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PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Monday, June 1, 2015

5:00 PM CLOSED SESSION | 6:00 P.M. (OPEN SESSION)

Location(s):

District Office 888 Willow Street, Alameda, Ca 94501	Alameda Hospital (Dal Cielo Conference Room) 2070 Clinton Avenue, Alameda, CA 94501

Office of the Clerk: (510) 814-4001 | (510) 473-0755

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 **(5:00 p.m. – District Office, 888 Willow Street, Unit B)** — J. Michael McCormick

II. Roll Call — Kristen Thorson

III. Adjourn into Executive Closed Session

IV. Closed Session Agenda **(5:00 p.m. – District Office, 888 Willow Street, Unit B)**

A. Call to Order

B. Approval of Minutes
- March 2, 2015

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

D. Public Employee Performance Evaluation — Gov't Code Sec 54957
Title: Legal Counsel

E. Adjourn into Open Session

V. Reconvene to Public Session **(Expected to start at 6:00 p.m. – Alameda Hospital, Dal Cielo Conference Room)**

A. Announcements from Closed Session — J. Michael McCormick

VI. Regular Agenda

A. Consent Agenda — **ACTION ITEMS**

✓ 1) Approval of March 2, 2015 Minutes (Regular) [enclosure] (pages 4-8)

✓ 2) Approval of April 13, 2015 Minutes (Regular) [enclosure] (pages 9-12)

B. Action Items

✓ 1) Approval of FY Ending June 30, 2014 Audited Financial Statements — Rick Jackson, JWT & Associates, LLP
[enclosure] (pages 13-35)

✓ 2) Approval to Support Alameda Hospital in 4th of July Parade — Kristen Thorson
[enclosure] (pages 36-37)

✓ 3) Authorization to Bind District Insurance Policies for Property, General Liability, Excess Liability and Directors and Officers, Crime for 2015-2016 — Kristen Thorson

[enclosure] (pages 38-60)

✓	4)	Approval of Resolution No. 2015-2: Levying the City of Alameda Health Care District Parcel Tax for the Fiscal Year 2015-2016 [enclosure] (pages 61-62)	Kristen Thorson
✓	5)	Approval of Certification and Mutual Indemnification Agreement [enclosure] (pages 63-65)	Kristen Thorson Thomas L. Driscoll
✓	6)	Approval to Send Letter of Support to AHS Governance and Senior Leadership in Support of Alameda Health System's Vision and Overall Strategy [enclosure] (pages 66-67)	J. Michael McCormick
✓	7)	Approval of FY 2015-2016 District Operating Budget [enclosure] (pages 68-70)	Jim Meyers, DrPH Kristen Thorson
	8)	Approval to Secure Corporate / Business Credit Card	Kristen Thorson
✓	9)	Recommendation to move Funds from City of Alameda Health Care Corporation and CW&S Investment Company [enclosure] (pages 71-72)	Kristen Thorson

C. Alameda Health System and Alameda Hospital Update

✓	1)	Financial Report INFORMATIONAL [enclosure] (pages 73-78)	Vanetta N. Van Cleave, V.P. of Finance
✓	2)	Quality Dashboard Report INFORMATIONAL [enclosure] (pages 79-80)	Kerin Bashaw, MPH, RN, V.P. of Quality
	3)	Chief Administrative Officer Report INFORMATIONAL	Bonnie Panlasigui, FACHE CAO
	4)	Alameda Health System Board of Trustees Report INFORMATIONAL	Tracy Jensen

D. District Updates & Operational Updates INFORMATIONAL

✓	1)	Special Presentation: Northern California Breathmobile® Presentation [enclosure] (pages 81-83) • Washington Burns, MD Executive Director / Administrative Director Prescott-Joseph Center for Community Enhancement / Northern California Breathmobile®	
	2)	President's Report	J. Michael McCormick
	3)	Treasurer's Report INFORMATIONAL	
✓		a. March & April 2015 Expense to Budget Update [enclosure] (pages 84-85)	Jim Meyers, DrPH Kristen Thorson
✓		b. Jaber Properties Follow-Up [enclosure] (page 86-88)	Kristen Thorson

✓ 4) Vision 2015 Report — Kathryn Sáenz Duke, Jim Meyers, DrPH
INFORMATIONAL [enclosure] (pages 89-116)

✓ a. Proposal to Offer Honorarium / Stipend to a California Healthcare District to Present to District as part of Vision 2015 Work **ACTION ITEM**
[enclosure] (pages 117-120)

✓ 5) Report on Annual Meeting of the Association of California Healthcare District (ACHD) — Kathryn Sáenz Duke
NFORMATIONAL [enclosure] (pages 121-122)

✓ 6) 2015-2016 District Board Meeting Schedule — Kristen Thorson
NFORMATIONAL [enclosure] (pages 123)

VIII. General Public Comments

IX. Board Comment

X. Adjournment

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, April 13, 2015 Regular Meeting

Board Members Present	Legal Counsel Present	AHS Management / Guests	Excused
Robert Deutsch, MD J. Michael McCormick, President Kathryn Sáenz Duke Jim Meyers, DrPH		Bonnie Panlasigui, CAO Vanetta N. Van Cleave, V.P. of Finance Richard Espinoza, Director of Long Term Care Operations Kerin Bashaw, MPH, RN, V.P. of Quality	Tracy Jensen Thomas Driscoll, Esq.
Submitted by: Kristen Thorson, District Clerk			

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 7:36 p.m.	
II. Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.	
III. **Regular Agenda**		
A. Consent Agenda 1) Approval of March 2, 2015 Minutes (Regular)	The minutes were not ready for distribution and approval and thus deferred until the May 2015 meeting.	The minutes were deferred until the next meeting.
B. Action Items		
1) Recommendation to Change District Board Meeting Schedule	President McCormick reviewed a revised schedule as found in the packet on page 3. The idea would be to meet every other month. Director Deutsch suggested moving toward quarterly meetings. Director Duke suggested that the District keep monthly meetings and cancel meetings as needed. Director Deutsch recommended cancelling December meeting. Director Meyers as the clerk if there was any time or planning implications if the approval of the budget was moved to June. The Clerk replied that there would be enough time and it would not implicate any planning processes. President McCormick noted there were two proposed changes to the	Director Duke moved to vote separate. Director Deutsch moved to approve both. President McCormick asked for a second. Director Meyers seconded the motion to approve both changes. It was clarified that there was a motion on the table, a second and

Topic	Discussion	Action / Follow-Up
	schedule on the table; cancel Special May meeting and not meet in December. President McCormick asked for a motion to approve on both or separately. President McCormick noted that the schedule did not preclude calling special meetings with appropriate. Director Duke notes that she did not have strong feelings about not having a meeting in December but would support the motion with the understanding that the District could call special meetings at any time.	after no further discussion the motion was approved.
	2) Recommendation for Internet Service, Phone Service and New Email Domain Set-up at 888 Willow Office President McCormick reviewed the recommendation noted beginning on page 5 of the packet. The Clerk recommended going with Sonic as the provider noting that Sonic required credit card billing and that at the June meeting a recommendation would be presented to secure a company credit card to use for this monthly charge. Director Meyers stated his preference for email domain to be coahcd.org or ahd.org. Director Deutsch recommended ahd.org. President McCormick recommended ahd.org or coahcd.org.	Director Meyers made a motion to approve the recommendation to secure services with Sonic and that the first choice in email domain be ahd.org and second choice be coahcd.org. Director Duke seconded the motion. The motion carried.
	3) Recommendation to send District Board Representative(s) to Association of California Healthcare Districts The Clerk noted that Tracy Jensen had expressed interest in attending the event. While she would like to go, Director Duke noted that she would be happy to forgo going in Director Jensen wanted to go. Director Meyers felt that he thought that Director Duke should be the one to go as they develop and work on the Vision 2015. There was further discussion on whether to send 1 or 2 people. Director McCormick noted that the District should send one representative. He also agreed with the motion made by Director Deutsch and sending Director Duke.	Director Deutsch made a motion to send one person to the ACHD annual meeting and that one person is Director Duke. Director Meyers seconded the motion. The motion carried.
B.	Alameda Health System and Alameda Hospital Update	
	1) Financial Report Vanetta N. Van Cleave, V.P. of Finance presented the February 2015 Financial Statements for Alameda Health System and Alameda Hospital. Presentation will be posted with the packet post meeting. The presentation reviewed February and year to date performance, performance initiatives and status, and FY1015-2016 operating budget status. Director Deutsch requested that in the event there is a significant variance from budget to actual, that an analysis or explanation accompanies the presentation the Board of Directors. Richard Espinoza, Director of Long Term Operations provided an update on LTC and that the tie-in notice for Medi-Cal was received and the System is expected to see approximately $10 M in revenue. EPSI (the budgeting software for the System), does not break out revenue service line. Director McCormick stated that it would be beneficial to the Board if there were service line analysis of the	No action taken

Topic	Discussion	Action / Follow-Up
	major areas to ensure that operations are continuing to be profitable or they are losing money as the Board has been accustomed to seeing. Ms. Van Cleave noted that during the affiliation the budget numbers were not accurate for this FY and that Ms. Panlasigui and AHS are working to correct that for the next FY. Director Deutsch noted that based on the numbers presented, Alameda Hospital is losing approximately $600,000/month. He requested again that in the event there is a significant variance from budget to actual, that an analysis or explanation accompanies the presentation the Board of Directors. Director Meyers requested a narrative on significant variances. President McCormick referenced the financial reports that were done pre-affiliation. Director Meyers requested information on the accounts receivable side and progress being made by the System as he receives feedback from the community on a frequent basis that the system is broken.	
	2) Chief Administrative Officer (CAO) Report Ms. Panlasigui Stephen Lucero and Patrick Corder presented an overview of the Community Paramedicine Pilot Program in the City of Alameda by the City of alameda Fire Department. Presentation will be posted with the packet post meeting. Ms. Panlasigui distributed her monthly CAO report to the Board of Directors. She showed a video from www.health.gov regarding patient safety. Ms Panlasigui also read a letter from a nurse in the Surgery Department that has worked at Alameda Hospital and the positive impact working at Alameda Hospital has provided. Ms. Panlasigui reviewed the CAO report as presented in the handout and highlighted key initiatives and metrics for Alameda Hospital.	No action taken.
	3) Quality Report Kerin Bashaw, MPH, RN, V.P. of Quality, presented the Alameda Hospital quality dashboard as distributed and highlighted key initiatives and metrics for Alameda Hospital as well as initiatives across the System.	No action taken.
	I. General Public Comment General public comment was taken next on the agenda. Employees that are also members of the California Nurses Association provided their viewpoint about staffing, supply issues and general conditions of Alameda Hospital. President McCormick thanked the speakers for their input. He assured the speakers that the Board would keep an eye and ear out for their concerns. • Karen Rothblatt, RN • Lindsey Strandberg, RN • Alison Sloan, RN • Clara Ricabal, RN • Terri Elliott, RN • Dawn Oishi, RN	No action taken.

Topic	Discussion	Action / Follow-Up
• Eve Korshak, RN		
C.	District Updates	No action taken.
	1) District Board President's Report & Operational Updates Director McCormick presented a recent comparative analysis of Mission vs. Expenses of four health care districts including City of Alameda Health Care District (COAHCD), noting that our District has an overhead as a percentage of total expense of 10%. 20-30% is a nonprofit benchmark. Director Duke asked how the comparison districts. The districts that were chosen as they were similar in key categories to COAHCD.	No action taken.
	2) Vision 2015 Report Director Duke provided an update on the Vision 2015 work and summary of conversations with two CEO's of local healthcare districts with similarities to COAHCD. They spoke with Sequoia Healthcare District and Petaluma Healthcare District. She noted that a final report would be presented at the next board meeting.	No action taken.
	3) Treasurer's Report a. February 2015 Expense to Budget update and FY 2016 Budget Planning b. Operations Summary and Financial Analysis of Jaber Properties. c. Bank of Marin Loan Analysis Director Meyers asked for feedback on the budget for FY 2015-2016. He noted that he will be looking at legal expenses as they are over budget although noting that expenses in this area will significantly decrease going forward. He asked for input on all areas with focus on education and conferences, dues and subscriptions and consultant fees. Ms. Thorson reviewed the month to date expense to budget document noting the document is cash basis and not accrual basis. Legal fees are significantly over budget due to prior year invoices being documented in current FY. Going forward, she will look at moving toward accrual based accounting. She also updated the board on the Election invoices noting that the total expense with the Registrar of Voters was $71,316. The fee is based on $1.61 per registered voter within the City of Alameda. Director Duke asked what was included in the consultant fees for the budget. Ms. Thorson noted that the funds expended to date were for IT support for the parcel tax preparation, videography services for Board meetings and tax preparation for related entities. Director Meyers noted that under education and conferences, he would like to budget for funds to send the District Clerk to annual training on the Brown Act. He noted on dues and subscriptions	No action taken.

Topic	Discussion	Action / Follow-Up
	he was not advocating being members of the Association of California Healthcare District but felt that it was valuable to attend annual meetings. Ms. Thorson informed the Board that Director Jensen was in favor of being Ms. Thorson presented the Jaber analysis reviewing the history and financial overview of the properties. She will provide follow-up on several line items and variances at the next Board meeting as she is still gathering information from Harbor Bay Realty. Director Deutsch asked if there had been a claim from AHS to the Jaber revenues. Ms. Thorson reminded the Board that the Jaber revenues were part of the JPA and that at some point after the fiscal year end, a true-up would be done of all revenues and expenses and any excess would be transferred to AHS. The process to which this will be done will need to be developed. Director Meyers wanted to make sure that everyone understood the legal aspects of use of the Jaber funds as well as the Measure A funds (parcel tax). President McCormick stated that legal counsel had provided a legal opinion on the same subject and that he would ask legal to prepare a communication for the entire Board's review. Director Deutsch requested that legal counsel review and provide guidance on use of parcel tax funds and Jaber funds to use for District operations and annual budget. Director Duke as that legal counsel review what the restrictions are not necessarily how to use the funds. President McCormick and Ms. Thorson will work with legal counsel to provide an opinion prior to the next Board meeting and as soon as possible. Ms. Thorson also reviewed the analysis of the loan with the Bank of Marin. Director Meyers, as Treasurer, brought up the prudent question of whether AHS would have a preference if the loan was paid off now or pay off over the term of the loan. Director Deutsch questioned why we would even think about paying off the loan considering the financial difficulties of AHS. Director Meyers stated that it may be a mute point, but needed to ask the prudent question of AHS.	
D.	Alameda Health System Board of Trustees Report No report was given.	No action taken.
II.	**Board Comments**	No board comments
III.	**Adjournment** Being no further business the meeting was adjourned at 10:21 p.m.	

Attest:

J. Michael McCormick
President

Kathryn Sáenz Duke
Secretary

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, March 2, 2015 Regular Meeting

Board Members Present	Legal Counsel Present	AHS Management / Guests	Excused
Robert Deutsch, MD J. Michael McCormick, President Tracy Jensen Kathryn Sáenz Duke Jim Meyers, DrPH	Thomas Driscoll, Esq.	Bonnie Panlasigui, CAO Richard Espinoza, Director of Long Term Care Operations	
Submitted by: Kristen Thorson, District Clerk			

Topic		Discussion	Action / Follow-Up
I.	Call to Order	The meeting was called to order at 7:07 p.m.	
II.	Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.	
III.	Adjourn into Executive Closed Session	The meeting was adjourned into Executive Closed Session at 7:08 p.m.	
IV.	Closed Session Agenda		
V.	Reconvene to Public Session	The meeting was reconvened into public session at 8:11 p.m.	
		A. Announcements from Closed Session President McCormick announced that the minutes of the February 2, 2015 minutes were approved, discussed litigation matters and personnel matters to which no action was taken.	
VI.	**Regular Agenda**		
	A. Consent Agenda 1) Approval of February 2, 1025 Minutes (Regular)		Director Jensen removed item #2 from the consent agenda. Director Deutsch made a motion to

Topic	Discussion	Action / Follow-Up
		approve the minutes of February 2, 2015. Director Jensen seconded the motion. The motion carried.

2) Election of Officers

The Board had been polled as o preference to office for calendar year 2015 or until such time new officers are elected. President McCormick will call for nominations for each office.

Officers were elected according to the table to the left.

Office	Nomination	By Whom	Nomination 2nd	Objections / Other Nominations
President	J. Michael McCormick	Robert Deutsch	Tracy Jensen	None/None
1st Vice President	Robert Deutsch	Tracy Jensen	J. Michael McCormick	None/None
2nd Vice President	Tracy Jensen	Robert Deutsch	Jim Meyers	None/None
Treasurer	Jim Meyers	Tracy Jensen	J. Michael McCormick	None/None
Secretary	Kathryn Sáenz Duke	Tracy Jensen	Jim Meyers	None/None

B. Alameda Health System and Alameda Hospital Update

1) Chief Administrative Officer (CAO) Report

No action taken.

Ms. Panlasigui provided a verbal CAO report. She began by reviewing the Financial report on behalf of David Cox, who was not able to attend the meeting. She stated that there is a operating margin goal of 3% and year to date, the system is at -3.3% and Alameda Hospital is at -4.6%. She noted that acute volume has been significantly increased and that other hospitals have experienced the same increased volume. Richard Espinoza responded to a question relating to the ability to bill in Long Term Care from Director Meyers. He and his team are hand billing claims. He could not respond to what is being done on the acute side. Director Meyers also inquired about recent laws potentially affecting the charge master. Ms Panlasigui responded that charge master is being reviewed. There was discussion on staffing, hiring employees and registry usage at Alameda Hospital. Director Jensen inquired about wound care volume. Ms Panlasigui stated that some of the volume numbers on page 29 of the packet were under review and may not be correct. For example, the acute average length of stay was reported as 6.7 when it was 3.5. Director Deutsch stated that the numbers are inconsistent and to say we are making a profit is speculative. Ms. Panlasigui has also questioned the numbers and that the system recognizes that there are broken processes in the revenue cycle and that there is a re-

Topic	Discussion	Action / Follow-Up
	building from the ground up to correct issues. Director Meyers inquired about the clean claims rate and asked for additional information on the rates. Ms. Panlasigui noted that she is not satisfied with the current billing company that Alameda Hospital uses and admitted that there was room for significant improvement. She also stated that she would bring the concerns of the District Board to David Cox and the finance team.	
	2) Financial Report Report was combined with the CAO report	
	3) Quality Report The Board referenced the dashboard included on pages 33-34 of the packet. Ms. Panlasigui stated that she will be meeting with the quality team on revision to the dashboard. Director McCormick inquired about the HCAHPS scores that were below target. Ms. Panlasigui reminded the Board that the hospital will be switching to Press ganey and a telephone survey instead of a mail survey. She also stated that she will be restructuring the entire process and setting expectations for patient satisfaction including training.	No action taken.
C.	District Updates	No action taken.
	1) District Board President's Report & Operational Updates • President's Report • ACHD Membership • January Finance Update President McCormick deferred discussion on Section C., 1) until the next meeting.	No action taken.
D.	Alameda Health System Board of Trustees Report Director Jensen asked to give her report out of order as she had a personal commitment and needed to leave early. Director Jensen reported that AHS is working with Alameda County on the renegotiation of debt owed and has been given until June 30 to come up with a plan. Alameda County Board of Supervisors are reviewing proposed bylaw changes of the AHS Bylaws. She announced several upcoming meetings, including Finance on 3/16, Strategic Planning on 3/17 and Human Resources on 3/18. AHS is also reviewing potential spaces to move about 200 offices and staff from the H building at Highland Hospital to an alternate location as the new tower will not be able to accommodate. There will be a Retreat of the Board of Trustees at the end of March which she hopes will result in some resolution on the outstanding item of the JPA regarding committee assignments. She reported that a firm has been engaged and is working on the CEO search. She anticipates that March or early April the search	No action taken.

