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PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

REGULAR MEETING AGENDA

Monday, August 3, 2015

6:00 P.M. (OPEN SESSION)

Location:

Open Session	Via Teleconference
Alameda Hospital (Dal Cielo Conference Room) 2070 Clinton Avenue, Alameda, CA 94501	11 Prospect Hill Road Brandford CT, 06405

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 **(6:00 p.m. –Dal Cielo Conference Room)** — J. Michael McCormick

II. Roll Call — Kristen Thorson

III. Regular Agenda

A. Consent Agenda — **ACTION ITEMS**

1) Approval of June 1, 2015 Minutes (Regular) **[to be distributed}**

C. Alameda Health System and Alameda Hospital Update

1) Alameda Health System Board of Trustees Report — Tracy Jensen
NFORMATIONAL

✓ 2) Financial Report — Vanetta Van Cleave, VP Finance
INFORMATIONAL [enclosure] (pages 3-24)

✓ 3) Quality Dashboard Report — Kerin Bashaw, MPH, RN, V.P. of Quality
INFORMATIONAL [enclosure] (pages 25-26)

4) Chief Administrative Officer Report — Bonnie Panlasigui, FACHE CAO
INFORMATIONAL

D. District Updates & Operational Updates

1) President's Report — J. Michael McCormick

✓ a. Report on First Meeting of the Alameda Health Care District Liaison Committee Meeting with Alameda City Council and Appointment of Two Representatives to Committee
ACTION ITEM [enclosure] (page 27)

b. Oral Report
Northern California Breathmobile® Status, Ad Hoc Committee Final Report, New Email System, AHS Letter Regarding District Budget, Update on AHS Proposed Parcel Tax Budget, Other Board Activities
INFORMATIONAL

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2) Treasurer's Report **INFORMATIONAL** — Jim Meyers, DrPH

✓ a. June 2015 Financial Statements
[enclosure] (pages 28-31)

3) Vision 2015 Update — Kathryn Sáenz Duke; Jim Meyers, DrPH

✓ 4) Report on Annual Meeting of the Association of California Healthcare Districts INFORMATIONAL **[enclosure] (pages 32-33)** — Kathryn Saenz Duke

VIII. General Public Comments

IX. Board Comment

X. Adjournment

ALAMEDA
HEALTH SYSTEM

1411 East 31st Street
Oakland, CA 94602

MEMORANDUM

TO: AHS Finance Committee
FROM: David Cox, Chief Financial Officer
DATE: July 23, 2015
SUBJECT: June 2015 CFO Report

Summary

AHS continues to make very good progress on our performance improvement plan. The results for Fiscal 2015, showing a preliminary overall loss of $21 million from operations, represent a significant improvement from the prior year. The results for June represent further improvement at a run rate of approximately ($9) million, and we are showing good trends in patient activity, revenue capture, productivity, and expense control.

The two primary elements of our performance improvement plan – revenue cycle improvement and BETTER II – are now well ingrained into the fabric of our organization and producing good results. With the budget approved and the FTE and Variance Committees underway, we expect to have continued financial discipline and an enhanced culture of accountability.

We will be reporting on the status of the Toyon recommendations to the full Board, but we can report that we have made excellent progress in all areas. Some of these are reflected in this report; most notably we have restructured our financial reporting to provide operating profitability at the business unit level. The budget has also been restructured accordingly, so that we will have comparability on a month to month basis. The advantage of this approach is an ability to focus much more efficiently on areas of opportunity and variances to industry standards.

We have continued implementation of the EPSi Decision Support system and are 95% complete. We expect to complete this activity shortly and will then be able to report on profitability at the service level, provider level, and by payer. This will be a significant enhancement in our ability to analyze the performance of the organization and we can also pair this information with the market analysis that is now underway in the Sg2 initiative to identify better ways to meet the needs of the community.

Also, we are in process with implementation of the Kaufmann Hall financial planning model and our objective is to have it in place by September so that it can be paired with the revised strategic plan to create a long-term financial strategy for the organization.

Our cash situation continues to improve as evidenced by our compliance with our June 30th Net Negative Balance requirement; AHS finished the year at $137 million. Cash collections on Net Patient Service Revenues increased by 65% from fiscal 2014 to fiscal 2015, and in virtually every payer category.

AHS CORE Collections	Alameda Alliance	Blue Cross Managed Care	Managed Care - (Other)	Insurance	Medi-Cal	Medi-Cal Code 18	Medicare	Medicare PIP	Patient Pays	Collections - Other	Total
Fiscal 2014	28,647,440	9,431,673	880,328	30,014,902	61,831,874	7,944,576	22,657,901	24,237,163	3,471,144	1,085,095	190,202,098
Fiscal 2015	58,567,833	15,561,479	2,845,324	44,608,167	106,472,696	18,857,106	33,840,854	27,671,658	4,149,599	819,263	313,393,979
Inc/(Dec)	29,920,393	6,129,806	1,964,996	14,593,264	44,640,822	10,912,530	11,182,953	3,434,495	678,455	(265,832)	123,191,881

We will be initiating discussions with the County next month on the permanent agreement, and believe that the progress that we have made over the last year has built a level of confidence in our financial management, ability to forecast our cash requirement, and most importantly, confidence in our ability to meet our long-term financial obligations.

Finally, we are implementing our contracting strategy on a case by case basis, are in active negotiations with several of our major payers and are making good progress that should result in improvements in revenue yield.

Improved Financial Reporting

For the June statements (which are preliminary in advance of the audit), we are implementing certain changes to improve financial reporting and provide enhanced visibility into the operations of our business units. The changes are consistent with the recommendations of the Toyon Report and include allocation of the following items across all business units: Contractual Allowances, Supplemental Reimbursement, and System Support Services costs.

A summary of the allocations is presented below:

	Year-To-Date				
	Income With Allocations	Contracrual Allowances	Supplemental Reimbursements	System Support Costs	With Out Allocations
Highland Hospital	(16,338)	411,963	(19,939)	(100,800)	
Fairmont Hospital	(26,633)	(123,857)	8,294	(14,587)	
Behavioral Health	(21,766)	(155,078)	16,876	(20,671)	
Ambulatory	(58,463)	(133,028)	7,387	(25,137)	
Alameda Health Partners	69	-	-	-	
Home Office	151,994	-	(34,041)	216,634	
CORE Total	28,862	-	(21,423)	55,439	(5,154)
San Leandro Hospital	(30,402)	-	8,715	(25,500)	(13,617)
Alameda Hospital	(19,284)	-	12,708	(29,939)	(2,053)
AHS Operating Income	$ (20,824)	$ -	$ -	$ -	$ (20,824)

The result of this change is that we will now be able to report on actual business unit profitability, both before and after the allocation of System Support Services costs. This information is summarized below, with additional detail in the attachments.

Income Summary	Year-To-Date			
	Revenue	Expense	Income	%
Highland Hospital	$ 376,638	$ 392,976	$ (16,338)	-4.3%
Fairmont Hospital	30,234	56,867	(26,633)	-88.1%
Behavioral Health	58,822	80,588	(21,766)	-37.0%
Ambulatory	39,533	97,996	(58,463)	-147.9%
San Leandro Hospital	69,011	99,413	(30,402)	-44.1%
Alameda Hospital	97,099	116,382	(19,284)	-19.9%
Alameda Health Partners	504	434	69	13.7%
Support Costs	148,658	(3,336)	151,994	102.2%
AHS Operating Income	**$ 820,498**	**$ 841,322**	**$ (20,824)**	**-2.5%**
Monthly Average	**$ 68,375**	**$ 70,110**	**$ (1,735)**	

June 2015 Performance

Due to the many allocations described above, the business unit detail for the month of June is not comparable. Accordingly, I'm going to discuss June only at the system (consolidated) level, but will discuss the business unit's performance more fully in the Year-to-Date (annual section shown above).

AHS is reporting an interim loss of ($790,000) for the month of June 2015, which brings the fiscal year end loss to ($20.8) million. June continues the overall improvement in performance trend, but there are a few adjustments that should be explained to understand our overall performance.

