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PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Monday, October 6, 2014

7:00 P.M (CLOSED SESSION) | 7:30 P.M. (OPEN SESSION)

PLEASE NOTE CHANGE IN TIME FOR CLOSED SESSION

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 (7:00 p.m. – 2 East Board Room) — J. Michael McCormick

II. Roll Call — Kristen Thorson

III. General Public Comment

IV. Adjourn into Executive Closed Session

V. Closed Session Agenda

A. Call to Order

B. Approval of Minutes

- July 9, 2014

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

D. Adjourn into Open Session

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

A. Announcements from Closed Session — J. Michael McCormick

VII. Special Recognition

A. Action Items — J. Michael McCormick

✓ 1) Adoption of Resolutions No. 2014-9L and 2014-10L Recognizing Jordan Battani & Deborah E. Stebbins

[enclosure] (pages 3-6)

VIII. Regular Agenda

B. Consent Agenda — **ACTION ITEMS**

✓ 1) Approval of August 19, 2014 Minutes (Special) [enclosure] (pages 7-10)

C. Action Items

✓ 1) Biennial Review and Approval of Revisions to Conflict of Interest Code: 2014-A

[enclosure] (pages 11-13)

✓ 2) Approval of Revisions to the Community Relations and Outreach Committee Structure

[enclosure] (pages 14-17)

✓ 3) Approval to Engage KHJC & Partners for District Book Keeping Services

[enclosure] (pages 18-22)

✓ 4) Adoption of Resolution 2014-11L Transfer of Benefit Plans

[enclosure] (page 23)

C. Alameda Health System and Alameda Hospital Update

✓ 1) Chief Administrative Officer Report – August 2014 — Deborah E. Stebbins, CAO

- Acute and Surgery Volume Trends, Acute and Surgery Volume Trends, Alameda Brand Roll-Out Recruitment, Evidence-Based Leadership, Community Outreach

INFORMATIONAL [enclosure] (page 24-26)

✓ 2) Quality Report — Deborah E. Stebbins, CAO

- Monthly Quality Dashboard, Quality Process Improvement Business Management Plan 2014-2015

INFORMATIONAL [enclosure] (pages 27-35)

✓ 3) Financial Report — David A. Cox, CFO

- Alameda Hospital Financial Results – August 2014, Alameda Health System / Alameda Hospital Capital and Operating Budget, Line of Credit, Alameda Hospital Benefit Plans

INFORMATIONAL [enclosures] (pages36-46)

✓ a. Approval of FY2015 Parcel Tax Budget

ACTION ITEM [enclosure] (pages 47)

E. District Board President's Report — J. Michael McCormick

1) Update on AHS Committee Appointments

D. District Business and Updates INFORMATIONAL

✓ 1) District Bylaws — Thomas L. Driscoll

[enclosure] (pages48-64)

2) Alameda Health System Board of Trustee Report — Tracy Jensen

3) Community Advisory Committee Report — Tracy Jensen

VIII. General Public Comments

IX. Board Comments

X. Adjournment

RESOLUTION NO. 2014-9L

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

*** * ***

SPECIAL RECOGNITION OF JORDAN BATTANI

Whereas, On February 7, 2007, Jordan Battani was appointed to the City of Alameda Health Care District ("District") Board of Directors

Whereas, Jordan Battani served as Secretary of the Board from February 2007 to February 2008 and then was nominated and appointed to the Office of President

Whereas, Jordan Battani served as President from February 2008 until February 2013

Whereas, Jordan Battani served on all three District Board Committees (Quality, Finance and Community Relations) during her tenure as well as serving as Chairperson for the Finance & Management Committee and Community Relations and Outreach Committee

Whereas, Jordan Battani's tenure as President of the Board cultivated the development of successful new programs which expanded healthcare within the City of Alameda and surrounding communities, some of which include:

- Acquisition of the operations of the 26 bed, South Shore Skilled Nursing Facility in 2008
- Opening of 'Alameda Hospital Physicians', a multispecialty physician clinic, in 2009
- Advanced Primary Stroke Center Certification by The Joint Commission in 2011
- Opening of the Kate Creedon Center for Advanced Wound Care in 2012
- Acquisition of the operations of the 120 bed Waters Edge Skilled Nursing Unit in 2012
- Opening of the Bay Area Bone and Joint Center in 2012

Whereas, Under Jordan Battani's continued leadership, in 2010 the District Board and Alameda Hospital management embarked on a strategic planning exercise to look for a strategic partner to ensure the continuation of healthcare and emergency services in the City of Alameda

Whereas, In 2012, Jordan Battani led the Steering Committee that negotiated the affiliation between the District and Alameda Health System (AHS) which took effect on May 1, 2014 and which culminated with the transfer of operational control of Alameda Hospital to AHS.

Whereas, Jordan Battani has spent her entire professional career in the healthcare industry, has more than thirty years of experience and has held leadership positions in a variety of provider, payer and consulting settings

Whereas, Jordan Battani's expertise and knowledge of healthcare, her uncanny ability to ask the hard questions in difficult times, and her ability to lead an organization forward in an ever-changing healthcare world will be forever remembered at Alameda Hospital.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the City of Alameda Health Care District recognizes the expertise and dedication of Jordan Battani and her enormous contributions to Alameda Hospital, the City of Alameda Health Care District and the community of Alameda and expresses its heartfelt gratitude for her years of unselfish, diligent and effective efforts on our behalf.

PASSED AND ADOPTED on October 6, 2014 by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

_____
J. Michael McCormick
President

_____
Tracy Jensen
Secretary

RESOLUTION NO. 2014-10L

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

*** * ***

SPECIAL RECOGNITION OF DEBORAH E. STEBBINS

Whereas, On November 1, 2007, Deborah E. Stebbins began her successful tenure as Chief Executive Officer of the City of Alameda Health Care District d.b.a. Alameda Hospital, providing strategic direction and operational management

Whereas, Under her leadership as CEO, Deborah Stebbins developed and implemented successful new programs which significantly expanded access to healthcare within the City of Alameda and surrounding communities, some of which include:

- Acquisition of the operations of the 26 bed, South Shore Skilled Nursing Facility in 2008
- Opening of 'Alameda Hospital Physicians', a multispecialty physician clinic, in 2009
- Advanced Primary Stroke Center Certification by The Joint Commission in 2011
- Opening of the Kate Creedon Center for Advanced Wound Care in 2012
- Acquisition of the operations of the 120 bed Waters Edge Skilled Nursing Unit in 2012
- Opening of the Bay Area Bone and Joint Center in 2012

Whereas, Deborah Stebbins oversaw the implementation of a robust community outreach program, including forging partnerships with local private and municipal agencies such as the Alameda Fire Department

Whereas, In 2010, Deborah Stebbins guided the District Board in discussions on the process to establish criteria for evaluating potential affiliation partners which led to the negotiation and signing of an agreement between the District and Alameda Health System (AHS) in November 2013.

Whereas, With the transfer of operational control of Alameda Hospital to AHS effective May 1, 2014, Deborah Stebbins has been the Chief Administrative Officer of Alameda Hospital and continues to work tirelessly with her team and employees in the transition to AHS

Whereas, Deborah Stebbins is a Certified Administrator, California Residential Care Facilities for the Elderly (RCFE), holds a California Real Estate Salesperson License, and is a Fellow of the American College of Healthcare Executives

Whereas, Deborah Stebbins has been a member of the Board of Directors of the Hospital Council of Northern and Central California and Chair of Hospital Council East Bay Section, and also a Member of the Alameda Alliance Board of Directors

Whereas, Deborah Stebbins has led the organization, with her over 40 years of healthcare

experience, through difficult times as well as successful times, by her strong leadership, commitment and innovative thinking

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the City of Alameda Health Care District recognizes the expertise and dedication of Deborah Stebbins and her extensive contributions to Alameda Hospital, the City of Alameda Health Care District and the community of Alameda, and expresses its heartfelt gratitude for her years of unselfish, diligent and effective efforts on our behalf.

PASSED AND ADOPTED on October 6, 2014 by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

_____
J. Michael McCormick
President

_____
Tracy Jensen
Secretary

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Special Meeting - Open Session
Tuesday August 19, 2014

Board Members Present	Legal Counsel Present	AHS Management / Guests	Excused
Lynn Bratchett, RN Robert Deutsch, MD J. Michael McCormick, President Tracy Jensen Kathryn Sáenz Duke	Thomas Driscoll, Esq.	Deborah E. Stebbins, CAO	
Submitted by: Kristen Thorson, District Clerk and Heather Reyes, Administrative Secretary			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:35 p.m.	
II. Roll Call	Kristen Thorson called roll noting a quorum of Directors was present.	
III. General Public Comment	No Comments	
IV. **Regular Agenda**		
A. Consent Agenda 1) Approval of July 9, 2014 Minutes (Regular)	The minutes of July 9, 2014 were distributed to the Board of Directors for review at the meeting.	Director Jensen made a motion to approve the July 9, 2014 Minutes as presented. Director Bratchett seconded the motion. The motion carried.
B. Action Items		
1) Approval of District Director Compensation Policy	The Board discussed the stipend payment of the $100 per meeting. And the policy. It was decided that Section II, b would be deleted as this was covered in the by-laws. There was additional discussion on the number of meetings per month and in general the number should not	Director Jensen made a motion to approve the District Director Compensation Policy with the deletion of Section II, b. Director Deutsch seconded the motion. The

Topic	Discussion	Action / Follow-Up
	exceed five (5) per month based on the current business of the District.	motion carried 4-1 (Sáenz Duke).
	2) Approval of Revisions to District Bylaws The board discussed the changes to the by-laws and requested that Mr. Driscoll add paragraph under Article 1. Section 2., outlining the Joint Powers Agreement. Director Deutsch requested that the verbiage in Article II Section 3. C. be added to reflect the change in ownership to Alameda Health System , effective May 1, 2014	Director Deutsch made a motion to approve the revisions to District Bylaws with the amendments that will be made as noted. Director Sáenz Duke seconded the motion. The motion carried.
	3) Recommendation to Change Regular District Board Meeting Date It was recommended that the regular Board of Directors meeting be changed to the first Monday of the month, beginning October 6, 2014. September 2014 will go "dark" due to schedules and availability of the Board members.	Director Jensen made a motion to change the regular District Board Meeting dates as outlined in the memo. Director Bratchett seconded the motion. The motion carried.
	4) Recommendation to Extend Lease Agreement at 888 Willow (District Office) A memorandum was distributed to the board of Directors regarding the recommendation to extend the lease agreement at 888 Willow. District Clerk Thorson gave a brief summary of the tenant improvements that are currently taking place to which the District is also investing in. Director McCormick and Mr. Driscoll felt that it would be beneficial for the District to extend the lease from the current one (1) year lease term to a five (5) year term. The new term would be from April 1, 2015 to March 31, 2020.	Director Sáenz Duke made a motion to extend the lease agreement at 888 Willow (District Office) as presented. Director Jensen seconded the motion. The motion carried.
C.	District Board President's Report	
	1) November 2014 Election Update Director McCormick referenced the memo in the packet and announced that newly appointed Director Sáenz Duke will automatically be seated for the 2 year term since she was the only candidate for one position. Director McCormick discussed having a Finance Committee in addition to the Community Relations Committee or possibly a Board Quality Committee as there may be a need for them on a District level. Director Deutsch felt that if we encountered any issues pertaining to either of those, they should be brought directly to the Board as we don't have the Administrative staff to	No action was taken.