Topic	Discussion	Action / Follow-Up
	committee will have candidates identified and will begin the interview process.	
	2) Vision 2015 Update Director Meyers reported that he and Director Duke met with Alameda Hospital Foundation President Terrie Kurrasch and Executive Director Louise Nakada how to the District and Foundation could complement each other. He and Director Duke continue to learn more about other districts and specifically community based districts through their Vision 2015 work. He encouraged those in the room and in the community to let them know what the District can do for you. Director Duke encouraged President McCormick to bring up the Vision 2015 at LOWV Forum in March and ask for input.	No action taken.
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 9:05 p.m.	

Attest:

J. Michael McCormick
President

Tracy Jensen
Secretary

Audited Financial Statements

CITY OF ALAMEDA
HEALTH CARE DISTRICT

June 30, 2014

Audited Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2014

Management's Discussion and Analysis

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2014

The management of the City of Alameda Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2014 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments.* The intent of this document is to provide additional information on the District's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2014 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

Financial Highlights

From July 1, 2013 through April 30, 2014, the District continued to operate the Alameda Hospital. Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors through a joint powers agreement. The agreement called for the transfer of specific assets and liabilities of the District to AHS which were related to the operations of the Alameda Hospital. The District maintained ownership of the Alameda Hospital land and real property (buildings and fixed equipment). The transfer included, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action, together with all the rights and privileges in any way belonging thereto, free and clear of all encumbrances. Through this affiliation, the District will continue to support the providing of health care services to those individuals, primarily, who reside in the local geographic area.

The District will also continue to operate as a health care district which will allow for the continued collection of parcel taxes and certain rental income from which the District will pay certain operating expenses. Excess earnings will be remitted to AHS in order to support the operations of the Alameda Hospital by AHS.

Balance Sheet

As of June 30, 2014, the District's current assets are comprised of $30,136 in operating cash and $291,283 in parcel taxes receivable. Other assets include cash and cash equivalents of $323,821 which are restricted for specific purposes and $4,089,001 of capital assets, net of accumulated depreciation. Current liabilities of the District include $1,525,808 of current maturities of debt borrowings and $117,592 of various accounts payable due to certain vendors and to AHS. Long-term debt borrowings amount to $1,058,793

Statements of Revenues, Expenses and Changes in Net Position

As previously mentioned, the District operated Alameda Hospital through April 30, 2014. At that time, the District suffered a $3.7 million loss from total District transactions. From May 1, 2014 to June 30, 2014, the District, after turning over hospital operations to AHS, was able to realize a small gain from District operations of just over $100,000 to end the year with an approximate $3.6 million loss.

The District annual budget going forward, without the operations of the Hospital, has been set at $5.78 million in revenue from parcel taxes and $167,000 in rental income. Operating expenses are expected to be approximately $600,000 a year. The approximate excess of approximately $5.3 million will be remitted to AHS to help support the operations of the Alameda Hospital, formerly operated by the District.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership
1111 East Herndon Avenue, Suite 211, Fresno, California 93720
Voice: (559) 431-7708 Fax: (559) 431-7685 Email: rjctcpa@aol.com

Report of Independent Auditors

The Board of Directors
City of Alameda Health Care District
Alameda, California

We have audited the accompanying financial statements of the City of Alameda Health Care District, (the District) which comprise the balance sheet as of June 30, 2014, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, except for the matters discussed above, the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2014, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The June 30, 2013 financial statements of the District were audited by TCA Partners, LLP, who merged into JWT & Associates, LLP as of April 1, 2015. The June 30, 2013 audit report was issued on September 17, 2013 on which an unmodified opinion was expressed.

Supplementary Information

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

JWT & Associates, LLP

Fresno, California
May 15, 2015

Balance Sheets

CITY OF ALAMEDA HEALTH CARE DISTRICT

	June 30 2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$ 30,136	$ 4,937,653
Patient accounts receivable, net of allowances		12,351,998
Other receivables	291,283	6,503,318
Inventories		1,266,892
Prepaid expenses and deposits		458,826
Total current assets	321,419	25,518,687
Assets limited as to use	323,821	189,755
Capital assets, net of accumulated depreciation	4,089,001	9,546,168
	4,734,241	35,254,610
Deferred outflows of resources	18,674	21,483
	$ 4,752,915	$ 35,276,093
Liabilities		
Current liabilities:		
Current maturities of debt borrowings	$ 1,525,808	$ 527,882
Accounts payable and accrued expenses	117,592	11,705,825
Accrued payroll and related liabilities		5,283,152
Estimated third party payor settlements		4,107,075
Health insurance claims payable (IBNR)		714,297
Total current liabilities	1,643,400	22,338,231
Debt borrowings, net of current maturities	1,058,793	1,563,689
	2,702,193	23,901,920
Deferred inflows of resources		5,731,269
Net position		
Invested in capital assets, net of related debt	4,089,001	7,507,074
Restricted, by contributors	323,821	189,755
Unrestricted (deficit)	(2,362,100)	(2,053,925)
Total net position	2,050,722	5,642,904
	$ 4,752,915	$ 35,276,093

See accompanying notes and auditor's report

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	2014	2013
Operating revenues		
Net patient service revenue	$ 62,305,265	$ 73,935,440
Other operating revenue	2,070,492	817,962
Total operating revenues	64,375,757	74,753,402
Operating expenses		
Salaries and wages	36,577,714	41,104,865
Registry	1,730,225	2,257,688
Employee benefits	10,803,522	11,936,200
Professional fees	4,749,710	5,325,281
Supplies	8,204,653	9,423,219
Purchased services	5,607,165	6,806,388
Building and equipment rent	2,033,350	2,538,714
Utilities and phone	833,217	973,256
Insurance	354,358	441,251
Depreciation and amortization	1,030,310	919,728
Other operating expenses	1,232,147	1,464,184
Total operating expenses	73,156,371	83,190,774
Operating (loss)	(8,780,614)	(8,437,372)
Nonoperating revenues (expenses)		
District tax revenues	5,111,449	5,808,450
Investment income	13,941	12,014
Interest expense	(238,461)	(122,100)
Rent and other income	301,503	289,159
Grants and contributions		325,572
Total nonoperating revenues (expenses)	5,188,432	6,313,095
(Decrease) in net position	(3,592,182)	(2,124,277)
Net position at beginning of the year	5,642,904	7,767,181
Net position at end of the year	$ 2,050,722	$ 5,642,904

See accompanying notes and auditor's report

Statements of Cash Flows

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	2014	2013
Cash flows from operating activities:		
Cash received from patients and third-parties on behalf of patients	$ 70,550,188	$ 73,924,540
Cash received from operations, other than patient services	2,551,258	807,892
Cash payments to suppliers and contractors	(35,321,637)	(25,447,310)
Cash payments to employees and benefit programs	(52,664,388)	(52,082,137)
Net cash (used in) operating activities	(14,884,579)	(2,797,015)
Cash flows from noncapital financing activities:		
District tax revenues	5,111,449	5,808,450
Grants, contributions and other nonoperating revenues	301,503	614,731
Net cash provided by noncapital financing activities	5,412,952	6,423,181
Cash flows from capital financing activities:		
Purchase and transfer of capital assets, net of loss on disposals	4,429,666	(1,381,155)
Proceeds from debt borrowings	1,500,000	1,439,818
Principal payments on debt borrowings	(1,006,970)	(1,829,648)
Interest payments on debt borrowings	(238,461)	(122,100)
Net cash (used in) capital financing activities	4,684,235	(1,893,085)
Cash flows from investing activities:		
Net change in assets limited as to use and other assets	(134,066)	(147,055)
Investment income	13,941	12,014
Net cash provided by (used in) investing activities	(120,125)	(135,041)
Net increase in cash and cash equivalents	(4,907,517)	1,598,040
Cash and cash equivalents at beginning of year	4,937,653	3,339,613
Cash and cash equivalents at end of year	$ 30,136	$ 4,937,653

See accompanying notes and auditor's report

Statements of Cash Flows (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	2014	2013
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss)	$ (8,780,614)	$ (8,437,372)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,030,310	919,728
Provision for bad debts	7,938,532	11,738,810
Changes in operating assets and liabilities:		
Patient accounts receivables	4,413,466	(15,255,552)
Other receivables	6,212,035	(15,034)
Inventories	1,266,892	(221,581)
Prepaid expenses and deposits	458,826	(42,455)
Accounts payable and accrued expenses	(11,588,233)	4,024,352
Accrued payroll and related liabilities	(5,283,152)	958,928
Estimated third party payor settlements	(4,107,075)	3,505,842
Deferred inflows of resources	(5,731,269)	4,964
Health insurance claims payable (IBNR)	(714,297)	22,355
Net cash provided by operating activities	$(14,884,579)	$ (2,797,015)

See accompanying notes and auditor's report

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: The City of Alameda Health Care District, (d.b.a. Alameda District), heretofore referred to as (the District) is a public entity organized under Local District District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the boundaries of the health care district to specified terms of office. The District is located in Alameda, California.

Through April 30, 2014, the District operated Alameda Hospital (the Hospital), which comprised a 100-bed acute care facility, a 35-bed sub acute unit within the Hospital, a 26-bed skilled nursing facility adjacent to the Hospital campus and another 120-bed skilled nursing facility near the Hospital campus which the District took over operations of in August, 2012. Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors, through a joint powers agreement (the affiliation agreement). Through this affiliation with AHS, the District will continue to provide health care services primarily to individuals who reside in the local geographic area.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

Management's Discussion and Analysis: The management's discussion and analysis is a narrative introduction and analytical overview of the District's financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management's discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Recent Pronouncements: The District has incorporated the following recent GASB issued statements within this financial statement presentation: (1) GASB 61 - *The Financial Reporting Entity: Omnibus* which helps better define financial presentation and component units; GASB 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which supercedes GASB 20; GASB 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position - which establishes new standards involving consumption of net position and the acquisition of net position, both of which are applicable to future periods as well as further defining net position (formerly net assets); and is reviewing the impact of GASB 65 - *Items Previously Reported as Assets and Liabilities* once it is adopted next year as it may cause restatement of the June 30, 2013 net position by restating amounts related to unamortized debt issuance costs previously reported as assets. For purposes of financial statement presentation, deferred outflows are shown with the assets of the District on the balance sheet and deferred inflows are considered deferred revenues and grouped with the liabilities of the District on the balance sheet. No other adoptions of these pronouncements materially affected the District's financial statements.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

Patient Accounts Receivable: Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The District manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectibility and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes.

Inventories: Inventories are consistently reported from year to year at cost determined by average costs and replacement values which are not in excess of market. The District does not maintain levels of inventory values such as those under a first-in, first out or last-in, first out method.

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Assets Limited as to Use: Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 40 years for buildings and improvements, and 3 to 10 years for major moveable equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2014 and 2013, the District has determined that no capital assets are impaired.

Compensated Absences: The District's employees earn vacation benefits at varying rates depending on years of service. Employees also earn sick leave benefits. Both benefits can accumulate up to specified maximum levels. Employees are not paid for accumulated sick leave benefits if they leave either upon termination or before retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation liabilities as of June 30, 2013 were $3,276,404. The District has no further liability effective May 1, 2014 as a result of the affiliation agreement with AHS due to the fact that the District no longer employed as of that date.

Risk Management: The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters. In the case of employee health coverage, the District is self-insured for those claims and is discussed further in the footnotes.

Net Position: Net position is presented in three categories. The first category is net position "invested in capital assets, net of related debt". This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is "restricted" net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is "unrestricted" net position. This category consists of net position that does not meet the definition or criteria of the previous two categories.

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Net Patient Service Revenues: Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third-party payors and others including estimated retroactive adjustments under reimbursement agreements with third-party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

Charity Care: The District accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the District. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off entirely as an adjustment to net patient service revenues.

District Tax Revenues: The District receives much of its financial support from parcel taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Parcel taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Parcel taxes are considered delinquent on the day following each payment due date.

Grants and Contributions: From time to time, the District receives grants from various governmental agencies and private organizations. The District also receives contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

Operating Revenues and Expenses: The District's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

Reclassifications: Certain financial statement amounts as presented in the prior year financial statements have been reclassified in these, the current year financial statements, in order to conform to the current year financial statement presentation.

NOTE B - CASH AND CASH EQUIVALENTS

As of June 30, 2014 and 2013, the District had deposits invested in various financial institutions in the form of cash and cash equivalents in the amounts of $353,957 and $5,125,808 respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for $250,000 per account that is federally insured.

The CGC and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

NOTE C - NET PATIENT SERVICE REVENUES

The District had agreements with third-party payors that provide for payments at amounts different from its established rates. Effective May 1, 2014, those agreements transferred to AHS according to the affiliation agreement. A summary of the payment arrangements with major third-party payors follows:

Medicare: Payments for inpatient acute care services rendered to Medicare program beneficiaries are based on prospectively determined rates, which vary accordingly to the patient diagnostic classification system. Outpatient services are paid under an outpatient classification system subject to certain limitations. Certain reimbursement areas are still subject to final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. At June 30, 2013, cost reports through June 30, 2010 have been final settled. Effective May 1, 2014, all open settlements with Medicare were transferred to AHS per agreement.

Medi-Cal: For traditional Medi-Cal (non-HMO) services, payments for inpatient services rendered to patients were made based on reasonable costs through May 5, 2010. Effective May 6, 2010, the District entered into a contract under the Selective Provider Contracting Program administered by the California Medical Assistance Commission (CMAC), to receive payments for inpatient services based upon an established rate. The District was paid at an interim rate with final settlement determined after submission of annual cost reports and audits thereof by Medi-Cal. Effective October, 2011, the District returned to a cost-based program. At June 30, 2013, cost reports through June 30, 2011, have been final settled. Outpatient payments are based on a pre-determined fee schedule and Medi-Cal HMO services are paid on a pre-determined rate and are not subject to cost reimbursement. Effective May 1, 2014, all open settlements with the State were transferred to AHS per agreement.

NOTE C - NET PATIENT SERVICE REVENUES (continued)

Other: Payments for services rendered to other than Medicare and Medi-Cal patients are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

Net patient service revenues for the year ended June 30, 2013 are summarized below by service line.

Inpatient acute and inpatient ancillary services	$162,813,231
Long-term care routine services	56,874,641
Outpatient acute services	94,732,020
Gross patient service revenues	314,419,892
Less deductions from revenue and related allowances	(240,484,452)
Net patient service revenues	$ 73,935,440

Medicare and Medi-Cal revenue accounts for approximately 40% of the District's net patient revenues for each year. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Effective May 1, 2014, all patient revenues were transferred to AHS per agreement.

NOTE D - CONCENTRATION OF CREDIT RISK

The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there are any credit risks associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the District. Effective May 1, 2014, all patient receivables were transferred to AHS according to the affiliation agreement. Concentration of patient accounts receivable at June 30, 2013 were as follows:

Medicare	$ 25,915,295
Medi-Cal	18,647,216
Other third party payors	13,819,026
Self pay and other	13,115,406
Gross patient accounts receivable	71,496,943
Less allowances for contractual adjustments and bad debts	(59,144,945)
Net patient accounts receivable	$ 12,351,998

NOTE E - OTHER RECEIVABLES

Other receivables as of June 30, 2014 and 2013 were comprised of the following:

	2014	2013
Alameda County parcel taxes	$ 291,283	$ 6,013,084
Other provider and insurance receivables		149,770
Pension plan forfeitures		136,066
Supplemental program receivables from the State		40,534
Rents receivable		3,625
Other various receivables, net of reserves		160,239
	$ 291,283	$ 6,503,318

Effective May 1, 2014, all other receivables were transferred to AHS according to the affiliation agreement.

NOTE F - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2014 and 2013 are related to the Jaber agreement as described in Note G and were comprised of the following:

	2014	2013
Cash and cash equivalents restricted by contributors	$ 323,821	$ 189,755

NOTE G - CAPITAL ASSETS

The District received two parcels of improved rental-real estate by court order dated December 3, 2003, pursuant to the terms of the Alice M. Jaber 1992 Trust. As successor to the former non-profit Alameda Hospital, the District has agreed to abide by the terms of the Trust Agreement. The Trust Agreement and the will of Alice M. Jaber require the District to account for the property as part of the Abraham Jaber and Mary A. Jaber Memorial Fund. Among other things, the District is prohibited from selling all or any portion of the parcels received until after the death of certain named family members and, if the property is sold, it may not be sold to any descendant, spouse or relative to the third degree of any such descendant of a named family member. The net carrying value of this property is $909,792 and $969,750 at June 30, 2014 and 2013, respectively.

NOTE G - CAPITAL ASSETS (continued)

Capital assets as of June 30, 2014 and 2013 were comprised of the following:

	Balance at June 30, 2013	Transfers & Additions	Retirements	Balance at June 30, 2014
Land and land improvements	$ 1,376,954			$ 1,376,954
Buildings and improvements	25,003,463	$ 501,612		25,505,075
Equipment	20,266,871	(16,527,143)		3,739,728
Construction-in-progress	3,531,248	(3,531,248)		
Totals at historical cost	50,178,536	(19,556,779)		30,621,757
Accumulated depreciation for:				
Land and land improvements	(272,654)	(1,648)		(274,302)
Buildings and improvements	(22,144,456)	(451,782)		(22,596,238)
Equipment	(18,215,258)	14,553,042		(3,662,216)
Total accumulated depreciation	(40,632,368)	14,099,612		(26,532,756)
Capital assets, net	$ 9,546,168	$ (5,457,167)	$	$ 4,089,001

	Balance at June 30, 2012	Transfers & Additions	Retirements	Balance at June 30, 2013
Land and land improvements	$ 1,376,954			$ 1,376,954
Buildings and improvements	23,980,336	$ 1,023,127		25,003,463
Equipment	19,337,623	929,248		20,266,871
Construction-in-progress	4,102,468	(571,220)		3,531,248
Totals at historical cost	48,797,381	1,381,155		50,178,536
Accumulated depreciation for:				
Land and land improvements	(269,765)	(2,889)		(272,654)
Buildings and improvements	(21,681,924)	(462,532)		(22,144,456)
Equipment	(17,760,951)	(454,307)		(18,215,258)
Total accumulated depreciation	(39,712,640)	(919,728)		(40,632,368)
Capital assets, net	$ 9,084,741	$ 461,427	$	$ 9,546,168

NOTE H - DEBT BORROWINGS

As of June 30, 2014 and 2013, debt borrowings were as follows:

	2014	2013
Note payable to a AHS; principal and interest at 5.25% due upon receipt of December, 2014 parcel taxes, collateralized by District taxes:	$ 1,500,000	
Note payable to a bank; principal and interest at 4.75% due in monthly installments of $6,457 through October 15, 2022; collateralized by District property:	1,084,601	$ 1,105,849
Note payable to a bank; principal and interest at 5.50% due in monthly installments of $17,232 at month's start through May 16, 2016; collateralized by District property:		653,248
Other debt borrowings		332,474
	2,584,601	2,091,571
Less current maturities of debt borrowings	(1,525,808)	(527,882)
	$ 1,058,793	$ 1,563,689

Future principal maturities for debt borrowings for the next succeeding years are: $1,525,808 in 2015; $26,940 in 2016; $28,405 in 2017; $29,804 in 2018; and $31,271 in 2019.

NOTE I - RELATED PARTY TRANSACTIONS

The Alameda Hospital Foundation (the Foundation), has been established as a nonprofit public benefit corporation under the Internal Revenue Code Section 501 c (3) to solicit contributions on behalf of the District. Substantially all funds raised except for funds required for operation of the Foundation, are distributed to the District or held for the benefit of the District. The Foundation's funds, which represent the Foundation's unrestricted resources, are distributed to the District in amounts and in period determined by the Foundation's Board of Trustees, who may also restrict the use of funds for District property and equipment replacement or expansion, reimbursement of expenses, or other specific purposes. Donations in this regard were $203,300 for the years ended June 30, 2013. There were no donations through April 30, 2014. Effective May 1, 2014, any further donations by the Foundation will be made directly to AHS according to the affiliation agreement. The Foundation is not considered a component unit of the District as the Foundation, in the absence of donor restrictions, has complete and discretionary control over the amounts, the timing, and the use of its donations to the District and management does not consider the assets to be material to the District.

