

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS REGULAR MEETING AGENDA Monday, January 12, 2015

7:00 P.M (CLOSED SESSION) | 7:30 P.M. (OPEN 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. Adjourn into Executive Closed Session**
- IV. Closed Session Agenda (7:00 p.m. – 2 East Board Room)**
- A. Call to Order
 - B. Approval of Minutes
 - December 1, 2014
 - C. Consultation with Legal Counsel Regarding Pending and Threatened Litigation [Gov't Code Sec. 54957.6](#)
 - D. Adjourn into Open Session
- V. Reconvene to Public Session (Expected to start at 7:30 p.m. – Dal Cielo Conference Room)**
- A. Announcements from Closed Session J. Michael McCormick
- VI. Special Recognition**
- A. Action Items J. Michael McCormick
 - ✓ 1) Adoption of Resolution No. 2015-1 Recognizing Lynn Bratchett, RN
[\[enclosure\]](#) (pages 3-4)
- VII. Regular Agenda**
- A. Consent Agenda **ACTION ITEMS**
 - ✓ 1) Approval of December 1, 2014 Minutes (Regular) [\[to be distributed\]](#)
 - B. Alameda Health System and Alameda Hospital Update
 - 1) Chief Administrative Officer Report Bonnie Panlasigui, CAO
[INFORMATIONAL \[to be distributed\]](#)
 - ✓ 2) Financial Report David Cox, CFO
 - November 2014 Financials (Consolidated System & Alameda Hospital Only)
[INFORMATIONAL \[enclosure\]](#) (pages 5-14)
 - 3) Quality Report [INFORMATIONAL \[enclosure\]](#) (pages 15-16) Bonnie Panlasigui, CAO

C. District Board President's Report

J. Michael McCormick

✓ 1) President's Report & Operational Updates

[INFORMATIONAL \[enclosure\]](#) (pages 17-18)

D. Alameda Health System Board of Trustees Report [INFORMATIONAL](#)

Tracy Jensen

VIII. General Public Comments

IX. Board Comments

X. Adjournment

CITY OF ALAMEDA HEALTH CARE DISTRICT

RESOLUTION NO. 2015-1

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

SPECIAL RECOGNITION OF LYNN BRATCHETT, RN

- Whereas, Lynn Bratchett served on the Finance and Management Committee as a community at-large member for several months before his appointment to the Board of Directors and then was appointed to serve as one of the voting Board members of the committee.
- Whereas, On July 18, 2013, Lynn Bratchett was appointed to the City of Alameda Health Care District ("District") Board of Directors.
- Whereas, Lynn Bratchett served as Treasurer of the Board from August 2013 through November 2014.
- Whereas, Lynn Bratchett served on the Board of Directors during a difficult but rewarding time and his leadership assisted the Board of Directors in successfully negotiating and implementing 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, Lynn Bratchett has been Registered Nurse for over thirty (30) years with experience in critical care, psychiatric care and emergency care.
- Whereas Lynn Bratchett's experience ranges across the continuum of the healthcare including as a direct healthcare provider, management roles, administrator and educator.
- Whereas, As a small business owner / entrepreneur with a Masters in Business Administration and Registered nurse, Lynn Bratchett provided a unique perspective and insight to the Board of Directors and District.
- Whereas, Lynn Bratchett's dedication and passion for healthcare, education, business and service to the community is recognized and honored by the District.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the City of Alameda Health Care District recognizes the expertise and dedication of Lynn Bratchett and his contributions to Alameda Hospital, the City of Alameda Health Care District and the community of Alameda and expresses its heartfelt gratitude for his service on our behalf.

PASSED AND ADOPTED on January 12, 2015 by the following vote:

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

J. Michael McCormick
President

Tracy Jensen
Secretary



MEMORANDUM

1411 East 31st Street
Oakland, CA 94602

TO: AHS Finance Committee
FROM: David Cox, Chief Financial Officer
DATE: December 15, 2014
SUBJECT: November 2014 Financial Report

For the month of November, AHS is reporting an operating loss of \$6.1 million, which bring our year to date loss (five months) to \$11.2 million, or a little more than \$2 million per month. The November results include an adjustment related to the reconciliation of our Cash Clearing account, which also affected the audited results for fiscal 2014. The reported results are consistent with our estimate that AHS is currently operating at a \$2 million loss per month run rate, confirms the direction that we are already going with our Performance Improvement Plan, and does not change our Cash Forecast.

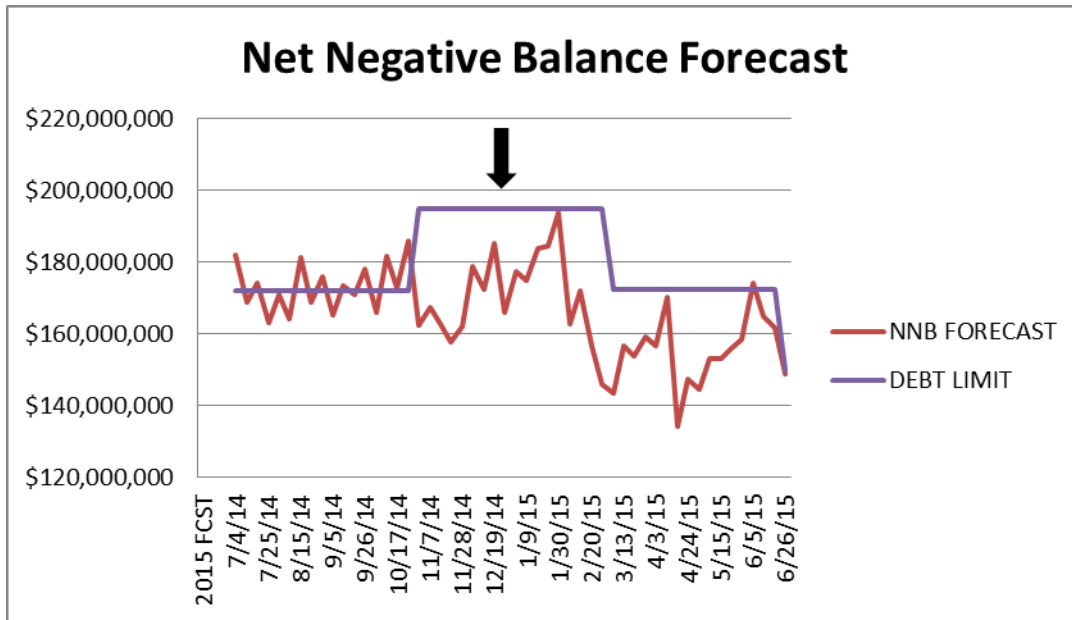
Results by operating division are reported below:

Income Summary	Current Month				Year-To-Date			
	Revenue	Expense	Income	%	Revenue	Expense	Income	%
AHS (Core)	\$ 53,179	\$ 56,828	\$ (3,649)	-6.9%	280,294	285,338	(5,044)	-1.8%
San Leandro Hospital	4,636	6,133	(1,497)	-32.3%	25,054	30,031	(4,977)	-19.9%
Alameda Hospital	6,159	7,066	(907)	-14.7%	33,967	35,155	(1,188)	-3.5%
AHS Total	\$ 63,974	\$ 70,027	\$ (6,053)	-9.5%	\$ 339,315	\$ 350,524	\$ (11,209)	-3.3%
Average					\$ 67,863	\$ 70,105	\$ (2,242)	

Operating expenses were \$1.9 million, or 2.5%, favorable for the month and are 2.9% favorable year to date. However, Net Operating Revenues are now 6.9% unfavorable year to date. It is worth noting that the Collection Ratio at AHS Core has improved from 18.0% last year to 20.0% this year, which is a significant change and is evidence of improvement in the revenue cycle.

Cash Management/County Relationship

We expect the County to extend the Interim Agreement through Feb. 27, 2015 while the HCSA/Toyon review is completed. The reported loss above does not affect our Cash Forecast and we still project to end the year at or below \$150 million Net Negative Balance.



Interim Agreement

The County has elected to extend the Interim Agreement through Feb. 27, 2015, while we await completion of the HCSA/Toyon report and recent discussions with the Alameda County-Auditor indicate that the proposed financial terms in the final agreement are basically acceptable.

HCSA/Toyon Interim Recommendations

The interim report has been provided to management, we are having ongoing meetings with HCSA/Toyon, and we will prepared a detailed response and action plan as the process develops.

A summary of our initial responses is presented below.

	HCSA/Toyon Observation	AHS Response and Plan
1	Training, processes, and accountability for the revenue cycle have never been in place.	We have completed our own assessment of our opportunities in this area, have a detailed workplan, have organized around it, and are making progress. It is very complex and we agree that it is likely to take 12+ months to correct.
2	Charge Capture, Revenue Integrity, Late Charges, Payer Denials, Charge Audit and Reconciliation.	This is a critical function that is not occurring; the functions are distributed throughout the organization with little oversight or coordination. We are creating a dedicated department to do this and have just recruited two highly qualified individuals from complex organizations, and we expect them to start in January.
3	Lack of Accountability Across the Organization	AHS senior leadership is taking these recommendations very seriously and are instilling a culture of accountability throughout the organization.
4	Lack of Communication with Finance Department(s)	This is changing rapidly and we are in the process of completing an assessment of our structure and competencies in key positions, including not only technical ability but a commitment to best practices.
5	Soarian Financial System was poorly implemented, requires changed processes, and best practices installed up front.	We agree that there are major system issues and we are working them diligently. In some respects, due to the Master File issue, the system needs to be rebuilt, but we believe that we are making very good progress.
6	Organizational Focus - Growth versus Operations	Our focus for Fiscal 2015 - 2016 is Operations.
7	Aged Receivables are being lost.	We are cleaning up the edits to get the claims going through the system, we have a Clean Up Crew on the back end to resolve and follow up on accounts, and we are putting in place an Early Out contract with MedAssets for small balances over 120 days. We are doing everything we can think of to collect on claims before they time out.
8	Cost Containment is necessary.	This is a top priority of our management team.