Topic	Discussion	Action / Follow-Up
	facilitate these types of committees at this time.	
D.	Community Relations and Outreach Committee Report 1) Discussion on Alameda Rotary Club Membership Director Jenson began her discussion with background on the Rotary Club, what a great community organization it is, and how it would be beneficial for the District. It would be a great opportunity for the District to be able to share information directly with Alameda businesses. Director Jensen noted that it is very important that we stay involved with these organizations to keep the community informed and be able to share information with the community. Director McCormick suggested that at the upcoming Community Relations Committee meeting that the committee further discuss which organizations are out there and how membership in such organizations, would benefit the District, as well as aligning with our mission and goals.	
E.	Alameda Health Systems and Alameda Hospital Update Ms. Stebbins began her report ith the announcement of a new Chief Operating Officer at Alameda Health System, Mark Fratzke. He comes from the Mayo Clinic, where he was a regional Chief Operating Officer in Minnesota. . Ms Stebbins noted upcoming meetings, including one this Thursday evening, a joint meeting of the Alameda hospital Foundation and the Community Relations and Outreach Committee. , to rollout the new logo for the hospital. On September 5 the Employee Service Awards, which includes all Alameda Health System employees, will be held at the Greek Orthodox Cathedral in Oakland. This week we also received news of two exciting quality awards bestowed on the Hospital, the first of these was receiving an A-Plus rating for our Primary Stroke Center from the American Stroke Association. The second award was the Sharon Baranoski Founder's Award given to only one organization each year at the Annual Symposium on Advances in Skin and Wound Care. This award recognizes the acute inpatient wound care program. She then noted some of new systems that have been implemented since May 1, 2014, including the following: • Kronos – Time Management System • Lawson – Financial Management System • EPSI – Operational Budgeting System • Outlook – E-mail / Calendaring System	

Topic	Discussion	Action / Follow-Up
	• Passport to Performance / True North Metrics • LEAN Procedures • Studer Group Ms. Stebbins informed the Board that they have 3 candidates for the Chief Administrative Officer position here at Alameda Hospital and will begin holding interviews September 3.	
I.	**General Public Comment**	No general public comments
II.	**Board Comments**	No board comments
III.	**Adjournment** Being no further business the meeting was adjourned at 6:58 p.m.	

Attest:

J. Michael McCormick
President

Tracy Jensen
Secretary

CONFLICT OF INTEREST CODE #2014-A

CITY OF ALAMEDA HEALTH CARE DISTRICT

1. Standard Code of FPPC

The Political Reform Act (Government Code section 81000, *et seq*.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The City of Alameda Health Care District ("District") is therefore required to adopt such a code.

The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 California Code of Regulations section 18730) which contains the terms of a standard conflict of interest code, which may be incorporated by reference in an agency's code, and which may be amended by the FPPC to conform to amendments in the Political Reform Act following public notice and hearing.

2. Adoption of Standard Code of FPPC

Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments or revisions adopted by the FPPC are hereby incorporated by reference. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of the District. This code shall take effect when approved by the Alameda County Board of Supervisors.

3. Filing of Statements of Economic Interests

Designated employees and public officials who manage public investments shall file statements of economic interests with the Secretary to the Board of Directors of the District. With respect to members of the Board of Directors, one original shall be filed with Secretary to the Board of Directors of the District, who shall make and retain a copy and forward the original to Alameda County, the code reviewing body for the District. The agency shall make all statements available for public inspection and reproduction, pursuant to Government Code Section 81008.

APPROVED AND ADOPTED by the City of Alameda Health Care District on the 6th day of ~~_____,~~ October, 2014.

_____

~~Vice~~ President, Board of Directors
City of Alameda Health Care District

ATTEST:

_____

Secretary, Board of Directors

APPENDIX TO
CONFLICT OF INTEREST CODE
OF THE
CITY OF ALAMEDA HEALTH CARE DISTRICT

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from the District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, the District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that the District may bring against the requesting party under Government Code section 91003.5.

I.

Designated Employees

Designated Employees	Categories Disclosed
Members of the District Board of Directors	All
~~Chief Executive Officer~~	~~All~~
~~Chief Operating Officer~~District Clerk	All
~~Chief Financial Officer~~	~~All~~
General Counsel	All
Consultants[1]	---

[1] With respect to consultants, the CEO may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that are limited in scope and thus is not required to comply with all the written disclosure requirements described in these categories. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The CEO's determination is a public record and shall be retained for public inspection by the District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

II. Persons Who Manage Public Investments

The Treasurer of City of Alameda Health Care District has been annually delegated responsibility for making public investments on behalf of the District, and reviewing and annually presenting the investment policy of the District to the Board of Directors for informational purposes. The Treasurer is therefore obligated to file a statement of economic interests under Government Code section 87200, rather than the conflict of interest code.

III. Disclosure Categories

Designated employees shall report all reportable investments, business positions and income, including gifts, loan and travel payments, as specified above, in:

1. Accounting or auditing services
2. Banks and savings and loans
3. Computer hardware or software, or computer services or consultants
4. Communications equipment or services
5. Educational and medical services and materials
6. Entities or persons who have filed claims against the District or have claims pending against the District
7. Insurance brokers and agencies
8. Insurance adjusting, claims auditing or administration, or underwriting services
9. Medical equipment, facilities, and supplies
10. Office equipment or supplies
11. Personnel and employment companies and services
12. Printing or reproduction services, publications, and distribution
13. Securities, investment or financial services companies
14. Title insurance and escrow
15. Interests in Real Property

Date: October 2, 2014

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

Through: Community Relations and Outreach Committee

From: Tracy Jensen, Director & Committee Co-Chair

Subject: Approval of Revisions to the Community Relations and Outreach Committee Structure

Recommendations:

A. Recommend appointment of Tracy Zollinger as Co-Chair to the committee for two (2) years.

B. Recommend approval of the following changes to the committee Purpose and Structure.

Background:

At the May 7, 2014 District Board meeting, the Board of Director approved a revised committee purpose and structure to reflect changes in the District with the affiliation. Since that time, I asked Tracy Zollinger if she would be interested in serving as the co-chair (replacing Terrie Kurrasch). Ms. Zollinger agreed to serve as co-chair.

Tracy Zollinger, Louise Nakada, Kristen Thorson, and I have met twice in the last several months to discuss restructuring the committee further and are bringing forth these suggestions for the committee's review and input and to the District Board for approval. We felt that more structure was needed to create a more effective committee that utilizes the expertise of its membership and their roles in the community. The attached document outlines the proposed changes.

We are recommending that the name of the committee be changes to Community Advisory Committee which reflects the new role of the committee in advising the District Board of Directors as well as Alameda Health System on services provided at Alameda Hospital and affiliated sites. These changes were reviewed by the Committee on September 23, 2014

Process/Timeline/Next Steps:

The recommendation from committee is being presented to the Board of Directors for the October 6, 2014 meeting for approval. Upon approval by the District Board, the District Clerk, in coordination with the Co-Chairs, will coordinate a survey of the current membership to determine 1) interest in serving on the committee with the new structure, 2) membership strengths and any potential areas of weakness, and 3) interest in participation on sub-committees. This will help in preparation for membership appointment/reappointment in 2015.

SEPTEMBER 23, 2014 PROPOSED REVISIONS

STRUCTURE AND PURPOSE:

1. Community Advisory ~~Relations and Outreach~~ Committee:

    a. Primary Purpose: The primary purpose of the Community Advisory ~~Relations and Outreach~~ Committee is to advise the City of Alameda Health Care District Board of Directors on strategies and programs to enhance health care services to the community. The Community Advisory ~~Relations and Outreach~~ Committee will also provide a forum for periodic review, identification and assessment of community healthcare preferences and priorities, specifically as these relate to the operations of Alameda Hospital and other services within the healthcare district.

        i. Strategies for achieving purpose, include but are not limited to;
            1. Assessment and Evaluation of feedback from community
            ~~1.~~2. Active participation and/or membership, by the District, in civic, social and/or community based organizations as recommended by the Committee

    b. Committee Composition and Voting Rights: The committee shall be comprised of the following members:

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

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

        iii. One member of the Alameda Hospital Medical Staff who shall be a voting member of the committee.

        iv. One member of the Alameda Hospital Foundation Board who shall also be a voting member, selected and appointed by the Foundation Board of Directors.

        v. Up to eleven at large members chosen by the Committee for expertise needed by the District all of whom shall be voting members of the committee.

vi. The Chief Administrative Officer ~~At least one member~~ of Alameda Hospital ~~management as delegated~~ who shall not be a voting member of the committee.

~~vi.~~vii. At least one member of Alameda Health System management who shall not be a voting member

c. Committee Leadership: The Committee shall have Co-Chairs; one of whom shall be a member of the City of Alameda Healthcare District Board, and the other of whom will be selected from the "at-large" community members appointed to the committee.

d. The District Clerk shall serve as the staff for this committee.

e. Terms: Appointment to the committee shall be two (2) years and ~~The committee~~

i. The Committee will recommend appointment or reappointment of the membership to the Board of Directors following the January meeting of the Committee in odd numbered years. Appointments shall be made by the District Board no later than the month of March. ~~shall be appointed annually~~.

f. Meeting Frequency: The committee shall meet ~~at least quarterly~~six (6) times a year in odd numbered months (January, March, May, July, September, and November).
i. Meeting date and time shall be determined by the committee each November for the following calendar year.

g. Committee Attendance: Committee members are expected to attend at five (5) meetings per year.
i. Missing 2 consecutive meetings may result in loss of membership.

h. Sub-Committees: Committee members shall actively participate in at least one (1) ad hoc subcommittee, as identified by the committee, or the Nominating Committee.
i. Nominating Committee
1. Reviews and recommends bi-annual membership to Community Advisory Committee

i. Committee Duties, Functions and Responsibilities
i. Sets annual goals for each calendar year.
ii. Reviews and recommends participation in community events as needed.
iii. Reviews, evaluates, and gathers community feedback through surveys and other venues. May include healthcare needs assessment in conjunction with Alameda Health System.

iv. Recommends communication pieces to community, including Alameda Hospital / Alameda Health System Staff. May include development of annual newsletter for the District.

KHJC & Partners

Accounting and Business Consultants

1111 E. Herndon Avenue, Suite 211
Fresno, CA 93720
Voice (559) 431-7708 Fax (559) 431-7685

September 1, 2014

Kristen S. Thorson
District Clerk
City of Alameda Health Care District
2070 Clinton Ave,
Alameda CA 94501

RE: Engagement Letter for Accounting and Business Consulting Services

Dear Ms. Thorson:

After speaking with you, regarding *City of Alameda Health Care District'*s need for professional accounting and business consulting services we have prepared an engagement letter for your review outlining our professional services that our firm KHJC & Partners will perform for City of *Alameda Health Care District* (District). We understand that the District is a California Health Care District organized under California Local Health District Law, California Health and Safety Code 32000 *et seq*. The District entered into a Joint Powers Agreement with Alameda Health System "AHS" effectively transitioning the operating control of the hospital operation and hospital assets to AHS. Due to the transition the District is in need of monthly accounting and reporting assistance.

Professional Services:

Our firm will assist the District by providing accounting and consulting services as outlined in Exhibit B. Exhibit B has been provided to illuminate scope, deliverables and our expectations of the District.

Our staff of professionals will provide verbal consultations and/or written reports as directed by the District on issues relating to the accounting and consulting project.

Timing:

Our staff will begin upon return of the executed Engagement Letter. Our timely completion depends on the level and timing of assistance you provide us in accumulating information and responding to our inquiries. District acknowledges that any inaccuracies or delays in providing this information or the responses may result in an untimely report filing. Our professional staff will be available for telephone or personal conferences as requested by the District. All written reports or evaluations will be provided to the District in a timely manner subject to the limitations set forth in this paragraph.

Other Matters:

This engagement is not intended to evaluate the effectiveness of your controls over compliance with Medicare, Medicaid, IRS or other laws or regulations, or the degree of compliance with those laws or regulations. You agree to advise us of any adverse communications from regulators or third parties, including legal counsel, which may affect compliance with laws and regulations related to your reports.

Other Matters (continued):

You agree to assume full responsibility for the substantive outcomes and results of the services provided by KHJC & Partners, as described in this engagement letter. This includes, without limitation, any findings that may result. Nothing in this agreement and nothing in our statements to you will or should be construed as a promise or guarantee about the outcome of your engagement. We make no such promises or guarantees.

Our engagement is not designed or intended to prevent or detect errors, fraud, illegal acts or misappropriation of assets, although if detected, we will promptly report same to the District. The District is responsible for establishing and maintaining effective internal control over financial reporting and setting the proper tone; creating and maintaining a culture of honesty and high ethical standards; and establishing appropriate controls to prevent, deter and detect fraud, illegal acts and/or noncompliance with laws and regulations. Because of the limits in any internal control structure, errors, fraud, illegal acts or instances of noncompliance may occur and not be detected. Likewise, existing procedures could in the future become inadequate because of changes in conditions or deterioration in design or operation. It is also possible that employees, consultants or others involved in the operation of the District might circumvent controls or management may override the system.