NOTE J - RETIREMENT PLANS

Contributions to Retirement Plans: Total contributions to all of the retirement plans for the year ended June 30, 2013 were approximately $2,165,000. For 2014, all contributions have been transferred to AHS according to the affiliation agreement as AHS has assumed stewardship over all retirement plans for the former Alameda Hospital employees. The District no longer employees as of May 1, 2014.

Defined Benefit Plan: The District provided retirement benefits under a noncontributory, single-employer defined benefit pension plan (the Plan) for employees not covered under collective bargaining agreements and who had completed one year of continuous service during which they worked at least 1,000 hours. The Plan, formerly administered by the District, provided benefits based on each employee's years of service and annual compensation through December 31, 2004. For 2014, AHS has assumed stewardship over the defined benefit plan for Alameda Hospital employees as the District no longer has any employees as of May 1, 2014. The Plan's annual pension cost and net pension assets for the year ended June 30, 2013 are as follows:

Annual required contribution	$ 76,087
Interest on net pension asset	(11,591)
Adjustment to net pension obligation	23,108
Annual pension cost	87,604
Contributions made	(60,701)
Increase (decrease) in net pension obligation	26,903
Net pension (asset) liability at the beginning of the year	(193,184)
Net pension (asset) liability at the end of the year	$ (166,281)

Benefits under the Plan vest 100% upon five years of service. Upon normal retirement at age 65, participants are entitled to monthly retirement benefits based upon their average compensation and years of credited service. Participants, who have attained the age the latter of age 55 or the date upon which the employee's age and years of service add up to 65, may elect early retirement with benefits determined as of the early retirement date, actuarially reduced. Participants may elect to receive their benefits as a lump sum, life annuity, or joint and survivor annuity upon retirement.

Pursuant to the District's right to amend, terminate or discontinue making contributions to the Plan, the District's Board of Directors resolved to freeze participation in and benefit obligations under the Plan as of December 31, 2004 and then established a new defined contribution plan in lieu thereof. Retirement benefits earned through December 31, 2004 will be paid as required by the Plan.

The District is required to contribute the actuarially determined amounts necessary to fund benefits for its participants. The actuarial methods and assumptions used are those adopted by the District. The District's required employer contribution rates for 2013 do not apply as the Plan has been frozen and has no covered payroll.

NOTE J - RETIREMENT PLANS (continued)

The required contribution for the year ended June 30, 2013, was determined as part of the July 1, 2012 actuarial valuation using the unit credit actuarial cost method. The actuarial valuation method was changed from the entry age normal method in 2005 because benefit accruals under the Plan were frozen at December 31, 2004. The actuarial assumptions include an investment rate of return of 6% and no salary increases in the future. The actuarial value of the Plan's assets was equal to the fair value of the assets. The Plan's unfunded actuarial accrued liability is being amortized as a level dollar using a fixed amortization period of 15 years. The remaining amortization period at July 1, 2012 was 11 years.

Defined Contribution Plan: Effective January 1, 2005, the District established and began to administer a noncontributory defined contribution retirement plan covering employees who have completed one year of service in which they worked at least 1,000 hours and are not covered under a collective bargaining agreement. Benefit provisions are contained in plan documents and can be amended by the Board of Directors. The District contributed 6% of eligible employee earnings to this plan. The District also contributed to four union-sponsored defined contribution retirement plans as required under collective bargaining agreements with the District. For 2014, AHS has assumed stewardship over the defined contribution plan for Alameda Hospital employees as the District no longer has any employees as of May 1, 2014.

NOTE K - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2014, the District has no commitments under any construction-in-progress projects. As of June 30, 2013, the District had recorded $3,531,248 as construction-in-progress representing cost capitalized for various remodeling, major repair, certain expansion projects on the District's premises, the seismic retrofit project, and the implementation of electronic health records hardware and software upgrades. No interest was capitalized during the year ended June 30, 2013.

Operating Leases: The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2014 and 2013, were $2,033,350 and $2,538,714, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2014 are not considered material as AHS has assumed responsibility for these leases effective May 1, 2014 according to the affiliation agreement. Other District lease or rent agreements that have initial or remaining lease terms in excess of one year are not considered material.

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2014 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

NOTE K - COMMITMENTS AND CONTINGENCIES (continued)

Risk Management Insurance Programs: The District self-insured medical and dental costs up to $150,000 per employee per year with a $75,000 aggregate under a semi-contributory plan. The District also maintained claims-made insurance coverage for its medical malpractice and general liability risks up to $20 million per claim and $20 million in the annual aggregate. Deductible levels are at $10,000 per medical malpractice claim and $25,000 per general liability claim. AHS has assumed responsibility for all employee-related insurance programs effective May 1, 2014. The District has purchased tail coverage on other specific types of insurance where appropriate in conjunction with the affiliation agreement in order to prevent any lapse in coverage.

Health Insurance Portability and Accountability Act: The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Management believes the District is in compliance with HIPAA as of June 30, 2014 and 2013.

Health Care Regulation: The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statues and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

RAC Audits: Districts in California are subject to nationwide Medicare claim audits by Recovery Audit Contractors (RAC's). Beginning in March, 2007, RAC auditors examined certain Medicare claims for services provided to Medicare beneficiaries beginning with the year end June 30, 2003 and for subsequent periods. Pursuant to these on-going audits, RAC auditors review medical records and compare them to billing records for "perceived" discrepancies. These audits have resulted in a recovery process of Medicare payments over the past few years. It is anticipated that additional recoveries may be collected in the future however any amount is undeterminable at this time. Effective May 1, 2014, AHS has assumed responsibility for any future RAC audits according to the affiliation agreement.

Seismic Retrofit: The California District Facilities Seismic Safety Act (SB 1953) specifies certain requirements that must be met at various dates in order to increase the probability that a California District can maintain uninterrupted operations following a major earthquake. Effective May 1, 2014, AHS has assumed responsibility for seismic retrofit according to the affiliation agreement.

NOTE L - AFFILIATION AGREEMENT

District management has had ongoing financial challenges operating a small general acute care District with 24-hour emergency services in this very competitive health care environment. The current and future changes brought about by healthcare reform at both the State and Federal levels, as well as other regulatory requirements and reimbursement reductions greatly compounded the challenges facing the District. Furthermore, the District is in need of capital resources to assist with required seismic retrofits, electronic health record implementation and other deferred facility and equipment replacements. Due to this situation, the District Board of Directors executed an affiliation agreement with a local health care system during the year ended June 30, 2014.

Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors through a joint powers agreement. The agreement called for the transfer of specific assets and liabilities of the District to AHS which were related to the operations of the Alameda Hospital. The District maintained ownership of the Alameda Hospital land and real property (buildings and fixed equipment). The transfer included, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action, together with all the rights and privileges in any way belonging thereto, free and clear of all encumbrances. Through this affiliation, the District will continue to support the providing of health care services to those individuals, primarily, who reside in the local geographic area.

NOTE M - DISCONTINUED OPERATIONS

The District discontinued operating the Alameda Hospital effective April 30, 2014. The loss from these discontinued operations was approximately $3.7 million at that time.

The District will continue to operate as a health care district which will allow for the continued collection of parcel taxes and certain rental income from which the District will pay certain operating expenses. Excess earnings will be remitted to AHS in order to support the operations of the Alameda Hospital by AHS.

NOTE N - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through May 15, 2015, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: June 1, 2015

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Approval to Support Alameda Hospital in 4th of July Parade

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RECOMMENDATION:

It is recommended that the District Board approve funding in the amount of $500 for the support of the Alameda Hospital / Alameda Health System entry in the City of Alameda 4th of July Parade. District Board of Directors' names will be prominently displayed on the cable car.

BACKGROUND:

The Hospital has participated in the 4th of July Parade since 1994 and featured the District Board beginning in 2002. Historically a cable car has been rented and employees, volunteers, physicians, District Board of Directors, and family members ride the cable car and walk the parade to hand out patriotic goodies. Since the formation of the District, District Board Members were featured as elected officials. The Hospital will be doing the same for this year. The total cost for the parade, cable car rental and patriotic giveaways, is approximately $2,000.

Funding of this activity is budgeted for under Marketing and Promotions that has an available balance of $2,219 out of $2,500. Alameda Hospital will fund the remaining cost of this activity.

Support of this activity shows commitment to the outreach activities organized and funded by Alameda Hospital and Alameda Health System and allows for great exposure for the District, Hospital and System in a fun and inexpensive way.

Celebrating Independence Day
City of Alameda Mayor's
4th of July Parade

Alameda Hospital /AHS Employees, Auxiliary, Medical Staff, Foundation, and District Board of Directors are all invited!

We hope you can join us as we celebrate the 4th of July on the **Alameda Hospital Cable Car!**

The parade starts at 10 a.m. (on Lincoln Ave. and Park Street) and lasts 1.5—2 hours. The Cable Car leaves Alameda Hospital promptly at 8:45 a.m. and returns to the Hospital at about 12 Noon.

Bring your family! We need Cable Car Riders & Parade Walkers to hand out patriotic goodies.

If you'd like to participate, or have any questions, please call Louise Nakada:
(510) 814-4362
LNakada@
alamedahealthsystem.org.

Alameda Hospital
A member of Alameda Health System

DATE: June 1, 2015

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Authorization to Bind District Insurance Policies for Property, General Liability, Excess Liability and Directors and Officers, Crime for 2015-2016

Recommendation:

1. Authorize Board President, J. Michael McCormick, to execute the necessary paperwork to bind property insurance for the District for period of July 1, 2015 through July 1, 2016 with Hospital All Risk Property Program (HARPP) at an annual cost of $24,277.12.

2. Authorize Board President, J. Michael McCormick, to execute the necessary paperwork to bind Directors and Officers and Crime insurance for the District for the period of July 1, 2015 through July 1, 2016 with Chubb at an annual cost of $21,401.00 (Directors and Officers Liability: $16,718, Crime: $4,683).

3. Authorize Board President, J. Michael McCormick, to execute the necessary paperwork to bind General Liability and Excess Liability on the healthcare related properties owned and/or leased for the period of July 1, 2015 through July 1, 2016 with BETA at a cost not to exceed of $8,000. Cost is anticipated to be in line with prior year at $7,200.

Background:

Property

Attached documents provide an overview of the 2015-2016 property insurance renewal for the City of Alameda Health Care District. It is proposed that the District remain in the Hospital All Risk Properly Program (HARPP) though Alliant Insurance Services. HARPP is the largest independent hospital joint purchase group in the world. This best-in-class program was created by Alliant Insurance Services to provide comprehensive property insurance coverage for hospitals throughout the United States at competitive rates. HARPP offers very broad coverage and is backed by proven expertise and extensive resources.

Notes on the renewal:

1. The HARPP Proposal includes coverage for All Risk Property Damage, Business Income and Boiler & Machinery.

2. Total Insured Values (TIV) is up at 2.06% mainly due to standard trending at each location.
3. Alliant negotiated a decrease in rate at -4.28% this year for the renewal. The two combined represents a year over year premium decrease at -2.30%. Please see Year-over-Year Rate and Premium Comparison in the attached document.
4. $2M of pollution coverage (mold, fungi) was added to the HARPP Program this year which is a great enhancement for the District.
5. Policy is an All Risk Limit of $100,000,000. This is the lowest All Risk limit provided in HARPP and more than enough for a per occurrence basis.
6. Business Income is only purchased on the Jaber properties.
7. Schedule of locations is noted on the attached document. The District continues to carry coverage on the following two properties because of the structure of the lease and sublease agreements between the property owner, the District and Alameda Health System as a result of the affiliation. However, the cost is not significant to the overall premium.

Directors and Officers (D&O) Liability and Crime

Directors and Officers Liability insurance provides financial protection for the directors and officers of the organization in the event they are sued in conjunction with the performance of their duties as they relate to the organization.

The District has maintained D&O and Crime through Federal Insurance Company (CHUBB) for many years. It is proposed that the District continue with the Chubb as the carrier for Directors and Officers and Crime at a limit of $5,000,000. The table below represents the Year to Year Premium Comparison for reference.

	2013-2014[1]	2014-2015	2015-2016
D&O	$46,183	$23,290	$16,718
Crime	$3,495	$4,683	$4,683
Total	$49,678	$23,290	$21,401

[1]Pre Affiliation, D&O included EPLI

General Liability and Excess Liability

The District's General Liability and Excess Liability coverage has historically been covered under the BETA Comprehensive Liability Policy. On May 1, 2014, the BETA policy under the District was terminated and coverage was picked up through the System's policy with BETA. However, since the District owns certain healthcare related properties and is still a party to real property leases (indicated in the table below), it is prudent to maintain general and excess liability on these properties.

At this time, the renewal from BETA had not yet been received. BETA has indicated that the premium should not exceed

General liability and excess liability coverage for the Jaber properties is maintained under a separate policy and has been renewed for the period of March 19, 2015 through March 19, 2016 ($4,894). BETA does not cover non-healthcare related properties.

We maintain the two policies separately as BETA does not cover non-healthcare related properties. Coverage of the healthcare related properties through a traditional insurance carrier is more expensive.

Own	AHS/District Leases
1. 2070 Clinton Avenue (main hospital campus)	3. 815 Atlantic Avenue (wound care center)
2. 625 Willow Street (skilled nursing facility)	4. 2401 Blanding Avenue (Waters Edge)

The attached spreadsheet summarizes the insurance policies carried by the District.

City of Alamea Health Care District Insurance Matrix

Insurance	Carrier	Notes	Current Term Term Start	Current Term Term End	2013-2014 Premium	2014-2015 Premium	2015-2016 Premium
Property	PEPIP - HARPP	Covers all properties owned and leased	07/01/14	07/01/15	$ 56,928.89	$ 24,850.47	$ 24,277.12
Directors & Officers / Crime	Federal Insurance Company/CHUBB	2013-2014 included EPLI &Fiduciary	07/01/14	07/01/15	$ 46,183.00	$ 27,973.00	$ 21,401.00
Comprehensive Liability (General and Excess)	BETA	Healthcare realted properties only	07/13/14	07/01/15	$ 328,184.00	$ 7,200.00	$ 7,200.00
General Liability (Pearl & Encinal)	General Star Ind Co	Jaber Properties Only	03/19/15	03/19/16	$ 1,003.46	$ 924.00	$ 924.00
Excess (Umbrella) Liability (Pearl & Encinal)	General Star Ind Co	Jaber Properties Only	03/19/15	03/19/16	$ 3,970.00	$ 3,970.00	$ 3,970.00
Tail Coverage - 501(c)3[2]	SCIPIE / The Doctors Company Insurance		12/15/08	unlimited	N/A	N/A	N/A
Extended Reporting Period (EPLI & Fiduciary)	Federal Insurance Company/CHUBB		07/01/14	07/01/17	N/A	$ 52,795.00	N/A
				Annual Totals	$ 436,269.35	$ 117,712.47	$ 57,772.12

Alliant Property Insurance Programs (APIP)
2015-2016 Proposal

City of Alameda Health Care District

Alliant Insurance Services, Inc.
License No. 0C36861

Matt McManus
Vice President

Chris M. Tobin, ARM-P
Senior Vice President

Josephine P. Goetes
Assistant Vice President

Alliant

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)

July 1, 2015 – July 1, 2016
City of Alameda Health Care District
EXECUTIVE SUMMARY

We are pleased to provide you with the 2015–2016 Hospital All Risk Property Program (HARPP) attached renewal material.

The property market has been in a soft cycle for the last year with underwriters willing to give decreases based on the lack of catastrophe losses worldwide, and record capacity and surplus in the marketplace. Sadly, while physical and human catastrophes abound, in recent years most of these have occurred in regions of the world that are not significantly insured. Therefore, as we enter the 2015/16 renewal, most insureds will see rate decreases. For those insureds, however that have experienced significant or attritional loss history, rates may increase. In keeping with the programs' general history, we expect rates to remain below what can be achieved in the market for similar coverage.

The primary $2.5M layer will continue to be placed with our long-term partner, Lexington, A.M. Best Rated A XV, and Lexington will also continue to provide the majority of capacity in the $22.5M x/s $2.5M layer, with Lloyd's of London, A.M. Best Rated A XV, as its quota-share partner. Excess limits up to $1,000,000,000 will be placed with London, Bermudian, European and U.S Domestic markets, all A.M. Best Rated at least of A- VII. Members should note several key highlights for this year's renewal:

- Boiler & Machinery for participating members of the HARPP Boiler Program maintained
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, Best Rated A XV, (for those members eligible)
- Pollution Coverage for both 1st and 3rd parties from ACE – Illinois Union Insurance Company, Best Rated A++ XV, (for those members eligible)

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2015-2016 policy year property valuations will continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of $5,000,000 or more appraised once every five years. This service is included in the total annual cost. Members may also choose to have lower valued buildings appraised. The cost to have all or specific buildings appraised between $25,000 and $5,000,000 will be quoted at the time the request is made. The following table depicts key statistics relative to last year:
.

Year-over-Year Rate and Premium Comparison

City of Alameda Health Care District	12-13	13-14	14-15 (at 02/19/2015)	15-16	Variance
Total Insured Values:	$ 89,935,534	$ 118,223,383	$ 54,849,855	$ 55,982,222	2.06%
Account Rate (per hundred dollars):	0.0445808	0.0481528	0.0453064	0.0433658	-4.28%
Earthquake TIV:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	Not Covered	Not Covered	N/A
*Total Annual Cost:	$ 40,094.00	$ 56,927.00	$ 24,850.47	$ 24,277.12	-2.30%

* TOTAL COST includes: all premiums (except Cyber Enhancement option, if purchased), underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

Thank you for your continued support of HARPP. We look forward to working with you this next year. Please let us know if you have any questions about your Renewal Proposal.

ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

PROPERTY PROPOSAL

TYPE OF INSURANCE: ☒ Insurance ☐ Reinsurance

PROGRAM:	Hospital All Risk Property Program (HARPP)
NAMED INSURED:	City of Alameda Health Care District
DECLARATION:	6-Hospital 2
POLICY PERIOD:	July 1, 2015 to July 1, 2016
COMPANIES:	See Attached List of Companies
TOTAL INSURED VALUES:	$ 55,982,222 as of May 26, 2015

ALL RISK COVERAGES & LIMITS:

$ 100,000,000	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)
Not Covered	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)

	Full All Risk Limit	Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to $500,000 per Named Insured subject to maximum of $2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and $5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
$	50,000,000	Extra Expense
$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	365 Days	Extended Period of Indemnity
	See Policy Provisions	$25,000,000 Automatic Acquisition up to $100,000,000 or a Named Insured's Policy Limit of Liability if less than $100,000,000 for 90 days excluding licensed vehicles for which a sub-limit of $10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of $2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to $25,000 / 25 gallon maximum per item
$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to $25,000 / 25 gallon maximum per item.
$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued between $25,000,001 and $50,000,000 can be added for an additional premium with underwriting approval

$	2,500,000	Money & Securities for named perils only as referenced within the policy
$	2,500,000	Unscheduled Fine Arts
$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with $500,000 annual aggregate for all Named Insureds per Declaration
$	2,000,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs)
$	25,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)
$	25,000,000	Transit
$	2,500,000	Unscheduled Animals; not to exceed $50,000 per Animal, per Occurrence
$	2,500,000	Unscheduled Watercraft up to 27 feet
	Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage
$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations
$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of $10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.
$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of $10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.