Overall activity continues to improve and gross charges were only 0.9% below budget. However, our Collection Ratio on Net Patient Service Revenue (NPSR) was 20.5% and below the year to date average of 22.2%, which resulted in NPSR being 16.6% below budget for the month and 10.0% for the year. This poor performance reflects additional review of the A/R valuation in preparation for the annual audit. Our Total Collection Ratio, which includes Supplemental Reimbursement, was 34.9% for the month and 35.1% year to date, both of which were about 2.0% below budget. As previously discussed, we believe the budgeted collection ratio was aggressive as the actual collection ratios exceed that of the prior year.

Other items of note:

- We received the second of three $1 million payments from the City of San Leandro as agreed to during the SLH acquisition.
- We continue to book additional Measure A revenue based on higher than anticipated receipts during the year.

- We are recognizing additional DSRIP revenues based on the recently completed incentive analysis.
- Our self-funded employee health and dental insurance estimates have been adjusted to reflect our actual experience. We now have an improved base of claim history to project our incurred liabilities with a greater degree of accuracy.
- The development in our estimate for costs of Outside Medical Services has proven to be much better than expected, and accordingly, we have continued to book an adjustment for the liability. We expect there to be some continued fluctuation as the HPAC population continues to be defined.
- As a result of the completion of an internal audit conducted by our staff of the Alameda Hospital payables acquired during acquisition, we were able to deny $1 million in vendor invoices for which we are not liable; thereby picking up $1 million in income.

In summary, AHS is performing somewhat better than in prior months. Patient discharges have increased by about 4.0% from the prior year, outpatient activity continues to exceed the expectations with YTD being 4.4% above budget, and we are continuing to improve capture of all professional (physician) charges. Operating expenses remain favorable to budget and have finished the year with a positive variance of 3.0%.

Year Over Year Performance

As this is the end of our fiscal year, it is worth looking at the overall trends, which are summarized below. The following are of note:

- Net patient service revenue grew from $365 million in 2014 to $518 million in 2015, an increase of 42%.
- Supplemental reimbursement also grew slightly, even though many of our patients now qualify for medical insurance under the Affordable Care Act.
- We were significantly helped by the increase in Measure A receipts; likely due to the improved economy.
- Operating expenses, although under budget, grew by 17% overall, and about 9% after taking away San Leandro and Alameda Hospitals.
- Operating performance improved from a loss of $51 million in 2014 to a loss just under $21 million in 2015.
- Net Income improved from a loss of $39 million to $21 million, as 2014 included the $12.5 million received in the San Leandro acquisition.
- The number of patients receiving care in our system increased dramatically – inpatient, outpatient, ambulatory, and physician.
- The number of Paid FTE's increased from 3,217 to 3,953, while FTE's per Adjusted Occupied Bed was reduced from 5.89 to 4.78. As detailed more fully under the Business Unit performance below, this ratio varies significantly between different types of services and the reduction above is largely due to the changed mix of services.
- The Compensation Ratio was reduced from 71.2% to 69.0%.

In summary, even though AHS will report a significant loss for fiscal 2015, the organization has made very good progress over the last year and the trends are going in the right direction.

	Year-To-Date Actual	FY 2014 YTD
Net patient service revenue	**518,414**	**365,596**
Medi-Cal Waiver	81,133	79,952
Measure A, Parcel Tax, Other Support	104,239	97,049
CA Hospital Fee	821	509
DSRIP Revenue	34,847	30,252
Supplemental Programs	67,108	61,963
Grants & Research Protocol	3,726	3,908
Other Operating Revenue	11,269	24,042
Incentives	(1,058)	2,463
Supplemental revenue	**302,084**	**300,137**
Net operating revenue	**820,498**	**665,733**
Total operating expense	**841,213**	**716,672**
Operating Income	**(20,715)**	**(50,939)**
Income	**$ (20,824)**	**$ (39,141)**
Operating Margin	-2.5%	-7.7%
EBIDA Margin	-0.7%	-4.2%
Collection % - NPSR	22.2%	21.4%
Collection % - Total	35.1%	39.0%
Acute & SNF discharges	20,300	16,483
Acute & SNF patient days	197,985	133,226
Average length of stay	9.75	8.08
Average daily census	542	365
Adjusted patient days (APD)	301,863	199,357
Net operating revenue per APD	$ 2,718	$ 3,339
Expense per APD	$ 2,787	$ 3,595
Oper income per APD	$ (69)	$ (256)
Paid full time equivalents (FTE)	3,953	3,217
Paid FTE's per adjusted occupied bed	4.78	5.89
Worked hours per APD	23.16	29.26
Compensation ratio	69.0%	71.2%

Business Unit Performance

As mentioned above, the purpose the allocations was to provide enhanced reporting over the performance of our business units; which was shown on the schedule above and in more detail in the attachments (see the new Business Unit Summary Report immediately behind the Statement of Cash Flow). This report provides performance both before and after the allocation of System Support Services costs, by treating the latter as a non-operating expense (for now).

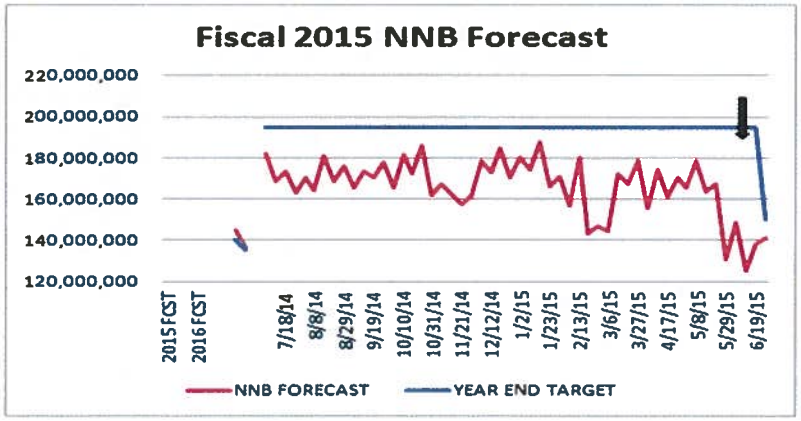
The initial conclusions from this information are:

- AHS as a whole is currently unprofitable, but this would be much worse without Measure A and DSRIP, neither of which we are currently allocating directly to the business units. The reason for this is that there is currently no clear basis for allocation and it is preferable to see the results of the business units without this.
- Prior to allocation of support services costs, Highland is the only business unit that is profitable.
- After allocation of support services costs, all of our business units are unprofitable.
- On a percentage or dollar basis, the Ambulatory Clinics should be the greatest area of focus; this despite receiving FQHC reimbursement rates.
- FTE's per AOB vary significantly between the business units and they should be benchmarked against their own industry standards, not against the acute care hospital benchmark.

As we begin reporting in Fiscal 2016, we will provide reporting to budget on each of the business units.

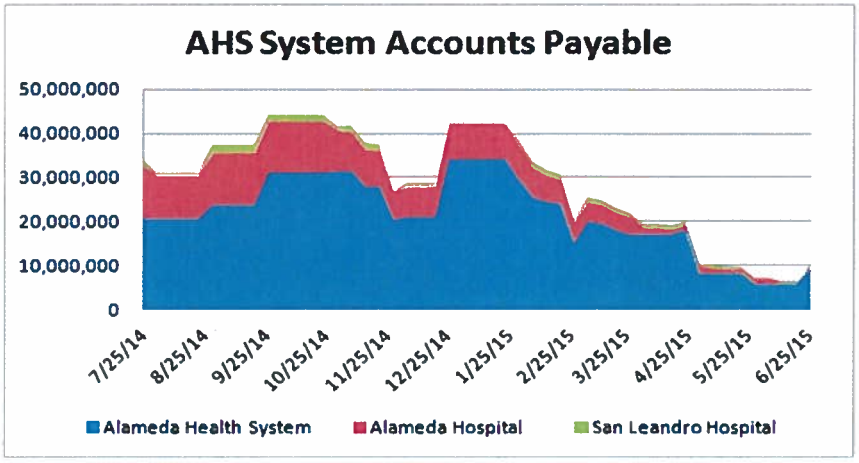
County Relationship/Credit Agreement

We are happy to report that our NNB was at $137 million at June 30, 2015, well below the limit of $150 million and in compliance with the Interim Agreement.