You agree to be truthful with us, to cooperate with and be responsive to us, to keep us informed of all material changes in facts affecting this engagement, to abide by this agreement, and to pay our bills on time. You agree that if you violate any of your duties, we may withdraw from this engagement and be entitled to payment for all work done prior to withdrawal.

You agree to indemnify and hold harmless KHJC & PARTNERS and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement, except to the extent resulting from the negligent, intentional or deliberate misconduct of KHJC & PARTNERS personnel. Any liability of KHJC & PARTNERS and its personnel to you is limited to the total amount of the fees you paid for this engagement as liquidated damages.

Our engagement letter compensation is based on completion of the intended scope of project and dedicated time to this project. Either of us may terminate these services at any time. Both of us must agree, in writing, to any future modifications or extensions. If services are terminated, you agree to pay us for time expended to date plus charges for travel, long-distance telephone, copies, etc., through the date the termination is effective.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect. This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and KHJC & PARTNERS.

If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, we agree to make available to the Secretary of Health and Human Services, or to the Comptroller General, or any of their duly authorized representatives such of our billing records as are necessary to certify the nature and extent of our services, until the expiration of four years after the furnishing of these services.

Professional Fees:

Our professional fees are based on hourly rates times the number of hours incurred to perform the work requested by the District. Hourly rates range from $95.00 to $245.00. Notwithstanding the previous sentence, we have proposed a monthly flat rate as set forth on Exhibit A. Any out-of-pocket expenses will be made only with the prior written approval of the District and will be billed to the District in addition to the proposed engagement fee; we expect these expenses to be minimal.

Our pricing for this engagement and our fee structure is based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt.

If our work is suspended or terminated as a result of non-payment, you agree we will not be responsible for any consequences to you.

If this Engagement letter meets with your satisfaction, please sign below and return to:

KHJC & Partners
1111 E. Herndon Avenue, Suite 211
Fresno, CA 93720

We look forward to serving you. Please give me a call if you have any questions or concerns regarding this Engagement Letter. Our phone number is (559) 431-7708, extension 5 and fax (559) 431-7685.

KHJC & Partners	J. Michael McCormick, President City of Alameda Health Care District
_____ _____	_____ _____
Signature Date	Signature Date

City of Alameda Health Care District
Exhibit A

The monthly rate for professional time in preparation, planning and providing general accounting, reporting and business consultation is $750 per month.

Travel and out of pocket expenses are in addition to the professional fee arrangement and will be made only with the prior written approval of the District.

The agreement will be initially for a period of 12 months from date signed. Nevertheless, either party may terminate this agreement at any time without cause with a 60 day notice.

City of Alameda Health Care District
Exhibit B

SCOPE of WORK

- Assist in transitioning from the detailed books that were required by the District when it operated its hospital to (and assist in setting up) initial, functioning books of account (QuickBooks) for the District as now configured.
    - Including: two on-site training sessions by KHJC staff with the District Clerk.
- Provide general accounting services and review of detailed accounting transactions.
- Provide monthly reporting of the District's financial activities. The financial statements will include a Balance Sheet, Statement of Operation and Statement of Cash Flows.
- Make ourselves available to address any accounting or reporting transaction inquiry from management.
- Provide observations and recommendations related to the accounting practices and procedures of the District that promote efficient and accurate financial reporting.

DELIVERABLES

- Provide reasonable access to consultant by phone, email or fax.
- Prepare financial statements which include a Balance Sheet, Statement of Operation and Statement of Cash Flows. This reporting will be completed monthly.
- Complete the review and reconciliation of all cash accounts between bank and District's books and records.

RESOLUTION NO. 2014-11L

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

*** * ***

TRANSFER OF BENEFIT PLANS

WHEREAS, pursuant to the Definitive Agreement between the City of Alameda Health Care District ("District") and Alameda County Medical Center, d/b/a/Alameda Health System ("AHS"), District maintained the Benefit Plans listed below during a Transition Period; and

WHEREAS, effective July 1, 2014, AHS elected to assume the Benefit Plans and maintain them as frozen plans until AHS could conveniently terminate them; and

WHEREAS, since July 1, 2014, the Benefit Plans have been administered directly by AHS;

NOW, THEREFORE, BE IT RESOLVED, that effective July 1, 2014, it is ratified and confirmed that the District ceased to sponsor, maintain, administer, or serve in any fiduciary capacity for the following Benefit Plans, all such duties being transferred to AHS:

City of Alameda Health Care District 457(b) Retirement Plan

City of Alameda Health Care District 401(a) Retirement Plan

Alameda Hospital 403(b) Tax-Deferred Annuity Retirement Plan

Alameda Hospital Pension Plan

This Resolution has been adopted by the Board of Directors of the City of Alameda Health Care District at a duly constituted meeting of the Board held in the City of Alameda, California, October 6, 2014, by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

_____
J. Michael McCormick
President

_____
Tracy Jensen
Secretary

Alameda Hospital

A MEMBER OF ALAMEDA HEALTH SYSTEM

Date: September 14, 2014

Memorandum to: City of Alameda Health Care District, Board of Directors

From: Deborah E. Stebbins, FACHE
Interim Chief Administrative Officer

RE: Alameda Hospital Update – September 2014

Acute and Surgery Volume Trends:

Inpatient admissions and average daily census continue to be unfavorable to budget. Emergency Department visits and Wound Care visits were favorable to budget in August, 2014. The volume of Bay Area Bone and Joint Center visits were on budget in August.

In August and early September, there were five (5) Highland Hospital Emergency Department transfers to Alameda Hospital.

Surgical volume from Highland Hospital from January through August 2014 is listed below by service. These cases are in addition to normal volumes done by Alameda Hospital based physicians.

FACILITY	SERVICE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Grand Total
Highland	Gynecology				2	3	7	10	9	31
	Hand				1					1
	Ophthalmology				5	3	3	5	4	20
	Orthopedic	5	1	3	2	5	3	2	14	35
	Pain Management	20	21	26	35	29	28	15	37	211
	Podiatry					1				1
Grand Total		25	22	29	45	41	41	32	64	299

Long Term Care Update:

Long Term Care volume surpassed budget in all three locations and skilled census at Waters Edge grew to 20 skilled residents. ALOS of stay has been a major focus and went from 30 days in July to 15 days in August at Waters Edge. A focus on starting rehab on day one and ensuring close monitoring of rehabilitation minutes and nursing outcomes contributed to the reduction. ALOS continues to be high at our South Shore

facility because of the lower volume of skilled residents and because of the clinical complexities of two residents.

True North metrics have been a focus and LTC surpassed HAPU/FALLS metric, skilled mix growth, ALOS reduction and revenue increase due to the increase in the skilled mix.

Alameda leadership continues to meet with Highland leadership to explore ways to optimize the opportunities for increasing the referrals of admissions from Highland to Alameda Hospital.

Alameda Brand Roll-Out:

The logo was based on research completed by AMF Media. Consistent with the Alameda Health System "House of Brands" approach to brand identity, the brand for Alameda Hospital has its own distinct look but has been updated to be more contemporary and reflect the character of the Alameda community and its regard for the Hospital. The logo evokes the nautical flags and bridges that are associated with the island community. We have rolled out the logo and research behind its development at several levels of the Alameda Hospital community and leadership where it has been very well received.

Recruitment:

The recruitment for the Chief Administrative Officer at Alameda Hospital is in the final stages. It is expected a final candidate will be selected by the end of September. When the CAO is selected, recruitment for the Associate Vice President of Support Services will start. Alameda Hospital managers have been oriented to the organizational structure of the centralized functional services provided at the system level.

We are also recruiting for a new Director of Pharmacy at Alameda Hospital and a new Chief Dietitian.

Evidence-Based Leadership:

Alameda Hospital is taking initial steps to introduce the leadership principles of the Studer Group consistent with Alameda Health System. In August, 2014 an assessment was conducted by Studer Group consultants in preparation with training on new leadership methods.

Interviews with executives, managers, clinical and non-clinical staff and physicians were conducted to get input on what people felt worked well at Alameda Hospital and what needed to be improved, including Alameda Hospital staff feelings about the impact of the affiliation with AHS.

The feedback was that communication and teamwork at Alameda Hospital between staff and administration had been good. People felt the staff were cohesive, reflected good longevity and exhibited great pride in the Hospital and its contributions to the community. The areas for improvement identified included need for good communication with AHS system leadership following the affiliation, concern about cash flow and its impact on access to supplies, some anxiety about new processes and systems associated with the affiliation. Staff were also concerned that some of the feeling of knowing everyone by name would diminish as they were part of a new, larger system.

On October 8, 2014, Alameda Hospital managers will begin training on the Studer leadership techniques including regular employee engagement rounding, use of thank you notes and patient rounding by nurse managers and executives. All of these techniques are intended to result in improved employee and patient satisfaction.

Community Outreach:

The annual Alameda Hospital Health Fair is scheduled for Saturday, October 25, 2014. We generally have about 1,500 members of the community visit the hospital and our community health partners. This year we will feature a number of the programs and information about AHS as well. We expect to dispense 600 free flu shots to the community.

On November 8, 2014, the Alameda Hospital Foundation will hold its Fall Gala at Rock Wall Winery. Dr. Carol Gerdes, an OB-GYN and former nurse, who has practiced at Alameda Hospital for over 20 years, will be honored as the recipient of the 2014 Kate Creedon Award for an outstanding health care provider in the Alameda community.

	QUALITY INDICATORS	AH CURRENT PERFORMANCE												CURRENT	
		JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	JUL 2014	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	BENCH MARK / GOAL	COMPARISON ORGANIZATION
I.	**30-Day Readmissions: (all diagnoses)**														
	(#of readmits/#of total admissions X100)	N/A	N/A	N/A	N/A	5.1%	5.4%	5.7%	3.9%					15.8%	HSAG/CMS(CA)
II.	**Medication Errors:**														
	• Acute (# errors/doses dispensed)	0.08%	0.09%	0.12%	0.05%	0.04%	0.10%	0.10%	0.07%					≤ 0.1%	AH
	• Acute (#errors/patient days)	0.019%	0.024%	0.029%	0.012%	0.009%	0.024%	0.024%	0.017%						
	• LTC (#errors/patient days)	0.004%	0.003%	0.001%	0.000%	0.000%	0.001%	0.001%	0.000%						
III.	**HAPU: (per 1000 patient days)**														
	• Acute	0.00	0.00	0.00	0.00	2.26	0.00	0.00	0.00					1.27	CALNOC
	• Long Term Care (Sub-Acute; SSC;WE)	0.56	0.43	1.38	0.10	0.70	0.60	0.00	0.37					2.54	NE
IV.	**Falls: (per 1000 patient days)**														
	• Acute (CCU/TELE/3W/ECC)	0.39	1.86	2.53	0.42	0.43	1.46	N/A	N/A					2.89	CALNOC
	• Long Term Care (Sub-Acute SSC;WE)	2.63	1.95	3.56	2.00	2.30	1.40	1.96	3.50					5.78	MQI
V.	**Infection Prevention:**														
	• Catheter Associated Urinary Tract Infections: per catheter days (# of infections/catheter days)	0%	0%	0%	0%	0%	0%	0%	0%					0.56%	SIR 2.99
	• Hand Hygiene	95%	93%	89%	81%	72%	96%	89%	93%					90%	TJC
	• Surgical Site Infections: (per inpatient elective orthopedic procedures)	0%	0%	0%	0%	0%	0%	0%	0%					0%	SIR 1.64
VI.	**Core Measures:**														
	• **SCIP:** Venous Thrombosis Embolism (VTE) prophylaxis received	100%	100%	100%	100%	100%	100%	N/A	N/A					99.9%	CMS / TJC
	• **SCIP:** Antibiotics within 1 hour	100%	100%	100%	100%	100%	100%	N/A	N/A					99.9%	CMS / TJC
	• **SCIP:** Antibiotics dc'd within 24 hours	100%	100%	100%	100%	100%	80%	N/A	N/A					99.8%	CMS / TJC
	• **Heart Failure :** Discharge Instructions	Retired	Retired	Retired	Retired	Retired	Retired	Retired	Retired					99.9%	CMS / TJC
	• **OP**: Time to EKG (minutes)	N/A	N/A	139	8	4	12	N/A	N/A					10 min	CMS / TJC
VII.	**HCAHPS: Target goal selected at 75 percentile**														
	• Communication with Nurses	N/A	N/A	N/A	N/A	N/A	N/A	72.0	53.8					82.1	Target Goal
	• Staff Responsiveness	N/A	N/A	N/A	N/A	N/A	N/A	47.7	50.0					70.3	Target Goal
	• Pain Management	N/A	N/A	N/A	N/A	N/A	N/A	50.0	66.7					75.0	Target Goal
	• Communication about Medications	N/A	N/A	N/A	N/A	N/A	N/A	33.3	50.0					67.0	Target Goal
VIII.	***ECC Turn-Around-Times (TAT/Hours):**														
	• Door ➡ Doctor Time	31	29	N/A	N/A	30	31	32	N/A					31 min	AHS True North
	• Door ➡ Admit	2.3	2.8	N/A	N/A	2.8	2.5	4.38	N/A					2.8 Hrs.	AHS True North
IX.	• Stroke (Mean Times)														
	• Door ➡ CT for Code Stroke	21	15	29	20	19	19	18	32					≤ 25 min	Am St Assoc
	• Door ➡ Alteplase	49	53	51	59	49	56	47	61					≤ 60 min	Am St Assoc