$ 3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately
$ 500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately
$ 1,000,000	Claims Preparation Expenses
$ 50,000,000	Expediting Expenses
$ 1,000,000	Personal Property Outside of the USA
$ 100,000,000	Per Named Insured Per Occurrence subject to $200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)
$ 300,000,000	Per Named Insured for Terrorism (Excess Layer) ***if limit applies***, subject to;
$ 800,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) ***if limit applies***, subject to;
$ 800,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer) ***if limit applies***
Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles
Included	See Hospital All Risk Property Program (HARPP) Pollution Liability Insurance Summary for applicable limits and deductibles

VALUATION:

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV)

EXCLUSIONS (Including but not limited to):

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).

"ALL RISK" DEDUCTIBLE:	$	25,000	Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss
DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:		Not Covered	All Flood Zones Per Occurrence excluding Flood Zones A & V
		Not Covered	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures)
		Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.
	$	1,000	Per Occurrence for Specially Trained Animals
	$	500,000	Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)
	$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to $100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits
	$	50,000	Per Occurrence per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits
	$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to $100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits
	$	50,000	Per Occurrence per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits
		24 Hour Waiting Period	for Service Interruption for All Perils and Coverages

2.5% of Annual Tax Revenue Value		per Location for Tax Interruption
Not Covered		Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
$	25,000	Per Occurrence for Contractor's Equipment
$	25,000	Per Occurrence for Primary Terrorism
$	500,000	Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)
Included		Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles

TERMS & CONDITIONS: 25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

NOTICE OF CANCELLATION: 90 Days except 10 Days for non-payment of premium

	Annual Cost*
Total Property Premium:	$ 22,339.00
Excess Boiler:	$ 696.00
ABS Fee:	$ 505.00
SLT&F's (Estimate)	$ 737.12
Broker Fee:	$ 0.00
TOTAL COST †: (Including Taxes and Fees)	$ 24,277.12

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)

PREPARED BY
Alliant Insurance Services, Inc.
1301 Dove Street
Suite 200
Newport Beach, CA 92660 (949) 756-0271

HARPP PROPERTY SCHEDULE

CITY OF ALAMEDA HEALTH CARE DISTRICT DBA: ALAMEDA HOSPITAL

May 29, 2015

Includes B & M

Real Property Trend Factor: 2.07%
Personal Property Trend Factor: 2.11%

Loc #	2nd Id	Address, City, Zip	Occupancy	Construction	Auto Spklr	Year Built	Year Apprs	Zone	Real Prop	Pers Prop	BI / Rents	Year	Real Property	Personal Property	BI / Rents	Totals
1		HOSPITAL & ADMINISTRATION 2070 CLINTON AVE ALAMEDA CA 94501 Lat: 37.76351 Lng. -122.25421	0 SQ. FT.	Class: UNKNOWN Notes: Eff. 5/1/14 - AHS- Alameda Health System who is insured through the EIA via Alameda County took over the operations of the hospital. Alameda Healthcare Distric retains the real property and the BI and PP has been moved to AHS. Alarms:	Yes			EQ: A2 Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$4,851,180* $4,951,599	*$0* $0	*$0* $0	*$4,851,180* $4,951,599
1	A	ALL OFFICE SPACE - ADMIN ONLY, NO HOSPITAL USE EAST BUILDING CA Stories: 5 Lat: Lng.	43,000 SQ. FT. Pct. Sprnkl: 100	Class: B ALL REINFORCED CONCRETE Notes: BI values included in BI at location 1B. Alarms:	Yes	1925		EQ: Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$0* $0	*$0* $0	*$0* $0	*$0* $0
1	B	MAIN HOSPITAL - PHARMACY, LAB, NURSING, OUTPATIENT SOUTH BUILDING/RADIOLOGY ADDITION CA Stories: 3 Lat: Lng.	59,000 SQ. FT. Pct. Sprnkl: 100	Class: B ALL REINFORCED CONCRETE Notes: Eff. 5/1/14 - AHS- Alameda Health System who is insured through the EIA via Alameda County took over the operations of the hospital. Alameda Healthcare Distric retains the real property and the BI and PP has been moved to AHS. Alarms:	Yes	1982		EQ: Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$16,952,519* $17,303,436	*$0* $0	*$0* $0	*$16,952,519* $17,303,436
1	C	SURGERY LOCATION WEST BUILDING/SURGERY/PHYSICAL PLANT CA Stories: 2 Lat: Lng.	22,000 SQ. FT. Pct. Sprnkl: partial	Class: B ALL REINFORCED CONCRETE Notes: Eff. 5/1/14 - AHS- Alameda Health System who is insured through the EIA via Alameda County took over the operations of the hospital. Alameda Healthcare Distric retains the real property and the BI and PP has been moved to AHS.	Yes	1967		EQ: Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$6,319,352* $6,450,163	*$0* $0	*$0* $0	*$6,319,352* $6,450,163

The above location is continued on the next page.

PREPARED BY
Alliant Insurance Services, Inc.
1301 Dove Street
Suite 200
Newport Beach, CA 92660 (949) 756-0271

HARPP PROPERTY SCHEDULE

CITY OF ALAMEDA HEALTH CARE DISTRICT DBA: ALAMEDA HOSPITAL

May 29, 2015

Includes B & M

Real Property Trend Factor: 2.07%
Personal Property Trend Factor: 2.11%

Loc #	2nd Id	Address, City, Zip	Occupancy	Construction	Auto Spklr	Year Built	Year Apprs	Zone	Real Prop	Pers Prop	BI / Rents	Year	Real Property	Personal Property	BI / Rents	Totals
1	D	SOME SURGERY AND PHYSICAL PLANT STEPHENS WING/3FL.ADDITION CA Stories: 3 Lat: Lng.	21,000 SQ. FT.	Class: B ALL REINFORCED CONCRETE Notes: Eff. 5/1/14 - AHS- Alameda Health System who is insured through the EIA via Alameda County took over the operations of the hospital. Alameda Healthcare Distric retains the real property and the BI and PP has been moved to AHS. Alarms:	No	1955		EQ: Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$5,981,051* $6,104,859	*$0* $0	*$0* $0	*$5,981,051* $6,104,859
1	E	EMERGENCY LOCATION EMERGENCY CA Stories: 1 Lat: Lng.	6,370 SQ. FT. Pct. Sprnkl: 100	Class: B ALL REINFORCED CONCRETE Notes: Eff. 5/1/14 - AHS- Alameda Health System who is insured through the EIA via Alameda County took over the operations of the hospital. Alameda Healthcare Distric retains the real property and the BI and PP has been moved to AHS. Alarms:	Yes	1986		EQ: Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$1,936,676* $1,976,765	*$0* $0	*$0* $0	*$1,936,676* $1,976,765
2		CONVALESCENT HOSPITAL BUILDING 625 WILLOW AVE ALAMEDA CA 94501 Stories: 1 Lat: 37.760918 Lng. -122.253872	6,000 SQ. FT. Pct. Sprnkl: 100	Class: D ALL COMB (WOOD FRAME) Notes: Eff. 5/1/14 - AHS- Alameda Health System who is insured through the EIA via Alameda County took over the operations of the hospital. Alameda Healthcare Distric retains the real property and the BI and PP has been moved to AHS. Alarms:	Yes	1960		EQ: A2 Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$1,428,583* $1,458,155	*$0* $0	*$0* $0	*$1,428,583* $1,458,155

PREPARED BY
Alliant Insurance Services, Inc.
1301 Dove Street
Suite 200
Newport Beach, CA 92660 (949) 756-0271

HARPP PROPERTY SCHEDULE

CITY OF ALAMEDA HEALTH CARE DISTRICT DBA: ALAMEDA HOSPITAL

May 29, 2015

Includes B & M

Real Property Trend Factor: 2.07%
Personal Property Trend Factor: 2.11%

Loc #	2nd Id	Address, City, Zip	Occupancy	Construction	Auto Spklr	Year Built	Year Apprs	Zone	Real Prop	Pers Prop	BI / Rents	Year	Real Property	Personal Property	BI / Rents	Totals
3		APARTMENT BUILDING 1359 PEARL STREET ALAMEDA CA 94501 Stories: 2 Lat: 37.76125 Lng. -122.23817	7,372 SQ. FT.	Class: D ALL COMB (WOOD FRAME) Notes: 5-1-14 Per James & Gable, this location will be retained by City of Alameda Health Care DIstrict in its entirety. It will not be moved to Alameda Health System in EIA. Alarms:	No	1949		EQ: A2 Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$1,970,853* $2,011,650	*$0* $0	*$118,857* $118,857	*$2,089,710* $2,130,507
4		RETAIL BUILDING 2711 ENCINAL AVE ALAMEDA CA 94501 Stories: 1 Lat: 37.75944 Lng. -122.23889	2,486 SQ. FT.	Class: D ALL COMB (WOOD FRAME) Notes: 5-1-14 Per James & Gable, this location will be retained by City of Alameda Health Care DIstrict in its entirety. It will not be moved to Alameda Health System in EIA. Alarms:	No	1946		EQ: A2 Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$717,709* $732,566	*$0* $0	*$27,375* $27,375	*$745,084* $759,941
5		KATE CREEDON CENTER FOR ADVANCED WOUND CARE 815 ATLANTIC AVENUE ALAMEDA CA 94501-2298 Stories: 1 Lat: 37.779867 Lng. -122.274101	4,700 SQ. FT. OUTPATIENT WOUND CENTER	Class: A NON COMB STEEL FRAME Notes: Insured occupies Suite 100. (4700 sqft) Eff. 5/1/14 - AHS- Alameda Health System who is insured through the EIA via Alameda County took over the operations of the hospital. Alameda Healthcare Distric retains the real property and the BI and PP has been moved to AHS. Alarms:	No	1982		EQ: A2 Flood: X Rent Notes:	No No	No No	No No	*2014* 2015	*$0* $0	*$0* $0	*$0* $0	*$0* $0

PREPARED BY
Alliant Insurance Services, Inc.
1301 Dove Street
Suite 200
Newport Beach, CA 92660 (949) 756-0271

HARPP PROPERTY SCHEDULE

CITY OF ALAMEDA HEALTH CARE DISTRICT DBA: ALAMEDA HOSPITAL

May 29, 2015

Includes B & M

Real Property Trend Factor: 2.07%
Personal Property Trend Factor: 2.11%

Loc #	2nd Id	Address, City, Zip	Occupancy	Construction	Auto Spklr	Year Built	Year Apprs	Zone	Real Prop	Pers Prop	BI / Rents
6		ALAMEDA HOSPITAL AT WATERS EDGE 2401 BLANDING AVENUE ALAMEDA CA 94501-1503 Stories: 1 Lat: 37.77041 Lng. -122.23711	28,500 SQ. FT. 120 BED SKILLED NURSING FACILITY Pct. Sprnkl: 100%	Class: CB CONCRETE BLOCK Notes: Eff. 5/1/14 - AHS- Alameda Health System who is insured through the EIA via Alameda County took over the operations of the hospital. Alameda Healthcare Distric retains the real property and the BI and PP has been moved to AHS. Alarms:	Yes	1971		EQ: A2 Flood: X Rent Notes:	No No	No No	No No

Year	Real Property	Personal Property	BI / Rents	Totals
2014	*$14,543,200*	*$0*	*$0*	*$14,543,200*
2015	$14,844,244	$0	$0	$14,844,244

Loc #	2nd Id	Address, City, Zip	Occupancy	Construction	Auto Spklr	Year Built	Year Apprs	Zone	Real Prop	Pers Prop	BI / Rents
9		DISTRICT OFFICE 888 WILLOW ST. ALAMEDA CA 94501-4328 Stories: 2 Lat: 37.762605 Lng. -122.253062	800 SQ. FT. Pct. Sprnkl: 0	Class: D ALL COMB (WOOD FRAME) Notes: Exterior walls are stacked 8" light weight masonry block, presumably grouted and reinforced. We were told that the foundation is a conventional spread foundation and the floor is slab-on-grade. Alarms:	No	1982		EQ: A2 Flood: Rent Notes:	No No	No No	No No

Year	Real Property	Personal Property	BI / Rents	Totals
2014	*$0*	*$2,500*	*$0*	*$2,500*
2015	$0	$2,553	$0	$2,553

	Year	Real Property	Personal Property	BI / Rents	Totals
GRAND TOTALS:	2014	*$54,701,123*	*$2,500*	*$146,232*	*$54,849,855*
SPRINKLERED:	2014	*$46,031,510*	*$0*	*$0*	*$46,031,510*
UNSPRINKLERED:	2014	*$8,669,613*	*$2,500*	*$146,232*	*$8,818,345*
EARTHQUAKE:	2014	*$0*	*$0*	*$0*	*$0*
FLOOD:	2014	*$0*	*$0*	*$0*	*$0*

	Year	Real Property	Personal Property	BI / Rents	Totals
GRAND TOTALS:	2015	$55,833,437	$2,553	$146,232	$55,982,222
SPRINKLERED:	2015	$46,984,362	$0	$0	$46,984,362
UNSPRINKLERED:	2015	$8,849,075	$2,553	$146,232	$8,997,860
EARTHQUAKE:	2015	$0	$0	$0	$0
FLOOD:	2015	$0	$0	$0	$0

SIGNED / ACCEPTED BY: _____

DATE: _____

Directors & Officers Liability and Crime Renewal Proposal

The City of Alameda Health Care District

May 28, 2015

Presented by EPIC Team

Don Johnson
Principal
925.244.7713
don.johnson@epicbrokers.com

Amber Ronzitti, CIC
Senior Account Manager
925.244.7704
amber.ronzitti@epicbrokers.com

Executive Summary

Coverage	Premium	Carrier
Directors and Officers Liability:	$16,718.00	Chubb
Crime:	4,683.00	Chubb
Sub-Total:	**$21,401.00**	

Renewal Comparison	2014-2015 Premium	2015-2016 Premium	% Change
Directors and Officers Liability:	$23,290	$16,718	< 28% >
Crime:	$4,683	$4,683	--
Totals:	**$27,973**	**$21,401**	**< 23% >**

Additional D&O Options	2015-2016 Premium
$5,000,000 Limit	$16,718
$3,000,000 Limit	$11,728
$2,000,000 Limit	$8,929

Proposals Are Valid For 20 Days
Taxes and Fees are included if applicable

Payment Plans Available

Insurance Summary

Named Insureds:

The City of Alameda Health Care District

Policy Term: July 1, 2015 to July 1, 2016

Schedule of Covered Locations

Location	Address
1.	2070 Clinton Avenue, Alameda, CA 94501

Directors and Officers Liability Section

Carrier: **Federal Insurance Company (Chubb)**

LIMITS	COVERAGE
$5,000,000	**Insuring Clauses 1 and 2 - Executive Liability and Executive Indemnification Coverage**
$5,000,000	**Insuring Clause 3 - Entity Coverage**
$5,000,000	**Sublimit for Antitrust Violation under Insuring Clauses 1, 2 and 3**
$50,000	**Sublimit for IRC Coverage**
$50,000	**Sublimit for EMTALA Coverage**
$10,000	**Sublimit for Excess Benefit Transaction Coverage**
$25,000	**Sublimit for HIPAA Coverage**
$5,000,000	**Maximum Aggregate Limit of Liability for All Claims Each Policy Period**

Defense Costs: Inside the Limit

COVERAGE IS PROVIDED ON A CLAIMS MADE BASIS

Prior & Pending Litigation Dates:
July 1, 2004 - Executive Liability & Executive Indemnification Clauses 1 & 2
July 1, 2004 - Entity Coverage Clause 3

Extended Reporting Period: One Year for 100% of Annualized Premium

Coinsurance: **20%**
Insuring Clauses 2 & 3 - Each Claim based upon, arising from, or in consequence of any Antitrust Violation

Directors and Officers Liability Continued

	Retentions:
$0	Insuring Clause 1 - Each D&O Claim
$35,000	Insuring Clause 2 - Each D&O Claim, other than a D&O Claim based upon, arising from, or in consequence of any Antitrust Violation
$35,000	Insuring Clause 3 - Each Organization Claim, other than an Organization Claim based upon, arising from, or in consequence of any Antitrust Violation
$50,000	Insuring Clauses 2 & 3 - Each Claim based upon, arising from, or in consequence of any Antitrust Violation

Crime Section

Carrier: **Federal Insurance Company (Chubb)**

LIMITS	COVERAGE
$1,000,000	**Insuring Clause 1 - Employee Theft Coverage**
$1,000,000	**Insuring Clause 2 - Premises Coverage**
$1,000,000	**Insuring Clause 3 - In Transit Coverage**
$1,000,000	**Insuring Clause 4 - Forgery Coverage**
$1,000,000	**Insuring Clause 5 - Computer Fraud Coverage**
$1,000,000	**Insuring Clause 6 - Funds Transfer Fraud Coverage**
$1,000,000	**Insuring Clause 7 - Money Orders and Counterfeit Currency Fraud Coverage**
$1,000,000	**Insuring Clause 8 - Credit Card Fraud Coverage**
$250,000	**Insuring Clause 9 - Theft of Client Property**
	Retention: $10,000 Each Loss (insuring clauses 1 – 9)
$25,000	**Insuring Clause 10 - Expense Coverage**

NOTABLE CRIME EXCLUSIONS

Governmental Action
Accounting Errors
Claims Expense
Privacy and Data Breach (Cyber Liability)
Credit Card Fraud
Theft of Officer/Director/Board Member

Best's Rating Guide

Carriers	A.M. Best's Rating (Effective Date)		Admitted/Non-Admitted
Federal Insurance Company	A++ XV	4/16/15	Admitted

If the above indicates coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an Admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

GUIDE TO BEST RATINGS

Rating Levels and Categories

Level	Category
A++, A+	Superior
A, A-	Excellent
B++, B+	Very Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

Rating "Not Assigned" Categories

NR-1	Special Data Filing	NR-6	Reinsured by Unrated Reinsurer
NR-2	Less than Minimum Size	NR-8	Incomplete Financial Information
NR-3	Insufficient Operating Experience	NR-9	Company Request
NR-4	Rating Procedure Inapplicable	NR-11	Rating Suspended
NR-5	Significant Change		

Financial Size Categories

(In $000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

FSC I		Up to	1,000	FSC IX	250,000	to	500,000
FSC II	1,000	to	2,000	FSC X	500,000	to	750,000
FSC III	2,000	to	5,000	FSC XI	750,000	to	1,000,000
FSC IV	5,000	to	10,000	FSC XII	1,000,000	to	1,250,000
FSC V	10,000	to	25,000	FSC XIII	1,250,000	to	1,500,000
FSC VI	25,000	to	50,000	FSC XIV	1,500,000	to	2,000,000
FSC VII	50,000	to	100,000	FSC XV	2,000,000	or more	
FSC VIII	100,000	to	250,000				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

Copies of the Best's Insurance Reports on the insurance companies are available upon your request.

EPIC subscribes to A.M. Best Company's rating services and relies on same in evaluating the financial condition of insurers. The current rating of the carrier is indicated. EPIC makes no representations and warranties concerning the solvency of any carrier nor does it make any representation or warranty concerning the rating of the carrier, which may change.