Now that our Fiscal 2016 budget has been approved, we have spread it by month to update our Cash Forecast for 2016, and initiate discussions in August with the County regarding the permanent agreement. The forecast below indicates that we may approach the current limit of $195 million around Jan/Feb 2016, but this is heavily dependent on the timing of the repayment of 2014 Waiver liabilities and the timing of our Capital spending.

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

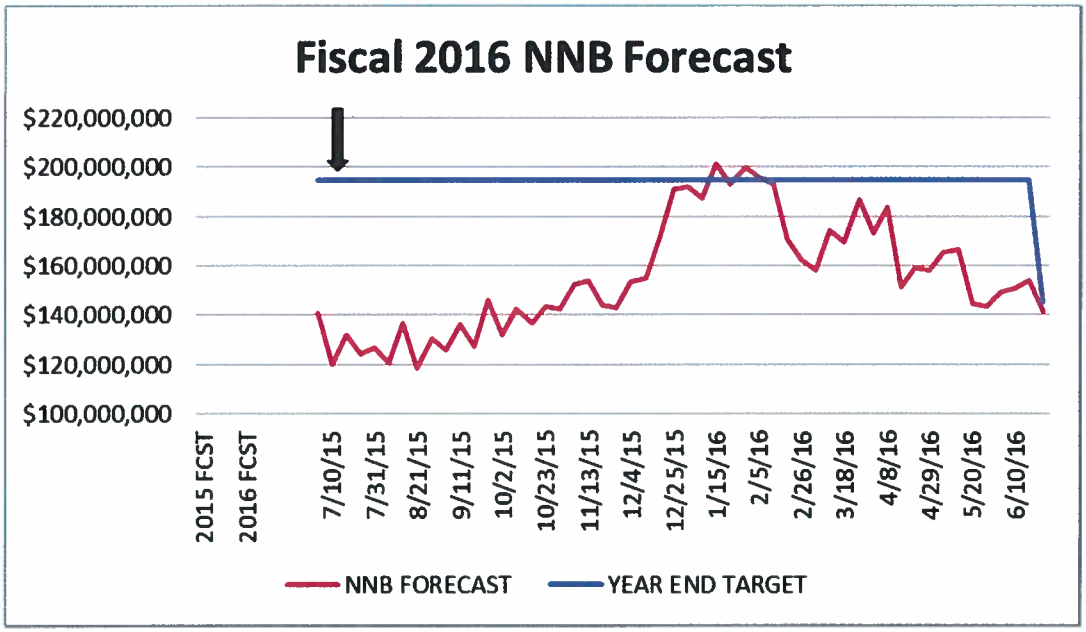


Balance Sheet and Statement of Cash Flow

The purpose of the Balance Sheet is to report on the overall financial health of the organization (as opposed to the Income Statement which reports performance). Financial health is typically described in terms of Liquidity and Capitalization.

Liquidity is the organization's ability to meet its short term obligations, which is largely a function of cash, assets that can be converted into cash in a relatively short period of time, and/or access to liquidity support such as a Line of Credit. In our case, AHS has very little actual cash (6 Days plus $23.4 million in reserve at the County) as our cash receipts are swept into the County Treasury. However, under the terms of that Agreement, AHS also has access to cash to meet its operating needs up the Net Negative Balance limit; which is $195 million. AHS finished the year at $137 million NNB and therefore had access to $58 million of additional liquidity to meet its operating needs.

As previously discussed, AHS' cash flow during the year is highly variable due to the amount and timing of Supplemental Reimbursement, which is always somewhat uncertain. We have completed a forecast for Fiscal 2016 based on the approved budget and what we currently know about reimbursement issues (but without any additional debt options such as lease financing), and believe that we will be at or below $195 million for most of the year (potential issue in Jan/Feb 2016), and will meet the current target of $145 million NNB at June 30, 2016.



Capitalization is a measure of access to capital and is typically measured by the relationship of the organization's current Long Term Debt to its Equity. A review of AHS' Balance Sheet indicates that it actually has negative equity, which is a function of the obligations that AHS assumed at its inception as well as accumulated profits and losses since that time. It is important to realize that this number does not reflect the Pension Obligation Bonds, which are currently being booked as an annual expense (management intends to review this issue during the annual audit). From a practical perspective, AHS will have limited availability to additional capital until equity becomes positive either through future accumulated earnings, debt forgiveness, or some other type of equity contribution.

Other important measures on the Balance Sheet include Net Days in Accounts Receivable (another measure of liquidity), and we are pleased to report an improvement over the year from 97 days to 88 days. Our objective is to be in the sixties, which would also result in an improvement in our cash forecast.

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

	Month-To-Date				Year-To-Date				FY 2014
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
Inpatient service revenue	$ 114,419	$ 117,156	$ (2,737)	-2.3%	$ 1,371,878	$ 1,414,293	$ (42,415)	-3.0%	$ 1,010,715
Outpatient service revenue	60,143	57,853	2,290	4.0%	719,790	689,512	30,278	4.4%	501,698
Professional service revenue	20,578	21,864	(1,286)	-5.9%	247,947	259,935	(11,988)	-4.6%	193,094
Gross patient service revenue	**195,140**	**196,873**	**(1,733)**	**-0.9%**	**2,339,615**	**2,363,740**	**(24,125)**	**-1.0%**	**1,705,507**
Deductions from revenues	(157,969)	(151,719)	(6,251)	-4.1%	(1,855,242)	(1,821,570)	(33,672)	-1.8%	(1,415,749)
Capitation - HPAC	2,837	2,837	(0)	0.0%	34,041	34,041	(0)	0.0%	75,838
Net patient service revenue	**40,008**	**47,991**	**(7,983)**	**-16.6%**	**518,414**	**576,210**	**(57,797)**	**-10.0%**	**365,596**
Medi-Cal Waiver	7,000	7,667	(667)	-8.7%	81,133	92,000	(10,867)	-11.8%	79,952
Measure A, Parcel Tax, Other Support	10,156	9,005	1,151	12.8%	104,239	108,055	(3,816)	-3.5%	97,049
CA Hospital Fee	422	-	422	100.0%	821	-	821	100.0%	509
DSRIP Revenue	3,217	2,133	1,084	50.8%	34,847	25,596	9,251	36.1%	30,252
Supplemental Programs	5,680	4,795	886	18.5%	67,108	57,536	9,572	16.6%	61,963
Grants & Research Protocol	620	370	250	67.5%	3,726	4,444	(719)	-16.2%	3,908
Other Operating Revenue	944	756	188	24.9%	11,269	9,069	2,200	24.3%	24,042
Incentives	-	328	(328)	-100.0%	(1,058)	3,938	(4,995)	-126.9%	2,463
Supplemental revenue	**28,040**	**25,053**	**2,987**	**11.9%**	**302,084**	**300,638**	**1,446**	**0.5%**	**300,137**
Net operating revenue	**68,048**	**73,044**	**(4,996)**	**-6.8%**	**820,498**	**876,849**	**(56,350)**	**-6.4%**	**665,733**
Salaries and wages	33,654	33,067	(587)	-1.8%	392,661	400,268	7,607	1.9%	319,417
Employee benefits	10,974	13,817	2,843	20.6%	156,598	167,303	10,705	6.4%	138,824
Registry	1,341	1,036	(305)	-29.5%	17,167	12,145	(5,021)	-41.3%	15,691
Contracted physician services	5,847	7,388	1,540	20.8%	73,291	88,652	15,361	17.3%	61,725
Purchased services	8,576	6,022	(2,553)	-42.4%	73,868	72,341	(1,527)	-2.1%	68,062
Pharmaceuticals	1,754	629	(1,125)	-178.8%	22,385	21,079	(1,306)	-6.2%	18,846
Medical Supplies	2,909	2,281	(628)	-27.5%	32,342	27,750	(4,592)	-16.5%	22,125
Materials and supplies	1,555	1,644	89	5.4%	17,533	19,928	2,395	12.0%	15,293
Outside medical services	(263)	160	422	264.5%	1,244	1,916	671	35.0%	8,565
General & administrative expenses	(759)	1,319	2,077	157.5%	13,080	15,827	2,747	17.4%	14,825
Repairs/maintenance/utilities	1,310	1,561	251	16.1%	16,512	18,764	2,252	12.0%	13,661
Building/equipment leases & rentals	842	732	(109)	-14.9%	9,171	8,810	(360)	-4.1%	7,634
Depreciation	1,151	1,028	(124)	-12.0%	15,361	12,331	(3,030)	-24.6%	12,005
Total operating expense	**68,892**	**70,683**	**1,791**	**2.5%**	**841,213**	**867,114**	**25,901**	**3.0%**	**716,672**
Operating Income	**(844)**	**2,361**	**(3,205)**	**-135.8%**	**(20,715)**	**9,734**	**(30,449)**	**-312.8%**	**(50,939)**
Interest income/(expense) net	136	(62)	199	320.0%	(571)	(744)	173	23.2%	(698)
Support Services Allocation	-	-	-	0.0%	-	-	-	0.0%	
Other Non-operating income(expense)	(82)	29	(111)	-389.2%	463	342	121	35.2%	12,496
Income	**$ (790)**	**$ 2,327**	**$ (3,117)**	**-134.0%**	**$ (20,824)**	**$ 9,332**	**$ (30,156)**	**-323.1%**	**$ (39,141)**
Operating Margin	-1.2%	3.2%			-2.5%	1.1%			-7.7%
EBIDA Margin	0.7%	4.5%			-0.7%	2.4%			-4.2%
Collection % - NPSR	20.5%	24.4%			22.2%	24.4%			21.4%
Collection % - Total	34.9%	37.1%			35.1%	37.1%			39.0%
Acute & SNF discharges	1,759	1,771	(12)	-0.7%	20,300	21,510	(1,210)	-5.6%	16,483
Acute & SNF patient days	16,686	17,152	(466)	-2.7%	197,985	207,895	(9,910)	-4.8%	133,226
Average length of stay	9.49	9.68	0.19	2.0%	9.75	9.67	(0.08)	-0.8%	8.08
Average daily census	556	572	(16)	-2.8%	542	570	(28)	-4.9%	365
Adjusted patient days (APD)	25,457	25,622	(165)	-0.6%	301,863	309,250	(7,387)	-2.4%	199,357
Net operating revenue per APD	$ 2,673	$ 2,851	$ (178)	-6.2%	$ 2,718	$ 2,835	$ (117)	-4.1%	$ 3,339
Expense per APD	$ 2,706	$ 2,759	$ 52	1.9%	$ 2,787	$ 2,804	$ 17	0.6%	$ 3,595
Oper income per APD	$ (33)	$ 92	$ (125)	-136.0%	$ (69)	$ 31	$ (100)	-318.1%	$ (256)
Paid full time equivalents (FTE)	4,003	4,163	160	3.8%	3,953	4,109	157	3.8%	3,217
Paid FTE's per adjusted occupied bed	4.72	4.87	0.15	3.1%	4.78	4.85	0.07	1.4%	5.89
Worked hours per APD	15.41	19.33	3.92	20.3%	23.16	19.48	(3.68)	-18.9%	29.26
Compensation ratio	67.6%	65.6%	-2.0%		69.0%	66.1%	-2.9%		71.2%