COMMENTS:

I. 30-Day Readmissions: (all diagnoses):

- Medicare reports for 30-Day Readmissions have been delayed until mid-2014 due to CMS data calculation issues for AMI, CHF, & Pneumonia. In addition, rates currently available are calculated from Medicare and VA data on patients discharged between July 1, 2009 and June 30, 2012. As reported by CMS, Alameda Hospital is "no different than the National Rate".

III. HAPU:

- Alameda Hospital has received the National Sharon Baranoski Foundation's Award from the 29th Annual Clinical Symposium on Advances in Skin & Wound Care
- HAPU and Falls Data will be combined together in future reports as part of the AHS True North Reduction in Patient Harm Data

IV. FALLS:

- Alameda Hospital has been recognized and presented with the Performance Excellence in the Prevention of Injury Falls Award from CALNOC
- HAPU and Falls Data will be combined together in future reports as part of the AHS True North Reduction in Patient Harm Data
- A Falls Harm Reduction Team has been in place for several months to identify patient who may be at risk for falls
- Team is in the process of educating Nursing Staff in Assessments, obtaining new bedside commodes, and helping to implement a revised Administrative Policy for Fall Reduction. This team meets monthly to review data and identify needs

VI. Core Measures:

- July charts are currently being abstracted; delayed due to coding issues
- Heart Failure Indicator retired; Board needs to select a new indicator

VII. HCAHPS:

- Data from January through June is not available, due to the change in data methodology from Percentage (NCR Picker) to Top Box (Press Ganey)
- Inpatient Responses
  - 24 in July
  - 13 in August
- It is important to note that this information is preliminary and has not been verified by the vendor

VIII. ECC Turn-Around-Times

- Time increases due to ECC Electronic Physician Order Entry implementation

Alameda Health System

QUALITY PROCESS IMPROVEMENT BUSINESS MANAGEMENT PLAN 2014-2015

Department	Quality	***Effective Date***	9/2014
Campus	All	***Date Revised***	7/2014
Unit	Quality Assurance	***Next Scheduled Review***	7/2017
Manual	Administrative	***Author***	Director of Performance Improvement
Replaces the following Policies:		***Responsible Person***	VP of Quality

Printed copies are for reference only. Please refer to electronic copy for the latest version.

Purpose

Provide a system-wide comprehensive and consistent approach for the hospital and medical staff To provide high quality and personalized care in a safe and trusted environment and to continuously improve processes and services relative to patient care and satisfaction.

System Structure

The system is defined as the Alameda Health System which encompasses the following licensed entities:

- Alameda Health System
  - Highland Hospital
  - Fairmont Hospital
  - John George Psychiatric Hospital
  - Wellness Clinics
- Alameda Hospital
- San Leandro Hospital

The plan is designed to assist in the improvement of processes and outcomes across the system structure. In partnership with the Alameda Health System (AHS) Board of Trustees, medical staff, leadership, and staff to continuously improve the key functions and processes relative to the multidisciplinary environment designed to deliver optimal care.

Mission and Vision:

Mission: *Caring, Healing, Teaching, Serving All*

Vision: *To become a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes the health of our diverse communities*

Improvement Methodology: Alameda Health System (AHS) Way

The Alameda Health System has created an integrated model known as the AHS Way. This business model is comprised of three elements:

- ***Values and Behaviors*** of all members of the system. The roles and the interactions the team required to support the Mission, Vision and Strategic Goals.
- ***Business Performance Management System (BPMS),*** helps us to manage how we:
  - develop our **strategy and communicate** it to everyone
  - set performance **goals for our system, facilities and individuals**
  - measure how we are doing – **keeping score**
  - improve to **provide better care for our patients and families and co-workers**
- **Tools,** the various communication and process improvement tools to ensure a standardized approach to work and process improvement.

Values and Behaviors

The organization core values define who we are and what we believe. Our employees establish behaviors based upon these values and this defines our culture.

- Commitment
- Teamwork
- Excellence
- Respect
- Integrity
- Compassion

Business Performance Management System (BPMS):

1. **Strategic Planning**:
   The Quality Process Improvement Business Management Plan is endeavors to align our objectives and goals with the organization's mission, vision, values, strategic imperatives, to provide direction in the pursuit of excellence in clinical processes and outcomes. It is a dynamic process that involves input from all internal and external stakeholders. Strategic planning includes:

   System wide Strategies:
   - Access and Growth
   - Sustainability
   - Integration (Quality Safety)
   - Experience
   - Network
   - Workforce

Determination of Performance Improvement Priorities based on:

- Public Reporting Data-The Joint Commission (TJC) and Centers for Medicare and Medicaid Services
- Internal Reporting (Score Cards and Dashboards)
- External Reporting (Core Measures, Meaningful Use, Leapfrog, Health Grades, Hospital Compare)

2. Goals and Objectives:

The Quality Process Improvement Business Management Plan is alignment of system priorities to achieve the following goals:

- Best place to stay well, health and receive care
- Achieve zero preventable harm and achieve the best achievable outcomes for patients
- Market leader in access to quality, affordable care
- Provide highest rated community health program
- Best place to learn and work
- Organization with investment grade credit rating

3. **System Integration:**

System wide integration oversight provides a matrix system structure leadership to work with each level of the reporting structure to communicate and prioritize the work and resources to achieve the goals.

The matrix is comprised of Campus Level teams and Functional teams, which the strategies are aligned and communicated throughout the system and across all the various professional and clinical groups.

a) **Campus Level integration within the System:**

Campus Level integration ensures the deployment of the Strategies from the Executive Team to the various campuses and divisions and to the department and patient facing teams and ensures the alignment and prioritization of work.

i) **System Operations / Executive Steering Committee:** the Executive Leadership, as members of the Systems Operations Council, is responsible for defining, communicating and gaining approval for the strategies for the System from the Board of Trustees. Additionally, the Executive Leadership team is responsible for deploying the strategies to the various campuses / divisional entities, evaluating and sponsoring system wide improvement initiatives, and ensuring alignment and feedback through governance.

ii) **Campus / Divisional Operations:** Across the campuses / divisions of the System, each entity has an Administrative / Physician / Nursing leader team, as members of the Campus Operations Council, drive alignment of the improvement work within that entity to the System Goals. These teams are responsible for communicating and deploying the System level strategies, determining the priorities and goals for their respective campuses and departments, evaluating and sponsoring campus / division wide improvement initiatives, communicating system wide opportunities for improvement back to the System Operations Council, and ensuring alignment and feedback through governance.

iii) **Department Operations:** Within the campus and divisions (clinics), each department, as Department Operations Council, is responsible for setting goals for the team and individuals to drive alignment of the improvement work to the Campus / Division level goals, sponsoring department level improvement initiatives and providing opportunities for improvement back to the Campus / Division Operations Council.

b) **Clinical integration within the System:**

Clinical integration promotes improvement across disciplines and enables communication across the various professional disciplines and clinical work teams of the System , providing forums for decisions making to address the unique needs of the professional and clinical groups.

i) **Medical Staff Clinical Committees** – Medical Staff Committees provide a venue for integration and improvement. . Committees shall recommend to the appropriate Medical Staff Quality, Safety, Experience and/or Performance Improvement Committee and Medical Executive Committee specific clinical and system level improvements and other measures for inclusion in the organization-wide Process Improvement Business Management plan.

ii) **Case and Peer Review**–Case and Peer Review Committees enhance the quality of processes and improve patient safety by:

- Providing active peer/case review to measure and monitor outcomes and performance.
- Conducting Ongoing Professional Practice Evaluation (OPPE) measurement and evaluation for physician practice.
- Defining OPPE rules, measures, and indicators to ensure process is fair effective and aligns with Accreditation Council for Graduate Medical Education (ACGME) categories of evaluation:
  - ACGME Categories of Evaluation: Patient Care, Medical/Clinical Knowledge, Practice-Based Learning and Improvement, Interpersonal and Communication Skills, Professionalism and System- Based Practice
- Identifies systems and operational opportunities and refers each to the appropriate Quality, Safety, Experience and/or Performance Improvement Committee.

Medical Staff Morbidity and Mortality – Morbidity and Mortality (M&M) conferences. M&M conferences are an important tool for improving systems issues and patient care outcomes. The M&M conference refers cases to quality, risk management, infection control and peer review committees for further evaluation.

Measurement System

- Proactively assessing the organization's information management needs, developing, and implementing the plans to meet these needs, consistent with regulatory requirements

- Change the focus of measures to quality-related indicators focusing on the outcomes of care
- Improve the reports and develop substantive recommendations as to how the organization can improve in specific areas

True North is a statement that defines our strategic goals to meet our mission and vision. Each system wide strategy has a true north direction that serves to direct the system measures. The table below is the organization wide tool for defining the measurement and setting the targets.

True North:							
System Measure	**Driver**	**Metric**	**Data Source**	**FY14YTD Baseline**	**FY15 Target**	**FY16 Target**	**FY17 Target**

Watch Measures are additional indicators to achieve True North targets. They are used to assess the ongoing performance of the organization.

Process Improvement and Business Management Tools:
Lean, Studer and quality improvement tools and techniques are used to frame improvement opportunities system wide. Components of this model include:

<u>Plan Do Check Act (PDCA)</u>

Plan the improvement activities
- *How do you plan to improve the existing process, create a new process, make changes?*
- *Choose method for data collection and performance improvement measurement.*

Do the improvement process
- *Process Changes. Who, What, When and How?*

What policies and procedures did you put in place? What training/ competency tools did you develop?
- *Data Collection. Document brainstorming, process/flow diagrams, policy changes.*
- *Define outcome measurements and/or process measurements.*
- *Attach graphs, charts, flow diagrams, tools, forms developed.*

Check the results
- *Have you have met the PI goal established?*
- *Check/review the outcome and process measurement results?*
- *How have you made a difference by doing this PI?*

Act to hold the gain
- *Continue evaluation to verify that improvement is sustained.*
- *Repeat plan, do, and check steps as needed*

5S/Visual Systems

Sort, Set, Shine, Standardize, Sustain

- *A process and method for establishing and sustaining an orderly, clean, highly productive workplace*

Lean

Value Stream Mapping

- *Method of creating a "one-page representation" of all processes that occur from order placement through order receipt by the customer.*

Kaizen

- *Focused effort used to "make a leap". A multifunctional team is formed and for a 3-5 day period they focus on resolving a problem.*

StuderGroup Tools

Huddles

- *Huddles enable teams to have frequent but short briefings so that they can stay informed, review work, make plans, and move ahead rapidly*

Rounding

- *Proactively, engaging, listening to, communicating with, building relationships with and supporting your most important customers*
  - *Patients and Families*
  - *Employees*
  - *Physicians*
  - *Departments*

Annual Appraisal

An annual appraisal of the overall organizational Quality Process Improvement Business Management Plan program will be completed by the Quality Division who shall submit the annual report to the Medical Executive Committee and Board of Trustees. The appraisal should contain information regarding significant opportunities to improve care identified through the performance improvement process and effectiveness of actions taken. The annual appraisal should discuss both the strengths and weaknesses of the existing program, discuss the degree of overall integration and coordination of improvement activities, and contain recommendations for process improvement.