RESOLUTION NO. 2015-2

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

*** * ***

LEVYING THE CITY OF ALAMEDA HEALTH CARE DISTRICT

PARCEL TAX FOR THE FISCAL YEAR 2015-2016

WHEREAS, the Alameda County Local Agency Formation Commission ("LAFCo") resolved on January 10, 2002 to present a ballot measure to the registered voters of the City of Alameda which, if approved, would authorize the formation of the new health care district within the boundaries of the City of Alameda and authorize the District to levy a parcel tax of up to $298.00 on each parcel and possessory interest within the proposed district; and

WHEREAS, on April 9, 2002, over two-thirds of the registered voters of the City of Alameda, who voted that day, voted in favor of creating a health care district authorized to tax each parcel and possessory interest within the district's boundaries in an amount up to $298.00 per year in order to defray ongoing hospital general operating expenses and capital improvement expenses; and

WHEREAS, the City of Alameda Health Care District (the "District") was formally organized and began its existence on July 1, 2002; and

WHEREAS, on November 26, 2013, Alameda Health System ("AHS") and the District executed a Joint Powers Agreement ("Agreement") pursuant to (i) Chapter 5 (beginning with Section 6500) of Division 7 of Title 1 of the Government Code, authorizing local public entities, including healthcare districts and counties, to exercise their common powers through joint powers agreements, and (ii) Section 14000.2 of the California Welfare and Institutions Code, authorizing the integration of county hospitals with other hospitals into a system of community service; and

WHEREAS, **AHS**, a public hospital authority created by the Alameda County Board of Supervisors, pursuant to Section 101850 of the California Health and Safety Code, obtained possession, use and control of **Alameda Hospital ("Hospital")** from **the City of Alameda Health Care District ("District"),** a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 *et seq.* effective May 1, 2014 pursuant to the Agreement; and

WHEREAS, pursuant to the Agreement the District agreed to fulfill its mission to serve the health needs of the Alameda City Community by using the parcel tax proceeds to finance the capital needs of Alameda Hospital and the continued operation of its hospital services; and

WHEREAS, without the levy of a parcel and possessory interest tax in the amount of $298.00, the District's revenue stream will be insufficient to allow the provision of continued local access to emergency room care, acute hospital care, and other necessary medical services; and

WHEREAS, the District is authorized under Section 53730.01 of the California Government Code to impose special taxes on all real property within its boundaries.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that the District hereby levies an annual tax on every parcel and possessory interest within the District's boundaries in the amount of Two Hundred Ninety-Eight Dollars ($298.00) per year (the "Parcel Tax") in order to defray ongoing hospital general operating expenses and capital improvement expenses; provided, however, that parcels or possessory interests that have an assessed value (real property and improvements combined) of less than $30,000 shall be automatically exempt from the Parcel Tax.

PASSED AND ADOPTED on June 1, 2015 by the following vote:

AYES: _____

NOES: _____

ABSTENTION: _____

ABSENT: _____

_____

J. Michael McCormick
President

ATTEST:

_____

Kathryn Sáenz Duke
Secretary

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: June 1, 2015

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

FROM: Thomas Driscoll, Legal Counsel
Kristen Thorson, District Clerk

SUBJECT: Approval of Certification and Mutual Indemnification Agreement

RECOMMENDATION:

It is recommended that the District Board approve the annual Certification and Mutual Indemnification Agreement and authorize District Legal Counsel to sign the documents.

BACKGROUND:

Each year the District Board approves and authorizes the District's Legal Counsel to execute the Certification and Mutual Indemnification Agreement from Alameda County Auditor-Controller Agency (attached). This agreement needs to be executed and returned to the Office of Auditor-Controller by August 10, 2015. The language is standard and has not significantly changed since 2002.

In 2002, both hospital counsel at the time of the Asset Transfer (Hansen Bridgett) and County Counsel confirmed that the District's Special Assessment does meet the requirements of Proposition 218, which is an updated version of Proposition 13, and that this matter had been thoroughly researched during the due diligence process before Measure A was placed on the April 2002 ballot.

ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
STEVE MANNING
AUDITOR-CONTROLLER/CLERK-RECORDER

May 28, 2015

CITY OF ALAMEDA HEALTH CARE DISTRICT
2070 Clinton Avenue
Alameda, CA 94501
ATTN: Kristen Thorson, District Clerk

CERTIFICATION OF TAXES, ASSESSMENTS & FEES

The collection of the Cities, Special Districts and Schools' special taxes, assessments and fees on the Secured Tax Roll requires a Certification and Mutual Indemnification Agreement with the County.

Please have the appropriate individual sign the enclosed agreements and return the three originals to my attention, at the Office of Auditor-Controller, 1221 Oak Street, Room 249, Oakland, CA 94612. Our office will request the Board of Supervisors to sign the agreements and mail an executed original agreement to you in early October.

Please return your signed certification statements no later than **August 10th.** It is important to note that no assessments can be processed without the certification statements.

If you have any questions, please call me at (510) 272-6557.

Sincerely,

Trina M. Caballero, Principal Auditor
Tax Analysis

Central Collections Division
1221 Oak St., Rm. 220
Oakland, CA 94612
Tel: (510) 208-9900
Fax: (510) 208-9932

Office of the Auditor-Controller
Melissa Wilk, Chief Deputy Auditor
1221 Oak St., Rm. 249
Oakland, CA 94612
Tel: (510) 272-6565
Fax: (510) 272-6502

Clerk-Recorder's Office
1106 Madison St., 1st Floor
Oakland, CA 94607
Tel: (510) 272-6362
Fax: (510) 208-9858

Certification and Mutual Indemnification Agreement

The CITY OF ALAMEDA HEALTH CARE DISTRICT (hereafter referred to as public agency), by and through its Attorney, hereby certifies that to its best current understanding of the law, the taxes, assessments and fees placed on the 2015/16 Secured Property Tax bill by the public agency met the requirements of Proposition 218 that added Articles XIIIC and XIIID to the State Constitution.

Therefore, for those taxes, assessments and fees which are subject to Proposition 218 and which are challenged in any legal proceeding on the basis that the public agency has failed to comply with the requirements of Proposition 218; the public agency agrees to defend, indemnify and hold harmless the County of Alameda, its Board of Supervisors, its Auditor-Controller/Clerk-Recorder, its officers and employees.

The public agency will pay any final judgment imposed upon the County of Alameda as a result of any act or omission on the part of the public agency in failing to comply with the requirements of Proposition 218.

The County of Alameda, by and through its duly authorized agent, hereby agrees to defend, indemnify and hold harmless the public agency, its employees, agents and elected officials from any and all actions, causes of actions, losses, liens, damages, costs and expenses resulting from the sole negligence of the County of Alameda in assessing, distributing or collecting taxes, assessments and fees on behalf of the public agency.

If a tax, assessment or fee is challenged under Proposition 218 and the proceeds are shared by both the public agency and the County of Alameda; then the parties hereby agree that their proportional share of any liability or judgment shall be equal to their proportional share of the proceeds from the tax, assessment or fee.

The above terms are accepted by the public agency and I further certify that I am authorized to sign this agreement and bind the public agency to its terms.

CITY OF ALAMEDA HEALTH CARE DISTRICT

Dated: _____

By: _____
(Signature)

_____
(Print Name)

_____
(Print Title)

COUNTY OF ALAMEDA

Dated: _____

By: _____
(Signature)

_____
(Print Name)

President of the Board of Supervisors of
of Alameda County, California
(Print Title)

Approved as to form:

_____
Farand C. Kan,
Deputy County Counsel

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: June 1, 2015

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

FROM: J. Michael McCormick, President

SUBJECT: Approval to Send Letter of Support to AHS Board of Trustees and Executive Leadership in Support of Alameda Health System's Vision and Overall Strategy

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RECOMMENDATION:

It is recommended that the Board approve sending the attached letter to AHS Board of Trustees and Executive Leadership in Support of Alameda Health System's Vision and Overall Strategy.

BACKGROUND:

I have drafted the attached letter to AHS regarding the first anniversary of the affiliation and support for Alameda Health System's overall vision and strategy. I believe it is important that the Board review and approve sending this letter.

To: AHS Board of Trustees, Delvecchio Finley, CEO, Mark Fratzke, COO, Carladenise Edwards, CSO

From: City of Alameda Healthcare District Board of Directors

Thank you for allowing us to participate in the CEO search process. We are heartened that so many qualified candidates applied. Although there are challenges ahead, we know there will be strong capable leadership with Mr. Finley at the helm. Congratulations, Delvecchio!

While looking forward to new leadership we thought this was a good time to express our appreciation for the opportunity to partner with AHS as we celebrate our first anniversary together and share some thoughts:

Affirm that we are strong advocates of the AHS strategic plan to increase its footprint throughout Alameda County. We support this because it is beneficial to our campus and to AHS as well. We believe in the AHS mission to enhance and support safety net services throughout the northern County – at the Highland, John George, San Leandro and, of courses, Alameda campuses as our futures are certainly intertwined under the sea change of ACA.

Although operations are now under the AHS Board, we would appreciate being kept apprised in an efficient and timely manner regarding proposed service line enhancements or reductions at our campus. This is part of our duty as elected officials regarding the expenditure of the parcel tax levied by the District.

We would like to settle the matter of our participation in AHS Board committees that was part of the agreement negotiated by Mr. Lassiter and Mr. Boggan. It reads "*The AHS Board shall permit one or more members of the District Board to serve as regular appointed members on one or more of the committees of the AHS Board."* (Article 3, Section 3.4 of the Joint Powers Agreement)

Again, congratulations and we look forward, as always, to a strong partnership.

Sincerely,

City of Alameda Health Care District Board of Directors

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: June 1, 2015

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

FROM: Jim Meyers, DrPH, Treasurer
Kristen Thorson, District Clerk

SUBJECT: Review and Approval of FY 2015-2016 District Operating Budget

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Attached for your review is the proposed budget for Fiscal Year 2015-2016. This budget was prepared as part of the work done by the Vision 2015 Sub-Committee, consisting of Jim Meyers and Kathryn Sáenz Duke, as well as input from Kristen Thorson, District Clerk.

City of Alameda Health Care District

Proposed FY15-16 Budget

	FY 2014-2015	FY 2015-2016	Variance	% Change
District Revenue Sources				
Jaber Property Gross Revenues	166,800	172,112	5,312	
District Property Tax Revenues	5,780,000	5,830,966	50,966	
Other				
Interest				
Total Revenues	5,946,800	6,003,078	56,278	
Administrative Expenses				
Salary, Wages and Benefits	49,500	95,000	45,500	
Board Stipend	6,000	3,000	(3,000)	
Education & Conferences	5,000	10,000	5,000	
Dues & Subscriptions	5,000	5,000	-	
Insurance - General, D&O, Property	138,000	60,000	(78,000)	
Accounting	10,000	9,000	(1,000)	
Annual Independent audit	17,500	10,500	(7,000)	
Legal Fees	60,000	36,000	(24,000)	
Office Expenses	4,800	2,500	(2,300)	
District Markenting, Promotions	2,500	2,500	-	
Consultant Fees	25,400	25,400	-	
Lease expense (Equipment & Building)	27,700	24,600	(3,100)	
Utilities, Phones, Maintenance	4,800	2,500	(2,300)	
Jaber Property (Mngt Fees, Repairs & Maintence)	38,997	30,000	(8,997)	
Interest Expense	51,672	49,075	(2,597)	
Other Misc Operating Expenses	3,600	2,500	(1,100)	
Food/Meals	2,250	1,650	(600)	
Election Year Expenses	120,000	-	(120,000)	
Total Administrative Expenses	572,719	369,225	(203,494)	
Capital Outlay				
Principal on Note	25,808	28,405	2,597	
Leasehold Improvements, Furnishings	15,000	2,500	(12,500)	
Sum of Total Uses	613,527	400,130	(213,397)	
Total Revenue Sources	5,946,800	6,003,078	56,278	
Minus Total District Uses	613,527	400,130	(213,397)	-35%
Balance to Transfer to Alameda Health System	5,333,273	5,602,947	269,675	

Prepared by Jim Meyers (Treasurer) and Kristen Thorson (Clerk) as of 5/31/2015

City of Alameda Health Care District
Proposed FY15-16 Budget

Administrative Expense Detail Support

	FY 2014 - 15	Comments & Assumptions Description
District Revenue Sources		
Jaber Property Gross Revenues	172,112	Annualized income from FY 2014-2015
District Property Tax Revenues	5,830,966	Assumes FY 2014-2015 parcel tax revenue
Expense		
Salary, Wages and Benefits	95,000	Executive Director (.5 FTE) includes benefits and HR Services. District Clerk (1 FTE) provided by AHS per JPA.
Board Stipend	3,000	Assumes $100/meeting/Board member at 6 meetings/year. Note that there are 5 scheduled meetings per 4/13/15 approved Board calendar. Allows for 1 special meeting.
Education & Conferences	10,000	Annual continuing education for Clerk and Directors
Dues & Subscriptions	5,000	TBD if board wants to belong to a particular organizatrion and/or other subscriptions
Insurance - General, D&O, Property, Excess	60,000	Per quotes for all insurance coverages to be retained by District
Accounting	9,000	Financial consulting and financial reporting thorugh KHJC & Partners, Inc.
Annual Independent audit	10,500	FYE June 30, 2015 JWT & Associates, LLP for annual District audit (NTE)
Legal Fees	36,000	Legal services of Thomas L. Driscoll, General Counsel
Office Expenses	2,500	Supplies, printing, minor office equipment
District Markenting, Promotions	2,500	TBD by District Board
Consultant Fees	25,400	IT for property tax role preparation, Hewitt Jones Fitch (Tax Returns on Related enitity), videography service and other as may be needed. support for district operations not provided by Clerk or other contracts
Lease expense (Equipment & Building)	24,600	District Office Building - 888 Willow ($2050/month)
Utilities, Phones, Maintenance	2,500	Internet/Phone ($100/month), Electric ($50/month), Misc Maintenance as needed
Jaber Property (Mngt Fees, Repairs & Maintence)	30,000	All Expenses associated with management and maintenance of Jaber properties (from HBR Statements)
Interest Expense	49,075	Interest on Loan with Bank of Marin.
Other Misc Operating Expenses	2,500	Other misc items TBD
Food/Meals	1,650	Board meeting dinners (~$275/meeting)
Election Year Expenses	-	No election in FY2015-2016
Total Administrative Expenses	369,225	
Capital Outlay		
Principal on Note	28,405	Monthly loan payment
Leasehold Improvements, Furnishings	2,500	
Total	400,130	

Prepared by Jim Meyers (Treasurer) and Kristen Thorson (Clerk) as of 5/31/2015

DATE: June 1, 2015

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Recommendation to Move Funds from City of Alameda Health Care Corporation and CW&S Investment Company

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RECOMMENDATION:

It is recommended that the District Board authorize the District Clerk to move funds from City of Alameda Health Care Corporation and CW&S Investment Company to a Certificate of Deposit or business money market savings account.

BACKGROUND:

The District currently has a Certificate of Deposit with the Bank of Marin with a current balance of $11,158.45. This money is from the 501(c)3 that operated Alameda Hospital prior to the District in 2002. Currently the CD will mature in 2017 and earns 0.145% interest. The Bank of Marin has advised that there is a minimal penalty of approximately $1.50 to take the money out of the CD prior to the maturity date.

CW&S Investment Company LLC was officially dissolved in late calendar year 2014. The money in the CW&S checking account is money from rent paid to CW&S from the 501(c)3, Alameda Hospital and the District. Since the company no longer exists, the account needs to be closed and funds need to be moved to an alternate account.

	Balance as of May 24, 2015
Health Care Corporation CD	$18,984.68
CW&S Investment Company LLC	$11,158.45
Total	$30,143.13

Option 1 – Certificate o f Deposit

Convert the existing CD to a 5 year CD and add the funds from CW&S. A 5 year CD has an Annual Percentage Yield (APY) of 0.70% on a balance of $10,000 - $50,000). There would be a penalty of 3 months interest (approximately $52.50). The District would not be able to access the funds during the term of the CD but could take it out at any time with penalty of 3 months interest. There is an option for partial withdrawal and the penalty would be 3 months on the balance withdrawn. If interest rates go up at any time during the 5 years, we can always pull it out and pay the minimal penalty.

For comparison, APY on a 1, 2 or 3 year CD is 0.10%, 0.15% and 0.35% respectively.

Option #2 – Business Money Market Savings Account

Terminate existing CD and use the funds along with the funds of CW&S to open a business money market savings account that earns APY 0.05% on balances from $25,000-$50,000. Money would be accessible if the District decided to use it for something.

ALAMEDA HEALTH SYSTEM

1411 East 31st Street
Oakland, CA 94602

MEMORANDUM

TO: AHD Board
DATE: May 28, 2015
SUBJECT: March 2015 Financial Report

While AHS is reporting a slight profit in March of $320,000, along with improving trends in revenue cycle and expense control, it is important to recognize that much of the strong revenue in March is actually a catch up from prior months. Our investment in a Revenue Integrity Department is showing dividends in terms of charge capture, but we have a long way to go and March may not be representative of a normal month. Nevertheless, this demonstrates that AHS can operate profitably and we are going in the right direction.

Patient volumes are still below budget and much of the improvement in patient days is due to an increase in ALOS as opposed to discharges. Also, we are beginning to true up our receipts from Measure A and have booked an additional $835,000 during March and this will continue through June.

Finally, we are still completing end of quarter procedures and, in particular, looking very closely at our Accounts Receivable valuation. We are seeing an overall improvement in the aging, which is improving our valuation and resulting in improved financial performance. Also, note that we determined that another $750,000 unfavorable adjustment needed to be taken on the San Leandro A/R valuation this month.

Overall patient activity was lower than budget for the month with Adjusted Patient Days below budget by 1.4%. This represents an improvement over the prior YTD and, anecdotally, we have heard that volumes are up across the Bay Area this year. Gross patient revenue was 4.7% favorable to budget for the month. Inpatient charges were over budget by 0.9% for the month and 1.6% under YTD. Outpatient charges were over budget 14.0% and professional fee charges were also over budget 0.8%. Highland ED, Highland Surgery and John George Psych ED all had significant prior month charge capture activity.

The collection ratio for March was 20.6% compared to the budget of 22.9%, and the YTD collection ratio is 20.9%. As a reminder, the budgeted collection ratio was optimistic and the ratio is improved from the prior year. Net Operating Revenue of $71.4 million was $3.0M -- 4.0% lower than budget for March -- with YTD $41.1million (6.3%) under budget for the YTD.

System patient days were below budget by 247 (1.4%). YTD patient days are 6,606 (4.2%) below budget. System outpatient activity (including ED) ran 11.4% higher than budget for both the month and 1.4% higher for YTD.

Total operating expenses of $71.0 million were 3.3% favorable compared to budget for the month and $13.3 million, or 2.1% favorable YTD. Expenses per adjusted discharge (a key industry metric) are over budget by (2.5%) YTD, and Salaries and Benefits as a Percent of Net Revenues are at 69.6% YTD, well over the budget of 65.7%.

	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Acute & SNF discharges	1,684	1,822	(138)	-7.6%	15,086	16,097	(1,011)	-6.3%
Acute & SNF patient days	17,379	17,626	(247)	-1.4%	148,895	155,501	(6,606)	-4.2%
ALOS	10.32	9.67	0.65	6.7%	9.87	9.66	0.21	2.2%
ADC	561	569	(8)	-1.4%	543	568	(25)	-4.4%
Adjusted patient days	27,076	26,331	745	2.8%	225,715	231,271	(5,556)	-2.4%
Adjusted discharges	2,624	2,722	(98)	-3.6%	22,869	23,940	(1,071)	-4.5%
Net operating revenue per adj discharge	$ 27,192	$ 27,300	$ (108)	-0.4%	$ 26,906	$ 27,419	$ (513)	-1.9%
Expense per adj discharge	$ 27,060	$ 26,978	$ (82)	-0.3%	$ 27,678	$ 26,997	$ (681)	-2.5%
Oper income per adj discharge	$ 132	$ 323	$ (190)	59.0%	$ (772)	$ 422	$ (1,194)	-282.9%
Paid Full time equivalents	3,809	4,083	274	6.7%	3,853	4,076	223	5.5%
Paid FTE's per adjusted occupied bed	4.36	4.81	0.45	9.4%	4.68	4.83	0.15	3.1%
Salaries, benefits & registry % of net reve	67.8%	66.2%	-1.6%		69.6%	65.7%	-3.9%	

Business Unit Performance

Reviewing our Business Unit performance for March, AHS Core (Highland, Fairmont, John George, and Ambulatory) reported an operating income for the month of $3,215,000 compared to the budget of $965,000; San Leandro reported an operating loss of ($2,126,000) compared to a budgeted loss of $440,000 due to the A/R valuation adjustment (we estimate the actual loss at approximately $1 million for the month); and Alameda Hospital reported an operating loss of $742,000 compared to a budgeted income of $353,000.