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For the Period Ended November 30, 2014
(In Thousands)

Income Summary	Current Month				Year-To-Date			
	Revenue	Expense	Income	%	Revenue	Expense	Income	%
AHS (Core)	\$ 53,179	\$ 56,828	\$ (3,649)	-6.9%	280,294	285,338	(5,044)	-1.8%
San Leandro Hospital	4,636	6,133	(1,497)	-32.3%	25,054	30,031	(4,977)	-19.9%
Alameda Hospital	6,159	7,066	(907)	-14.7%	33,967	35,155	(1,188)	-3.5%
AHS Total	<u>\$ 63,974</u>	<u>\$ 70,027</u>	<u>\$ (6,053)</u>	-9.5%	<u>\$ 339,315</u>	<u>\$ 350,524</u>	<u>\$ (11,209)</u>	-3.3%
Average					\$ 67,863	\$ 70,105	\$ (2,242)	

ALAMEDA HEALTH SYSTEM (consolidated)

Statement of Revenues and Expenses

For the Period Ended November 30, 2014

(In Thousands)

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	\$ 107,255	\$ 116,069	\$ (8,814)	-7.6%	\$ 568,503	\$ 588,601	\$ (20,098)	-3.4%
Outpatient service revenue	54,609	55,489	(880)	-1.6%	298,140	284,510	13,630	4.8%
Professional service revenue	16,341	20,293	(3,952)	-19.5%	104,081	108,352	(4,271)	-3.9%
Gross patient service revenue	178,205	191,851	(13,646)	-7.1%	970,724	981,463	(10,739)	-1.1%
Deductions from revenues	(140,916)	(147,794)	6,878	-4.7%	(767,107)	(756,375)	(10,732)	1.4%
Net patient service revenue	37,289	44,057	(6,768)	-15.4%	203,617	225,088	(21,471)	-9.5%
Medi-Cal Waiver	7,000	7,667	(667)	-8.7%	35,000	38,333	(3,333)	-8.7%
Health Program of Alameda County	2,837	2,837	0	0.0%	14,184	14,184	0	0.0%
Measure A, Parcel Tax, Other Support	8,236	9,005	(769)	-8.5%	42,721	45,023	(2,302)	-5.1%
DSRIP Revenue	2,133	2,133	0	0.0%	10,665	10,665	0	0.0%
Supplemental Programs	4,682	4,834	(152)	-3.1%	26,233	24,171	2,062	8.5%
Grants & Research Protocol	281	370	(89)	-24.1%	1,459	1,852	(393)	-21.2%
Other Operating Revenue	1,366	756	610	80.7%	4,690	3,779	911	24.1%
Incentives	150	289	(139)	-48.1%	749	1,443	(694)	-48.1%
Net operating revenue	63,974	71,948	(7,974)	-11.1%	339,318	364,538	(25,220)	-6.9%
Salaries and wages	33,037	34,040	1,003	2.9%	161,973	169,708	7,735	4.6%
Employee benefits	12,993	13,062	69	0.5%	67,128	66,675	(453)	-0.7%
Registry	1,190	1,019	(171)	-16.8%	7,834	5,136	(2,698)	-52.5%
Contracted physician services	5,850	7,380	1,530	20.7%	30,474	36,927	6,453	17.5%
Purchased services	6,541	5,893	(648)	-11.0%	28,124	29,346	1,222	4.2%
Pharmaceuticals	1,785	1,735	(50)	-2.9%	9,768	9,229	(539)	-5.8%
Medical Supplies	2,418	2,300	(118)	-5.1%	12,172	11,557	(615)	-5.3%
Materials and supplies	1,519	1,657	138	8.3%	7,156	8,405	1,249	14.9%
Outside medical services	145	160	15	9.4%	3,234	798	(2,436)	-305.3%
General & administrative expenses	1,117	1,317	200	15.2%	6,304	6,588	284	4.3%
Repairs/maintenance/utilities	1,385	1,561	176	11.3%	6,697	7,823	1,126	14.4%
Building/equipment leases & rentals	922	734	(188)	-25.6%	3,969	3,671	(298)	-8.1%
Depreciation	1,125	1,028	(97)	-9.4%	5,693	5,138	(555)	-10.8%
Total operating expense	70,027	71,886	1,859	2.6%	350,526	361,001	10,475	2.9%
Operating Income	(6,053)	62	(\$6,115)	-9862.9%	(11,208)	3,537	(\$14,745)	-416.9%
Interest income	3	14	(11)	-78.6%	78	69	9	13.0%
Interest expense	(64)	(76)	12	-15.8%	(272)	(379)	107	-28.2%
Other Non-operating income(expense)	27	29	(2)	-6.9%	138	143	(5)	-3.5%
Income	\$ (6,087)	\$ 29	\$ (6,116)	-21089.7%	\$ (11,264)	\$ 3,370	\$ (14,634)	-434.2%
Operating Margin	-9.5%	0.1%			-3.3%	1.0%		
Collection %	20.9%	23.0%			21.0%	22.9%		
Acute & SNF discharges	1,623	1,725	(102)	-5.9%	8,248	8,784	(536)	-6.1%
Acute & SNF patient days	16,074	17,095	(1,021)	-6.0%	81,811	86,877	(5,066)	-5.8%
ALOS	9.90	9.91	(0.01)	-0.1%	9.92	9.89	0.03	0.3%
ADC	536	570	(34)	-6.0%	535	568	(33)	-5.8%
Adjusted patient days	24,258	25,268	(1,010)	-4.0%	124,715	128,870	(4,155)	-3.2%
Adjusted discharges	2,449	2,550	(101)	-4.0%	12,573	13,030	(457)	-3.5%
Net operating revenue per adj discharge	\$ 26,123	\$ 28,215	\$ (2,092)	-7.4%	\$ 26,988	\$ 27,977	\$ (989)	-3.5%
Expense per adj discharge	\$ 28,594	\$ 28,191	\$ (404)	-1.4%	\$ 27,879	\$ 27,705	\$ (174)	-0.6%
Oper income per adj discharge	\$ (2,472)	\$ 24	\$ (2,496)	-10400.0%	\$ (891)	\$ 271	\$ (1,162)	-428.8%
EBITDA	-7.7%	1.5%	-9.2%		-1.6%	2.4%	-4.0%	
Paid Full time equivalents	3,990	4,022	32	0.8%	3,924	4,045	121	3.0%
Paid FTE's per adjusted occupied bed	4.93	4.78	(0.15)	-3.1%	4.81	4.80	(0.01)	-0.2%
Salaries, benefits & registry % of net rever	74%	67%	-7%		70%	66%	-4%	

ALAMEDA HOSPITAL
Statement of Revenues and Expenses
For the Period Ended November 30, 2014
(In Thousands)

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	\$ 16,479	\$ 17,907	\$ (1,428)	-8.0%	\$ 86,719	\$ 90,771	\$ (4,052)	-4.5%
Outpatient service revenue	8,495	8,784	(289)	-3.3%	44,174	45,376	(1,202)	-2.6%
Professional service revenue	-	-	0	0.0%	-	-	0	0.0%
Gross patient service revenue	24,974	26,691	(1,717)	-6.4%	130,893	136,147	(5,254)	-3.9%
Deductions from revenues	(19,163)	(20,174)	1,011	-5.0%	(99,212)	(102,904)	3,692	-3.6%
Net patient service revenue	5,811	6,517	(706)	-10.8%	31,681	33,243	(1,562)	-4.7%
Medi-Cal Waiver	-	-	0	0.0%	-	-	0	0.0%
Health Program of Alameda County	-	-	0	0.0%	-	-	0	0.0%
Measure A, Parcel Tax, Other Support	297	482	(185)	-38.4%	2,025	2,410	(385)	-16.0%
CA Hospital Fee	-	-	0	0.0%	-	-	0	0.0%
DSRIP Revenue	-	-	0	0.0%	-	-	0	0.0%
Supplemental Programs	-	373	(373)	-100.0%	-	1,864	(1,864)	-100.0%
Grants & Research Protocol	-	-	0	0.0%	-	-	0	0.0%
Other Operating Revenue	8	37	(29)	-78.4%	44	187	(143)	-76.5%
Incentives	43	87	(44)	-50.6%	217	433	(216)	-49.9%
Net operating revenue	6,159	7,496	(1,337)	-17.8%	33,967	38,137	(4,170)	-10.9%
Salaries and wages	3,318	3,696	378	10.2%	16,798	18,838	2,040	10.8%
Employee benefits	1,183	1,132	(51)	-4.5%	6,456	5,663	(793)	-14.0%
Registry	253	157	(96)	-61.1%	721	799	78	9.8%
Contracted physician services	8	245	237	96.7%	1,803	1,251	(552)	-44.1%
Purchased services	783	609	(174)	-28.6%	2,637	3,046	409	13.4%
Pharmaceuticals	222	242	20	8.3%	1,008	1,213	205	16.9%
Medical Supplies	460	318	(142)	-44.7%	2,029	1,608	(421)	-26.2%
Materials and supplies	210	255	45	17.6%	694	1,287	593	46.1%
Outside medical services	-	-	0	0.0%	-	-	0	0.0%
General & administrative expenses	57	181	124	68.5%	618	907	289	31.9%
Repairs/maintenance/utilities	160	147	(13)	-8.8%	641	734	93	12.7%
Building/equipment leases & rentals	321	232	(89)	-38.4%	1,295	1,161	(134)	-11.5%
Depreciation	91	96	5	5.2%	455	479	24	5.0%
Total operating expense	7,066	7,310	244	3.3%	35,155	36,986	1,831	5.0%
Operating Income	(907)	186	(\$1,093)	-587.6%	(1,188)	1,151	(\$2,339)	-203.2%
Interest income	-	1	(1)	-100.0%	-	7	(7)	-100.0%
Interest expense	-	-	0	0.0%	-	-	0	0.0%
Other Non-operating income(expense)	27	28	1	3.6%	138	140	2	1.4%
Income	\$ (880)	\$ 215	\$ (1,095)	-509.3%	\$ (1,050)	\$ 1,298	\$ (2,348)	-180.9%
Operating Margin	-14.7%	2.5%			-3.5%	3.0%		
Collection %	23.3%	24.4%			24.2%	24.4%		
Acute & SNF discharges	155	219	(64)	-29.2%	880	1,116	(236)	-21.1%
Acute & SNF patient days	5,734	5,924	(190)	-3.2%	29,715	29,921	(206)	-0.7%
ALOS	36.99	27.05	9.94	36.7%	33.77	26.81	6.96	26.0%
ADC	191	197	(6)	-3.0%	194	196	(2)	-1.0%
Adjusted patient days	8,690	8,830	(140)	-1.6%	44,852	44,878	(26)	-0.1%
Adjusted discharges	235	326	(91)	-27.9%	1,328	1,674	(346)	-20.7%
Net operating revenue per adj discharge	\$ 26,209	\$ 22,994	\$ 3,215	14.0%	\$ 25,578	\$ 22,782	\$ 2,796	12.3%
Expense per adj discharge	\$ 30,068	\$ 22,423	\$ (7,645)	-34.1%	\$ 26,472	\$ 22,094	\$ (4,378)	-19.8%
Oper income per adj discharge	\$ (3,860)	\$ 571	\$ (4,431)	-776.0%	\$ (895)	\$ 688	\$ (1,583)	-230.1%
EBITDA	-13.2%	3.8%	-17.0%		-2.2%	4.3%	-6.4%	
Paid Full time equivalents	511	570	59	10.4%	523	570	47	8.2%
Paid FTE's per adjusted occupied bed	1.76	1.94	0.18	9.3%	1.78	1.94	0.16	8.2%
Salaries, benefits & registry % of net rever	77%	67%	-10%		71%	66%	-5%	