The annual assessment of the Quality Process Improvement Business Management Plan measuring overall performance is reported to the Board of Trustees. The results of these annual assessments will be utilized to adjust the long term strategy.

Approvals

Departmental	**Date: 7/2014**
Quality Council	**Date: 8/2014**
Medical Executive Committee	**Date: 8/2014**
Board of Trustees	**Date: 9/2014**

ALAMEDA
HEALTH SYSTEM

1411 East 31st Street
Oakland, CA 94602

DATE: October 2, 2014

TO: The Honorable Board of Trustees of the City of Alameda Health Care District

CC: Executive Staff Members

SUBJECT: Alameda Hospital Financial Results as of August 2014

Alameda Hospital

August 2014 represents the fourth month of operation for Alameda Hospital (AH) under AHS. The month-end utilization and financial statements have been compiled based on current procedures that were established to down load hospital specific data into the AHS system. It should also be noted that the operating expenses do not include any allocated overhead expense from AHS.

For the second month of fiscal year 2015, AH showed a profit of $0.2M resulting in a slight negative variance compared to budget. Net Operating Revenue was $0.4M below budget which accounts for the majority of the current month's variance. Offsetting this variance was a $0.3M positive variance in operating expense. Additional information is provided below.

Net Operating Revenue was $7.3M, which was $0.4M or 4.8% under budget. The Medi-Cal Waiver was not recorded in the current month pending confirmation, which results in a negative variance of $0.4M. The following comments apply to the Net Patient Revenue which was at budget.

- Average Daily Census by unit was 25.0 for medical/surgical, 32.4 for sub-acute, and 139.5 for skilled nursing facilities (SNF), which is consistent with the historical trend, but is lower than the budget.
- Total surgeries were 200 for the month, which is higher than the historical trend, but is significantly lower than the budget of 271 surgeries.
- Gross charges were below budget by $2.1M or 7.7% as a result of lower volumes. Net Patient Revenue was estimated at $6.7 million at an overall reimbursement rate of 26.6%.

Operating Expense was $7.1M, which was $0.3M or 4.1% under budget. The total expense is consistent with prior year's trend under both AHS and Alameda Hospital District's management of approximately $7.0M per month.

ALAMEDA HEALTH SYSTEM

ALAMEDA CAMPUS - Patient Volumes

For the month ending August 31, 2014

Fiscal 2015

	ACTUAL	BUDGET	VARIANCE	%	YTD	BUDGET	Variance	% Var	PYTD
INPATIENT VOLUMES									
Acute Admissions	205	212	(7)	-3%	395	371	24	6%	-
Acute Patient Days	775	1,047	(272)	-26%	1,977	2,094	(117)	-6%	-
Acute Length of Stay	3.8	4.9	1.1	22%	5.0	5.6	0.6	11%	-
Long Term Care Admissions	22	23	(1)	-4%	49	46	3	7%	-
Long Term Care Patient Days	5,327	5,172	155	3%	10,396	10,344	52	1%	-
Long Term Length of Stay	26.0	24.4	(1.6)	-7%	26.3	27.9	1.6	6%	-
EMERGENCY & URGENT CARE									
ED-HGH Pts Seen	1,458	1,441	17	1%	2,916	2,882	34	1%	-
SURGERIES									
Inpatient	100	69	31	45%	128	138	(10)	-7%	-
Outpatient	100	202	(102)	-50%	208	429	(221)	-52%	-
Total Surgeries	**200**	**271**	**(71)**	-26%	**336**	**567**	(231)	-41%	**-**
Surgical minutes	**coming**	**coming**			**coming**	**coming**			**coming**
ANCILLARIES									
Cardiology and Interventional Rad	14,416	14,416	-	0%	28,832	28,832	-	0%	-
Clinical Lab & Blood Bank	170,836	170,836	-	0%	341,672	341,672	-	0%	-
Imaging Services	2,207	2,207	-	0%	4,414	4,414	-	0%	-
Pharmacy	4,933	4,933	-	0%	9,866	9,866	-	0%	-
Other Ancillaries	167	167	-	0%	334	334	-	0%	-
THERAPIES									
Occupational	798	798	-	0%	1,596	1,596	-	0%	-
Physical Therapy	2,230	2,230	-	0%	4,460	4,460	-	0%	-
Respiratory	-	-	-	0%	-	-	-	0%	-
OTHER STATISTICS									
Outpatient Factor	1.482	1.503	(0.021)		1.503	1.503	-		-
ACUTE PATIENT DAYS									
AHD CORONARY CARE UNIT (CCU)	129	153	(24)	-16%	232	306	(74)	-24%	
AHD DEFINITIVE OBSERVATION	316	378	(62)	-16%	730	756	(26)	-3%	
AHD 3RD WEST MED SURG	330	516	(186)	-36%	1,015	1,032	(17)	-2%	
Total Acute Patient Days	775	1,047	(272)	-26%	1,977	2,094	(117)	-6%	-
SKILLED NURSING AND SUBACUTE PATIENT DAYS									
AHD SUB ACUTE 2ND FLOOR	1,004	1,000	4	0%	1,976	2,000	(24)	-1%	
AHD SOUTH SHORE SNF	769	742	27	4%	1,453	1,484	(31)	-2%	
AHD WATERS EDGE SNF	3,554	3,430	124	4%	6,967	6,860	107	2%	
Total Long Term Care Patient Days	5,327	5,172	155	3%	10,396	10,344	52	1%	-
Total patient days	6,102	6,219	(117)	-2%	12,373	12,438	(65)	-1%	

ALAMEDA HOSPITAL

Statement of Revenues and Expenses

For the Period Ended August 31, 2014

(In Thousands)

	Month-To-Date				Year-To-Date			
	Actual	**Budget**	**Variance**	**% Variance**	**Actual**	**Budget**	**Variance**	**% Variance**
Inpatient service revenue	17,099	18,279	(1,180)	-6.5%	34,017	36,661	(2,644)	-7.2%
Outpatient service revenue	8,183	9,123	(940)	-10.3%	16,923	18,409	(1,486)	-8.1%
Professional service revenue	-	-	0	0.0%	-	-	0	0.0%
Gross patient service revenue	**25,282**	**27,402**	**(2,120)**	**-7.7%**	**50,940**	**55,070**	**(4,130)**	**-7.5%**
Deductions from revenues	(18,557)	(20,711)	2,154	-10.4%	(37,466)	(41,624)	4,158	-10.0%
Net patient service revenue	**6,725**	**6,691**	**34**	**0.5%**	**13,474**	**13,446**	**28**	**0.2%**
Measure A, Parcel Tax, Other Support	477	482	(5)	-1.0%	954	964	(10)	-1.0%
Supplemental Programs	-	373	(373)	-100.0%	-	746	(746)	-100.0%
Other Operating Revenue	10	37	(27)	-73.0%	21	75	(54)	-72.0%
Incentives	87	87	0	0.0%	173	173	0	0.0%
Net operating revenue	**7,299**	**7,670**	**(371)**	**-4.8%**	**14,622**	**15,404**	**(782)**	**-5.1%**
Salaries and wages	3,440	3,807	367	9.6%	6,483	7,615	1,132	14.9%
Employee benefits	1,034	1,133	99	8.7%	3,017	2,266	(751)	-33.1%
Registry	73	162	89	54.9%	184	324	140	43.2%
Contracted physician services	609	249	(360)	-144.6%	1,208	498	(710)	-142.6%
Purchased services	535	610	75	12.3%	812	1,218	406	33.3%
Pharmaceuticals	283	243	(40)	-16.5%	439	485	46	9.5%
Medical Supplies	578	325	(253)	-77.8%	914	650	(264)	-40.6%
Materials and supplies	47	259	212	81.9%	152	517	365	70.6%
Outside medical services	-	-	0	0.0%	-	-	0	0.0%
General & administrative expenses	144	181	37	20.4%	286	363	77	21.2%
Repairs/maintenance/utilities	136	147	11	7.5%	273	293	20	6.8%
Building/equipment leases & rentals	172	232	60	25.9%	418	464	46	9.9%
Depreciation	91	96	5	5.2%	182	192	10	5.2%
Total operating expense	**7,142**	**7,444**	**302**	**4.1%**	**14,368**	**14,885**	**517**	**3.5%**
Operating Income	**157**	**226**	**($69)**	**-30.5%**	**254**	**519**	**($265)**	**-51.1%**
Interest income	-	1	(1)	-100.0%	-	3	(3)	-100.0%
Interest expense	-	-	0	0.0%	-	-	0	0.0%
Other Non-operating income(expense)	28	28			55	56		
Income	**$ 157**	**$ 227**	**$ (70)**	**-30.8%**	**$ 254**	**$ 522**	**$ (268)**	**-51.3%**
Operating Margin	2.2%	2.9%			1.7%	3.4%		
Collection %	26.6%	24.4%			26.5%	24.4%		
Acute & SNF discharges	202	272	(70)	-25.7%	420	544	(124)	-22.8%
Acute & SNF patient days	5,857	6,219	(362)	-5.8%	11,959	12,438	(479)	-3.9%
ALOS	29.00	22.86	6	26.9%	28.47	22.86	6	24.5%
ADC	189	201	(12)	-6.0%	193	201	(8)	-4.0%
Adjusted patient days	8,660	9,323	(663)	-7.1%	17,908	18,684	(776)	-4.2%
Adjusted discharges	299	408	(109)	-26.7%	629	817	(188)	-23.0%
Net operating revenue per adj discharge	24,411	18,798	5,613	29.9%	23,247	18,855	4,392	23.3%
Expense per adj discharge	23,881	18,243	(5,638)	-30.9%	22,843	18,218	(4,625)	-25.4%
Income per adj discharge	623	627	(4)	-0.6%	404	640	(236)	-36.9%
Paid Full time equivalents	527	570	43	7.5%	527	570	43	7.5%
Paid FTE's per adjusted occupied bed	1.89	1.90	0.01	0.5%	1.82	1.89	0.07	3.7%
Salaries, benefits & registry % of net reven	68%	76%	8%		72%	76%	4%	

ALAMEDA HEALTH SYSTEM

CAPITAL and OPERATING BUDGET PROPOSAL for Fiscal Year 2014 - 2015

Alameda District Hospital

Alameda Pro Forma Operating Statement

	Twelve Mos Projected FY2014 (a)	PROPOSED 2015	Favor / (Unfavor) Variance	Percent Variance
REVENUE				
Net Patient Revenue	$ 74,867,595	$ 79,917,494	$ 5,049,899	7%
Reimbursement Rate	*23.0%*	*23.5%*		
Medi-Cal Waiver	0	4,000,000	4,000,000	100%
HPAC	0	0	0	0%
Measure A Tax Revenue	0	0	0	0%
Supplemental Programs	0	0	0	0%
Grants & Research Protocol	0	0	0	0%
Other Operating Revenue	443,319	449,418	6,100	1%
Incentives	1,972,154	1,513,880	(458,274)	(23)%
Parcel Tax & Other Operating Subsidy	5,784,199	5,784,199	0	0%
Other Operating Revenue	8,199,672	11,747,497	3,547,826	43%
Total Operating Revenue	**83,067,266**	**91,664,991**	**8,597,725**	**10%**
EXPENSES				
Salaries & Wages, Overtime, Registry & temps	45,996,185	46,769,011	(772,827)	(2)%
Benefits	12,964,220	13,606,071	(641,851)	(5)%
Total Labor Expense	58,960,405	60,375,083	(1,414,678)	(2)%
Contracted Physician Services	3,136,841	2,985,201	151,640	5%
Purchased Services	8,234,296	7,258,965	975,331	12%
Pharmaceuticals	2,819,800	2,910,090	(90,289)	(3)%
Medical Supplies	3,896,963	3,881,555	15,408	0%
Materials & Supplies	2,749,622	3,071,299	(321,677)	(12)%
General & Administrative Expenses	2,970,569	2,177,924	792,645	27%
Repairs/Maintenance/Utilities	1,804,282	1,761,512	42,769	2%
Building/Equipment Leases & Rentals	2,464,067	2,785,848	(321,781)	(13)%
Depreciation	1,150,517	1,192,300	(41,783)	(4)%
Total Non-Personnel Expense	29,226,958	28,024,694	1,202,264	4%
Total Operating Expenses	**88,187,363**	**88,399,777**	**(212,414)**	**(0)%**
Net Operating Income	**$ (5,120,097)**	**$ 3,265,214**	**$ 8,385,311**	**164%**
*** Net Operating Margin ***	*(6.2)%*	*3.6%*		
Non Operating Income/(Expense)	346,154	351,555	5,401	0%
Total Income Excl DSRIP	**$ (4,773,943)**	**$ 3,616,769**	**$ 8,390,712**	**176%**
TOTAL INCOME	**$ (4,773,943)**	**$ 3,616,769**	**$ 8,390,712**	**176%**
*** Total Margin ***	*-5.7%*	*3.9%*		