Income Summary	Current Month				Year-To-Date			
	Revenue	Expense	Income	%	Revenue	Expense	Income	%
AHS (Core)	$ 59,905	$ 56,690	$ 3,215	5.4%	510,003	511,996	(1,993)	-0.4%
San Leandro Hospital	4,024	6,150	(2,126)	-52.8%	42,473	54,938	(12,465)	-29.3%
Alameda Hospital	7,424	8,166	(742)	-10.0%	62,838	66,040	(3,202)	-5.1%
AHS Total	**$ 71,353**	**$ 71,006**	**$ 347**	**0.5%**	**$ 615,314**	**$ 632,974**	**$ (17,660)**	**-2.9%**

Management continues to work on the implementation of the EPSi/DSS interface, which will provide us with cost accounting/decision support capability and will allow us to report on the profitability of individual business units with the AHS Core, as well as by service line and payer. This is a key capability that AHS must have in order to understand it operations and performance within the market.

Alameda Hospital

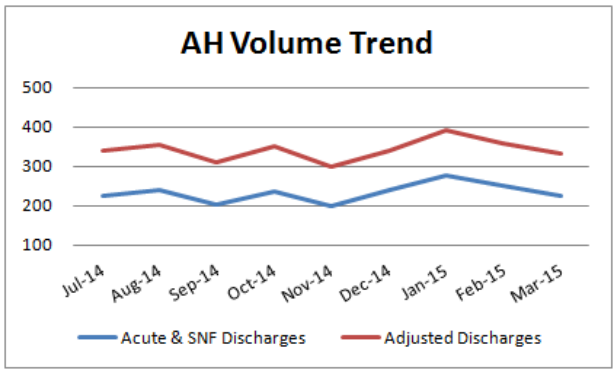
Alameda Hospital is reporting an operating loss of $715,000 for the month and $2.5 million YTD. Net Patient Revenue remains strong, but there were adjustments to expenses as part of our quarterly review. AH is on a currently on a run rate of $3 million annual loss. Recent analysis of our contracting strategy has indicated a potential improvement of approximately $6 million annually.

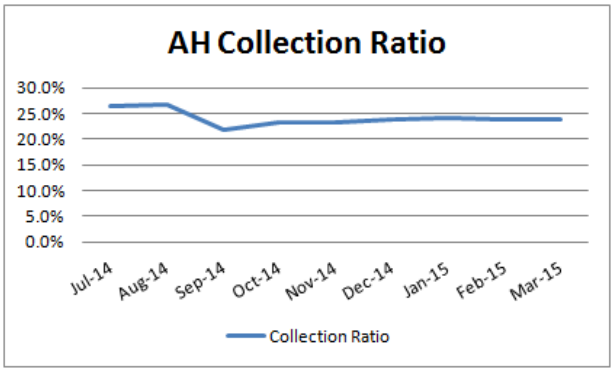
	Month-To-Date				Year-To-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Inpatient service revenue	$ 19,646	$ 18,625	$ 1,021	5.5%	$ 165,708	$ 162,993	$ 2,715	1.7%
Outpatient service revenue	9,607	9,557	50	0.5%	78,090	81,803	(3,713)	-4.5%
Professional service revenue	133	-	133	0.0%	574	-	574	0.0%
Gross patient service revenue	**29,386**	**28,182**	**1,204**	**4.3%**	**244,372**	**244,797**	**(425)**	**-0.2%**
Deductions from revenues	(22,357)	(21,301)	(1,056)	-5.0%	(185,522)	(185,024)	(498)	-0.3%
Net patient service revenue	**7,029**	**6,881**	**148**	**2.2%**	**58,850**	**59,772**	**(922)**	**-1.5%**
Measure A, Parcel Tax, Other Support	297	482	(185)	-38.4%	3,214	4,338	(1,124)	-25.9%
Supplemental Programs	-	373	(373)	-100.0%	570	3,355	(2,785)	-83.0%
Other Operating Revenue	98	37	61	164.9%	204	337	(133)	-39.5%
Incentives	-	87	(87)	-100.0%	-	780	(780)	-100.0%
Net operating revenue	**7,424**	**7,860**	**(436)**	**-5.5%**	**62,838**	**68,583**	**(5,745)**	**-8.4%**
Salaries and wages	3,532	3,792	260	6.9%	31,416	33,491	2,075	6.2%
Employee benefits	1,973	1,133	(840)	-74.1%	11,544	10,193	(1,351)	-13.3%
Registry	222	162	(60)	-37.0%	1,475	1,427	(48)	-3.4%
Contracted physician services	337	249	(88)	-35.3%	3,122	2,239	(883)	-39.4%
Purchased services	1,080	690	(390)	-56.5%	5,420	5,648	228	4.0%
Pharmaceuticals	143	243	100	41.2%	1,695	2,183	488	22.3%
Medical Supplies	371	326	(45)	-13.8%	4,103	2,896	(1,207)	-41.7%
Materials and supplies	182	255	73	28.6%	1,622	2,305	683	29.6%
Outside medical services	-	-	0	0.0%	-	-	0	0.0%
General & administrative expenses	199	182	(17)	-9.3%	1,283	1,633	350	21.4%
Repairs/maintenance/utilities	(40)	147	187	127.2%	1,381	1,321	(60)	-4.5%
Building/equipment leases & rentals	76	232	156	67.2%	2,152	2,089	(63)	-3.0%
Depreciation	91	96	5	5.2%	819	862	43	5.0%
Total operating expense	**8,166**	**7,507**	**(659)**	**-8.8%**	**66,032**	**66,287**	**255**	**0.4%**
Operating Income	**(742)**	**353**	**($1,095)**	**-310.2%**	**(3,194)**	**2,296**	**($5,490)**	**-239.1%**
Interest income	-	1	(1)	-100.0%	-	12	(12)	-100.0%
Interest expense	-	-	0	0.0%	7	-	(7)	0.0%
Other Non-operating income(expense)	27	28	1	3.6%	248	252	4	1.4%
Income	**$ (715)**	**$ 382**	**$ (1,097)**	**-287.2%**	**$ (2,939)**	**$ 2,559**	**$ (5,498)**	**-214.8%**

While operating expenses were over budget by $659,000 and were impacted by the recognition expenses related to purchased services for the prior four months (no invoices for a new vendor), they would have been under budget excluding the need to adjust the pension plan liability by $860,000 based on the latest report that came available. Year-to-date registry has been utilized more than anticipated in relation to salaried personnel.

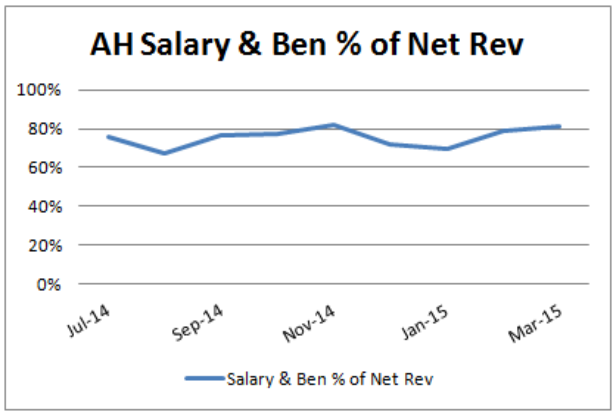
Operating Margin	-10.0%	4.5%			-5.1%	3.3%		
EBIDA Margin	-8.4%	6.1%			-3.4%	5.0%		
Collection %	23.9%	24.4%			24.1%	24.4%		
Acute & SNF discharges	224	270	(46)	-17.0%	2,093	2,417	(324)	-13.4%
Acute & SNF patient days	6,182	6,065	117	1.9%	54,232	53,610	622	1.2%
ALOS	27.60	22.46	5.14	22.9%	25.91	22.18	3.73	16.8%
ADC	199	196	3	1.5%	198	196	2	1.0%
Adjusted patient days	9,205	9,177	28	0.3%	79,789	80,516	(727)	-0.9%
Adjusted discharges	334	409	(75)	-18.3%	3,079	3,630	(551)	-15.2%
Net operating revenue per adj discharg	$ 22,228	$ 19,218	$ 3,010	15.7%	$ 20,409	$ 18,895	$ 1,514	8.0%
Expense per adj discharge	$ 24,449	$ 18,355	$ (6,094)	-33.2%	$ 21,446	$ 18,263	$ (3,183)	-17.4%
Oper income per adj discharge	$ (2,221)	$ 863	$ (3,084)	-357.4%	$ (1,037)	$ 632	$ (1,669)	-264.1%
Paid Full time equivalents	522	569	47	8.3%	535	570	35	6.1%
Paid FTE's per adjusted occupied bed	1.76	1.92	0.16	8.3%	1.84	1.94	0.10	5.2%
Salaries, benefits & registry % of net re	77.1%	64.7%	-12.4%		70.7%	65.8%	-4.9%	

Patient days were 117 or 1.9% favorable compared to budget for the month and 1.2% favorable YTD. This volume along with improved patient charge capture attributed to a 4.3% favorable performance to budget in Gross Patient Revenue. The collection ratio has remained stable for the last few months, YTD at 24.1% running slightly below the budgeted 24.4%.





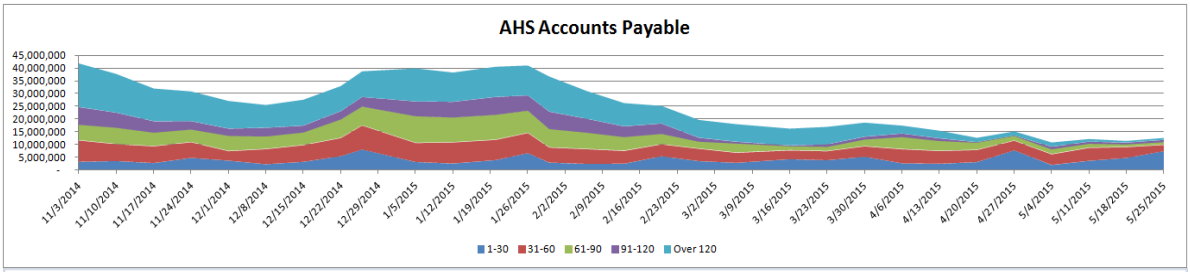
Salary YTD is trending slightly below budget, but still reaching a high of 82% of net revenue in November and 77% in March.



County Relationship/Credit Agreement

AHS is able to report that the Interim Agreement has been extended through December 31, 2015. We are projected to remain below the Net Negative Balance (NNB) Limit of $195 million through December 2015 and are currently projecting to end the fiscal year on June 30th at $149 million, below the required $150 million.

We have made excellent progress in reducing Accounts Payable and are now current with our vendors



AP Aging by Location as of 5/25/15

	1-30	31-60	61-90	91-120	Over 120
AHS	6,328,206.45	1,810,896.71	1,070,057.76	706,695.82	474,735.11
AHD	450,659.27	222,375.24	29,356.37	97,373.08	97,128.75
SLH	696,655.87	383,335.73	110,464.01	64,514.35	153,065.71

Revenue Cycle Improvement Program

AHS continues to make progress on the revenue cycle improvement program.

Current revenue cycle activities are focused on continued implementation of improved charge capture through our Revenue Integrity Department, implementation of a formal Denials Management Unit, and implementation of an Authorizations Process. Although staff are making progress in this area – reductions in denials rate in the AHS OR and significant recoveries of denials – there remains significant opportunities for improvement and we need a formal system wide program to achieve best practice.

The other significant opportunity is in AHS' revenue cycle for professional (physician) revenue. Our immediate focus is on charge capture and we are recommending a new system (Ingenious Med) to accomplish this, which will be ICD-10 compliant and will also support improved clinical documentation. The Pro Fee Revenue Cycle department will also be taking operational responsibility for the front-end of our Ambulatory Clinics.

Contracting Strategy

Management has recently completed a review of our existing contracts and determined that the contracts that have been signed actually result in reduced Net Revenue to the organization. This

is because the majority of our activity (well over 80%) from commercial payers enters through our Emergency Departments and Trauma programs. Providing deep discounts on this activity has not been offset by increases in elective referrals. The net loss in revenue has been significant and Management will have to renegotiate or terminate these agreements over the next two to three years.

Fiscal 2016 Budget Status

Management continues to work on the 2016 budget. As of last week, we are pleased to report that we believe that we have achieved our target of a 5% EBIDA Margin, while still preserving the level of Access, Service, and Quality that is expected. Management will be providing a full report on the budget at the Finance Committee in June. It is also important to realize that the Better II initiative will continue, and we will seek to identify additional efficiencies that are not yet built into the budget.

Alameda Hospital Balanced Score Card (FY 2015)

QUALITY INDICATORS	AH BASELINE FY14	YTD FY15	AH CURRENT PERFORMANCE			BENCHMARK/ GOAL	COMPARISON ORGANIZATION
			Jan-15	Feb-15	Mar-15		
I. 30-Day Readmissions (all diagnoses):							
30-Day Readmissions (# of readmits / # of total admissions)	n/a	**4.43%**	5.40%	4.17%	2.78%	15.80%	HSAG/CMS(CA)
II. Medication Errors:							
Acute (# errors / doses dispensed)	0.07%	**0.06%**	0.05%	0.04%	0.05%	0.10%	AH
Acute (# errors / 100 patient days)	1.75**	**1.48**	1.25	0.81	1.33	TBD	TBD
LTC (# errors / 100 patient days)	0.155**	**0.055**	0.000	0.191	0.289	TBD	TBD
III. HAPU (per 1000 patient days):							
Acute	0.29	**0.48**	1.67	0	0	1.27	CALNOC
Long-Term Care (Sub-Acute; SSC; WE)	n/a	**0.30**	0.76	0.21	0.19	2.54	NE
IV. Falls (per 1000 patient days):							
Acute (CCU/TELE/3W/ED)	1.16	**1.06**	1.36	0.78	1.54	2.89	CALNOC
Long-Term Care (Sub-Acute; SSC; WE)	n/a	**1.79**	2.29	2.27	0.96	5.78	MQI
V. Infection Prevention:							
Catheter Associated Urinary Tract Infections (per catheter days)	0%**	0%	0%	0%	DP	0.56%	NHSN
Hand Hygiene (percent compliance)	87%**	91%	90%	97%	91%	90%	TJC
Surgical Site Infections (per inpatient elective orthopedic procedures)	0%	0%	0%	0%	DP	0.00%	NHSN
VI. Core Measures (percent compliance):							
Inpatient Perfect Care (All or None)	90.27%	**93.75%**	94.59%	91.36%	DP	90%	AHS True North
Acute Myocardial Infarction Measure Set Perfect Care	96.88%	**100%**	100%	100%	DP	90%	AHS True North
Heart Failure Measure Set Perfect Care	96.59%	**98.33%**	100%	100%	DP	90%	AHS True North
Pneumonia Measure Set Perfect Care	92.23%	**91.30%**	66.67%	80.00%	DP	90%	AHS True North
Immunizations Measure Set Perfect Care	94.76%	**93.10%**	100%	93.75%	DP	90%	AHS True North
Surgical Care Improve Project Measure Set Perfect Care	94.19%	**93.51%**	83.33%	100%	DP	90%	AHS True North
Stroke Measure Set Perfect Care	81.43%	**95.56%**	100%	88.89%	DP	90%	AHS True North
Tobacco Cessation Measure Set Perfect Care*	n/a	**n/a**	n/a	n/a	DP	90%	TBD
Venous Thromboembolism Measure Set Perfect Care	87.32%	**98.02%**	97.22%	97.22%	DP	90%	AHS True North
OP-5 Median Time from ED Arrival to ECG (min)	27	**24**	11	N/A	DP	10	CMS / TJC
VII. HCAHPS (Top Box Percent):							
Communication with Nurses	69.0	**69.2**	67.8	82.6	DP	82.1	Press Ganey
Communication with Doctors	75.4	**76.4**	79.3	81.9	DP	84.1	Press Ganey
Staff Responsiveness	53.9	**54.4**	51.8	54.8	DP	70.3	Press Ganey
Hospital Environment	49.6	**50.0**	46.7	56.3	DP	70.8	Press Ganey
Pain Management	64.4	**60.1**	46.2	71.4	DP	75.0	Press Ganey
Communication about Medications	50.4	**48.4**	57.1	55.0	DP	67.0	Press Ganey
Discharge Information	79.4	**77.7**	91.7	71.1	DP	88.7	Press Ganey
Care Transitions	42.0	**44.4**	46.4	57.6	DP	56.7	Press Ganey
Rate the Hospital 9 or 10	59.9	**55.7**	46.7	65.2	DP	76.0	Press Ganey
Recommend Hospital	63.1	**60.4**	63.3	66.7	DP	78.6	Press Ganey
VIII. ED Turn-Around-Times (TAT):							
Door ➡ Doctor Time (min)	28	**34**	44	37	36	31	AHS True North
Door ➡ Admit (hrs)	4.1	**4.5**	4.7	4.7	4.4	2.8	AHS True North
IX. Stroke (Mean Times):							
Door ➡ CT for Code Stroke	21	**21**	21	21	19	25	Am St Assoc
Door ➡ Alteplase	51	**57**	69	60	79	60	Am St Assoc

COMMENTS: Some metrics take up to 90 days to be compiled

* Tobacco Core Measures data collection did not start until January 2015

** Data only available from 1/1/2014

DP=Data pending/ NA = Not Available / NC = No Cases / NE = Not Established

Green = Meets or exceeds goal; Yellow = Just below goal; Red = Significantly below goal

Alameda Hospital Balanced Score Card (FY 2015)

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

· Both readmissions and admission are down. Hospitalists have a daily discussion about patient's medical condition and treatment making sure they are stable prior to discharge.

II. Medication Errors:

· **Successes:** Medication Error rates meet and exceed goals.

III. HAPU:

· **Successes:** There have been no HAPUs for acute patients for the past two months.

IV. FALLS:

· All four Acute Patient Falls for March were in the Telemetry Unit. 3 of the 4 were during the night shift. Patients are regularly assessed for Falls Risk.

· LTC patient falls have declined in the last two months.

V. Infection Prevention:

· CAUTI remains at zero. Staff works diligently to avoid use of Foley Catheters.

· We need to stress use of proper Hand Hygiene and PPE to physicians.

VI. Core Measures:

· **Successes:** The overall Perfect Care compliance rate for February is 91.36%, with six measure sets out of eight achieving compliance above the 90% target.

· **Continuing Opportunities for Improvement:** There were 7 Fall-outs. The Stroke measure set is the only underperformer among the sets CMS and TJC are not retiring, so stroke VTE Prophylaxis compliance is a clear opportunity.

VII. HCAHPS:

· **Successes:** The "Rate the Hospital" True North Metric has spiked in February due to a stellar performance in the Communication with Nurses domain, which scored above the goal in February. Overall patient experience is increasing across multiple measures.

· **Continuing Opportunities for Improvements:** The Discharge domain had a significant dip that should be monitored for improvement. Pain Management and Communication About Meds domains are both high drivers for improvement that could benefit from some efforts to reduce variation in scores.

VIII. ECC Turn-Around-Times

· **Continuing Opportunities for Improvement:** Door to doctor times have declined the past two months but still do not meet goals.

· **Continuing Opportunities for Improvement:** Door to Admit times continue to be high and are not meeting goals. Inpatient nursing staffing issues in the inpatient units are causing patients to be boarded in the ED.

IX. Stroke Mean Times:

· The fastest time was 10 min and the longest time was 30 min. The patient with a Door to CT time of 30 minutes arrived by private auto.