ALAMEDA HEALTH SYSTEM (consolidated)
Balance Sheet
For the Period Ended June 30, 2015
(In Thousands)

		Current Month	Prior Month	FY 2014
ASSETS				
Current assets:				
Cash & Cash Equivalents		$13,726	$10,322	$23,047
Cash Held in Trust		45	57	60
Net Patient Receivables		119,527	118,848	110,603
Due from County of Alameda & Others		33,682	67,087	72,389
Inventories		8,455	8,525	8,656
Prepaid expenses		1,182	1,898	2,429
Other receivables		50,917	51,287	112,635
TOTAL CURRENT ASSETS		**227,534**	**258,024**	**329,819**
Restricted Cash Hospital Fee		0	0	7,397
Cash Held Board Designated		23,446	23,432	23,378
TOTAL RESTRICTED CASH		**23,446**	**23,432**	**30,775**
PROPERTY, PLANT & EQUIPMENT				
CIP		3,413	3,527	16,984
Land, Buildings, Leasehold Improve, CIP		62,429	62,426	55,350
Equipment, Software		139,152	141,769	128,746
Subtotal - Property, Plant & Equipment		204,994	207,722	201,080
Less: Accumulated Depreciation		(126,548)	(128,279)	(114,069)
NET PROPERTY, PLANT & EQUIPMENT		**78,446**	**79,443**	**87,011**
TOTAL ASSETS		**$329,426**	**$360,899**	**$447,605**
LIABILITIES & NET ASSETS				
Accounts Payable		35,447	36,885	51,463
Compensation Related Liabilities		43,662	47,763	42,909
Estimated third-party settlements payable		10,793	21,701	74,247
Due to County of Alameda & State		25,074	42,805	13,801
Other Payables		11,769	16,597	19,453
TOTAL CURRENT LIABILITIES		**126,745**	**165,751**	**201,873**
Self Insurance Liability		21,421	20,459	20,459
Working Capital Loan - Long-term Portion		160,664	154,134	193,161
Pension and Postemployment		69,107	68,307	58,795
Other Long-term Liabilities		10,804	10,804	11,808
TOTAL LONG TERM LIABILITIES		**261,996**	**253,704**	**284,223**
TOTAL LIABILITIES		**388,741**	**419,455**	**486,096**
Capital Contribution - County		46,535	46,535	46,535
Capital Contribution - Foundation		6,020	6,020	6,020
Fund Balance -- Prior Years		(91,046)	(91,046)	(51,905)
Current Year Income / (Loss)		(20,824)	(20,066)	(39,141)
FUND BALANCE		**(59,315)**	**(58,557)**	**(38,491)**
TOTAL LIABILITIES & FUND BALANCE		**$329,426**	**$360,898**	**$447,605**
Days in Cash		6	5	10
Gross Days in AR		96	96	118
Net Days in AR		88	85	97
Current Ratio	>1.5	0.85	0.86	0.92

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Cash Flows
For the Period Ended June 30, 2015
(In Thousands)

	Current Month	Year-to Date
Operating Activities		
Net Income (Loss)	($790)	($20,824)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,151	15,361
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient account receivables, net	(679)	(8,924)
(Increase)/Decrease Due from County of Alameda & Others	33,405	38,707
(Increase)/Decrease Inventories	70	201
(Increase)/Decrease Prepaid expenses	716	1,247
(Increase)/Decrease Other receivables	401	61,718
(Decrease)/Increase in Accounts payable, accrued expenses and estimated third-party settlements	(39,006)	(75,128)
Net Cash Provided (Used) by operating activities	**(4,732)**	**12,359**
Investing Activities		
Change in Cash Held in Trust	12	15
Change in Restricted Cash	(14)	7,329
Net Purchases of property, plant and equipment	(154)	(6,796)
Change in Self-insurance, pension, and other long-term liabilities	1,762	10,270
Net Cash Provided (Used) by investing activities	**1,606**	**10,818**
Financing Activities		
Change in Working Capital Loan	6,530	(32,497)
Net Cash Provided (Used) by financing activities	6,530	(32,497)
Net increase/(decrease) in cash and cash equivalents	**3,404**	**(9,321)**
Cash and Equivalents at beginning of period	10,322	23,047
Cash and Equivalents at end of period	$13,726	$13,726

ALAMEDA HEALTH SYSTEM
For the Period Ended June 30, 2015
(In Thousands)

	Year-To-Date							
	Revenue	Expense	Operating Income	Allocated Support Costs	Other NonOp	Net Income	Operating Margin	EBIDA %
Highland Hospital	376,638	292,175	84,462	(100,800)	-	(16,338)	22.4%	-3.8%
Fairmont Hospital	30,234	42,281	(12,047)	(14,587)	-	(26,633)	-39.8%	-87.9%
Behavioral Health	58,822	59,917	(1,095)	(20,671)	-	(21,766)	-1.9%	-36.9%
Ambulatory	39,533	72,860	(33,326)	(25,137)	-	(58,463)	-84.3%	-145.4%
Alameda Health Partners	504	434	69	-	-	69	13.7%	13.7%
Home Office	148,658	212,853	(64,195)	216,634	(446)	151,994	-43.2%	108.2%
San Leandro Hospital	69,011	73,913	(4,902)	(25,500)	-	(30,402)	-7.1%	-42.3%
Alameda Hospital	97,099	86,780	10,318	(29,939)	337	(19,284)	10.6%	-18.2%
AHS Operating Income	**$ 820,498**	**$ 841,213**	**$ (20,715)**	**$ -**	**$ (109)**	**$ (20,824)**		
Average	**$ 68,375**	**$ 70,101**	**$ (1,726)**	**$ -**	**$ (9)**	**$ (1,735)**		