(a) Ten months extrapolated for 12 months with known anticipated accrual adjustments

ALAMEDA HEALTH SYSTEM

CAPITAL and OPERATING BUDGET PROPOSAL for Fiscal Year 2014 - 2015

Alameda Patient Volumes

	Twelve Mos Projected FY2014	PROPOSED 2015	Favor / (Unfavor) Variance	Percent Variance
Patient Days	71,565	73,227	1,662	2 %
Acute Med/Surg, DOU, CCU	10,661	12,323	1,662	16%
Skilled Nursign & Subacute	60,904	60,904	-	0%
Average Daily Census	196	201	5	2 %
Discharges	2,789	3,210	421	15 %
Surgeries	2,099	3,596	1,497	71 %
Inpatient	574	1,028	454	79%
Outpatient	1,525	2,568	1,043	68%
Emergency Visits	16,969	16,969	-	0 %
Clinic Visits	5,408	5,408	-	0 %
FTE'S - Total	563	570	7	1 %
• Increased FTEs due to patient volumes increases			18	
• Decreased FTEs - due to transfers to system and reductions			(11)	

Metrics				
FTE's per Adjusted Occupied Bed - Long Term Care	1.15	1.14	0.01	1 %
FTEs per Adjusted occupied bed - Acute	8.61	7.42	1.19	14 %
Med/Surg days per IP surgery	18.6	12.0	(6.6)	(35)%
Admissions % of ED visits	16.4%	18.9%	2.5%	15 %

ALAMEDA HEALTH SYTEM

CAPITAL and OPERATING BUDGET PROPOSAL for Fiscal Year 2014 - 2015

ALAMEDA DISTRICT HOSPITAL

Alameda Budget Analysis

(Stated in $000's)

	Twelve Mos Projected FY2014	PROPOSED 2015	Favor / (Unfavor) Variance	Percent Variance
Total Revenue - All Sources	$ 83,067	$ 91,665	$ 8,598	10 %
• Increased Medi-Cal reimbursement due to transition designated public hospital			4,000	
• Increasee revenue due to increased surgeries and census			2,118	
• Increased revenue due to charge rates in effect May 1st			1,643	
• Increased revenue due to 3rd party payor contracts			1,175	
• Increased revenue due to Medicare market basket adjustment			120	
• Reduction in ARRA/MU incentives with second year filing			(458)	
Expenses - Labor	$ 58,960	$ 60,375	$ (1,415)	(2)%
• Increased labor due to increased surgeries and census			(1,854)	
• Reduction due to system consolidation			439	
Expenses - Non Labor	$ 29,227	$ 28,025	$ 1,202	4 %
• Reduced management consulting and other purchased services for start up			975	
• Reduced legal and recruiting expenses due to centralization to system			793	
• Reduced physician contract due to reclass to payroll of orthopedists			152	
• Increased rentals and leases due to one time offset in fiscal 2014			(322)	
• Increased pharma and supplies costs due to increased patient volumes			(397)	

ALAMEDA HEALTH SYSTEM

CAPITAL and OPERATING BUDGET PROPOSAL for Fiscal Year 2014 - 2015

Capital Expenditure Proposal

(Stated in $000's)

CAPITAL CATEGORY	Total Estimated Cost
AHS without San Leandro and Alameda Hospitals	
Facilities	$ 8,000
Information Technology	8,000
Equipment and other	6,600
San Leandro Hospital	
Deferred maintenance	2,500
Other capital provision	750
Alameda Distict Hospital	
Deferred maintenance	3,400
Other capital provision	750
Total	$ 30,000

Alameda Health System
Loan Receivable
a/c #11067-2010
fy15

Terms:

1) Promissory Note dated 7/01/13 between Alameda Health System and City of Alameda Health Care District.
2) Signed 7/02/13 by Wright L. Lassiter and Deborah E. Stebbins.
3) $1.5 million is initial amount, with option of an additional $1.5 million
4) Due on the 366 date, 7/03/14
5) AHS check #201257 issued on 7/08/13 for $1.5 million.
6) 5.25% per annum interest rate. Interest calculated on the basis of a 360 day year of twelve 30-day months.

Period	Source	Description	Date	JE #	Type	Amount
Beginning Balance						-
Jul-13	AP	2007976CITY OF ALAMEDA CNTY	7/31/2013	17	N	1,500,000.00
Jun-14	GL	Accrue interest ($1.5M, 5.25%, one year)				78,750.00
GL balance at 6/30/14						1,578,750.00
Current year activity						
Sep-14	RJ	Accrue interest ($1.5M, 5.25%, Jul-Sep14)				19,687.50
Ending Balance						1,598,437.50

Journal Entry		
Loan Receivable	11067-2010	19,687.50
Interest income	98870-36900	(19,687.50)
		-

pillsbury

Pillsbury Winthrop Shaw Pittman LLP
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MAILING ADDRESS: P. O. Box 2824 | San Francisco, CA 94126-2824

MEMORANDUM

To: Board of Trustees of the City of Alameda Health Care District

From: Marcus Wu
Amber Ward

Date: October 2, 2014

C/M#: 075589-0000001

Re: Alameda Hospital Benefit Plans

This memorandum responds to requests for information set forth in Mr. J. Michael McCormick's letter to Wright Lassiter, III dated August 13, 2014. We serve as benefits counsel to Alameda Health Systems ("AHS"). AHS has asked us to address the portion of the letter asking whether certain provisions in Section 1.7(c) of the Joint Powers Agreement with the City of Alameda Health Care District (the "District") as of November 26, 2013 (the "Agreement") have been fully addressed and implemented.

Mr. McCormick asked about multiple provisions in Section 1.7(c) of the Agreement. We have replicated each of those provisions below (in italic font) and provided a status update on each item.

1. *After the end of the Transition Period, AHS shall assume responsibility for funding the Pension Plan, including contributions and fees required to terminate the Pension Plan.*

   The "Transition Period" ended on June 30, 2014 because AHS became the employer of Alameda Hospital employees on July 1, 2014. "Pension Plan" refers to a pension plan that covers certain participants employed (or formerly employed) by Alameda Hospital. As of June 30, 2014, the District sponsored the Pension Plan. In accordance with the Agreement, AHS automatically became plan sponsor of the Pension Plan on July 1, 2014, replacing the District in that role. As plan sponsor, AHS is responsible for funding the Pension Plan, including any contributions and fees required to terminate the Pension Plan. AHS has met with its advisors, including its actuarial consultants and legal counsel, and evaluated the costs, administrative obligations, and legal requirements of two alternative scenarios: (1) continuing to maintain the Pension Plan for the remaining participants (no new participants will be covered), or (2) terminating the Pension Plan. After evaluating the pros and cons of each alternative, AHS has decided to continue the Pension Plan and will make the required contributions necessary to fund the plan. AHS will periodically reevaluate whether to terminate the Pension Plan in the future.

2. *In connection therewith, AHS agrees to assume, after the end of the Transition Period, all memoranda of understanding with labor organizations representing Hospital Personnel, subject to applicable law and the rights of AHS and the labor organizations representing Hospital Personnel to collectively bargain.*

   We have been advised by AHS that its Director of Labor Relations has met with all labor organizations representing Hospital Personnel. With respect to each labor organization and memoranda of understanding, AHS has either agreed to assume the memoranda of understanding or is in the process of negotiating new memoranda of understanding, or side letters, with each labor organization. Please refer to attached Summary of Labor Agreements, which was prepared by AHS, for further detail.

3. *After the end of the Transition Period, AHS shall also assume responsibility for contributions to the multiemployer plans to which the District contributes under such memoranda of understanding.*

   Effective July 1, 2014, the day after the Transition Period ended, AHS assumed responsibility for contributions to the multiemployer plans to which the District contributed to the extent required by the MOUs that AHS has assumed.

4. *While the parties will endeavor to avoid any withdrawal liability, AHS shall assume any withdrawal liability that arises after the Closing under any such multiemployer plan, subject to the requirement that the District not withdraw from any multiemployer plan during the Transition Period, as set forth in Section 1.7(b).*

   The District did not withdraw from any multiemployer plan during the Transition Period. Further, AHS does not believe its assumption of responsibility for contributing to the multiemployer plans, or any other transactions associated with the Agreement, resulted in a withdrawal from any of the multiemployer plans. AHS therefore believes that no withdrawal liability has been triggered under any of the plans. Working with outside legal counsel, AHS is in the process of preparing communications to each plan confirming these conclusions. In the unlikely event that any plan takes the position that a withdrawal has in fact occurred, then in accordance with the Agreement, AHS will assume any resulting withdrawal liability.

If you have any questions or require additional information about the matters set forth above, please contact Marcus Wu (858-509-4030) or Amber Ward (415-983-1048).

Attachment

cc: Jodi DeLucca
Dennis Manzo

Alameda Hospital - Summary of Labor Agreements

Union	Affiliation	Unit Description	# of EEs in Unit	Campuses	Current Contract Duration			Comments
California Nurses Association (CNA)	National Nurses United (NNU)	Registered Nurses	177	Alameda Hospital	7/1/2014	to	12/31/2015	
International Longshoremen and Warehouse Union (ILWU), Local 6	International Longshoremen and Warehouse Union (ILWU)	Imaging and Surgical Techs	27	Alameda Hospital	7/1/2014	to	12/31/2016	
Office and Professional Employees International Union, Local 29	Office and Professional Employees International Union, AFL/CIO	Clinical Lab employees	29	Alameda Hospital	7/1/2014	to	3/31/2017	
Operating Engineers, Local 39	International Union of Operating Engineers	Engineering and maintenance employees	6	Alameda Hospital	7/1/2014	to	1/1/2015	New contract negotiations have started.
SEIU-UHW	Service Employees International Union (SEIU)	EVS, Dietary, clerical, LVNs, CNAs, support employees	123	Alameda Hospital	7/1/2014	to	12/31/2016	
SEIU-UHW	Service Employees International Union (SEIU)	EVS, Dietary, clerical, LVNs, CNAs, support employees	120	Alameda Hospital - South Shore and Water's Edge SNFs	7/1/2014	to	7/1/2014	The current agreement with Water's Edge has no end date and there has never been an agreement with South Shore. SEIU has just taken them over and contract negotiations are on-going.
California Nurses Association (CNA)	National Nurses United (NNU)	Registered Nurses	24	Alameda Hospital - South Shore and Water's Edge SNFs	7/1/2014	to	7/1/2014	Negotiations are on-going for a new agreement.

Parcel Tax Plan – FY2015

Estimated parcel tax receipts	$	5,784,199
District budget allocation	$	613,527
Repayment of loan plus accrued interest		1,598,438
Capital projects		
> Kitchen remodel to meet regulatory compliance		47,588
> Alameda Hospital Boiler Retrofit		183,450
> Other capital		2,500,000
Accounts payable backlog		841,197
Total Uses of Parcel Tax	$	5,784,199

CITY OF ALAMEDA
HEALTH CARE DISTRICT
BYLAWS

Adopted November, 2003

Amended July, 2004

Amended August, 2014

CITY OF ALAMEDA HEALTH CARE DISTRICT
BYLAWS

ARTICLE I

NAME & ADDRESS, AUTHORITY, PURPOSE & SCOPE

Section 1. Name & Address

A. The name of this District shall be the "City of Alameda Health Care District."

B. The principal office for the transaction of business of the District is 2070 Clinton Avenue, Alameda, Alameda County, California.