· A patient received Alteplase 90 minutes after rapid response was called. This was on a Saturday; Meditech was down. RNs got 50mg Alteplase on pyxis override and another 50 mg from pharmacy.

Northern California Breathmobile® Program

A Safety Net Health & Wellness Program, managed and operated by Prescott-Joseph Center for Community Enhancement, Inc.

QUICK FACTS

Prescott Joseph Center (PJC) brought the first Northern California Breathmobile® program – mobile asthma clinic -- to Alameda County in 2009. Initial funding of the program was received from the Federal Government in the amount of $188,000 under the leadership and advocacy of U.S. Representative Barbara Lee, which paid for the mobile RV and medical outfitting for what is known as the Northern California Breathmobile®. Additionally, the first $50,000 was received by the Port of Oakland through a federal environmental grant, which served as critical seed money to begin fund raising efforts to launch the program. The program is a sustainable, accessible community-wide asthma management program that shifts acute episodic care to regular preventative care in accordance with national standards. Staffed by asthma specialists, the Breathmobile® visits pre-schools and K-12 schools every 4-6 weeks seeing children with asthma. The program provides a full service asthma evaluation, treatment and education for asthma. Every patient leaves with an asthma action plan, medication, or means to obtain medication; all at no charge to the patient.

The program has expanded beyond West Oakland to include schools in the communities West Contra Costa County, particularly North Richmond and San Pablo, Bay View Hunters Point in San Francisco, and school and head start sites in Alameda County, the cities of: Emeryville, Oakland, San Leandro, Berkeley, San Lorenzo and Alameda.

While there is no cure for asthma, the disease can be effectively managed so that asthma patients can lead productive lives. The Breathmobile® is one important solution for addressing childhood asthma. In the first three years of operations a staggering reduction of Emergency Room visits and school absenteeism has been achieved; saving public healthcare dollars and money for schools.

Below is a snapshot of the impact of this community program:

IMPACT: BREATHMOBILE BY THE NUMBERS

Project Goals: 70% Reduction in Patient ER Visits, Hospitalizations and School Absenteeism.

Breathmobile® Outcomes for 2013 – 2014 (All Schools/Sites)

Total Patients Seen	253	
	Before	**After**
▸ **ER Visits**	274	13
▸ **Hospitalizations**	138	0
▸ **911 Calls**	71	3
▸ **School Absenteeism**	541	30
▸ **Estimated Cost Savings**		
– ER Visit (based on $3,500 per visit)	$914,000	
– School Attendance per Student ($35/day)	$17,885	
– Hospital Stay (based on $16,000 per visit)	$2,208,000	
– 911 Calls (based on $7,000 per call)	$476,000	
▸ **Total Cost Savings**	$3,615,885	
Demographics	**# of Patients**	
Ethnicity		
Latino or Hispanic	121	
Black or African American	97	
White	8	
Middle Eastern	4	
Native American	2	
Pacific Islander or Hawaiian	1	

Other	**10**	
Age		
0-5 years old	**50**	
6-12 years old	**181**	
12-18 years old	**32**	

- **The Breathmobile® Care team**, consisting of medical professionals ranging from doctors, nurse practitioners, registered nurses, respiratory therapists, medical assistants, and interns. Currently, we are in partnership with Contra Costa Community College and hope to expand to other Community Colleges (i.e., College of Alameda) in providing paid internships to add an economic development component that serves to benefit local residents. The Care team represents a large portion of the cost of the program, as the team represents experts in asthma and allergy, and work with children. Always on board is a bilingual Spanish/English representative to assist with education and communications with the child and parent/caretaker.
- **Asthma medications** continue to be a huge expense and are a critical component of the treatment provided FREE to our patients. One Albuterol (oral) inhaler can cost $50 each, and controller medication can cost between $180 – 200 each. We are exploring various partnerships and/or options for funding current (non-expired) asthma medications, free of charge for our patients.
- **Program administration** includes critical I.T. support for the confidential, HIPPA compliant/electronic medical records tracking system, internet services, accounting, human resources and payroll administration, license and fees, insurance, and things like workspace utilities (including phones, computers, printers and spirometers) and office supplies as well as important, regular and on-going outreach to parents and school nurses/principals, and funders.
- **Equipment** represents the cost of keeping the Breathmobile®, a 33-foot, Winnebago outfitted with State of the Art medical equipment to create the appropriate environment for seeing patients where they are, at schools, Head Start Centers or Community Centers. This includes fuel costs and routine maintenance. The demand for services exceeds the capacity of the one Breathmobile® and there is a dire need for a second vehicle. Additionally, the current Breathmobile® is nearly 7 years old and we are making plans for increased maintenance cost or the need for a replacement vehicle at some point in time.

Due to changes in the medical environment, PJC is currently reviewing the Breathmobile® Program budget, however below is a high level summary of annual costs for your review:

Item	Amount	Percentage (%) of Program
Medical Care Team (Doctors, NP, RN, RT, MA, Intake/Driver, Interns)	$384,704.00	66%
Asthma Medications (Inhalers, albuterol, controller medication for non-insured patients)	$50,000.00	9%
Program Administration	$143,397.00	25%
Equipment	$4,500.00	0% (0.7)
TOTAL:	**$582,601.00**	**100%**
Patient Costs	$0	Free Program

Disparities: it is known that due to large inequities, there are severe asthma disparities in low income and immigrant people living in the Bay Area. Alameda County has the 3rd highest hospitalization rates of all counties in California. 25% of the children ages 5-17 have asthma in Oakland. 20% of the children in West Oakland have asthma. 24% of children in West Contra Costa County and 16% of children in Bay View Hunter's Point in San Francisco have asthma. Asthma is one of the top 3 reasons for school absenteeism and low academic performance.

In response to these disparities, Prescott-Joseph brought the first Breathmobile® program to Northern California. Although school-based asthma education programs are good in principle, they fail to address major reasons for the disparities. Existing are socio-economic, behavioral and cultural differences which provoke patterns affecting access to and usage of health care, including African American and Latino use of emergency services, versus routine care. African American and Latinos, a large demographic in the Bay Area, are less likely to receive timely follow-up care after ER visits for asthma; this population reflects an under use of asthma maintenance medication; and they are less likely to visit a physician or specialist routinely. Availability of healthcare facilities especially in low income areas, including pharmacies, is a problem and is compounded by a lack of transportation. Low literacy, sub-standard housing and high stress levels from living in a community like West Oakland or other urban areas are more likely. Poor housing is subject to mold, pests and pets, dust mites, toxic cleaning agents -- all known asthma triggers. Low income areas are often located near freeways and people living near freeways have more respiratory diseases including asthma.

Sustainability: Prescott-Joseph Center is developing the program for financial and programmatic sustainability. We look forward to conversations and collaboration with public health, foundations, government and corporate partners to sustain this program as part of a comprehensive network to best serve the community and in particular to provide equitable access to children living with asthma.

About Prescott-Joseph Center for Community Enhancement (PJC)

Prescott-Joseph Center for Community Enhancement, Inc. (Prescott-Joseph) began offering programs in 1995, working to enhance the well-being of children, families and individuals living in West Oakland. Prescott-Joseph now serves three Bay Area counties through a mixture of services including: family support, health and wellness, art and culture, youth development, and collaborations with public and private agencies, nonprofits and schools providing programs that serve to **strengthen the individual, stabilize families, and revitalize the community.** We are based in an 1876 beautiful Victorian and former convent building located in the Prescott neighborhood (affectionately referred to as "Lower Bottom") of West Oakland. In 2009, Prescott-Joseph began **the Northern California Breathmobile® program, a distinctive asthma management program.** Prescott-Joseph manages the Breathmobile®; however its development, operations, and programming are budgeted separately as a stand-alone program. Prescott-Joseph is committed to providing low-income populations with asthma awareness, education, and treatment with more innovation in order to provide preeminent services throughout the Greater Bay Area. **Visit us at:** www.prescottjoseph.org.

Prescott-Joseph's **mission** is three-fold: 1) To promote the individual self-esteem of citizens in the community through education, skill training and cultural programs, thus supporting healthy families and economic self-sufficiency, 2) To promote the on-going renewal of community spirit among West Oakland residents and, 3) To organize and promote community activities that facilitate economic and community development in West Oakland and the Bay Area.

City of Alameda Health Care District

Comparison of FY July 1, 2014 - June 30, 2015 Budget with MTD and YTD Ending March 31, 2015

	July - June Fiscal Year 2015	July - March Fiscal Year 2015	Current Month
District Revenue Sources			
Jaber Property Gross Revenues	166,800	129,437	14,225
District Property Tax Revenues	5,780,000	3,158,612	-
Other		-	-
Interest		-	-
Total Revenues	5,946,800	3,288,049	14,225
Administrative Expenses			
Salary, Wages and Benefits	49,500	-	-
Board Stipend	6,000	1,543	300
Education & Conferences	5,000	-	-
Dues & Subscriptions	5,000	2,262	-
Insurance - General, D&O, Property	138,000	112,818	-
Accounting	10,000	-	-
Annual Independent audit	17,500	10,180	-
General Counsel	60,000	80,015	3,323
Office Expenses	4,800	644	-
District Markenting, Promotions	2,500	281	-
Consultant Fees	25,400	6,436	450
Lease expense (Equipment & Building)	27,700	16,000	-
Utilities, Phones, Maintenance	4,800	1,243	32
Jaber Property	38,997	19,326	1,474
Interest Expense	51,672	47,522	3,945
Other misc Operating Expenses	3,600	1,413	-
Food/Meals	2,250	2,024	244
Election Year Expenses	120,000	71,316	71,316
Total Administrative Expenses	572,719	373,023	81,083
Capital Outlay			
Principal on Note	25,808	23,500	2,512
Leasehold Improvements, Furnishings	15,000	12,506	-
Sum of Total Uses	613,527	409,029	83,595
Total Revenue Sources	**5,946,800**	**3,288,049**	**14,225**
Minus Total District Uses	**613,527**	**409,029**	**83,595**
Balance to Transfer to Alameda Health System	**5,333,273**	**2,879,020**	**(69,370)**

Footnote:

[1] This is a cash budget. Depreciation of $34,720.49/month or $416,646/year will be recorded in the audited Financial Statements

City of Alameda Health Care District

Comparison of FY July 1, 2014 - June 30, 2015 Budget with MTD and YTD Ending April 30, 2015

	July - June Fiscal Year 2015	July - April Fiscal Year 2015	Current Month
District Revenue Sources			
Jaber Property Gross Revenues	166,800	143,662	14,225
District Property Tax Revenues	5,780,000	5,736,083	2,577,471
Other		1,982	1,982
Interest		-	-
Total Revenues	5,946,800	5,881,727	2,593,678
Administrative Expenses			
Salary, Wages and Benefits	49,500	-	-
Board Stipend	6,000	3,343	1,800
Education & Conferences	5,000	-	-
Dues & Subscriptions	5,000	2,262	-
Insurance - General, D&O, Property	138,000	112,818	-
Accounting	10,000	4,500	4,500
Annual Independent audit	17,500	10,180	-
General Counsel	60,000	82,317	2,303
Office Expenses	4,800	644	-
District Markenting, Promotions	2,500	281	-
Consultant Fees	25,400	6,886	450
Lease expense (Equipment & Building)	27,700	18,050	2,050
Utilities, Phones, Maintenance	4,800	1,260	17
Jaber Property	38,997	21,198	1,872
Interest Expense	51,672	51,879	4,357
Other misc Operating Expenses	3,600	1,428	15
Food/Meals	2,250	2,174	150
Election Year Expenses	120,000	71,316	-
Total Administrative Expenses	572,719	390,537	17,514
Capital Outlay			
Principal on Note	25,808	25,600	2,100
Leasehold Improvements, Furnishings	15,000	14,131	1,625
Sum of Total Uses	613,527	430,267	21,238
Total Revenue Sources	**5,946,800**	**5,881,727**	**2,593,678**
Minus Total District Uses	**613,527**	**430,267**	**21,238**
Balance to Transfer to Alameda Health System	**5,333,273**	**5,451,460**	**2,572,440**
Actual funding		**(5,184,163)**	**(2,317,562)**
		267,297	254,879

Footnote:

[1] This is a cash budget. Depreciation of $34,720.49/month or $416,646/year will be recorded in the audited Financial Statements

DATE: June 1, 2015

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

FROM: Kristen Thorson, District Clerk

SUBJECT: Jaber Properties Follow-Up

At the April 13, 2015 District board meeting, an analysis of the Jaber properties including revenues and expenses was presented. As a follow-up to that discussion, I am providing clarification on the Unexplained and Management Fee line item (reference table below and attached spreadsheet) that have been provided to me by Harbor Bay Realty Property Management (HBR). KHJC & Partners, the District's accounting consultants, have reviewed the explanation and are satisfied with the response from HBR.

Line	Item	Notes
19/30	Unexplained	From the analysis there are small variances between the net deposit, revenue and expenses. While there are more credits than debits, I still need to understand the variance. I am working with HBR to identify the source of these variances. I will report the findings out at the next Board meeting.
18/29	Mngt Fee	The management fee is 5% of the total rents collected. There is a variance in the amount in several months and I am working with HBR to understand the variance. I will report out the findings at the next Board meeting.

- Management Fee

  The fee will fluctuate when rents fluctuate – in September of 2014 there were rent increases that went into effect which would also increase the management fee. In the month of September of 2014 there was an error in the posting of management fees and for both properties and the system charged 6%. There will be an adjustment made to this month's management fee and the differences will be deducted from the total charges for May management - $111.00 for 1359 Pearl and $30.00 for 2711 Encinal.

- Unexplained

  There are times that there will be payables at the end of the month that the property does not have a enough funds to cover and any additional funds that are in the account at the time are kept in the account until the following month and are used along with the additional funds that come in during that month to pay the outstanding expense that could not be paid. There are also times that late payments come in on the last day of the month such as laundry income and it sometimes cannot be sent to you until the following month.

City of Alameda Healthcare District
Analysis of Rental Revenue and Expense
FYE 6/30/15

Line		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
	Rents - 1359 Pearl Street													
1	Unit A	1,350	1,250	1,300	1,300	1,300	1,300	1,300	1,300					10,400
2	Unit B	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350					10,800
3	Unit C	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250					10,000
4	Unit D	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000					16,000
5	Unit E	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425					11,400
6	Unit F	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300					10,400
7	Unit G	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250					10,000
8	Unit H	1,300	1,300	1,410	1,300	1,300	1,300	1,300	1,300					10,510
9		11,225	11,125	11,285	11,175	11,175	11,175	11,175	11,175	-	-	-	-	89,510
10	Laundry						1,302							1,302
11		11,225	11,125	11,285	11,175	11,175	12,477	11,175	11,175	-	-	-	-	90,812
12														
13	*Expenses*													
14	Landscaping	250	250	250	250	250	250	250	250					2,000
15	Utilities	1,127	507	203	827	453	255	1,175	325					4,871
16	Cleaning, Inspection, Repairs	364	75	259	946	84	1,006	1,813	770					5,317
17	Other	186												186
18	Mngt Fee	560	555	669	558	558	558	558	558					4,572
19	Unexplained	-	-	520	(340)	67	(457)	(246)						(456)
20	Total Expenses	2,487	1,387	1,900	2,240	1,411	1,611	3,550	1,903	-	-	-	-	16,490
21														
22	Net	8,738	9,738	9,385	8,935	9,764	10,865	7,625	9,272	-	-	-	-	74,322
23														
24	*Rents - 2711 Encinal Avenue*													
25	Unit A	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050					24,400
26														
27	*Expenses*													
28	Other	110	2	-	-	-	-	-	-					112
29	Mngt Fee	153	153	183	153	153	153	153	153					1,251
30	Unexplained	-	1	(1)	-	-	-							-
31	Total Expenses	263	155	183	153	153	153	153	153	-	-	-	-	1,363
32	Net	2,788	2,895	2,868	2,898	2,898	2,898	2,898	2,898	-	-	-	-	23,038
33														
34	*Summary Rents*	14,275	14,175	14,335	14,225	14,225	15,527	14,225	14,225	-	-	-	-	115,212

City of Alameda Healthcare District
Analysis of Rental Revenue and Expense
FYE 6/30/15

				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
35																
36			*Summary Expenses*													
37	9520	26	Mngt Fee	713	708	852	710	710	710	710	710	-	-	-	-	5,822
38	9520	62	Landscaping	250	250	250	250	250	250	250	250	-	-	-	-	2,000
39	9520	62	Cleaning, Inspection, Repairs	364	75	259	946	84	1,006	1,813	770	-	-	-	-	5,317
40	9520	80	Utilities	1,127	507	203	827	453	255	1,175	325	-	-	-	-	4,871
41	9520	84	Other	296	2	-	-	-	-	-	-	-	-	-	-	298
42	9520	84	Unexplained	-	1	519	(340)	67	(457)	(246)	-	-	-	-	-	(456)
43			Total Expenses	2,750	1,542	2,083	2,392	1,564	1,764	3,703	2,055	-	-	-	-	17,852
44																
45			Net Revenues over Expenses	11,525	12,633	12,252	11,833	12,661	13,763	10,522	12,170	-	-	-	-	97,360
46			Actual Deposit	11,525	12,633	12,252	11,833	12,661	13,763	10,522	12,170	-	-	-	-	97,360
47			Variance	-	-	-	-	-	-	-	-	-	-	-	-	-
48																
49			*1359 Pearl Street*													
50			Security Deposits													2,175.00
51			Minimum cash balance													200.00
52																
53			*2711 Encinal Avenue*													
54			Security Deposits													300.00
55			Minimum cash balance													200.00
																2,875.00

City of Alameda Health Care District

Vision 2015

Exploring Options for Our Community-based Health Care District Operations

Outline

- Vision 2015 Charter
- Research Conducted
- Findings from Research
- Recommendations
- Budget
- Proposal for Discussion and Vote

Vision 2015 Charter

To study and report on the direction, purpose and scope of work the Board of Directors should pursue as we adjust to significantly different primary responsibilities and opportunities for our Board activities".

Additional comments appearing in the minutes for the meeting:
[KSD] noted that the Board's "vision" work complements the responsibility to stay informed about and interactive with AHS as it operates the District's health facilities and spends the District tax funds. The Vision 2015 would focus less on oversight of Alameda Health System issues and more on our District's role in assessing and advocating for our community's health and well-being.

Literature Review

- Reviewed Background/Language in:
  - Original Local Agency Formation Commission Resolution
  - Measure A
  - JPA
  - Jaber Property Agreements/Legal Documents
  - Local Healthcare District law
  - City of Alameda Health Care District Bylaws
  - CA LAO and CHCF Reports on CA Heath Care Districts
  - Confidential Memo from Mr. Driscoll

Contacts Made

- Ken Cohen, CEO, Cal Assoc of HCDs
- Ramona Faith, CEO, Petaluma HCD
- Lee Michelson, CEO, Sequoia HCD
- Misa Lennox, CA Assembly Local Government Committee
- Scott Herbstman, CA Assembly Committee on Accountability & Administrative Review
- Joseph Flesh, President, Purple Binder
- Colin Coffey, Attorney, Archer Norris

(and many, many others, in informal conversations with HCD board members and CEOs attending ACHD mtg.)

Findings from Research

LAFCO Resolution*

- Ordered the Establishment of Health Care District – purpose to ensure local access to emergency, acute care and other healthcare services for residents and visitors to the district.
- Authorized levy of Special Tax (Parcel Tax)
- Subject to Local Health Care District Law

*Subject to voter approval

Alameda County's LAFCO Resolution, Jan 10, 2002

Measure A

Subject to voter approval,

- Formation of the Health Care District
- Authorize parcel Tax

The revenues generated by the special tax will be used only for the specific purposes of repaying outstanding hospital indebtedness and defraying ongoing hospital general operating and capital improvement expenses.