Alameda Health System
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

	Highland Hospital	Fairmont Campus	Behavioral Health	Ambulatory	AHP	San Leandro Hospital	Alameda Hospital	Support Services	Consolidated
Inpatient service revenue	$ 717,694	$ 142,845	$ 126,410	$ 1,907	$ -	$ 169,571	$ 213,451	$ -	$ 1,371,878
Outpatient service revenue	351,019	6,268	65,881	65,461	0	123,367	107,793	0	719,790
Professional service revenue	143,935	817	5,932	95,430	503	-	1,329	-	247,947
Gross Patient Service Revenue	**1,212,649**	**149,929**	**198,223**	**162,799**	**503**	**292,938**	**322,573**	**-**	**2,339,615**
Deductions from revenues	(962,211)	(123,857)	(156,353)	(133,028)	0	(235,759)	(244,035)	-	(1,855,242)
Capitation - HPAC	25,909	1,697	831	5,604	-	-	-	(0)	34,041
Net Patient Service Revenue	**276,347**	**27,769**	**42,702**	**35,375**	**504**	**57,179**	**78,538**	**(0)**	**518,414**
Medi-Cal Waiver	61,478	2,159	15,857	1,638	-	-	-	-	81,133
Measure A, Parcel Tax, Other Support	-	-	-	-	-	2,000	3,245	98,993	104,239
CA Hospital Fee	744	18	33	25	-	-	-	-	821
DSRIP Revenue	-	-	-	-	-	-	-	34,847	34,847
Supplemental Programs	28,689	190	154	120	-	9,744	14,606	13,604	67,108
Grants & Research Protocol	1,330	-	76	2,320	-	-	-	-	3,726
Other Operating Revenue	8,049	97	0	55	-	89	676	2,303	11,269
Incentives	-	-	-	-	-	-	32	(1,090)	(1,058)
Total Supplemental Revenue	**100,290**	**2,465**	**16,120**	**4,158**	**-**	**11,833**	**18,560**	**148,658**	**302,084**
Net Operating Revenue	**376,638**	**30,234**	**58,822**	**39,533**	**504**	**69,011**	**97,099**	**148,658**	**820,498**
Salaries and wages	151,348	24,395	37,785	45,668	232	37,995	41,678	53,561	392,661
Employee benefits	46,359	8,860	11,372	17,779	-	10,773	13,594	47,862	156,598
Registry	9,485	1,553	596	196	-	1,453	2,167	1,717	17,167
Contracted physician services	23,603	784	6,254	592	-	6,400	3,977	31,680	73,291
Purchased services	8,252	2,422	1,569	1,531	164	5,628	8,199	46,104	73,868
Pharmaceuticals	15,530	998	467	987	-	1,567	2,753	83	22,385
Medical Supplies	18,866	989	91	1,632	-	4,843	5,847	74	32,342
Materials and supplies	8,466	901	1,002	769	0	1,943	2,179	2,272	17,533
Outside medical services	-	-	-	-	-	-	-	1,244	1,244
General & administrative expenses	365	11	40	197	39	239	203	11,988	13,080
Repairs/maintenance/utilities	5,405	1,252	669	335	-	1,627	1,798	5,425	16,512
Building/equipment leases & rentals	2,537	66	-	2,182	-	226	2,798	1,362	9,171
Depreciation	1,960	51	71	992	-	1,220	1,587	9,480	15,361
Total operating expense	**292,175**	**42,281**	**59,917**	**72,860**	**434**	**73,913**	**86,780**	**212,853**	**841,213**
Operating Income	**84,462**	**(12,047)**	**(1,095)**	**(33,326)**	**69**	**(4,902)**	**10,318**	**(64,195)**	**(20,715)**
Interest income/(expense) net	-	-	-	-	-	-	7	(578)	(571)
Support Services Allocation	(100,800)	(14,587)	(20,671)	(25,137)	-	(25,500)	(29,939)	216,634	-
Other Non-operating income(expense)	-	-	-	-	-	-	330	132	463
Contribution/Income	**$ (16,338)**	**$ (26,633)**	**$ (21,766)**	**$ (58,463)**	**$ 69**	**$ (30,402)**	**$ (19,284)**	**$ 151,994**	**$ (20,824)**
Operating Margin	22.4%	-39.8%	-1.9%	-84.3%	13.7%	-7.1%	10.6%	-43.2%	-2.5%
EBIDA Margin	-3.8%	-87.9%	-36.9%	-145.4%	13.7%	-42.3%	-18.2%	108.2%	-0.7%
Collection % - NPSR	22.8%	18.5%	21.5%	21.7%	100.1%	19.5%	24.3%		22.2%
Collection % - Total	31.1%	20.2%	29.7%	24.3%	100.1%	23.6%	30.1%		35.1%
Acute & SNF discharges	11,179	494	3,077			2,902	2,648		20,300
Acute & SNF patient days	45,828	42,515	24,692			11,972	72,978		197,985
Average length of stay	4.10	86.06	8.02			4.13	27.56		9.75
Average daily census	126	116	68			33	200		542
Adjusted patient days (APD)	68,242	44,381	37,561			20,682	109,832		301,863
Net operating revenue per APD	$ 5,519	$ 681	$ 1,566			$ 3,337	$ 884		$ 2,718
Expense per APD	$ 4,281	$ 953	$ 1,595			$ 3,574	$ 790		$ 2,787
Oper income per APD	$ 1,238	$ (271)	$ (29)			$ (237)	$ 94		$ (69)
Paid full time equivalents (FTE)	1,419	281	318	503	-	342	537	553	3,953
Paid FTE's per adjusted occupied bed	7.59	2.31	3.09			6.04	1.78		4.78
Worked hours per APD	36.81	11.08	14.88			29.67	8.67		23.16
Compensation ratio	55.0%	115.1%	84.6%	161.0%	46.1%	72.8%	59.2%	69.4%	69.0%

ALAMEDA HEALTH SYSTEM
For the Period Ended June 30, 2015
(In Thousands)

	Year-To-Date					
	Income With Allocations	Contracrual Allowances	Supplemental Reimbursements	System Support Costs	With Out Allocations	2015 Budget
Highland Hospital	(16,338)	411,963	(19,939)	(100,800)		
Fairmont Hospital	(26,633)	(123,857)	8,294	(14,587)		
Behavioral Health	(21,766)	(155,078)	16,876	(20,671)		
Ambulatory	(58,463)	(133,028)	7,387	(25,137)		
Alameda Health Partners	69	-	-	-		
Home Office	151,994	-	(34,041)	216,634		
CORE Total	28,862	-	(21,423)	55,439	(5,154)	12,111
San Leandro Hospital	(30,402)	-	8,715	(25,500)	(13,617)	(6,170)
Alameda Hospital	(19,284)	-	12,708	(29,939)	(2,053)	3,391
AHS Operating Income	**$ (20,824)**	**$ -**	**$ -**	**$ -**	**$ (20,824)**	**$ 9,332**