ALAMEDA HEALTH SYSTEM
ALAMEDA CAMPUS - Patient Volumes
For the month ending November 30, 2014
Fiscal 2015

	ACTUAL	BUDGET	VARIANCE	%	YTD	BUDGET	Variance	% Var
INPATIENT VOLUMES								
Acute Admissions	133	197	(64)	-32%	753	1,003	(250)	-25%
Acute Patient Days	750	918	(168)	-18%	4,083	4,393	(310)	-7%
Average daily census	25.0	30.6	(5.6)	-18%	26.7	28.7	(2.0)	-7%
Acute Length of Stay	5.6	4.7	(0.9)	-19%	5.4	4.4	(1.0)	-23%
Long Term Care Admissions	22	22	-	0%	127	113	14	12%
Long Term Care Patient Days	4,984	5,006	(22)	0%	25,632	25,528	104	0%
Average daily census	166.1	166.9	(0.8)	0%	167.5	166.8	0.7	0%
Long Term Length of Stay	37.5	25.4	(12.1)	-48%	34.0	25.5	(8.5)	-33%
EMERGENCY & URGENT CARE								
ED-HGH Pts Seen	1,383	1,395	(12)	-1%	7,246	7,113	133	2%
SURGERIES								
Inpatient	55	45	10	22%	272	231	41	18%
Outpatient	143	132	11	8%	739	672	67	10%
Total Surgeries	198	177	21	12%	1,011	903	108	12%
ANCILLARIES								
Cardiology and Interventional Rad	400	429	(29)	-7%	2,678	2,186	492	23%
Clinical Lab & Blood Bank	10,896	10,528	368	3%	59,675	53,733	5,942	11%
Imaging Services	1,809	1,823	(14)	-1%	10,223	9,678	545	6%
Pharmacy	18,693	20,443	(1,750)	-9%	100,693	107,523	(6,830)	-6%
Other Ancillaries	127	159	(32)	-20%	1,009	810	199	25%
THERAPIES								
Occupational	610	592	18	3%	3,423	3,020	403	13%
Physical Therapy	2,657	2,211	446	20%	13,218	11,277	1,941	17%
AMBULATORY CLINIC								
Ortho Clinic	447	592	(145)	-24%	2,917	3,020	(103)	-3%
OTHER STATISTICS								
Outpatient Factor	1.515	1.490	0.025		1.509	1.503	0.006	
ACUTE PATIENT DAYS								
AHD CORONARY CARE UNIT (CCU)	115	148	(33)	-22%	612	755	(143)	-19%
AHD DEFINITIVE OBSERVATION	340	400	(60)	-15%	1,757	1,850	(93)	-5%
AHD 3RD WEST MED SURG	295	370	(75)	-20%	1,714	1,788	(74)	-4%
Total Acute Patient Days	750	918	(168)	-18%	4,083	4,393	(310)	-7%
AHD Observation Days (OBS)	43	76	(33)	-43%	218	389	(171)	-44%
SKILLED NURSING AND SUBACUTE PATIENT DAYS								
AHD SUB ACUTE 2ND FLOOR	1,014	968	46	5%	4,998	4,936	62	1%
AHD SOUTH SHORE SNF	716	718	(2)	0%	3,668	3,662	6	0%
AHD WATERS EDGE SNF	3,254	3,320	(66)	-2%	16,966	16,930	36	0%
Total Long Term Care Patient Days	4,984	5,006	(22)	0%	25,632	25,528	104	0%
TOTAL PATIENT DAYS net of OBS	5,734	5,924	(190)		29,715	29,921	(206)	

ALAMEDA HEALTH SYSTEM
ALAMEDA CAMPUS - Patient Volumes
For the month ending November 30, 2014
Fiscal 2015

	ACTUAL	BUDGET	VARIANCE	%	YTD	BUDGET	Variance	% Var
ANCILLARIES								
Cardiology and Interventional Rad								
3300-IP EKG Tests	334	345	(11)	-3%	2,170	1,760	410	23%
3304-OP EKG Tests	66	84	(18)	-21%	508	426	82	19%
Total Cardiology Volume	400	429	(29)	-7%	2,678	2,186	492	23%
Clinical Lab & Blood Bank								
3200-IP Laboratory Tests	6,379	6,105	274	4%	33,655	31,174	2,481	8%
3204-OP Laboratory Tests	4,517	4,423	94	2%	26,020	22,559	3,461	15%
Total Lab & Blood Bank volume	10,896	10,528	368	3%	59,675	53,733	5,942	11%
Imaging Services								
3500-IP X-Rays	240	234	6	3%	1,329	1,238	91	7%
3504-OP X-Rays	1,056	1,047	9	1%	6,115	5,684	431	8%
3600-IP MRIs	12	17	(5)	-29%	78	90	(12)	-13%
3604-OP MRIs	80	71	9	13%	393	361	32	9%
3700-IP Sonograms	17	21	(4)	-19%	115	106	9	8%
3704-OP Sonograms	146	151	(5)	-3%	817	762	55	7%
3800-IP CAT Scans	48	48	-	0%	222	243	(21)	-9%
3804-OP CAT Scans	210	234	(24)	-10%	1,154	1,194	(40)	-3%
Total Imaging volume	1,809	1,823	(14)	-1%	10,223	9,678	545	6%
THERAPIES & OTHER								
Occupational Therapy								
5500-IP OT Treatments	160	148	12	8%	869	755	114	15%
5504-OP OT Treatments	450	444	6	1%	2,554	2,265	289	13%
Total Occupational Therapy volume	610	592	18	3%	3,423	3,020	403	13%
Physical Therapy								
5400-IP PT Treatments	712	534	178	33%	3,093	2,724	369	14%
5404-OP PT Treatments	1,945	1,677	268	16%	10,125	8,553	1,572	18%
Total Physical Therapy volume	2,657	2,211	446	20%	13,218	11,277	1,941	17%
Speech Therapy								
6600-IP Treatments	105	89	16	18%	580	454	126	28%
6604-OP Treatments	22	70	(48)	-69%	429	356	73	21%
Total Speech Therapy volume	127	159	(32)	-20%	1,009	810	199	25%
SURGICAL CASES BY TYPE								
	Fiscal 2015	Fiscal 2014	Delta	% change	Fiscal 2015	Fiscal 2014	Delta	% change
Gastroenterology	31	30	1	3%	147	141	6	4%
General	59	78	(19)	-24%	323	379	(56)	-15%
GYN	15	-	15	0%	62	-	62	0%
Minor Procedure	15	9	6	67%	60	76	(16)	-21%
Ophthalmology	45	48	(3)	-6%	235	250	(15)	-6%
Orthopedics	9	-	9	0%	38	-	38	0%
Pain	23	-	23	0%	144	-	144	0%
Urology	-	-	-	0%	1	-	1	0%
Total surgical cases	197	165	32	19%	1,010	846	164	19%

ALAMEDA HEALTH SYSTEM (consolidated)

Balance Sheet

For the Period Ended November 30, 2014

(In Thousands)

