primary Care): 2,457/Yr	Goal: 2,580/Yr or 655/Qtr	Actual:	585	676	595	418	2,274
b) Baseline (Neurology): 2,256/Yr	Goal: 2,369/Yr or 592/Qtr	Actual:	680	495	552	556	2,283
c) Baseline (Gen. Surgery): 3,529/Yr	Goal: 3,705/Yr or 929/Qtr	Actual:	979	1,429	786	1,482	4,676
NOTES	Q1: 1 Primary Care Physician on vacation for 2 weeks. Q2: Neurologist on vacation for 2 weeks. Q4: Additional Primary Care support being actively sought.						
(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)	Goal Reached
Spine Baseline (9 months, Start Oct 1): 715			N/A	129	222	364	715
Actual			N/A	59 (Nov-Dec)	299	380	738
Sport Baseline (9 months, Start Oct 1): 921			N/A	146	314	461	921
Actual			N/A	66 (Nov-Dec)	234	301	601
(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.							Goal Reached
			Physician Survey was conducted by NRC Picker in late 4 th quarter of 2012.				Yes

= Quarterly Goal (from budget or proforma)
 Goal Not Met
 Goal Met

(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.					Goal Reached	
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. Actively seeking another Primary Care physician for the 1206(b) clinic. General Surgeon John Lee, MD recruited to begin Alameda practice in August, 2013. Actively seeking another primary care physician for the 1206(b) clinic.				Yes	
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.					Goal Reached	
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. Dashboard to be updated every year based on CMS focus. Improve the flow of information from PIC to MEC to BQC to District Board in FY 2014.				Yes	
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. System issues are identified and resolved as they are recognized.				Yes	
(B) STRATEGY: Reduce top 5 DRG Readmission Diagnoses by 20% to coincide with CMS guidelines by end of FY 2014 (UM Committee is reviewing this strategy to focus on top five reasons for readmissions)						
Baseline (FY 2013): Under Review Goal: Under Review to focus on top 5 diagnoses for readmission		Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)	Goal Reached

= Quarterly Goal (from budget or proforma)
 Goal Not Met
 Goal Met

(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)	Goal Reached
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%	Q3-12 AH: 85.7% CMS: 93%	Q4-12 AH: 86.3% CMS:93%		
Antibiotic discontinued within 24 hours of surgery end time	Baseline: 73% (Q4-11 Data) CMS Average: 97%	Q1-12 AH: 88% CMS: 97%	Q2-12 AH: 88% CMS: 97%	Q3- 12 AH: 87.5% CMS: 97%	Q4-12 AH: 94.1% CMS: 97%		
Venous Thrombosis Prophylaxis given within 24 hours prior to or after surgery	Baseline: 80% (Q4-11 Data) CMS Average: 97%	Q1-12 AH: 84% CMS: 97%	Q2-12 AH: 86% CMS: 97%	Q3-12 AH: 100% CMS:97%	Q4-12 AH: 92% CMS:92%		
(D) STRATEGY: Introduce new websites that are program specific which are linked to general Hospital website.							Goal Reached
Kate Creedon Center for Advanced Wound Care by July 31, 2012	www.creedonwoundcenter.com launched and linked to www.alamedahospital.org 7/18/2012						Yes
Comprehensive Orthopedic Program by October 31, 2012	www.bayareabonejoint.com went live in mid October as scheduled.						Yes
Long Term Care (Waters Edge, South Shore Skilled Nursing, and Subacute) - TBD	Web page developed on www.alamedahospital.org for Long Term Care						Yes
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.							Goal Reached
	Communications plan was developed and implemented in June 2013. Communication plan to staff and community to continue through due diligence, transition planning and definitive agreement with AHS.						Yes