HIGHLAND HOSPITAL
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

Highland Campus	Year-To-Date Actual	Budget	Variance	% Variance
Inpatient service revenue	$ 717,694	$ 765,850	$ (48,156)	-6.3%
Outpatient service revenue	351,019	350,235	784	0.2%
Professional service revenue	143,935	178,128	(34,192)	-19.2%
Gross Patient Service Revenue	**1,212,649**	**1,294,213**	**(81,564)**	**-6.3%**
Deductions from revenues	(962,211)	(1,237,083)	274,872	22.2%
Capitation - HPAC	25,909	150	25,759	17172.7%
Net Patient Service Revenue	**276,347**	**57,280**	**219,067**	**382.5%**
Medi-Cal Waiver	61,478	84,000	(22,522)	-26.8%
Measure A, Parcel Tax, Other Support	-	-	-	0.0%
CA Hospital Fee	744	-	744	100.0%
DSRIP Revenue	-	-	-	0.0%
Supplemental Programs	28,689	48,161	(19,472)	-40.4%
Grants & Research Protocol	1,330	2,306	(975)	-42.3%
Other Operating Revenue	8,049	6,027	2,022	33.6%
Incentives	-	-	-	0.0%
Total Supplemental Revenue	**100,290**	**140,493**	**(40,203)**	**-28.6%**
Net Operating Revenue	**376,638**	**197,773**	**178,865**	**90.4%**
Salaries and wages	151,348	152,451	1,103	0.7%
Employee benefits	46,359	45,425	(933)	-2.1%
Registry	9,485	4,594	(4,891)	-106.5%
Contracted physician services	23,603	30,387	6,784	22.3%
Purchased services	8,252	5,874	(2,378)	-40.5%
Pharmaceuticals	15,530	8,183	(7,347)	-89.8%
Medical Supplies	18,866	18,975	109	0.6%
Materials and supplies	8,466	9,009	542	6.0%
Outside medical services	-	-	-	0.0%
General & administrative expenses	365	408	43	10.6%
Repairs/maintenance/utilities	5,405	7,623	2,218	29.1%
Building/equipment leases & rentals	2,537	2,262	(275)	-12.1%
Depreciation	1,960	2,695	734	27.3%
Total operating expense	**292,175**	**287,886**	**(4,290)**	**-1.5%**
Operating Income	**84,462**	**(90,113)**	**174,575**	**193.7%**
Interest income/(expense) net	-	-	-	0.0%
Support Services Allocation	(100,800)	-	(100,800)	-100.0%
Other Non-operating income(expense)	-	-	-	0.0%
Contribution	**$ (16,338)**	**$ (90,113)**	**$ 73,774**	**81.9%**
Operating Margin	22.4%	-45.6%		
EBIDA Margin	-3.8%	-44.2%		
Collection % - NPSR	22.8%	4.4%		
Collection % - Total	31.1%	15.3%		
Acute & SNF discharges	11,179	11,387	(208)	-1.8%
Acute & SNF patient days	45,828	50,063	(4,235)	-8.5%
Average length of stay	4.10	4.40	0.30	6.8%
Average daily census	126	137	(11)	-8.0%
Adjusted patient days (APD)	68,242	72,958	(4,716)	-6.5%
Net operating revenue per APD	$ 5,519	$ 2,711	$ 2,808	103.6%
Expense per APD	$ 4,281	$ 3,946	$ (336)	-8.5%
Oper income per APD	$ 1,238	$ (1,235)	$ (2,473)	200.2%
Paid full time equivalents (FTE)	1,419	1,396	(22)	-1.6%
Paid FTE's per adjusted occupied bed	7.59	6.99	(0.60)	-8.6%
Worked hours per APD	36.81	32.88	(3.93)	-12.0%
Compensation ratio	55.0%	102.4%	47.4%	

FAIRMONT CAMPUS
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

Fairmont Campus	Year-To-Date Actual	Budget	Variance	% Variance
Inpatient service revenue	$ 142,845	$ 146,555	$ (3,710)	-2.5%
Outpatient service revenue	6,268	7,667	(1,399)	-18.2%
Professional service revenue	817	899	(82)	-9.2%
Gross Patient Service Revenue	**149,929**	**155,121**	**(5,191)**	**-3.3%**
Deductions from revenues	(123,857)	-	(123,857)	-100.0%
Capitation - HPAC	1,697	-	1,697	100.0%
Net Patient Service Revenue	**27,769**	**155,121**	**(127,351)**	**-82.1%**
Medi-Cal Waiver	2,159	-	2,159	100.0%
Measure A, Parcel Tax, Other Support	-	-	-	0.0%
CA Hospital Fee	18	-	18	100.0%
DSRIP Revenue	-	-	-	0.0%
Supplemental Programs	190	-	190	100.0%
Grants & Research Protocol	-	-	-	0.0%
Other Operating Revenue	97	84	13	15.6%
Incentives	-	-	-	0.0%
Total Supplemental Revenue	**2,465**	**84**	**2,381**	**2826.3%**
Net Operating Revenue	**30,234**	**155,205**	**(124,971)**	**-80.5%**
Salaries and wages	24,395	24,817	422	1.7%
Employee benefits	8,860	8,758	(102)	-1.2%
Registry	1,553	1,376	(178)	-12.9%
Contracted physician services	784	941	157	16.7%
Purchased services	2,422	1,993	(429)	-21.5%
Pharmaceuticals	998	916	(83)	-9.0%
Medical Supplies	989	1,145	156	13.6%
Materials and supplies	901	899	(2)	-0.2%
Outside medical services	-	-	-	0.0%
General & administrative expenses	11	29	18	62.6%
Repairs/maintenance/utilities	1,252	1,817	565	31.1%
Building/equipment leases & rentals	66	73	7	9.5%
Depreciation	51	292	242	82.7%
Total operating expense	**42,281**	**43,055**	**774**	**1.8%**
Operating Income	**(12,047)**	**112,150**	**(124,197)**	**-110.7%**
Interest income/(expense) net	-	-	-	0.0%
Support Services Allocation	(14,587)	-	(14,587)	-100.0%
Other Non-operating income(expense)	-	-	-	0.0%
Contribution	**$ (26,633)**	**$ 112,150**	**$ (138,783)**	**-123.7%**
Operating Margin	-39.8%	72.3%		
EBIDA Margin	-87.9%	72.4%		
Collection % - NPSR	18.5%	100.0%		
Collection % - Total	20.2%	100.1%		
Acute & SNF discharges	494	635	(141)	-22.2%
Acute & SNF patient days	42,515	45,973	(3,458)	-7.5%
Average length of stay	86.06	72.40	(13.66)	-18.9%
Average daily census	116	126	(10)	-7.9%
Adjusted patient days (APD)	44,381	48,378	(3,997)	-8.3%
Net operating revenue per APD	$ 681	$ 3,208	$ (2,527)	-78.8%
Expense per APD	$ 953	$ 890	$ (63)	-7.0%
Oper income per APD	$ (271)	$ 2,318	$ 2,590	111.7%
Paid full time equivalents (FTE)	281	282	0	0.1%
Paid FTE's per adjusted occupied bed	2.31	2.12	(0.19)	-9.0%
Worked hours per APD	11.08	10.22	(0.87)	-8.5%
Compensation ratio	115.1%	22.5%	-92.6%	

JOHN GEORGE BEHAVIORAL HEALTH
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

John George + Behavioral Health	Year-To-Date Actual	Budget	Variance	% Variance
Inpatient service revenue	$ 126,410	$ 107,496	$ 18,913	17.6%
Outpatient service revenue	65,881	52,519	13,363	25.4%
Professional service revenue	5,932	3,568	2,365	66.3%
Gross Patient Service Revenue	**198,223**	**163,583**	**34,641**	**21.2%**
Deductions from revenues	(156,353)	(116,914)	(39,439)	-33.7%
Capitation - HPAC	831	-	831	100.0%
Net Patient Service Revenue	**42,702**	**46,669**	**(3,967)**	**-8.5%**
Medi-Cal Waiver	15,857	-	15,857	100.0%
Measure A, Parcel Tax, Other Support	-	-	-	0.0%
CA Hospital Fee	33	-	33	100.0%
DSRIP Revenue	-	-	-	0.0%
Supplemental Programs	154	-	154	100.0%
Grants & Research Protocol	76	-	76	100.0%
Other Operating Revenue	0	15	(15)	-99.4%
Incentives	-	-	-	0.0%
Total Supplemental Revenue	**16,120**	**15**	**16,105**	**107368.2%**
Net Operating Revenue	**58,822**	**46,684**	**12,138**	**26.0%**
Salaries and wages	37,785	35,658	(2,126)	-6.0%
Employee benefits	11,372	10,694	(678)	-6.3%
Registry	596	1,914	1,317	68.8%
Contracted physician services	6,254	7,032	778	11.1%
Purchased services	1,569	1,436	(133)	-9.3%
Pharmaceuticals	467	462	(5)	-1.1%
Medical Supplies	91	104	13	12.1%
Materials and supplies	1,002	971	(32)	-3.3%
Outside medical services	-	-	-	0.0%
General & administrative expenses	40	38	(1)	-3.8%
Repairs/maintenance/utilities	669	1,051	382	36.3%
Building/equipment leases & rentals	-	4	4	100.0%
Depreciation	71	175	104	59.2%
Total operating expense	**59,917**	**59,539**	**(378)**	**-0.6%**
Operating Income	**(1,095)**	**(12,855)**	**11,760**	**91.5%**
Interest income/(expense) net	-	-	-	0.0%
Support Services Allocation	(20,671)	-	(20,671)	-100.0%
Other Non-operating income(expense)	-	-	-	0.0%
Contribution	**$ (21,766)**	**$ (12,855)**	**$ (8,912)**	**-69.3%**
Operating Margin	-1.9%	-27.5%		
EBIDA Margin	-36.9%	-27.2%		
Collection % - NPSR	21.5%	28.5%		
Collection % - Total	29.7%	28.5%		
Acute & SNF discharges	3,077	2,805	272	9.7%
Acute & SNF patient days	24,692	24,963	(271)	-1.1%
Average length of stay	8.02	8.90	0.88	9.9%
Average daily census	68	68	0	0.0%
Adjusted patient days (APD)	37,561	37,159	402	1.1%
Net operating revenue per APD	$ 1,566	$ 1,256	$ 310	24.7%
Expense per APD	$ 1,595	$ 1,602	$ 7	0.4%
Oper income per APD	$ (29)	$ (346)	$ (317)	91.6%
Paid full time equivalents (FTE)	318	327	9	2.7%
Paid FTE's per adjusted occupied bed	3.09	3.21	0.12	3.7%
Worked hours per APD	14.88	14.61	(0.27)	-1.8%
Compensation ratio	84.6%	103.4%	18.8%	