	Current Month	Prior Month	FY 2014
ASSETS			
Current assets:			
Cash & Cash Equivalents	\$3,797	\$1,862	\$23,064
Cash Held in Trust	45	39	43
Net Patient Receivables	140,415	136,775	125,860
Due from County of Alameda & Others	76,701	79,571	72,389
Inventories	8,563	8,541	8,656
Prepaid expenses	1,684	2,123	2,429
Other receivables	125,402	148,914	112,635
TOTAL CURRENT ASSETS	356,607	377,825	345,076
Restricted Cash Hospital Fee	0	0	7,397
Cash Held Board Designated	23,404	23,385	23,378
TOTAL RESTRICTED CASH	23,404	23,385	30,775
PROPERTY, PLANT & EQUIPMENT			
Land, Buildings, Leasehold Improve, CIP	75,396	76,659	72,334
Equipment, Software	132,460	130,722	128,746
Subtotal - Property, Plant & Equipment	207,856	207,381	201,080
Less: Accumulated Depreciation	(119,762)	(118,636)	(114,069)
NET PROPERTY, PLANT & EQUIPMENT	88,094	88,745	87,011
TOTAL ASSETS	\$468,105	\$489,955	\$462,862
LIABILITIES & NET ASSETS			
Working Capital Loan - Current Portion	\$0	\$0	\$0
Accounts Payable	63,519	73,154	51,464
Compensation Related Liabilities	40,673	40,465	42,909
Estimated third-party settlements payable	63,473	72,734	74,247
Due to County of Alameda & State	31,437	29,017	13,801
Other Payables	23,958	23,189	19,453
TOTAL CURRENT LIABILITIES	223,060	238,559	201,874
Self Insurance Liability	20,459	20,459	20,459
Working Capital Loan - Long-term Portion	185,485	185,547	193,161
Pension and Postemployment	62,795	61,995	58,795
Other Long-term Liabilities	10,804	11,808	11,808
TOTAL LONG TERM LIABILITIES	279,543	279,809	284,223
TOTAL LIABILITIES	502,603	518,368	486,097
Capital Contribution - County	46,535	46,535	46,535
Capital Contribution - Foundation	6,020	6,020	6,020
Fund Balance -- Prior Years	(75,789)	(75,789)	(51,905)
Current Year Income / (Loss)	(11,265)	(5,178)	(23,885)
FUND BALANCE	(34,499)	(28,412)	(23,235)
TOTAL LIABILITIES & FUND BALANCE	\$468,104	\$489,956	\$462,862
Days in Cash	2	1	10
Gross Days in AR	107	110	118
Net Days in AR	104	98	97
Current Ratio	>1.5	0.93	0.95

ALAMEDA HEALTH SYSTEM (consolidated)**Statement of Cash Flows**

For the Period Ended November 30, 2014

(In Thousands)

	<u>Current Month</u>	<u>Year-to Date</u>
Operating Activities		
Net Income (Loss)	(\$6,087)	(\$11,264)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,125	5,693
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient account receivables, net	(3,640)	(14,555)
(Increase)/Decrease Due from County of Alameda & Others	2,870	(4,312)
(Increase)/Decrease Inventories	(22)	93
(Increase)/Decrease Prepaid expenses	439	745
(Increase)/Decrease Other receivables	23,512	(12,767)
(Decrease)/Increase in Accounts payable, accrued expenses and estimated third-party settlements	(15,497)	21,182
Net Cash Provided (Used) by operating activities	2,700	(15,185)
Investing Activities		
Change in Cash Held in Trust	(6)	(2)
Change in Restricted Cash	(19)	7,371
Net Purchases of property, plant and equipment	(474)	(6,776)
Change in Self-insurance, pension, and other long-term liabilities	(204)	2,996
Net Cash Provided (Used) by investing activities	(703)	3,589
Financing Activities		
Change in Working Capital Loan	(62)	(7,676)
Net Cash Provided (Used) by financing activities	(62)	(7,676)
Net increase/(decrease) in cash and cash equivalents	1,935	(19,272)
Cash and Equivalents at beginning of period	1,862	23,064
Cash and Equivalents at end of period	\$3,797	\$3,792

Alameda Hospital Monthly Quality Dashboard (CY 2014)

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%	5.3%	4.6%	NR		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%	0.05%	0.01%	0.05%		≤ 0.1%	AH
	• Acute (#errors/patient days)	0.019%	0.024%	0.029%	0.012%	0.009%	0.024%	0.024%	0.017%	0.013%	0.003%	0.013%			
	• LTC (#errors/patient days)	0.004%	0.003%	0.001%	0.000%	0.000%	0.001%	0.001%	0.000%	0.0001%	0.000%	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	0.00	NR	NR		1.27	CALNOC
	• Long Term Care (Sub-Acute; SSC;WE) (per 1000 pt days)	0.56	0.43	1.38	0.10	0.70	0.60	0.00	0.37	1.17	.93	1.39		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	1.33	0.90	1.73	0.42	NR		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	1.17	.93	1.58		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%	NR	NR		0.56%	SIR 2.99
	• Hand Hygiene	95%	93%	89%	81%	72%	96%	89%	93%	94%	NR	NR		90%	TJC
	• Surgical Site Infections: (per inpatient elective orthopedic procedures)	0%	0%	0%	0%	0%	0%	0%	0%	0%	NR	NR		0%	SIR 1.64
VI.	Core Measures:														
	• SCIP: Venous Thrombosis Embolism (VTE) prophylaxis received	100%	100%	100%	100%	100%	100%	100%	100%	100%	NR	NR		99.9%	CMS / TJC
	• SCIP: Antibiotics within 1 hour	100%	100%	100%	100%	100%	100%	100%	100%	100%	NR	NR		99.9%	CMS / TJC
	• SCIP: Antibiotics dc'd within 24 hours	100%	100%	100%	100%	100%	80%	100%	100%	100%	NR	NR		99.8%	CMS / TJC
	• Heart Failure : Discharge Instructions	Retired	Retired	Retired	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	7	110	NR	NR		10 min	CMS / TJC
VII.	HCAHPS: Target goal selected at 75 percentile														
	• Communication with Nurses	71.1	63.6	63.0	64.3	71.7	72.5	71.2	53.8	69.3	NR	NR		82.1	Target Goal
	• Staff Responsiveness	40.4	42.1	58.7	38.1	56.1	38.9	45.7	50.0	57.6	NR	NR		70.3	Target Goal
	• Pain Management	63.2	57.1	68.8	63.3	66.7	65.0	50.0	66.7	55.6	NR	NR		75.0	Target Goal
	• Communication about Medications	44.4	40.0	61.1	38.1	47.7	46.2	33.3	50.0	62.0	NR	NR		67.0	Target Goal
VIII.	*ECC Turn-Around-Times (TAT/Hours):														
	• Door ➔ Doctor Time	31	29	N/A	N/A	30	31	32	38	30	38	NR		31 min	AHS True North
	• Door ➔ Admit	2.3	2.8	N/A	N/A	2.8	2.5	4.38	3.00	2.02	2.28	NR		2.8 Hrs.	AHS True North
IX.	Stroke (Mean Times)														
	• Door ➔ CT for Code Stroke	21	15	29	20	19	19	18	32	16	21	NR		≤ 25 min	Am St Assoc
	• Door ➔ Alteplase	49	53	51	59	49	56	47	61	41	54	NR		≤ 60 min	Am St Assoc

NA = Not Available / NC = No Cases / NE = Not Established
 Green = Meets or exceeds goal; Yellow = Just below goal; Red = Significantly below goal
 NR=No Responses

Alameda Hospital Monthly Quality Dashboard (CY 2014)

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”. Local reporting from Meditech shows rates continue to be low and cases are monitored by Case Management.

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.
- Data source currently is collected manually but will begin being collected from coding abstraction in the near future.
- LTC had 5 HAPU in October & 7 HAPU in November

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. AHS system wide falls team will be developed to help reduce the 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.
- LTC has reduced falls overall since the beginning of 2014 with efforts focused on debriefing huddles when a fall occurs to identify preventable efforts, falling star program was implemented and discussions with staff about prevention. LTC has 5 falls in October and 9 falls in November with no injuries.

VI. Core Measures:

- July – November charts are currently being abstracted; delayed due to coding issues.
- Heart Failure Indicator retired; a new indicator will be selected for 2015

VII. HCAHPS:

- Inpatient Responses- Volume of responses is low so that rate of return has a higher impact on scores.
- Studer training for leaders and employee rounding as well as AIDET training for staff has started and is expected to improve the communication scores. Physician training will also need to receive focus to improve communication. Communication scores impact the Value based purchasing scores.
- It is important to note that this information is preliminary and may not have been verified by the vendor
- There is an improvement in communication about medications from September to October.

VIII. ECC Turn-Around-Times

- Time increases due to ECC Electronic Physician Order Entry implementation

Memo

To: Board of Directors

From: J. Michael McCormick, President

cc: Kristen Thorson, Clerk of the Board

Date: January 12, 2015

Re: Board President's Report

1. Affiliation Status

Halfway through the first year of the AHS affiliation the process of handing over the everyday operations is proceeding reasonably well. For the most part, the covenants of the Joint Powers Agreement have been enacted and the new management team is engaged. However, seating our members on working AHS committees remains in limbo.

The apparent hold up is technical and simply requires a minor change in AHS Bylaws to allow committee members to be appointed by the AHS Board who are not members of the AHS Board of Trustees. Presently, the committee members on working committees must be derived from the AHS Board proper, but once the change to the Bylaws has been enacted, the duly nominated AHCD members can be processed and seated according to the adjustment in the Bylaws.

2. Parcel Tax Transfer

Processing the December parcel tax installment is underway. The entire first installment of approximately \$2.8 M will be transferred to AHS the week of January 12, 2015. Following the tenets of the JPA, once the AHCD Board budget is developed for FY 2015-2016 and the AHS reporting structure as to how the funds will be used is in place, the funds received in April will be reviewed and allocated toward the District budget as needed. The District Board needs to decide what is to be its mission so a budget can be put in place that accurately reflects the direction the Board wants to take.

Also, the AHS management team, is actively responding to the recent HCSA directive that provided an independent operational and financial assessment of AHS on December 1, 2014. The AHS team is actively putting together a more responsible system. Our Board looks forward to regular reporting on how the City of Alameda's parcel tax funds are being spent, and what amounts are being set aside as capital funds for the State's unfunded seismic retrofitting mandate at Alameda Hospital.

3. Quality Reporting

The quality dashboard will be presented in open session.

4. AHCD Operations and Finance Update

The JPA allows for separate operations and finance to be conducted at a district in site near the main hospital campus in Alameda. We have secured a lease of an office space at 888 Willow Street adjacent to the Hospital solely for Board use. The space has been cleaned, painted, and carpeted. Securing furniture and equipment is in process.

In the next couple of weeks a new accounting system will be designed. Kristen and I, along with Rick Jackson, should have a Chart of Accounts in place and ready for Board approval by February. Data input will be back loaded to include transactions beginning July 1, 2014 and brought forward to the present.