 = Quarterly Goal (from budget or proforma)
  Goal Not Met
 Goal Met

(B) STRATEGY: Activate an Employee Relations Committee to discuss best mechanisms for recognition of individual employees and special achievement by departments.		Goal Reached
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.	Yes
Develop and implement one (1) hospital-wide recognition program	New meeting date scheduled for the week of 5/20/13.	No
(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.		Goal Reached
	Pacific Farmers' Market Association brought "trial" farmer's market to 2012 AH Health Fair Day on 10/20/12, including 2 asian greens vendors. Farmers Market determined to be not feasible at this time.	Yes
(D) STRATEGY: Develop an organization-wide focus to foster and encourage transformation to a culture of accountability.		Goal Reached
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	Yes
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.	Yes



Date: August 30, 2013

For: September 4, 2013 District Board Meeting

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

From: Deborah E. Stebbins, Chief Executive Officer

SUBJECT: Approval of FY 2014 – Six (6) Month Goals and Objectives

The attached draft Goals and Objectives for FY 2014 were developed by the Executive Staff. They are in a more simplified form than prior years since we are in a transition period in terms of implementation of the affiliation with Alameda Health System (AHS)

Management has attempted to include goals and objectives that were essential to the improvement of quality, patient service, financial stabilization and staff engagement.

We also included some actions that will be essential to preparing for implementing the affiliation. These are shaded in light red on the matrix.

The Key to initials for the primary responsible executive is:

Alpha List

BM	Bruce Matthias, Director of Information Systems
DES	Deborah Stebbins, CEO
KE	Kerry Easthope, CFO
KT	Karen Taylor, RN, Director of Quality and Risk Management
LN	Louise Nakada, Director of Community Relations
MB	Mary Bond, RN, Executive Director of Nursing and Clinical Services
PW	Phyllis Weiss, Director of Human Resources
RE	Richard Espinoza, Director of Long Term Care Operations
TC	Tony Corica, Director of Physician Relations

GOAL	ACTIONS AND TACTICS	RESPONSIBLE TEAM MEMBER(S)	DUE DATE
GROWTH			
Improve effectiveness and success of new programs:			
1206 (b) Clinic			
	Implement full time primary care coverage through recruitment of additional primary care or nurse practitioner recruitment	TC	
	Complete evaluation of billing efficiency by external practice consultant	KE/MB	9/30/2013
	Strengthen relationship with Alameda Alliance to capture newly insured and expanded MediCal markets	KE/TC	on going
	Pursue contract for exchange patients through Alameda Alliance	KE	10/31/2013
Long Term Care			
	Strengthen relationship with Alameda Alliance to capture newly insured and expanded Medi- Cal market	RE	
Bay Area Bone and Joint Center			
	Increase non-Alameda patient volume by ___ %	MB/TC	
	Define relationship between practice and AHS orthopedists	MB/DES	
Kate Creedon Center for Advanced Wound Care			
	Increase net to gross collections by 1.5 % or to 23 % overall	KE	ongoing
Implement provision of surgical services to AHS elective outpatient referrals		MB	
	At least one OR at AH identified, blocked, and scheduled for AHS surgical cases (Ortho & Eye)		10/1/2013
	Side agreement between AHS/AHD for use of AH OR prior to signing the definitive agreement		9/15/2013
	Side agreement between AHS and Island Anesthesia for anesthesia coverage on AHS surgical patients		9/15/2013
Implement provision of medical inpatient care for AHS referrals		MB	
	AHS medical patients admitted to AH		11/1/2013
	AH nursing units/beds delineated for admission of AHS patients		10/15/2013