AMBULATORY
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

Ambulatory	Year-To-Date Actual	Budget	Variance	% Variance
Inpatient service revenue	$ 1,907	$ 1,896	$ 11	0.6%
Outpatient service revenue	65,461	56,559	8,902	15.7%
Professional service revenue	95,430	77,341	18,090	23.4%
Gross Patient Service Revenue	**162,799**	**135,796**	**27,003**	**19.9%**
Deductions from revenues	(133,028)	-	(133,028)	-100.0%
Capitation - HPAC	5,604	-	5,604	100.0%
Net Patient Service Revenue	**35,375**	**135,796**	**(100,421)**	**-73.9%**
Medi-Cal Waiver	1,638	-	1,638	100.0%
Measure A, Parcel Tax, Other Support	-	-	-	0.0%
CA Hospital Fee	25	-	25	100.0%
DSRIP Revenue	-	-	-	0.0%
Supplemental Programs	120	-	120	100.0%
Grants & Research Protocol	2,320	2,016	304	15.1%
Other Operating Revenue	55	37	17	46.3%
Incentives	-	-	-	0.0%
Total Supplemental Revenue	**4,158**	**2,053**	**2,105**	**102.5%**
Net Operating Revenue	**39,533**	**137,849**	**(98,316)**	**-71.3%**
Salaries and wages	45,668	51,540	5,873	11.4%
Employee benefits	17,779	18,536	757	4.1%
Registry	196	41	(155)	-378.4%
Contracted physician services	592	2,292	1,700	74.2%
Purchased services	1,531	1,480	(50)	-3.4%
Pharmaceuticals	987	8,420	7,433	88.3%
Medical Supplies	1,632	2,035	403	19.8%
Materials and supplies	769	840	70	8.4%
Outside medical services	-	-	-	0.0%
General & administrative expenses	197	180	(18)	-9.8%
Repairs/maintenance/utilities	335	376	41	10.9%
Building/equipment leases & rentals	2,182	2,030	(153)	-7.5%
Depreciation	992	433	(559)	-129.2%
Total operating expense	**72,860**	**88,202**	**15,342**	**17.4%**
Operating Income	**(33,326)**	**49,648**	**(82,974)**	**-167.1%**
Interest income/(expense) net	-	-	-	0.0%
Support Services Allocation	(25,137)	-	(25,137)	-100.0%
Other Non-operating income(expense)	-	-	-	0.0%
Contribution	**$ (58,463)**	**$ 49,648**	**$ (108,111)**	**-217.8%**
Operating Margin	-84.3%	36.0%		
EBIDA Margin	-145.4%	36.3%		
Collection % - NPSR	21.7%	100.0%		
Collection % - Total	24.3%	101.5%		

ALAMEDA HEALTH PARTNERS
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

Alameda Health Partners	Year-To-Date Actual	Budget	Variance	% Variance
Inpatient service revenue	$ -	$ -	$ -	0.0%
Outpatient service revenue	-	-	0	0.0%
Professional service revenue	503	-	503	100.0%
Gross Patient Service Revenue	**503**	**-**	**503**	**100.0%**
Deductions from revenues	0	-	0	100.0%
Capitation - HPAC	-	-	-	0.0%
Net Patient Service Revenue	**504**	**-**	**504**	**100.0%**
Medi-Cal Waiver	-	-	-	0.0%
Measure A, Parcel Tax, Other Support	-	-	-	0.0%
CA Hospital Fee	-	-	-	0.0%
DSRIP Revenue	-	-	-	0.0%
Supplemental Programs	-	-	-	0.0%
Grants & Research Protocol	-	-	-	0.0%
Other Operating Revenue	-	-	-	0.0%
Incentives	-	-	-	0.0%
Total Supplemental Revenue	**-**	**-**	**-**	**0.0%**
Net Operating Revenue	**504**	**-**	**504**	**100.0%**
Salaries and wages	232	643	411	63.9%
Employee benefits	-	92	92	100.0%
Registry	-	-	-	0.0%
Contracted physician services	-	-	-	0.0%
Purchased services	164	-	(164)	-100.0%
Pharmaceuticals	-	-	-	0.0%
Medical Supplies	-	-	-	0.0%
Materials and supplies	0	-	(0)	-100.0%
Outside medical services	-	-	-	0.0%
General & administrative expenses	39	-	(39)	-100.0%
Repairs/maintenance/utilities	-	-	-	0.0%
Building/equipment leases & rentals	-	-	-	0.0%
Depreciation	-	-	-	0.0%
Total operating expense	**434**	**735**	**301**	**40.9%**
Operating Income	**69**	**(735)**	**804**	**109.4%**
Interest income/(expense) net	-	-	-	0.0%
Support Services Allocation	-	-	-	0.0%
Other Non-operating income(expense)	-	-	-	0.0%
Contribution	**$ 69**	**$ (735)**	**$ 804**	**109.4%**