5. Formation of a Sub-Committee

Tonight, I am announcing the creation of a sub-committee to study and report on the direction, purpose and scope the Board of Directors should pursue in the post-affiliation time period in which we are now involved. The authority to do so was granted by the creation of City of Alameda Healthcare District on April 9, 2002. The District Bylaws, under Section 3, Parts A and B states:

- 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, 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*

Items from
District Board Meeting
including:
handouts,
“to be distributed”
documents, and
presentations



2070 Clinton Avenue
Alameda, CA 94501

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

FROM: Bonnie Panlasigui, FACHE
Chief Administrative Officer

DATE: January 12, 2015

SUBJECT: Alameda Hospital Update – Nov/Dec 2014

True North Goal 1: Access: Be a leader in access to quality, affordable care

Action	Goal	% Complete	Next Steps
Implement LEAN Performance Improvement to be more efficient and increase access	Q3 J-M 2015		Currently our Inpatient nurse manager is being trained in LEAN. Her focus is on improving the patient flow from the ER to the inpatient bed. In Feb 2015, additional members of the leadership team will be trained on LEAN strategies that will help eliminate waste in a process and improve quality by removing unnecessary steps.

True North Goal 2: Sustainability: Be an organization with an investment grade credit rating

Action	Goal	% Complete	Next Steps
Positive financial standing with all vendors for all supplies and services	Q3 J-M 2015		Of the 10 million accounts payable post 120 days status, 7 million has been paid. There is still a remaining 3 million in payments to be made dating pre-affiliation. Due to a limitation in county funds available in December, the remaining of the 120 day + balances was not able to be paid off 100%. The goal has shifted to pay the remaining by end of January to bring all vendors within 60 day balances by Feb/Mar.
Capital equipment planning			We are currently in the process of gathering high priority capital needs from our department leaders and our physicians. The focus will be on aesthetic improvements to the facility, new beds/gurneys and specific tools for surgery growth and day to day tools for the inpatient and LTC and outpatient areas.

Partner with Med Assets BETTER2 Initiative to bring expenses to be lower than revenue per adjusted patient day	Q4 A-J 2015		There are a total of seven focus areas in the Better2 Initiative teams: organizational structure, labor optimization, group purchasing organization, clinical resource management, pharmacy benefits, supply chain redesign, rapid process improvement. The savings goal between now and June 30, 2015 is \$20M across all facilities.
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True North Goal 3: Integration: Achieve zero preventative harm and produce the best achievable outcomes

Action	Goal	% Complete	Next Steps
Implement a daily Leadership Safety Huddle	Q2 O-D 2015	100% (ongoing)	The daily leadership safety huddles have been successful since starting December 1. The concept has been shared with the other AHS facilities as a best practice. Board members are welcome to sit in and observe. We meet daily at 8:45am in the Admin Board room.
Quality metrics	N/A	FYI	<ul style="list-style-type: none"> - Zero HAPUs in the acute care floors in Q3 2014. In LTC, falls and HAPUs have declined in all locations (in Dec, total of 1 HAPU and 7 falls). - The quality rating in LTC has moved from a three to four out of a maximum of a five star rating. - Critical values reported to physicians by the lab are maintaining at 100% for past three quarters in 2014. - All Stroke core measures for Q3 2014 are at 100%. Average turnaround time for CT is at 23 minutes compared to goal of 25 minutes.

True North Goal 4: Experience: Be the best to stay well, heal, and receive care

Action	Goal	% Complete	Next Steps
Utilize the Studer Group to learn tools to improve employee engagement and patient satisfaction	Q2 O-D 2015	25% (ongoing)	<ul style="list-style-type: none"> - Hardwiring with leaders: rounding for outcomes - Hardwiring with staff: AIDET scripting (Acknowledge, Introduce, Duration, Explanation, Thank you), hourly rounding (a proven tool to help bring down call light volume and increase perception of responsiveness of staff) - Future goals: discharge phone calls
Improve publicly reported HCAHPS patient satisfaction scores	Q4 A-J 2015		Action plans are being created by every leader to have a consistent focused improvement effort on nurse communication, staff responsiveness, pain management and medication communication. The overall rating of the hospital is at 57.1% top box (9 or 10), placing AH in below the 75 th percentile goal of 76% top box. A team is being developed to be higher than the 75 th percentile.

True North Goal 5: Network: Provide the highest rated community health program

Action	Goal	% Complete	Next Steps
Re-engage “Project Island” to grow volume and services at Alameda Hospital	Q3 J-M 2015		The schedulers event was held in December and was successful in gaining feedback from the front line team in opportunities for referral patterns. The project island team is focused on: 1) expanding communication on services offered at Alameda Hospital 2) researching market data on outmigration 3) implementing steps to grow outpatient elective surgeries in urology and GI
Community Outreach	N/A	FYI	Outreach in December: Chinese Community Health Fair, Speak out against domestic violence, community blood drive. In the first week of January, CAO provided a talk to the Kiwanis club at the Elks Lodge on the future of Alameda Hospital.

True North Goal 6: Workforce: Be the best place to learn and work

Action	Goal	% Complete	Next Steps
Employee Engagement Pulse Survey	Q4 A-J 2015		Results of survey have arrived. Overall rating: Leaders will get detailed department specific results and will work on action plans.
Physician Engagement	Q4 A-J 2015	ongoing	New ACMO was selected for Alameda Hospital: Dr. Don Stingham. As ACMO, he will work with AHS Chief Medical Officer Dr. William Peruzzi in overseeing the delivery of health care to patients at Alameda Hospital. The ACMO and Chief of Staff, Dr. Iacco, will work together to collaborate on initiatives.

Statistics & Volumes

Surgical volume from Highland Hospital from January through December 2014 is listed below by service. The second category titled "Highland" reflects cases that are *in addition* to normal volumes done by Alameda Hospital based physicians.

FACILITY	SERVICE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
Alameda	Cardiology	2	2	2	1	7	2	3		3	2	1		25
	ENT	1							2		1			4
	Gastroenterology	39	30	22	34	26	17	23	35	26	32	31	26	341
	General	26	19	24	31	26	19	25	27	25	22	26	24	294
	Gynecology	9	5	10	8	4	5	7	5	6	5	8	13	85
	Hand		1						1				1	3
	Ophthalmology	51	60	76	64	62	58	14	60	57	78	55	64	699
	Orthopedic	27	13	28	32	21	23	22	12	22	27	20	19	266
	Pain Mgt	2				1	1		1	1				6
	Plastic	1	3	4	4	2	2	5			4	3	1	29
	Podiatry	7	1	1	3	1	4	4	2	5	6	4	6	44
	Pulmonary		1	1				1	4	3	1	1	2	15
	Urology	1	1	1	3	1				4	1		1	13
	Vascular	3	1	5	4	2			2	2	4	7		36
Alameda Total		169	137	174	184	153	132	110	153	151	185	151	161	1860
Highland	Gynecology				2	3	7	10	9	11	17	15	18	92
	Hand				1									1
	Ophthalmology				5	3	3	5	4		5			25
	Orthopedic	5	1	3	2	5	3	2	13	7	5	8	7	61
	Pain Mgt	20	21	26	35	29	28	15	37	27	42	23	21	324
	Podiatry					1								1
	Urology									1				1
Highland Total		25	22	29	45	41	41	32	63	46	69	46	46	505
Kaiser	Plastic		2	1		2		1			1	1	1	9
Kaiser Total			2	1		2		1			1	1	1	9
Grand Total		194	161	204	229	196	173	143	216	197	255	198	208	2374

Total surgeries in 2013 were 2,047. We have experienced an increase in approximately 300 surgeries over prior year. The growth has been a result of pain management, GYN and orthopedic cases in months post affiliation.

Daily Dashboard for the month of December is attached for reference.

2014 Year End Reflection



Workforce



Integration



Experience



Network



Sustainability



Workforce

- 102 new team members hired: 27 in nursing, 34 in long term care, 41 in other departments throughout Alameda Hospital
- Two team members accepted promotions to Staff Nurse III: Carmen Amos, RN and Eve Korshak, RN, both from the telemetry unit
- Approximately 240 team members recognized by their peers through the Shining Star Cards
- Nursing Excellence Awards recipients: Almira Torno, RN from acute care and Marilyn Moll, RN from Long Term Care
- AHS Exceptional STAR (Service Team Award Recipient): Jonathan Nieh from Pharmacy
- Welcomed new nurse manager for the sub acute unit and a new Associate Administrator for Waters Edge
- Internally promoted a team member to the staff development role for long term care

Integration

Awards received in 2014:

- Gold plus rating for our Primary Stroke Center from the American Stroke Association
- The Susan Baranoski Founder's Award for excellence in advances in skin and wound care
- CALNOC Award for sustained excellence in reducing hospital acquired conditions
- Heart Failure Gold Plus Quality Achievement Award

Licensing Surveys:

- Laboratory Department had a successful Joint Commission Survey
- CDPH Annual State Survey of Long Term Care with zero deficiencies
- Long Term Care life safety inspection had strong outcomes with only four deficiencies across three locations

Instituted a daily leadership safety huddle to improve communication and keep patient safety a top priority

Experience

- Extremely high ratings at 98th percentile, above national and state average for “my inner view” patient satisfaction survey of long term care residents
- Approximately 1,748 ER patients contacted through the ER Discharge Call Backs
- A total of 64 team members were recognized for their years of service at the AHS Annual Service Award held at the Greek Orthodox Cathedral
- Our Auxiliary members supported us with an amazing 14,049 volunteer hours
- Approximately 146,714 meals have been served to our patients, team members and visitors
- A total of 13,000 patient and visitor cars were parked through our valet team

Network/Access

- Developed a new hospital brand and marketing plan
- Participated in 27 community outreach events
- OR utilization has increased from 21.4% in January to 36.3% in December, an increase of 15.1%
- We have 49 new physicians that joined the active medical staff, with more to come in 2015
- Established Project Island as an AHS initiative evaluating the Alameda market. Potential opportunities include increased access to primary care and expansion of specialty services.