GOAL	ACTIONS AND TACTICS	RESPONSIBLE TEAM MEMBER(S)	DUE DATE
FINANCIAL PERFORMANCE			
Complete recruitment of core staff in nursing (acute and long term care) to reduce use of agency and premium time.			
	19 positions - Acute, 10 positions - Long Term Care.	MB/RE/PW	10/15/2013
	Reduction of premium pay by \$ _____	ALL	
Implement staffing algorithms in nurse staffing office; train users and audit compliance		MB/RE	
Implement bi-weekly executive productivity reviews with managers to ensure meeting targeted labor and premium time targets		DES/KE	August 2013 - ongoing
Implement monthly departmental variance reporting system for revenue and expense performance		DES/KE	September 2013 - ongoing
Revenue cycle target: monitor correlation between net revenue and cash collections on a monthly basis	Goal to collect 100% of reported Net Revenue over six month period	KE	August - ongoing
FACILITIES AND TECHNOLOGY			
Complete attestation of meaningful use Stage I		BM/MB	9/30/2013
Evaluate master EHR plan post affiliation		BM/DES/IT STEERING CMTE	
Complete plan for CDI and ICD 10 implementation by		KT/BM	12/1/2013
Complete upgrade of network infrastructure - servers, redundancy to ensure IT security and reliability		BM	11/1/2013
Implement high priority components of IT security system	Appoint Security Office. Audit of technical security practices	BM	12/31/2013
Update HIPAA policies and design revised HIPAA orientation curriculum to existing and new staff		KT	In process
Complete selection of EHR system for Long Term Care		BM/RE	11/30/2013
Establish parking and transportation logistical needs for first 6 months of affiliation		TC	10/31/2013
Develop aesthetic renovation and multilingual signage plan		LN/TC	12/31/2013
Complete space and equipment planning required to accommodate additional volume		TC/MB	10/31/2013
QUALITY			

GOAL	ACTIONS AND TACTICS	RESPONSIBLE TEAM MEMBER(S)	DUE DATE
Implement 3 initiatives from Patient Experience Committee		LN/MB	
	Sleep Menu		9/30/2013
	Scripting of Patient Greetings/First Impressions		10/31/2013
	Discharge Process		11/30/2013
Further implementation and development of the Angel program to monitor patient experience and customer service		RE	10/1/2013
Complete two focus groups with former patients and family members (LTC and Acute)		LN/MB/RE	
Add 2 Clinical Supervisors in acute care at unit level to improve communication, quality and continuity of care		MB	Recruitment in process
Complete SBAR (Situation, Background, Assessment, Recommendation) training for all nurses in Long Term Care units		RE	10/1/2013
Educate Long Term Care nurses in Standards of Nursing Care including TPN and Trach care		RE	12/31/2013
Establish system for monitoring and controlling readmission rates		KT	
	Identify and manage high risk patients		
	Implement follow-up call process after discharge of high risk patients		
	Explore interfaces with Alameda Fire Department, Alameda Alliance, Home Care agencies to extend care into community		
	LTC to review and track hospital readmissions on a monthly basis as well as LOS for short term residents	RE	10/31/113
PHYSICIANS			
Facilitate completion of reimbursement terms for Alameda Hospital physicians caring for patients referred from AHS		DES/KE	
Facilitate transition of hospital-based physician contracts into AHS system		DES/KE	
	Anesthesiology, Pathologists		
	Radiology, ED Physicians		

GOAL	ACTIONS AND TACTICS	RESPONSIBLE TEAM MEMBER(S)	DUE DATE
	Hospitalists		
Train physicians on ICD 10 and accessing EHR		BM	
PEOPLE			
Streamline hiring process	Reduce time from hire to start date from 21 days to 14 days	PW	12/31/2013
Complete assessment of new hire orientation program and redesign as necessary		EXECUTIVE TEAM/PW	10/31/2013
Complete recruitment of key management roles		RELEVANT EXECUTIVE/PW	ASAP
	Director of Utilization Management		
	Business Office Manager		
	Clinical Supervisors		
	Water Edge Administrator		
Complete projection of increased staffing needs in surgery, nursing and other ancillary departments to accommodate additional patient volume		MB/PW	In process

DATE: August 29, 2013

FOR: September 4, 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. Affiliation Plan Update

The continued work toward finalizing an affiliation with Alameda Health System is proceeding on three tracks with the assistance of the consulting firm of Kaufman Hall:

- a. **Transaction Management** (Due Diligence, Definitive Agreement Drafting, Licensure, Permits and Certifications).