JPA

Affiliation Recital:

- District is seeking ways to operate Alameda Hospital within budgetary constraints while continuing to deliver comprehensive, high quality acute medical care, emergency services, health and wellness services, and community health benefits responsive to the diverse needs of the community. (Recitals)

JPA

- District will continue to operate to assure the health care needs of the community are met.
- District shall be permitted to withhold and retain from the Parcel Tax Revenue an amount equal to the reasonable out-of-pocket costs and expenses actually incurred by District for its statutorily required operations.
- In no event shall the amounts withheld and retained by District…exceed what is reasonably required for such District expenses during ant fiscal year without the prior written approval of AHS.

JPA

- AHS shall make available on a regular and mutually agreeable basis meeting rooms **and support personnel** (including, without limitation, an individual to serve as "Clerk of the District") required for the conduct of District business. (4.1. (g) – bold added)

Jaber Properties

- Jaber Legal Documents/Bequest limits the use of funds to Alameda Hospital use (example: Capital Equipment)

Local Health Care District Law

CALIFORNIA HEALTH AND SAFETY CODE Section 32121 provides that each local district **shall have and may exercise** the following specific programmatic powers:

- "(j) To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities **and activities at any location within or without the district for the benefit of the district and the people served by the district.**

CA Local Health Care District Law Section 32000

Local Health Care District Law

Authority granted to health care districts under current law includes, but is not limited to:

- Operating health care facilities such as hospitals, clinics, skilled nursing facilities (SNF), adult day health centers, nurses' training school, and child care facilities.
- Operating ambulance services within and outside of the district.
- Operating programs that provide chemical dependency services, health education, wellness and prevention, rehabilitation, and aftercare.
- Carrying out activities through corporations, joint ventures, or partnerships.
- Establishing or participating in managed care.
- Contracting with and making grants to provider groups and clinics in the community.
- **Other activities that are necessary for the maintenance of good physical and mental health in communities served by the district.**

LAO Report – Overview of HealthCare Districts , April 11, 2012CC

Local Health Care District Law

Language Related To Duties of a Health Care District:

- a district that transfers assets to another corporation shall act as an advocate for the community to the operating corporation.
- shall report annually to the community on the progress made in meeting the community health needs.
- shall act in the best interest of the public health of the communities served by the district.

from CA Health and Safety Code: Local Health Care District Law (Div 23), Section 32000-32003

City of Alameda Health Care District Bylaws

The board of directors shall have control of and be responsible for management of all operations and affairs of this district and facilities according to the best interest of public health.

- support maintenance and operations of hospital
- support necessary medical services ancillary to the effective functioning of the hospital
- **do any and all other acts and things necessary to carry out the provisions of these bylaws and the local health care district law.**

from City of Alameda Health Care District Bylaws

CA LAO, CHCF, ACHD Publications on CA Heath Care Districts

- 78 California Districts [1]
- 27 do not operate a hospital [2]
- 40 Counties Represented [1]
- 400 Elected District Trustees [1]
- 32,000 District Employees [1]

1 *from CA Health and Safety Code: Local Health Care District Law (Div 23), Section 32000-32003*

2 *from CA LAO – HC Districts Bkgd memo – 4.11.12*

Community-based Health Care District Commonalities

Currently, health care districts are legally authorized (Health and Safety Code Section 32121) to do just about anything that promotes good health within or without the district for the benefit of the people served by the district.

from CA LAO – HC Districts Bkgd memo – 4.11.12

Community-based Health Care District Commonalities

- Leaders for Community Coalitions
  - Community Stakeholder Meetings
  - Health and Wellness Orientation
  - Identification of Gaps, Action Planning, Tracking
  - Annual Reporting to the Public

- Many Offer Direct Services
  - Grants Programs
  - Adult Day Care
  - Chronic Disease Management
  - School Health
  - Healthcare Transportation

Community-based Health Care District Commonalities

- Staff
  - Executive Director
  - Administrative Assistance
  - Clerk
  - Others as needed for Services Offered
- Website
- Resources
  - Payments for Use of Hospital
  - Property Taxes or Parcel Tax
  - Revenue from Services Offered
  - Grants

Petaluma Health Care District Named Best in California

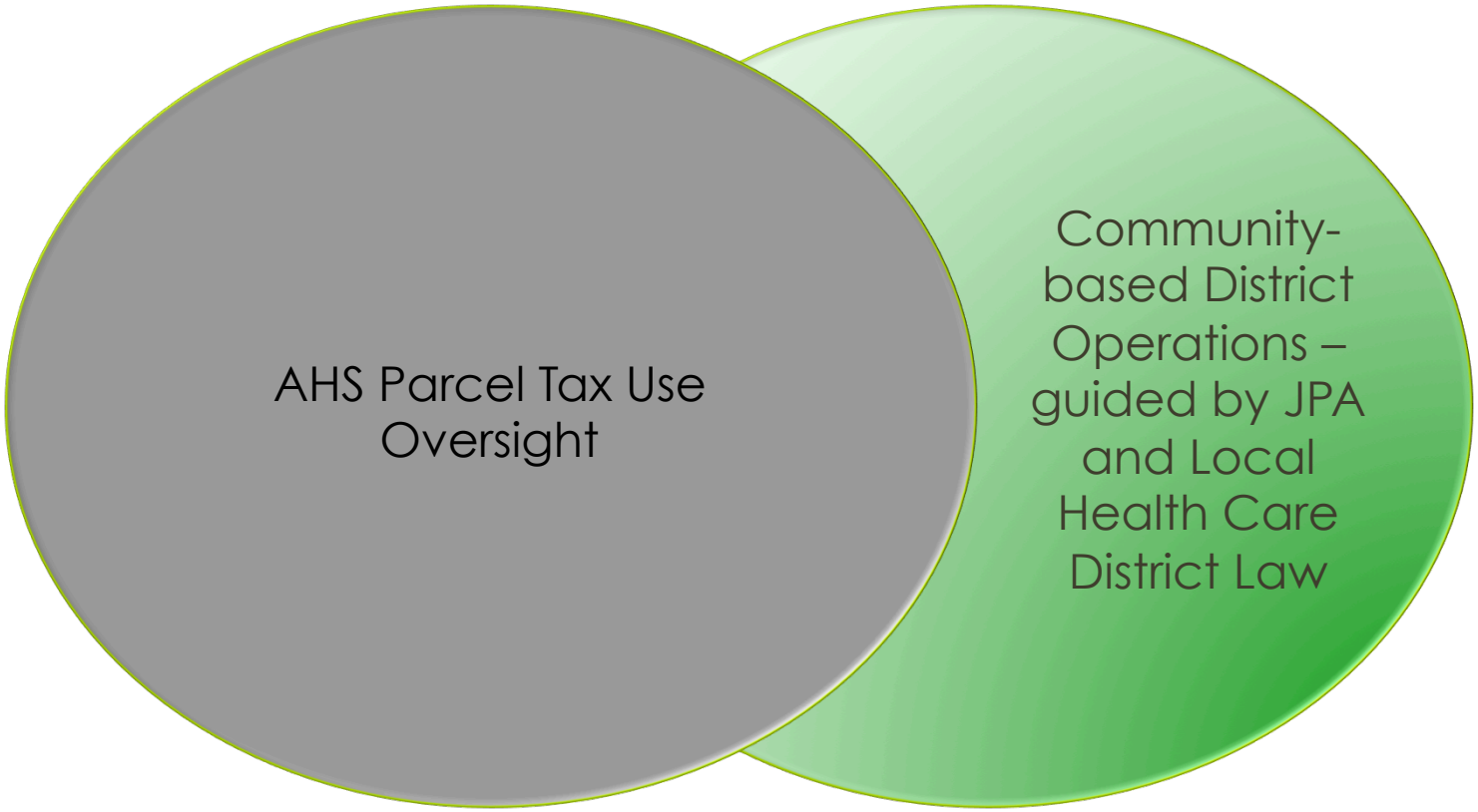
Wednesday, May 27, 2015

The Association of California Healthcare Districts has named Petaluma Health Care

"It's an understatement to say that we were impressed with PHCD's initiatives, programs and accomplishments," adding, "**Its pioneering philosophy and work to address underlying public health issues, such as access to early childhood education programs, mental and behavioral health services, access to fresh, healthy, local food and CPR training for all ages should be models for all other districts**."

Findings

Dual Responsibilities



AHS Parcel Tax Use Oversight

- Retain title to the real property and leaseholds
- One seat on the AHS Board
- Review and analyze quarterly reports from AHS for first 3 years, and annually thereafter
- Oversee AHS investment in capital for mandated seismic retrofits, electronic health records and community dollar for dollar spending

District Operations – guided by JPA and Local Health Care District Law - What We Can Do

- Convene health-related agencies, health and social service organizations, and businesses
- Help coordinate efforts of those groups, to reduce overlap and identify gaps
- Work with County's health dept. to assess community health needs & identify groups needing special attention
- Lead efforts to close health gaps, reduce health threats, and improve community health in our District
- Report annually to the District

District Operations – guided by JPA and Local Health Care District Law - How We Can Do It

- Create and maintain a user-friendly, informative website
- Develop ongoing relationships with health-related groups in our District
- Build an Understanding of the Key Health Issues
- Co-convene meetings on specific health-related topics with some of these groups
- Work closely with Alameda County, AHS, and others outside our District borders

District Operations – guided by JPA and Local Health Care District Law - Topics of Possible Priority

- Emergency preparedness
- Medical and behavioral health
- Children, seniors, low-income people
- Living environment and health

Budget

Based on language found in Measure A and the JPA

Option 1:

- District Budget to fund an Executive Director at .5 FTE under:
  - reasonable District operating expenses language (JPA 2.2)
  - hospital general operating expenses language (Measure A)

- AHS to fully fund the District Clerk at 1.0 FTE

Option 2:

- AHS to fund an Executive Director at .5 FTE under:
  - AHS shall make available support personnel required for conduct of District business (JPA 4.1.g)

- AHS to fully fund the District Clerk at 1.0 FTE (JPA 4.1.g)

DATE: May 26, 2015

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

FROM: Kathryn Sáenz Duke, Secretary

SUBJECT: Petaluma Health Care District Overview

Phone conversation of Jim Meyers and Kathryn Sáenz Duke with Ramona Faith, CEO of Petaluma HCD- March 25, 2015

Background: Petaluma Health Care District serves 85,000 residents of southern Sonoma County, including Petaluma, Cotati, some of Rohnert Park.

The District was formed in 1946, and Hillcrest Hospital opened in the hills of West Petaluma in 1957. In 1980, Petaluma Valley Hospital was built in Eastern Petaluma. Today, **the District owns Petaluma Valley Hospital**. In 1997, **it leased its operations to St. Joseph Health for 20 years**.

The District's website states its vision for:

- A healthier community
- A thriving hospital
- Local access to comprehensive health and wellness services for all

Summary of Interview

- One of goal of community-based HCDs is to educate the community on our value.
- Although we don't operate a hospital, there is close communication between us and St Joseph. They come to our District's monthly board meetings, and I regularly attend their monthly meetings. The HCD has the right to be asking questions about the hospital's quality of care.

Finances. **Our annual budget is about $3 million.** We tend to break even, or lose a bit of money annually. When we leased our hospital to St. Joe's in 1997, we received a lump sum payment of approx. $16-$17 million. We now have about $12 million left, so we've done OK. We get about $1million/yr from Lifeline, plus we have rental property.

Staffing. **We have a staff of 14 people**. These include: CEO (Ms. Faith), a controller, a clerk, two people in finance, six employees who run Lifeline.
We also use two attorneys. One mainly on conflict of interest, but also helping us have "due diligence" re renewing the hospital lease in 2017. "I do HR, and sometimes need to run something by another, HR attorney."

Determining community need**. Our county does a needs assessment**. Districts can use an assessment done by others. The Sonoma County Board of Supervisors has convened a council (now called "Health Action") to improve health and health care for all County residents.

Sonoma County's Health Action 2020 Vision is posted online:
www.sonomahealthaction.org/resources/pdf/actionplan.pdf

> "Although everything the county identifies doesn't necessarily make sense for Petaluma HCD, we are now a Health Action chapter."
>
> The **Community Health Initiative of the Petaluma Area** (CHIPA) is both an Advisory Committee of the Petaluma Health Care District (PHCD) Board of Directors and a local chapter of the countywide Health Action. Current CHIPA members include: business leaders, local non-profits and service providers, schools, early childhood educators, Sonoma County employees, health care providers, police, city officials, farmers and community residents. ***http://acpetaluma.com/chipa.php***

Based on the community assessments, PHCD's three priority areas are:

- Education, especially early education
- Mental health/behavioral health.
- Health & wellness.

General comments. "People confuse us with the hospital. I really see us as a district. Within our district is a hospital, a Kaiser clinic, a Federally Qualified Health Center, and lots of service providers. **As a district, we don't care who does what to meet community health needs, but we want to make sure someone's doing it**."

Association of California Healthcare Districts Names Petaluma "Healthcare District of the Year"

Governing Association Touts PHCD's Inspiring Community Health Initiatives in Bestowing Prestigious Award

PETALUMA, Calif., May 13, 2015 – Petaluma Health Care District (PHCD) is proud to announce that it has been honored as California's Healthcare District of the Year by the Association of California Healthcare Districts (ACHD). PHCD Board President Elece Hempel, Treasurer Josephine Thornton and CEO Ramona Faith attended ACHD's 63rd annual conference in Monterey where they were presented with the award at a special dinner and ceremony on May 7. The award, given to just one out of 78 districts, seeks to recognize a District that has implemented programs and/or services that have yielded direct and measurable benefits on the health and well-being of its residents.

For more than 65 years serving Southern Sonoma County, PHCD has worked to develop and support health and wellness services, programs and initiatives that uniquely benefit its residents. In particular, through the Healthcare District of the Year award, ACHD touted PHCD's model of convening unconventional partners across all sectors to take action and improve local health issues, and highlighted two of PHCD's community initiatives, Community Health Initiative of the Petaluma Area (CHIPA) and HeartSafe Community (HSC). CHIPA is an Advisory Committee of PHCD's Board of Directors that seeks to identify root-level health issues and takes action to engage in policy, system and environmental change to improve local health. HSC is an initiative led by PHCD to strengthen the community's response to cardiac emergencies through CPR/AED training, strategic AED installation, maintenance and registration, and heart health education.

"We look forward to this awards program each year as it gives us an opportunity to hear about the unique and encouraging work that California's Healthcare Districts are doing in their communities," said David McGhee, CEO of AHCD. "It's an understatement to say that we were impressed with PHCD's initiatives, programs and accomplishments. Its pioneering philosophy and work to address underlying public health issues, such as access to early childhood education programs, mental and behavioral health services, access to fresh, healthy, local food, and CPR training for all ages should be models for all other districts."

"We are humbled and incredibly grateful to ACHD for this special recognition," said PHCD CEO Ramona Faith. "It is our belief that good health is a state of complete physical, mental and societal well-being and not merely the absence of disease, and we are motivated more than ever to continue working towards this in collaboration with our partners at the local, county and state level."

In addition to being honored with the prestigious Healthcare District of the Year award, PHCD is celebrating several other accomplishments in May that have allowed it to promote and educate residents on the District's role in the community and how to access its services and programs. Also at ACHD's conference, PHCD received the designation of "Certified Healthcare District," requiring demonstration of, among other things, compliance with best practices in governance and public agency reporting, as defined by ACHD.

On May 4, the Petaluma City Council officially declared May 2015 as "Health Care District Month" in recognition of the essential role PHCD plays in Southern Sonoma County and acknowledging the importance of educating the community on its work, programs and services. PHCD has also formally launched its new website, www.phcd.org, and released its 2014 Annual Report, providing easy-to-access information and resources.

About Association of California Healthcare Districts
The Association of California Healthcare Districts (ACHD) serves the diverse needs of California Healthcare Districts through advocacy and education. California's 78 Healthcare Districts can be found throughout the State, in both urban and rural settings and offering a variety of services including community grant making, chronic disease management education, senior services, ambulance services, primary care clinics, dental clinics, nutritional counseling, physical education, long term care/skilled nursing, senior housing and acute hospital care. For more information, please visit www.achd.org.

About Petaluma Health Care District
The Petaluma Health Care District (PHCD) is dedicated to improving the health and well-being of the Southern Sonoma County community through leadership, advocacy, support, partnerships and education. Its vision is to foster a healthier community, a thriving hospital and local access to comprehensive health and wellness services. PHCD has served the health and wellness needs of the community for more than 65 years and is a public agency managed by the community for the community. For more information, please visit www.phcd.org.

# # #

DATE: May 23, 2015

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

FROM: Kathryn Sáenz Duke, Secretary

SUBJECT: Report from 2015 Assoc. of Cal. Healthcare Districts Annual Conference

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- Attendance: About 120, mostly HCD ED's plus some/most of their board members.
- Theme: *Creating the Health Care District of the Future*.
- Talks focused on two main topics:
    - (1) using information technology, e.g.,
        - telemedicine,
        - community outreach/marketing (Google)
        - using Twitter and other social media
        - Purple Binder: creating a custom-designed system to connect individuals with community services and track their use (cf AFD), and
    - (2) proactively working with their community, being transparent, e.g.,
        - reaching out specifically to students (e.g. as interns),
        - seniors (physical fitness, transportation to read to children),
        - children at risk (e.g. swim program)
- HCD of Year Award: Petaluma HCD [*see separate notes and news article excerpts*]

ADDITIONAL themes that recurred throughout the formal presentations and Q&A:

- Major emphasis on positioning ourselves for our HC system **moving rapidly away from inpatient care.**
- HCDs are well positioned to **help their community make this change** toward a focus on population health, and on coordinating (or possibly providing or supporting in some way) health-related services in and for the community.
- Emphasis on HCD building **relationships with the community**, e.g., creating annual reports, creating a robust website, using social media, serving on other boards, actively engaging with other community leaders.
- **Specific engagement** activities, e.g. partnerships with schools, senior centers, nonprofit service organizations, Red Cross.

Overall comments:

- Everyone I spoke with was extremely forthcoming in sharing info on their HCD's successes and challenges.
- If our District is to move toward activities in tune with present and future realities of the financing and health care delivery environment for Alameda Hospital now and in the future, we should plan how to create and support this new role for our Board. This would include a focus on:
    - Understanding our local (Measure A) funding language;
    - Our current and future relationship with AHS **and** AHF regarding our District's funding and activities;
    - Other authority and requirements in state law regarding HCDs, such as Cal. H&S Sec. 32121(m).
- I recommend that we plan to send one or two board members to ACHD's 2016 annual meeting. This would allow more of us to learn directly from others about current health system dynamics, and to bring ideas and information to our District's ongoing activities connected with Alameda Hospital and AHS.

CITY OF ALAMEDA HEALTH CARE DISTRICT

District Board Meeting Schedule
Approved: April 13, 2015

Closed Session: As needed, time to be determined by the District Board
Location: District Office, 888 Willow (Unit B)

Open Session: 6:00 PM
Location: Dal Cielo Conference Room, Alameda Hospital

	Major Approval Items | Key Business Milestones
2015	
June 1, 2015	• Parcel Tax Levy • Mutual Certification and Indemnification Agreement • Insurance Renewals
August 3, 2015	• FY Q4 (Apr-May-Jun) AHS Reporting
October 5, 2015	

2016	
February 1, 2016	• FY Q1 (Jul-Aug-Sep) & FY Q2 (Oct-Nov-Dec) AHS Reporting
April 11, 2016	• Budget Review and Approval
June 6, 2016	• Parcel Tax Levy • Mutual Certification and Indemnification Agreement • Insurance Renewals • FY Q3 (Jan-Feb-Mar) AHS Reporting
August 1, 2016	• Q4 (Apr-May-Jun) AHS Reporting
October 3, 2015	• Review and approval of FYE audit