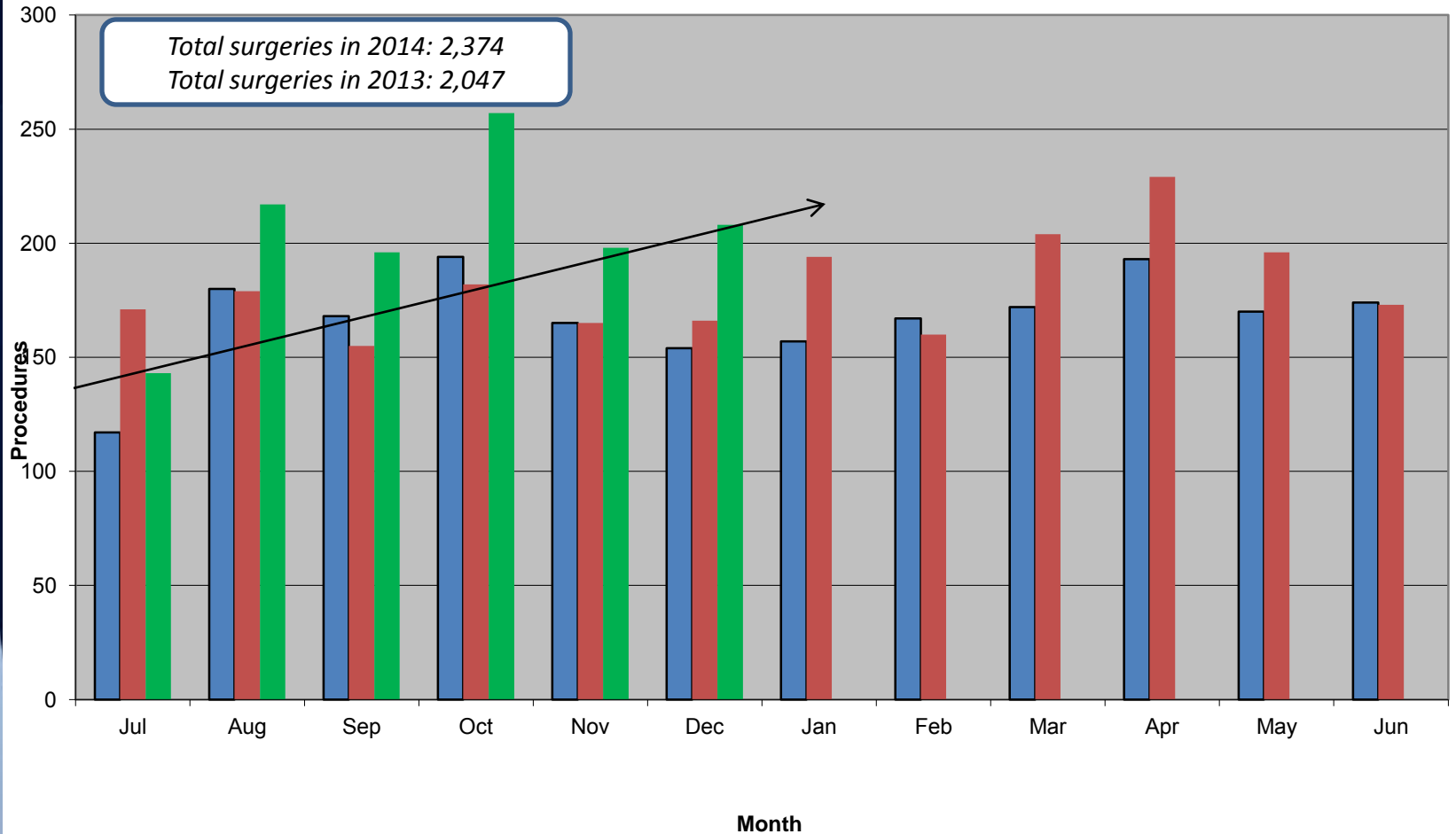
Sustainability

- We had a successful patient transition to Alameda Health System at midnight on April 30: a total of 170 long term care patients and 30 acute care patients. Everything was completed by 2:30am.
- We had a successful transition of approximately 700 Alameda Hospital staff to Alameda Health System on July 1
- Pre-affiliation, Accounts Payable for outstanding vendors was approximately 10 million. The number has now gone down to 3 million.
- Long Term Care has an increased overall census from prior year, currently running at over 95% capacity
- The sub acute and South Shore campuses have reduced their registry hours over prior year

Surgical Services Growth

Fiscal Year Comparison
Total OR Procedures

FY12-13 FY13-14 FY14-15



OP Services Growth

- The monthly average has increased in CT, Xray and dexa scans performed
 - CT monthly average went from 299 in 2013 to approx 350 in 2014
 - Xray/Dexa monthly average went from 1340 to 1567 in 2014
- Total year over year growth in all imaging modalities is 4% or 1,166 more procedures performed
- Wound Care Center metrics for 2014:
 - Days in clinic: 253
 - New admissions: 475
 - HBOT treatments: 1,294
 - Lab services referred: 1,423
 - Imaging services referred: 140
 - Surgery cases referred: 54
 - Cardiovascular cases referred: 335
 - Payor mix: 56.7% Medicare, 24.2% Commercial,

Thank you for helping us achieve OUR MISSION!

CARING, HEALING, TEACHING, SERVING

ALL

Leadership Method to Foster High Reliability

The Daily Safety Huddle

What is a High Reliability Organization?

- An organization that has succeeded in avoiding adverse events in an environment where normal accidents can be expected due to risk factors and complexity
- Doing the right thing at the right time to the right person

Learning from other Industries



Nuclear Power Plant:
1/100,000,000 per year

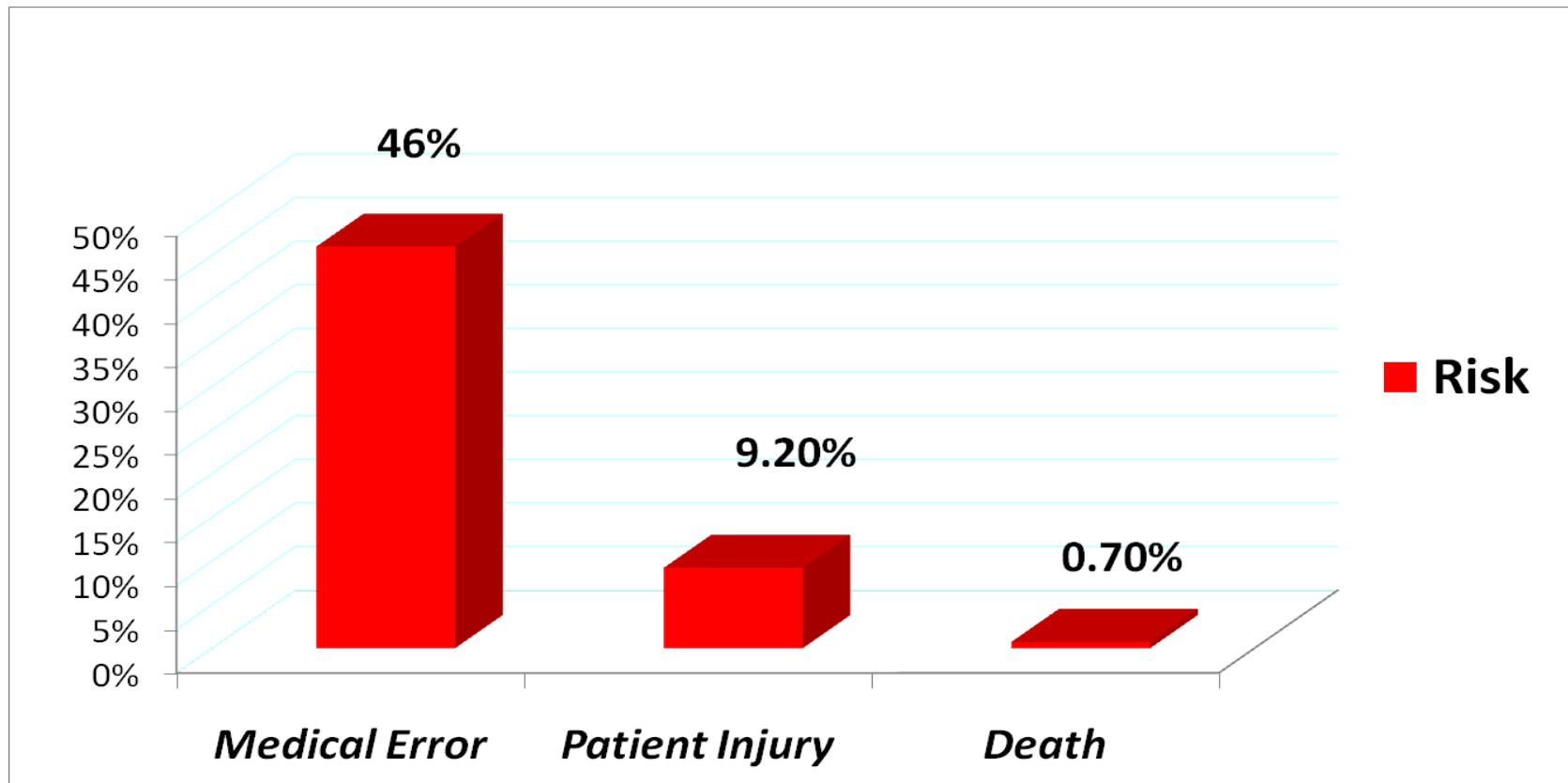


Commercial Air Line:
1/10,000,000 per flight



Healthcare Industry:
1/150 Admissions

Risk to Hospitalized Patients



Source: Andrews LB et al. Lancet 1997;349:309-313; deVries, EN et al, Qual Saf Health Care. 2008;17:216-223

Result of not being highly reliable



- Sebastian, a healthy 3 yr old
- Physician ordered 60 ml of arginine to test for growth hormone deficiency
- Pharmacy ordered 2 bottles of 300 ml, labeled as “1 of 2” and “2 of 2”
- Both bottles administered, 10 times the proper do

Why do a Daily Safety Huddle?