Alameda Hospital has provided a significant proportion of the documents and information requested by AHS in due diligence. To date, AHS has worked with the law firm of Alston Bird on the transaction. We have not as yet been presented with a draft of the definitive agreement and no applications have been submitted for a change in AH licensure. The delay in part relates to AHS' management of the acquisition of San Leandro Hospital on a virtually parallel time table; AHS leadership has assured us that this reflects no change in their intent to affiliate. It does make the potential for completion of a Definitive Agreement by late September less likely. For this reason, we are discussing the possible implementation of some of the patient referrals from AHS to AH prior to the definitive agreement being signed. This could be facilitated by creating a temporary contractual agreement until the affiliation is finalized. This would improve the financial performance at AH and reduce patient access issues at AHS in the short term.

- b. **Project Management** (Work and Business Plan development, reporting and tracking, oversight of the project and data room management).

This is substantially underway under the direction the two CFO's and finance staff and with staff support provided by Kaufman Hall.

- c. **Transition Management** (Synergy Identification, Oversight of the Integration Teams, Creation of Action Plans.)

An Integration Committee, co-chaired by Kim Horton, Chief Nurse Executive at AHS and myself, has been formed and is comprised of team leaders from each

campus addressing the following functional areas: service and patient work flow, operational logistic support, medical staff, finance, human resources, IT and communications. These work groups are in essence advancing the work done prior to the LOI approval in more detail. This part of the process is advancing well.

Progress reports on each of the three areas are being brought before the Affiliation Joint Steering Committee. The next meeting of that committee will be held on September 5, 2013.

2. Status of Communication Plan Regarding Affiliation:

Since the last meeting of the Board of Directors, management has made additional presentations regarding the structure of the affiliation to the Government Relations Education and Development Committee of the Chamber of Commerce, the Kiwanis Club, and the Community of Harbor Bay Isle HOA. A presentation is also scheduled in mid September for the Alameda Association of Realtors. As a part of the presentations, we are reviewing the results of the telephone poll conducted in mid June. There have been many questions at the presentations but no real negative issues have arisen.

3. Bay Area Bone & Joint Center

There were 233 orthopedic visits at the Bay Area Bone and Joint Center (BABJC) through August 23, 2013. 61 appointments are scheduled for the final week in August, making the anticipated total for the month to be approximately 300 scheduled appointments in August as compared to the 316 visits projected in Month-10 of the pro forma. The 300 visits would represent BABJC's busiest month to date and a 21% increase from the previous month. Only five surgeries were performed in August, which is ten below the pro forma expectations.

In affiliation talks between Alameda Hospital and Alameda Health Services (AHS), outpatient orthopedic surgery may be one of the first joint ventures. Discussions with Drs DiStefano and Pirnia, the Orthopedists at AHS, and Administrators at both facilities are taking place. AHS patients may receive services from the BABJC doctors at Alameda Hospital as early as October.

4. Community Relations and Foundation Update

Alameda Hospital will participate in several community events in September.

- a. Neptune Beach Community Festival, Saturday, September 7, 2013
- b. City of Alameda Benefits Fair, Thursday, September 12, 2013
- c. Mastick Senior Center Open House, Sunday, September 15, 2013
- d. Harbor Bay Women's Health and Fitness Fair, Wednesday, September 25, 2013
- e. Everything Alameda Community Event, Saturday, September 28, 2013

We will offer health screenings that include blood pressure, BMI, and blood glucose.

Community Stroke Risk Assessments will be offered on Friday, September 13, 2013 from 9 a.m. – 12 p.m. Appointments are required.

The Alameda Hospital Foundation is seeking sponsorships and silent auction donations for their annual Fall Gala, Kings of Hearts, scheduled for October 12, 2013, honoring cardiologists Denis Drew, MD and Stephen Raskin, MD.

5. Long Term Care Update

In conjunction with the acute side of the hospital, the Long Term Care service line is monitoring the Residents Experience utilizing the Angel Program. The intent of the program is to increase the communication between the facility staff and the resident, family and/or responsible party.