C. These Bylaws shall be known as the "District Bylaws."

D. The City of Alameda Health Care District may be referred to as "the District" in these Bylaws.

Section 2. Authority

A. On April 9, 2002, registered voters in the City of Alameda, by greater than two-thirds vote, created the City of Alameda Health Care District. The measure was authorized for vote by both Title 5, Division 3 of the Government Code, hereinafter described as the Cortese-Knox-Hertzberg Local Government Reorganization Act, and by the Alameda County Local Agency Formation Commission in accordance with the provisions of Division 23 of the Health and Safety Code, hereinafter described as the Local Health Care District Law.

B. The District was organized on July 1, 2002 and has operated under the authority of the Local Health Care District Law since that date.

C. To facilitate the preservation of Alameda Hospital as a health care resource in Alameda County, the District and the Alameda Health System ("AHS) entered into a Joint Powers Agreement ("JPA") on November 26, 2013, pursuant to which they agreed, by the joint exercise of their common statutory powers, to operate health care facilities in the District and, effective May 1, 2014, to provide for the continuing operation of Alameda Hospital through the delegation to AHS of the possession and control, and the ongoing operation, management and oversight, of Alameda Hospital, which included, among other things, responsibilities for licensure, governance, operation, administration, financial management and maintenance (including, but not limited to, compliance with ongoing regulatory and seismic requirements to the extent set forth therein) of Alameda Hospital, all for the benefit of the communities that both parties serve.

~~C.~~D. These Bylaws are adopted in conformance with and subject to the provisions of the Local Health Care District Law. In the event of a conflict between these Bylaws and the Local Health Care District Law, the latter shall prevail.

Section 3. Purpose & Scope

A. The purpose of this District is to maintain and operate, or support the maintenance and operation of, a hospital and other health care facilities within the boundary of the City of Alameda Health Care District to serve the residents of the City of Alameda and the City's visitors, to establish, operate or maintain any necessary medical services ancillary to the effective functioning of such health care facilities~~the Hospital~~, and to do any and all other acts and things necessary to carry out the provisions of these Bylaws and the Local Health Care District Law.

B. Title to Property. The title to all property of the District shall be vested in the District, and the signature of the President authorized at any meeting of the Board of Directors shall constitute the proper authority for the acquisition or sale of property, or for the investment or other disposal of funds which are subject to the control of the District.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Eligibility, Number of Directors

The Board of Directors shall have five (5) members each of whom shall reside in the District and shall be registered to vote in the District.

Section 2. Election

A. An election shall be held on the first Tuesday after the first Monday in November in each even-numbered year except during the first year of the District's organization.

B. The election of the Board of Directors shall be conducted as provided in the Local Health Care District Law, the Uniform District Election Law and the Elections Code, as applicable.

Section 3. Powers

A. The Board of Directors shall have all of the powers given to it by the Local Health Care District Law.

B. These Bylaws shall prevail in the event of conflict with any Constitution, Bylaws, Rules or Regulations of any District controlled facility or organization.

C. The Board of Directors shall have control of and be responsible for the management of all operations and affairs of this District and its facilities according to the best interests of the public health. Effective May 1, 2014, pursuant to the terms of the JPA, the District turned over the license and day-to-day operations of Alameda Hospital to AHS. Nevertheless, should ~~Whenever~~ the District once again become~~is~~ the licensed operator of any health care facilities, ~~i~~it shall make and enforce all rules and regulations necessary for the proper administration, governance, protection and maintenance of any such ~~hospitals and other~~ health care facilities that may be under its jurisdiction.

D. The members of the Board of Directors shall not exercise the authority of the District unless they are acting in their official capacity as members of the Board of Directors during Board of Director meetings, or meetings of authorized committees of the Board of Directors.

E. The Board of Directors shall ensure that, whenever the District is the licensed operator of health care facilities, the physicians and surgeons, including osteopathic physicians, and podiatrists, and dentists, and other persons granted privileges at District facilities (the "Medical Staff") are organized into one integrated self-governing Medical Staff under the Medical Staff Bylaws approved by the Board of Directors.

F. The Board of Directors may employ any officers or employees, including legal counsel, the Board of Directors deems necessary to properly carry on the business of the District. The Board of Directors shall determine membership on the Medical Staff, as well as approve the Bylaws for the self-governance of an organized Medical Staff, as provided in Article VI of these District Bylaws The Board of Directors will approve Medical Staff Bylaws, Rules and Regulations, Policies and Procedures, and other guidelines, which address the obligations and duties of the Medical Staff, regarding the provision, evaluation, and review of professional care within ~~the~~any ~~H~~hospital~~,~~ and ~~within~~ other health care facilities operated by the District.

Section 4. Compensation

Notwithstanding their ability to pay themselves for attendance at Board meetings, as provided in Section 32106 of the California Health and Safety Code, the members of the Board of Directors shall, unless the Board resolves to do otherwise, serve without compensation; but in any event each Director shall be allowed to seek reimbursement for actual and necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board of Directors.

Section 5. Employment Restriction

No member of the Board of Directors can be hired in the capacity of an employee, an independent contractor, or otherwise, for one year after the Board member has ceased to be a member of the Board of Directors. This prohibition shall not apply to any member who, at the inception of his/her term of office, was an employee or independent contractor of the District and terminated such employment or

independent contractor status upon the commencement of his/her term. In accordance with Section 53227 of the California Government Code, no member of the District Board of Directors may be an employee of the District during the Director's term of office.

Section 6. Vacancies

Any vacancy upon the Board of Directors may be filled by appointment by the remaining members of the Board of Directors, for such term and under such conditions as may be specified by law, in accordance with Government Code Section 1780.

Section 7. Meetings

A. The regular meetings of the Board of Directors of the District shall be held at such time and place as are established by the Board of Directors.

B. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board of Directors and shall be noticed in accordance with Article II.8.C below. The Board of Directors may not consider any business not stated in the agenda for the special meeting.

C. All of the sessions of the Board of Directors, whether regular or special, shall be conducted in accordance with the Local Health Care District Law and Title 5, Division 2, Chapter 9 of the California Government Code hereinafter referred to as the "Brown Act."

D. A quorum for conducting all matters before the Board of Directors shall be three (3) Directors.

E. No vote by the Board of Directors, whether preliminary or final, may be taken by secret ballot.

Section 8. Notice

A. The Secretary, or the Secretary's designee, shall post an agenda containing a brief, general description of each item of business to be transacted or discussed at a meeting of the Board of Directors in a visible location that is freely accessible to the public, at least 72 hours in advance of any regular meeting of the Board of Directors. The agenda will also include the time and place of the meeting.

B. To the extent that the District maintains a public website, the Secretary, or the Secretary's designee, shall endeavor to electronically post an agenda on said website prior to the date of the meeting.

C. In the event that the Board of Directors calls a special meeting, the Secretary shall post the agenda, except that the agenda shall be posted at least 24 hours in advance. In addition, the Secretary shall deliver written notice to each member of the Board, and to each local newspaper of general circulation, at least 24 hours in advance of the time of the meeting as specified in the notice.

D. The President of the Board, in consultation with the CEO of the District, shall determine the agenda, provided that any two Board members may specify that an item be on the agenda.

E. The requirements of this section shall not apply where the Board of Directors declares an emergency situation or other exception in accordance with California Government Code Sections 54954.2 or 54956.5.

ARTICLE III

OFFICERS

Section 1. Officers

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

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

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

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

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

Section 2. President

A. The President shall perform the following duties:

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

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

3. Subject to any duly-adopted Policy of the Board regarding the signing of checks, exercise the power to co-sign, with the Secretary checks drawn on the funds of the District whenever:

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

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

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

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

Section 3. Vice-Presidents

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

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

Section 4. Secretary

The Secretary shall have the following duties:

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

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

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

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

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

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

Section 5. Treasurer

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

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

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

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

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

ARTICLE IV

CHIEF EXECUTIVE OFFICER

Section 1. Selection

A. The Board of Directors may select and employ an administrator who shall hereinafter and hereafter be known as the "Chief Executive Officer" or "CEO."

B. Any contract entered into by and between the District and the Chief Executive Officer shall not provide for more than 18 months of severance pay upon termination, regardless of cause.

C. The Board of Directors ~~shall~~ may select, employ and give the necessary authority to, a competent Chief Executive Officer who shall be responsible for overseeing and directing the day-to-day management and operation of the District. In performing this task, the CEO shall be held responsible for the administration of the

District in all its activities and departments, subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action.

Section 2. Authority and Duties

The authority and duties of the Chief Executive Officer, or if none, the President, shall be:

A. To act as the duly authorized representative of the Board of Directors in all matters in which the Board has not formally designated some other person.

B. To develop a plan for organizing the personnel and other operational staff of the District and to establish procedures for the internal operation of the District, each of which will be submitted to the Board of Directors for approval,

C. To prepare an annual budget showing the expected receipts and expenditures, as required by the Board of Directors.

D. To select, employ, control and discharge all employees as are necessary for carrying on the normal functions of the District and its health care facilities~~hospitals~~, if any. Notwithstanding the above, all employees of the District ultimately serve at the pleasure of the Board of Directors.

E. To oversee all physical property of the District and to ensure that it is kept in good repair and operating condition.

F. To supervise all business affairs, such as records of financial transactions, the collection of accounts, and the purchase and issuance of supplies.

G. To ensure that all funds are collected and expended to the best possible advantage.

H. To exercise such professional ability and judgment so as to promote the highest level of health care and cooperation among all District staff providing professional services to benefit both the public and the District.

I. To submit reports reviewing the professional services and financial activities of the District periodically to the Board of Directors or its authorized committees.

J. To prepare and submit any special reports requested by the Board of Directors or its authorized committees in accordance with their instructions.

K. To attend all meetings of the Board of Directors.

L. To attend the meetings of any committee the Board of Directors determines requires the CEO's regular attendance.

M. To perform any other duties that may be necessary in the best interest of the District.

N. To serve ex officio as a member of the Medical Executive Committee and the Joint Conference Committee, or comparable committees, or to name a delegate to serve in his or her stead.

O. To grant temporary privileges and impose and/or modify summary restrictions or suspensions in accordance with the procedures set forth in the Medical Staff Bylaws, and to carry out any other responsibilities described in the Medical Staff Bylaws as appropriate for the CEO.

ARTICLE V

COMMITTEES

Section 1. Committees Generally

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

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

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

D. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors as required by the Board of Directors.

ARTICLE VI

MEDICAL STAFF

(If the District is the licensed operator of

one or more Health Care Facilities)

Section 1. Organization and Bylaws

A. The Medical Staff shall organize itself and adopt bylaws (the "Medical Staff Bylaws") consistent with the District Bylaws, for the purpose of discharging its obligation under applicable laws and regulations, and for the purpose of governing itself with respect to the professional services provided in the facilities of the District. The Medical Staff Bylaws shall provide for appropriate officers and clinical organization.

B. The Medical Staff Bylaws shall describe the credentialing process by which eligibility for Medical Staff membership and privileges shall be determined, including criteria for the grant of membership and privileges that are consistent with the District Bylaws.

C. The Medical Staff Bylaws shall provide that the Medical Staff, or a committee or committees thereof, shall assess the credentials and qualifications of all applicants for initial Medical Staff membership, for reappointment to the Medical Staff, and for privileges, and shall submit to the Board of Directors recommendations thereon, and shall provide for reappointment no less frequently than biennially.

D. The Medical Staff shall also adopt Rules and Regulations, consistent with the Medical Staff Bylaws, providing for the conduct of the organizational activities of the Medical Staff.

E. The Medical Staff Bylaws, and the Medical Staff Rules and Regulations, shall be subject to approval of the Board of Directors, and any proposed amendment thereto shall be effective only upon approval by the Board of Directors, which approval shall not be unreasonably withheld.