- Look Back
 - Review safety or quality issues from the last 24 hours
- Look Ahead
 - Anticipate, predict and plan for safety or quality issues in the next 24 hours
- Follow-Up
 - Report on issues identified today or in previous days and what we're doing to resolve them

Who attends the daily safety huddle?

Clinical

- Med/Surg
- Critical Care
- Surgery
- LTC
- Case Mgt
- Infection Ctrl
- Risk Mgt
- OP Services
- Physicians

Ancillary

- Pharmacy
- Lab
- Radiology
- BioMed
- RT
- Therapy
- HIM

Support

- Engineering
- Materials Mgt
- EVS
- Food Services
- IT/IS
- HR
- Educator
- Community Relations

Benefits of the Daily Safety Huddle

- Identify risk early and fix problems while they are still small
- Brings high accountability: real time problem solving and daily follow-up
- Keeps everyone on the same page, focusing on areas of high risk for the day
- Improves morale in leadership and breaks down silos

Examples

- **Clinical: Scenario One**

- Clinical leader: “Patient had a fall w/ injury”
- Radiology: “Didn’t know patient was on morphine, also no wristband on patient”
- Leaders: “Focus on hand-off communication”
- Educator: “Need to re-enforce 2 pt identifiers”

- **Clinical: Scenario Two**

- Surgery Leader: “Vendor issues putting us at risk of cancelling cases tomorrow”
- Materials Mgt: “Name of vendor at risk?”
- Senior Leader: “Check on status with A/P for payment”
- Leaders: “

Examples

- **Non-Clinical: Scenario One**

- Leader: “With rain, noticed trip hazard on tree seeds falling on sidewalks when I walked in today”
- EVS/Facilities: “Will work together to resolve”
- Leaders: “Will inform our teams to warn visitors”
- Clinical Leader: Also have an issue with flooding in part of our parking lot”
- EVS/Facilities: “Will work together to resolve”

- **Non-Clinical: Scenario Two**

- IT Leader: “Servers crashed overnight – several programs are at risk.”
- Leaders: “How frequent can we get updates?”
- IT Leader: “Hourly via email”
- Leaders: “Major concern is Ansofs for staffing and also the software for billing”
- IT Leader: “These will be my focus areas”

Keys to Success

- Include everyone
- Create an open atmosphere
- Commit and make it mandatory
- Lead from the top

Alameda Health System CFO Report – November 2014

January 12, 2015

David Cox
Chief Financial Officer

AHS Consolidated Income Statement – November 2014

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	\$ 107,255	\$ 116,069	\$ (8,814)	-7.6%	\$ 568,503	\$ 588,601	\$ (20,098)	-3.4%
Outpatient service revenue	54,609	55,489	(880)	-1.6%	298,140	284,510	13,630	4.8%
Professional service revenue	16,341	20,293	(3,952)	-19.5%	104,081	108,352	(4,271)	-3.9%
Gross patient service revenue	178,205	191,851	(13,646)	-7.1%	970,724	981,463	(10,739)	-1.1%
Deductions from revenues	(140,916)	(147,794)	6,878	-4.7%	(767,107)	(756,375)	(10,732)	1.4%
Net patient service revenue	37,289	44,057	(6,768)	-15.4%	203,617	225,088	(21,471)	-9.5%
Medi-Cal Waiver	7,000	7,667	(667)	-8.7%	35,000	38,333	(3,333)	-8.7%
Health Program of Alameda County	2,837	2,837	0	0.0%	14,184	14,184	0	0.0%
Measure A, Parcel Tax, Other Support	8,236	9,005	(769)	-8.5%	42,721	45,023	(2,302)	-5.1%
DSRIP Revenue	2,133	2,133	0	0.0%	10,665	10,665	0	0.0%
Supplemental Programs	4,682	4,834	(152)	-3.1%	26,233	24,171	2,062	8.5%
Grants & Research Protocol	281	370	(89)	-24.1%	1,459	1,852	(393)	-21.2%
Other Operating Revenue	1,366	756	610	80.7%	4,690	3,779	911	24.1%
Incentives	150	289	(139)	-48.1%	749	1,443	(694)	-48.1%
Net operating revenue	63,974	71,948	(7,974)	-11.1%	339,318	364,538	(25,220)	-6.9%
Total operating expense	70,027	71,886	1,859	2.6%	350,526	361,001	10,475	2.9%
Operating Income	(6,053)	62	(\$6,115)	-9862.9%	(11,208)	3,537	(\$14,745)	-416.9%
Interest income	3	14	(11)	-78.6%	78	69	9	13.0%
Interest expense	(64)	(76)	12	-15.8%	(272)	(379)	107	-28.2%
Other Non-operating income(expense)	27	29	(2)	-6.9%	138	143	(5)	-3.5%
Income	\$ (6,087)	\$ 29	\$ (6,116)	-21089.7%	\$ (11,264)	\$ 3,370	\$ (14,634)	-434.2%
Operating Margin	-9.5%	0.1%			-3.3%	1.0%		
EBITDA Margin	-7.7%	1.5%	-9.2%		-1.6%	2.4%	-4.0%	
Collection %	20.9%	23.0%			21.0%	22.9%		
Adjusted discharges	2,449	2,550	(101)	-4.0%	12,573	13,030	(457)	-3.5%
Net operating revenue per adj discharge	\$ 26,123	\$ 28,215	\$ (2,092)	-7.4%	\$ 26,988	\$ 27,977	\$ (989)	-3.5%
Expense per adj discharge	\$ 28,594	\$ 28,191	\$ (404)	-1.4%	\$ 27,879	\$ 27,705	\$ (174)	-0.6%
Oper income per adj discharge	\$ (2,472)	\$ 24	\$ (2,496)	-10400.0%	\$ (891)	\$ 271	\$ (1,162)	-428.8%

Business Unit Performance

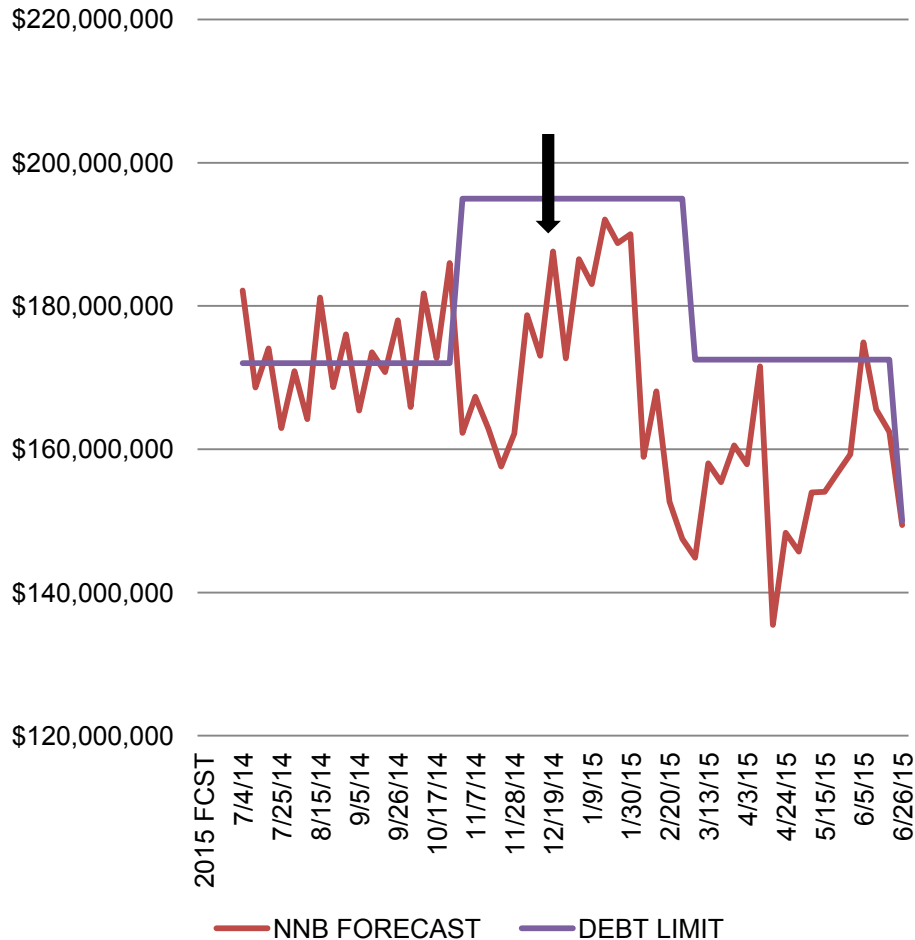
ALAMEDA HEALTH SYSTEM (consolidated)								
Statement of Revenues and Expenses								
For the Period Ended November 30, 2014								
(In Thousands)								
Income Summary	Current Month				Year-To-Date			
	Revenue	Expense	Income	%	Revenue	Expense	Income	%
AHS (Core)	\$ 53,179	\$ 56,828	\$ (3,649)	-6.9%	280,294	285,338	(5,044)	-1.8%
San Leandro Hospital	4,636	6,133	(1,497)	-32.3%	25,054	30,031	(4,977)	-19.9%
Alameda Hospital	6,159	7,066	(907)	-14.7%	33,967	35,155	(1,188)	-3.5%
AHS Total	\$ 63,974	\$ 70,027	\$ (6,053)	-9.5%	\$ 339,315	\$ 350,524	\$ (11,209)	-3.3%
Average					\$ 67,863	\$ 70,105	\$ (2,242)	

Alameda County Reporting Requirements

	REQUIREMENT	STATUS
1	AHS will provide the A/C, CAO and HCSA with a comprehensive cash-flow report on a weekly basis ... and any financial information deemed necessary.	AHS is providing a detailed cash forecast on a weekly basis.
2	AHS will provide the A/C with an report on Accounts Payable on a weekly basis, including a summary of the priority of payments and the rationale.	AHS is providing a detailed report on Accounts Payable and our repayment plan on a weekly basis.
3	AHS will present an evaluation of fiscal status and progress of the A/P Reduction Plan to the Auditor/Controller, CAO, and HCSA monthly beginning Nov. 1, 2014; AHS will present the evaluation to the Health Committee on Nov. 10 and Dec. 8.	AHS has made the required presentations and will continue to do so, if requested, through the extension period.
4	AHS will work with the A/C, CAO and, HCSA to develop a comprehensive strategic financial and operating plan through June 30, 2015 that will set aside resources needed to meet debt targets and shall include contingency plans for continued successful operations.	AHS continues to work with the County/HCSA Consultant to complete the required analysis and is completing its own plans to achieve the required level of performance.