The Angel staff person is responsible to watch over their identified residents to provide an additional layer of attention to ensure a more detailed focus is made on the resident and family so that concerns and issues can be addressed immediately based upon the residents individual needs.

Contact between the resident and Angel are provided at least twice a week and documentation of the visit is made in the Angel binder. Any concerns or issues are immediately addressed, or if they entail another department of the facility, are taken to the facility's daily stand up meeting the following morning so the appropriate department can follow up and resolve the issue. Contact is made with the resident and family once corrected to ensure to close the loop.

Overtime, doubletime and agency use is being monitored daily. For the Sub Acute Unit, a total of four employees who were out on Medical Leave have returned in August, further assisting in the reduction. There has been a steady decrease in this area of focus in all of the LTC units and pending staff is in the hiring process for Waters Edge. Also, with the completion of the CMS required sprinkler system installation for the Sub Acute unit, the residents have returned from 2 South to 2 West, reducing the need for 1.5 extra CNA staff to assist with the splitting of the unit. This is an impact that will be reflected as of 8/9/13 and moving forward.

6. 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. We are currently exceeding the threshold on all measures and expect to attain Meaningful Use this month on September 26. Copies can be made available to the Board if requested.

b. Main Switch Replacement

Our main Network Switch failed and was replaced on August 13. The process went well, but has encouraged us to re-evaluate our downtime/disaster plan to address specifics of a system failure. All departments are currently reviewing and updating their plans.

c. LTC (Long Term Care) Face Sheet

We have implemented a new face sheet specifically for the Long Term Care areas that are currently utilizing our MEDITECH system. It captures information specific to these patients.

d. Citrix Server Replacement

We are excited to finally be unveiling our new Citrix Server which provides remote access to hospital applications. Our new version includes additional licenses for an increased number of concurrent users and additional functionality that will allow its use with I-pads.

e. Patient Care System – Nursing Documentation

Electronic Nursing Documentation went LIVE 8-26

f. Blood Bank Ordering/Transfusion Documentation

Blood products ordering and transfusion documentation went LIVE 8-26

g. Addressograph Replacement

Labels in place of addressograph plates went LIVE 8-26.

h. Security Risk Assessment

The executive team was presented with the results of our IT Security Risk Assessment. We are now working on completing some of the identified deficiencies.

7. August Preliminary Monthly Statistics

To be distributed at the September 4, 2013 District Board Meeting

8. Premium Pay Expense Reduction – Acute Care

Premium Pay (OT & DT) for all Nursing units (Hospital Acute and Long Term Care) decreased from \$298K in February to \$91K in July and was \$32K for the pay period ending 8/10/13. Agency use in all Nursing Units down from \$201K to \$62K

Approximately 15 regular and per diem nurses were hired for the acute nursing departments. Where possible nurses already cross-trained to multiple departments were the highest priority. LTC/Waters Edge hired approximately 10 mostly per diem staff. Of note the time from hire date to start date decreased from 42 to 21 days. Our target is 14 days.

We are minimizing the use of “administrative days” only for wound care coverage, some PI, and time card calculations to allow for more nurses at the bedside

9. Patient Centered Experience Committee

A multi-disciplinary team that included executives, management, ancillary and front line clinical staff met on August 22, 2013 to discuss and identify initiatives that will focus on improving the patient experience in the Hospital. The team chose 4 of the proposed initiatives as having the highest priority with the greatest impact on patients and families: 1) the discharge process, 2) noise at night & cleanliness, 3) the patient & family first impressions, and 4) patient & family involvement.

Members discussed a theme for the campaign and volunteered to sit on sub committees for each of the initiatives. Four specific goals related to the Quality pillar of our 2014 list of hospital objectives include: 1) a “sleep menu” for patients, 2) scripting greetings and interactions with patients and families, 3) streamlining the discharge process, and 4) establishing a focus group to include former patients and family members.

Thank you cards for discharged inpatients are already been initiated.