Section 2. Conflicts With Medical Staff Bylaws

The Joint Commission ~~on Accreditation of Healthcare Organizations~~ prohibits inconsistencies between the District Bylaws and the Medical Staff Bylaws. Inconsistencies, if any, between the District and the Medical Staff Bylaws will be resolved in accordance with applicable procedures in the Medical Staff Bylaws.

Section 3. Nature of Medical Staff Membership

Medical Staff membership is a privilege, and not a right, that shall be granted only to professionally qualified practitioners who clearly and continuously meet the standards and requirements set forth herein and in the Bylaws of the Medical Staff.

Section 4. Qualifications for Membership

A. Only physicians and surgeons, dentists, and podiatrists who:

1. Demonstrate and document their licensure, education, training, experience, current professional competence, character, ethics, and physical and mental health status so as to establish to the satisfaction of the Medical Staff and the

Board of Directors that they are qualified, and that any patients treated by them within the facilities of the District will be provided quality medical care meeting the standards of the Medical Staff and the District; and

2. Demonstrate that they adhere to the ethics of their respective professions and that they are able to practice collegially and cooperatively with others so as to contribute to the quality of medical care, and so as not to adversely affect ~~Hospital~~health care facility and District operations; and

3. Confirm that they have secured that level of professional liability coverage as may be required by the District; and

4. Establish that they are willing to participate in and effectively discharge those professional responsibilities set forth in these Bylaws and in the Medical Staff Bylaws, shall be deemed to possess basic qualifications for membership on the Medical Staff.

B. No practitioner shall be entitled to membership on the Medical Staff, or shall be granted any clinical privilege, solely by virtue of the fact that he or she is duly licensed to practice in this State or in any other state, or that he or she is a member of any professional organization, or that he or she was granted in the past, or enjoys in the present, such membership at another hospital.

C. The decision to grant Medical Staff membership and privileges represents a recognition of the individual qualifications of the concerned practitioner, and does not in any way limit the power of the Board of Directors, in accord with the discretion conferred by the Local Health Care District Law or otherwise, to enter into any agreement with one or more qualified practitioners granting specific or exclusive responsibility for the provision of certain health care services to patients.

Section 5. Appointment to Medical Staff

All appointments and reappointments to the Medical Staff shall be made by the Board of Directors, in keeping with any pertinent standards promulgated by the Joint Commission ~~on Accreditation of Healthcare Organizations~~. Final responsibility for appointment and for the grant of formal privileges, or the denial or termination thereof, shall rest with the Board of Directors.

A. No applicant shall be denied Medical Staff membership and/or clinical privileges on the basis of sex, race, color, ethnic or national origin, religious affiliation, or sexual preference. No duly licensed physician or surgeon shall be excluded from Medical Staff membership based solely upon licensure by the Osteopathic Medical Board of California.

B. Any completed, written application for appointment to the Medical Staff shall be considered by the Medical Staff in accord with the procedures described in the Medical Staff Bylaws, and any related Rules and Regulations or policies, and, upon completion of consideration by the Medical Staff, the Medical Staff shall make a report

and recommendation regarding such application to the Board of Directors. This recommendation will also include a recommendation regarding the specific clinical privileges requested by the practitioner.

C. Subject to the provisions in the Medical Staff Bylaws and the District Bylaws regarding judicial review committee hearings and appellate reviews, upon receipt of the report and recommendation of the Medical Staff, the Board of Directors shall take action upon the application and shall cause notice of its actions to be provided to the applicant and to the Medical Staff within time frames that are consistent with the Medical Staff Bylaws. Whenever the Board of Directors does not concur in a favorable Medical Staff recommendation regarding the grant of Medical Staff membership or clinical privileges, the matter will be referred to the Joint Conference Committee, or comparable committee, for review before final action is taken by the Board of Directors.

Section 6. Medical Staff Meetings and Medical Records

A. The Bylaws of the Medical Staff shall provide for Medical Staff meetings that are held in accordance with the standards of the Joint Commission ~~on Accreditation of Healthcare Organizations~~.

B. Accurate, legible, and complete medical records shall be prepared and maintained for all patients, and shall be a basis for review and analysis of the care provided within the facilities of the District.

C. For these purposes, medical records include, but are not limited to, identification data, personal and family history, history of present illness, physical examination, special examinations, professional or working diagnoses, treatment, gross and microscopic pathological findings, progress notes, final diagnosis, condition on discharge, and other matters as the Medical Staff shall determine.

Section 7. Corrective Action

A. If the Medical Executive Committee fails to investigate or take corrective action in accordance with Article VIII of the Medical Staff Bylaws, and the failure is contrary to the weight of the evidence, the Board of Directors may direct the Medical Executive Committee to initiate investigation or corrective action, but only after consultation with the Medical Executive Committee. If the Medical Executive Committee fails to take action in response to that Board of Directors direction, the Board of Directors may initiate action, but this corrective action (1) must comply with these Bylaws and with Articles VIII and IX of the Medical Staff Bylaws and (2) may only be taken after written notice of such action is provided to the Medical Executive Committee. The Board of Directors shall inform the Medical Executive Committee in writing of its action.

Section 8. Precautionary Action

A. If the President of the Medical Staff, members of the Medical Executive Committee and the Chairman of the Service Committee (or designee) in which the member holds privileges are not available to impose a precautionary restriction or suspension of a member's membership or clinical privileges, the Board of Directors (or designee) may immediately restrict or suspend a member's privileges if a failure to do so is likely to result in an imminent danger to the health of any patient, prospective patient, or other person, provided that the Board of Directors (or designee) made reasonable attempts to contact the President of the Medical Staff, members of the Medical Executive Committee and the Chairman of the Service Committee (or designee) before the restriction or suspension.

B. Such restriction or suspension is subject to ratification by the Medical Executive Committee. If the Medical Executive Committee does not ratify the restriction or suspension within two (2) working days, excluding weekends and holidays, the precautionary restriction or suspension shall terminate automatically.

Section 9. Action on Peer Review Matters

A. In all peer review matters, the Board of Directors shall give great weight to the recommendations of the Medical Staff's committees, shall act exclusively in the interest of maintaining and enhancing patient care, and in no event, shall act in an arbitrary or capricious manner.

Section 10. Medical Staff Hearings

A. When the Board of Directors conducts a judicial review committee hearing under the Medical Staff Bylaws, the term "Medical Executive Committee" in Article IX of the Medical Staff Bylaws shall de deemed to refer to the Board of Directors in all cases when the Board of Directors or its authorized officers, directors or committees took the action or rendered the decision that resulted in a hearing being requested.

Section 11. Appellate Review

A. The Board of Directors shall provide for appellate review of any qualifying decision of a Medical Staff hearing committee according to the procedures set forth, in detail below. This appellate review may be conducted by either the Board of Directors or a committee or other designate thereof, and shall be conducted consistent with the requirements of California Business and Professions Code Section 809.4, or successor provisions.

B. The appellate review process shall include the following:

1. Time For Request for Appellate Review: Within thirty (30) days after receipt of the decision of the Medical Staff hearing committee, either the concerned practitioner, or the Medical Executive Committee or the Board of Directors, if applicable, may request an appellate review. A written request for that review shall be delivered to

the President of the Medical Staff, the Chief Executive Officer, and to the other party in the hearing. If a request for appellate review is not presented within that period, the parties shall be deemed to have waived any rights to appellate review. The decision of the Board of Directors following a waiver shall constitute the final action of the District.

2. Grounds For Appellate Review: A written request for appellate review shall include a specification of the grounds for review as well as a concise statement of the arguments in support of the appeal. The permissible grounds for appeal from the Medical Staff hearing shall be: (1) substantial failure to comply with procedures required by Bylaws; (2) the decision was arbitrary and capricious; (3) the evidence introduced at the Medical Staff hearing committee did not support the committee's findings; (4) the Medical Staff hearing committee's findings did not support the committee's decision; (5) the decision was inconsistent with applicable law.

3. Time, Place, and Notice: If an appellate review is to be conducted, the Board of Directors shall, within thirty (30) days after receipt of a qualifying request for appellate review, schedule the date and cause notice to be given to each party. The date for completion of the appellate review shall ordinarily not be more than sixty (60) days from the date of such receipt of that request, provided, however, that when a request for appellate review concerns a practitioner who is under a suspension or other corrective action which has already taken effect, the appellate review shall be held as soon as the arrangements may reasonably be made. The time for appellate review may be extended by the Board of Directors, or its Chair, or any designated appellate review committee or hearing officer, for good cause.

4. Appellate Review Body: The Board of Directors may sit as the appellate review body, or it may appoint an appellate review committee composed of members of the Board of Directors, or it may designate an individual to serve as an appellate officer. Knowledge of the matter involved shall not preclude a member from serving as member of the appellate review body or the appellate officer, so long as that member or person did not take part in a prior hearing on the same matter. The appellate review body may also select an attorney at law to assist it in the proceeding, but that attorney shall not be entitled to vote with respect to the appeal.

5. Appeal Procedure: The proceeding by the appellate review body shall be in the nature of an appellate review based upon the record of the hearing generated at the Medical Staff hearing, provided that the appellate review body may accept additional oral or written evidence, subject to a foundational showing that such evidence could not have been made available to the Medical Staff hearing committee in the exercise of reasonable diligence, and subject to the same rights of cross-examination or confrontation provided at the Medical Staff hearing; or the appellate review body may remand the matter to the Medical Staff hearing committee for the taking of further evidence and for decision. The concerned practitioner and the Medical Executive Committee shall have the right to present a written statement in support of its position on appeal. During the appeal, each party or representative shall have the right to appear personally before the Board of Directors or the appellate review body, for the purpose of presenting oral argument, and responding to questions in accordance with

procedures to be established by the Board of Directors or appellate review body. Each party shall have the right to be represented by legal counsel. The Board of Directors or the appellate review body shall determine the procedures to be observed during that meeting and may limit, or otherwise determine, the role of legal counsel. The appellate review body may then conduct, at a time convenient to itself, deliberations outside the presence of the appellant and respondent and their representatives. The appellate review body, if other than the Board of Directors, shall present to the Board of Directors its written recommendations as to whether the Board of Directors should affirm, modify, or reverse the Medical Staff hearing committee decision, or remand the matter to the Medical Staff hearing committee for further review and consideration.

6. Decision:

a. Except as otherwise provided herein, within thirty (30) days after the conclusion of any appellate meeting, the Board of Directors shall render a decision in writing, including a statement of the basis for the decision, and shall transmit copies thereof to each side involved in the appeal within time frames that are consistent with the Medical Staff Bylaws. The Board of Directors' decision shall be final.

b. The Board of Directors may affirm, modify, or reverse the decision of the Medical Staff hearing committee or remand the matter to that committee for reconsideration. If the matter is remanded to the Medical Staff hearing committee for further review and recommendation, that committee shall be requested to promptly conduct its review and issue any appropriate decision and report.

c. Right To One Hearing: No member or applicant shall be entitled to more than one evidentiary hearing and one appellate review on any matter that shall have been the subject of adverse action or recommendation.

ARTICLE VII
RULES OF CONDUCT

Roberts Rules of Order, Revised Edition, shall control all parliamentary issues not addressed in these Bylaws or in applicable law of the State of California.

ARTICLE VIII
REVIEW AND AMENDMENT OF BYLAWS

Section 1. The Board of Directors shall review these Bylaws in their entirety at least every two (2) years to ensure that they comply with all provisions of the Local Health Care District Law, and continue to meet the needs and serve the purposes of the District.

Section 2. These Bylaws may be amended by affirmative vote of a majority of the members of the Board of Directors during any regular or special meeting of the Board of Directors, provided a full statement of such proposed amendment shall have been sent to each Board member not less than seven (7) days prior to the meeting.

Section 3. Affirmative action may be taken to amend these Bylaws by unanimous vote of the entire Board membership at any regular or special meeting of the Board of Directors which is properly noticed under the Brown Act, in which event the provision for seven (7) days' notice shall not apply.

ADOPTION OF BYLAWS

Originally passed and adopted at a meeting of the Board of Directors of the City of Alameda Health Care District, duly held September 23, 2002, amended on October 14, 2002, ~~-~~November 10, 2003, ~~and~~ July _, 2004, and August 19, 2014.