AHS Cash Forecast

Net Negative Balance Forecast



Significant Changes

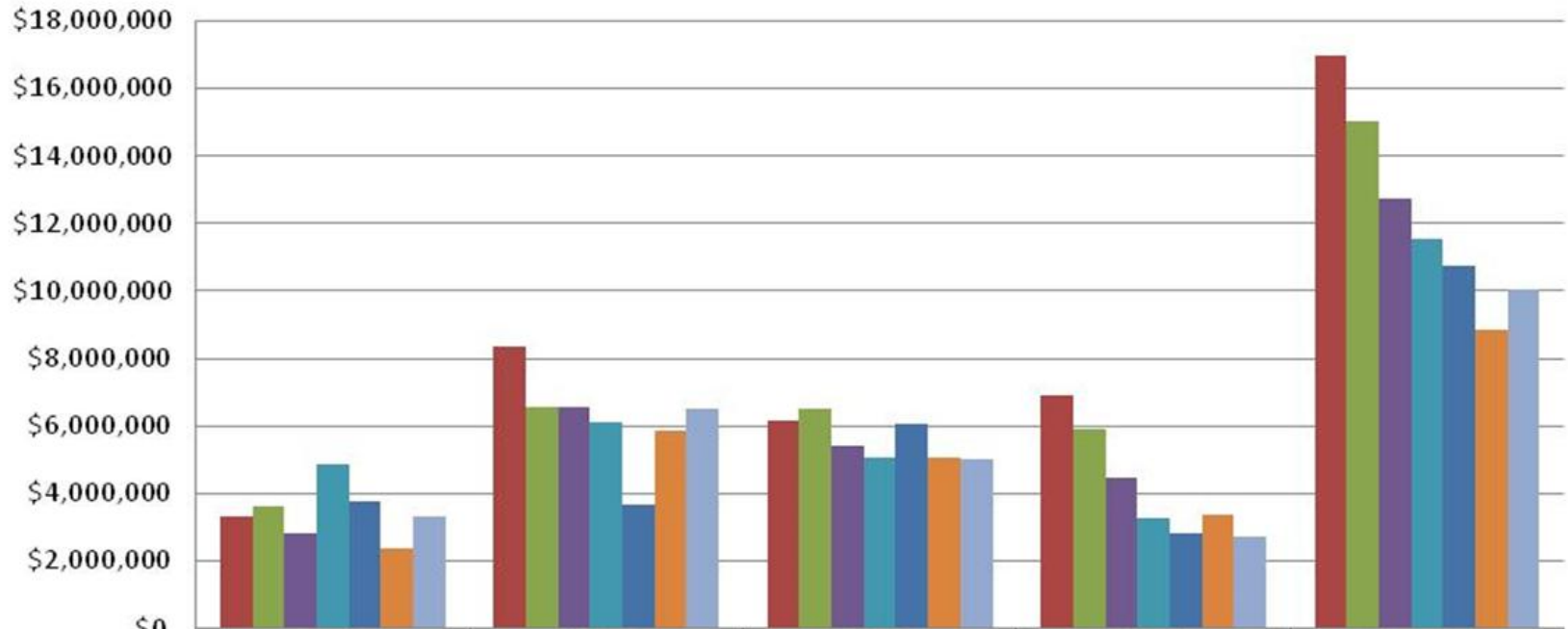
1. Medi-Cal Waiver FY14 – Net of \$8 million. Originally in forecast week of 12/26 – now tentative week of 2/20/2015.
2. Medi-Cal Mgd Care Supplemental Rate Range – Net of \$23 million – Originally in forecast week of 1/16 – now tentative week of 2/27/2015.
3. SPD-MGD Care SB208 – Net of \$7.9 million – Originally in forecast week of 12/26 – now tentative week of 1/30/2015.
4. AllianceAB85 Rate Range increased from \$1.2 to \$1.3 monthly.
5. Measure A \$9.6 vs. forecast of \$8.7 million.

Result and Recommendation

1. AHS will be very close to the NNB limit of \$195 million during the weeks of Jan 16 – Jan 30.
2. As a result, our A/P Reduction Plan will be delayed until these funds come in (Feb).
3. We are still forecasting an NNB of \$150 million or less by June 30, 2015.
4. **Cost reductions or revenue improvements would incrementally improve this forecast.**

Accounts Payable were paid down by \$12 million in November; reduction plan needs to be postponed.

AHS Accounts Payable Trend



	1-30	31-60	61-90	91-120	Over 120
■11/3/2014	3,323,516.37	8,360,581.51	6,153,339.21	6,910,836.94	16,962,459.69
■11/10/2014	3,613,529.94	6,576,327.73	6,499,805.62	5,899,103.11	15,047,097.97
■11/17/2014	2,821,122.67	6,536,835.31	5,416,739.46	4,458,282.60	12,721,235.18
■11/24/2014	4,857,024.69	6,091,443.55	5,057,711.60	3,265,800.90	11,544,682.35
■12/1/2014	3,761,009.00	3,689,694.54	6,083,325.08	2,824,159.12	10,739,401.78
■12/8/2014	2,365,429.58	5,869,131.68	5,058,559.02	3,388,345.34	8,853,537.70
■12/15/2014	3,308,471.44	6,497,022.26	5,036,090.01	2,699,441.41	10,043,436.18

Alameda Hospital – November 2014

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	\$ 16,479	\$ 17,907	\$ (1,428)	-8.0%	\$ 86,719	\$ 90,771	\$ (4,052)	-4.5%
Outpatient service revenue	8,495	8,784	(289)	-3.3%	44,174	45,376	(1,202)	-2.6%
Professional service revenue	-	-	0	0.0%	-	-	0	0.0%
Gross patient service revenue	24,974	26,691	(1,717)	-6.4%	130,893	136,147	(5,254)	-3.9%
Deductions from revenues	(19,163)	(20,174)	1,011	-5.0%	(99,212)	(102,904)	3,692	-3.6%
Net patient service revenue	5,811	6,517	(706)	-10.8%	31,681	33,243	(1,562)	-4.7%
Measure A, Parcel Tax, Other Support	297	482	(185)	-38.4%	2,025	2,410	(385)	-16.0%
Supplemental Programs	-	373	(373)	-100.0%	-	1,864	(1,864)	-100.0%
Other Operating Revenue	8	37	(29)	-78.4%	44	187	(143)	-76.5%
Incentives	43	87	(44)	-50.6%	217	433	(216)	-49.9%
Net operating revenue	6,159	7,496	(1,337)	-17.8%	33,967	38,137	(4,170)	-10.9%
Salaries and wages	3,318	3,696	378	10.2%	16,798	18,838	2,040	10.8%
Employee benefits	1,183	1,132	(51)	-4.5%	6,456	5,663	(793)	-14.0%
Registry	253	157	(96)	-61.1%	721	799	78	9.8%
Contracted physician services	8	245	237	96.7%	1,803	1,251	(552)	-44.1%
Purchased services	783	609	(174)	-28.6%	2,637	3,046	409	13.4%
Pharmaceuticals	222	242	20	8.3%	1,008	1,213	205	16.9%
Medical Supplies	460	318	(142)	-44.7%	2,029	1,608	(421)	-26.2%
Materials and supplies	210	255	45	17.6%	694	1,287	593	46.1%
Outside medical services	-	-	0	0.0%	-	-	0	0.0%
General & administrative expenses	57	181	124	68.5%	618	907	289	31.9%
Repairs/maintenance/utilities	160	147	(13)	-8.8%	641	734	93	12.7%
Building/equipment leases & rentals	321	232	(89)	-38.4%	1,295	1,161	(134)	-11.5%
Depreciation	91	96	5	5.2%	455	479	24	5.0%
Total operating expense	7,066	7,310	244	3.3%	35,155	36,986	1,831	5.0%
Operating Income	(907)	186	(\$1,093)	-587.6%	(1,188)	1,151	(\$2,339)	-203.2%
Interest income	-	1	(1)	-100.0%	-	7	(7)	-100.0%
Interest expense	-	-	0	0.0%	-	-	0	0.0%
Other Non-operating income(expense)	27	28	1	3.6%	138	140	2	1.4%
Income	\$ (880)	\$ 215	\$ (1,095)	-509.3%	\$ (1,050)	\$ 1,298	\$ (2,348)	-180.9%
Operating Margin	-14.7%	2.5%			-3.5%	3.0%		
Collection %	23.3%	24.4%			24.2%	24.4%		
Acute & SNF discharges	198	38	160	421.1%	1,098	193	905	468.9%
Acute & SNF patient days	5,734	5,924	(190)	-3.2%	29,715	29,921	(206)	-0.7%
ALOS	28.96	155.89	(126.93)	-81.4%	27.06	155.03	(127.97)	-82.5%
ADC	191	197	(6)	-3.0%	194	196	(2)	-1.0%
Adjusted patient days	8,690	8,830	(140)	-1.6%	44,852	44,878	(26)	-0.1%
Adjusted discharges	300	57	243	426.3%	1,657	289	1,368	473.4%
Net operating revenue per adj discharge	\$ 20,530	\$ 131,509	\$ (110,979)	-84.4%	\$ 20,499	\$ 131,962	\$ (111,463)	-84.5%
Expense per adj discharge	\$ 23,553	\$ 128,246	\$ 104,693	81.6%	\$ 21,216	\$ 127,979	\$ 106,763	83.4%
Oper income per adj discharge	\$ (3,023)	\$ 3,263	\$ (6,286)	-192.6%	\$ (717)	\$ 3,983	\$ (4,700)	-118.0%

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

Discussion