SAN LEANDRO HOSPITAL
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

San Leandro Campus	Year-To-Date Actual	Budget	Variance	% Variance
Inpatient service revenue	$ 169,571	$ 174,660	$ (5,089)	-2.9%
Outpatient service revenue	123,367	113,066	10,301	9.1%
Professional service revenue	-	-	-	0.0%
Gross Patient Service Revenue	**292,938**	**287,726**	**5,212**	**1.8%**
Deductions from revenues	(235,759)	(220,189)	(15,570)	-7.1%
Capitation - HPAC	-	-	-	0.0%
Net Patient Service Revenue	**57,179**	**67,537**	**(10,358)**	**-15.3%**
Medi-Cal Waiver	-	4,000	(4,000)	-100.0%
Measure A, Parcel Tax, Other Support	2,000	7,000	(5,000)	-71.4%
CA Hospital Fee	-	-	-	0.0%
DSRIP Revenue	-	-	-	0.0%
Supplemental Programs	9,744	-	9,744	100.0%
Grants & Research Protocol	-	-	-	0.0%
Other Operating Revenue	89	83	5	6.5%
Incentives	-	-	-	0.0%
Total Supplemental Revenue	**11,833**	**11,083**	**749**	**6.8%**
Net Operating Revenue	**69,011**	**78,620**	**(9,608)**	**-12.2%**
Salaries and wages	37,995	41,145	3,151	7.7%
Employee benefits	10,773	15,772	4,999	31.7%
Registry	1,453	1,596	143	9.0%
Contracted physician services	6,400	6,843	443	6.5%
Purchased services	5,628	8,341	2,714	32.5%
Pharmaceuticals	1,567	1,878	311	16.6%
Medical Supplies	4,843	4,570	(273)	-6.0%
Materials and supplies	1,943	1,824	(119)	-6.5%
Outside medical services	-	-	-	0.0%
General & administrative expenses	239	540	301	55.7%
Repairs/maintenance/utilities	1,627	1,769	142	8.0%
Building/equipment leases & rentals	226	363	137	37.8%
Depreciation	1,220	147	(1,072)	-729.0%
Total operating expense	**73,913**	**84,790**	**10,877**	**12.8%**
Operating Income	**(4,902)**	**(6,170)**	**1,268**	**20.6%**
Interest income/(expense) net	-	-	-	0.0%
Support Services Allocation	(25,500)	-	(25,500)	-100.0%
Other Non-operating income(expense)	-	-	-	0.0%
Contribution	**$ (30,402)**	**$ (6,170)**	**$ (24,232)**	**-392.7%**
Operating Margin	-7.1%	-7.8%		
EBIDA Margin	-42.3%	-7.7%		
Collection % - NPSR	19.5%	23.5%		
Collection % - Total	23.6%	27.3%		
Acute discharges	2,902	3,464	(562)	-16.2%
Acute patient days	11,972	15,330	(3,358)	-21.9%
Average length of stay	4.13	4.43	0.30	6.8%
Average daily census	33	42	(9)	-21.4%
Adjusted patient days (APD)	20,682	25,253	(4,571)	-18.1%
Net operating revenue per APD	$ 3,337	$ 3,113	$ 224	7.2%
Expense per APD	$ 3,574	$ 3,358	$ (216)	-6.4%
Oper income per APD	$ (237)	$ (244)	$ 7	2.9%
Paid full time equivalents (FTE)	342	397	55	13.9%
Paid FTE's per adjusted occupied bed	6.04	5.74	(0.30)	-5.2%
Worked hours per APD	29.67	26.50	(3.17)	-12.0%
Compensation ratio	72.8%	74.4%	1.7%	

ALAMEDA HOSPITAL
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

Alameda Campus + Clinics	Year-To-Date Actual	Budget	Variance	% Variance
Inpatient service revenue	$ 213,451	$ 217,835	$ (4,384)	-2.0%
Outpatient service revenue	107,793	109,466	(1,673)	-1.5%
Professional service revenue	1,329	-	1,329	100.0%
Gross Patient Service Revenue	**322,573**	**327,301**	**(4,728)**	**-1.4%**
Deductions from revenues	(244,035)	(247,384)	3,349	1.4%
Capitation - HPAC	-	-	-	0.0%
Net Patient Service Revenue	**78,538**	**79,917**	**(1,379)**	**-1.7%**
Medi-Cal Waiver	-	4,000	(4,000)	-100.0%
Measure A, Parcel Tax, Other Support	3,245	5,784	(2,539)	-43.9%
CA Hospital Fee	-	-	-	0.0%
DSRIP Revenue	-	-	-	0.0%
Supplemental Programs	14,606	-	14,606	100.0%
Grants & Research Protocol	-	-	-	0.0%
Other Operating Revenue	676	449	227	50.5%
Incentives	32	1,514	(1,482)	-97.9%
Total Supplemental Revenue	**18,560**	**11,747**	**6,813**	**58.0%**
Net Operating Revenue	**97,099**	**91,665**	**5,434**	**5.9%**
Salaries and wages	41,678	40,958	(719)	-1.8%
Employee benefits	13,594	17,397	3,802	21.9%
Registry	2,167	1,908	(259)	-13.6%
Contracted physician services	3,977	2,985	(992)	-33.2%
Purchased services	8,199	7,641	(558)	-7.3%
Pharmaceuticals	2,753	2,910	157	5.4%
Medical Supplies	5,847	3,876	(1,971)	-50.8%
Materials and supplies	2,179	3,076	897	29.2%
Outside medical services	-	-	-	0.0%
General & administrative expenses	203	2,178	1,975	90.7%
Repairs/maintenance/utilities	1,798	1,762	(36)	-2.1%
Building/equipment leases & rentals	2,798	2,786	(12)	-0.4%
Depreciation	1,587	1,149	(438)	-38.2%
Total operating expense	**86,780**	**88,626**	**1,846**	**2.1%**
Operating Income	**10,318**	**3,039**	**7,279**	**239.5%**
Interest income/(expense) net	7	16	(9)	-58.1%
Support Services Allocation	(29,939)	-	(29,939)	-100.0%
Other Non-operating income(expense)	330	335	(5)	-1.5%
Contribution	**$ (19,284)**	**$ 3,391**	**$ (22,674)**	**-668.7%**
Operating Margin	10.6%	3.3%		
EBIDA Margin	-18.2%	5.0%		
Collection % - NPSR	24.3%	24.4%		
Collection % - Total	30.1%	28.0%		
Acute & SNF discharges	2,648	3,219	(571)	-17.7%
Acute & SNF patient days	72,978	71,566	1,412	2.0%
Average length of stay	27.56	22.23	(5.33)	-24.0%
Average daily census	200	196	4	2.0%
Adjusted patient days (APD)	109,832	107,529	2,303	2.1%
Net operating revenue per APD	$ 884	$ 852	$ 32	3.7%
Expense per APD	$ 790	$ 824	$ 34	4.1%
Oper income per APD	$ 94	$ 28	$ 66	232.3%
Paid full time equivalents (FTE)	537	570	33	5.8%
Paid FTE's per adjusted occupied bed	1.78	1.93	0.15	7.8%
Worked hours per APD	8.67	-	(8.67)	-100.0%
Compensation ratio	59.2%	65.7%	6.6%	

Support Services
Statement of Revenues and Expenses
For the Period Ended June 30, 2015
(In Thousands)

Support Services	Year-To-Date Actual	Budget	Variance	% Variance
Inpatient service revenue	$ -	$ -	$ -	0.0%
Outpatient service revenue	0	0	0	0.0%
Professional service revenue	-	-	-	0.0%
Gross Patient Service Revenue	**-**	**-**	**-**	**0.0%**
Deductions from revenues	-	-	-	0.0%
Capitation - HPAC	(0)	33,891	(33,891)	-100.0%
Net Patient Service Revenue	**(0)**	**33,891**	**(33,891)**	**-100.0%**
Medi-Cal Waiver	-	-	-	0.0%
Measure A, Parcel Tax, Other Support	98,993	95,270	3,723	3.9%
CA Hospital Fee	-	-	-	0.0%
DSRIP Revenue	34,847	25,596	9,251	36.1%
Supplemental Programs	13,604	9,375	4,229	45.1%
Grants & Research Protocol	-	123	(123)	-100.0%
Other Operating Revenue	2,303	2,373	(70)	-3.0%
Incentives	(1,090)	2,424	(3,514)	-145.0%
Total Supplemental Revenue	**148,658**	**135,162**	**13,496**	**10.0%**
Net Operating Revenue	**148,658**	**169,053**	**(20,395)**	**-12.1%**
Salaries and wages	53,561	53,055	(506)	-1.0%
Employee benefits	47,862	50,630	2,768	5.5%
Registry	1,717	717	(999)	-139.3%
Contracted physician services	31,680	38,171	6,491	17.0%
Purchased services	46,104	45,575	(529)	-1.2%
Pharmaceuticals	83	(1,690)	(1,773)	-104.9%
Medical Supplies	74	(2,955)	(3,030)	-102.5%
Materials and supplies	2,272	3,310	1,038	31.4%
Outside medical services	1,244	1,916	671	35.0%
General & administrative expenses	11,988	12,455	467	3.7%
Repairs/maintenance/utilities	5,425	4,366	(1,060)	-24.3%
Building/equipment leases & rentals	1,362	1,294	(68)	-5.3%
Depreciation	9,480	7,440	(2,040)	-27.4%
Total operating expense	**212,853**	**214,283**	**1,430**	**0.7%**
Operating Income	**(64,195)**	**(45,230)**	**(18,965)**	**-41.9%**
Interest income/(expense) net	(578)	(761)	182	24.0%
Support Services Allocation	216,634	-	216,634	100.0%
Other Non-operating income(expense)	132	7	126	1904.9%
Contribution	**$ 151,994**	**$ (45,984)**	**$ 197,978**	**430.5%**

Alameda Hospital Balanced Score Card (FY 2015)

QUALITY INDICATORS	AH BASELINE FY14	YTD FY15	AH CURRENT PERFORMANCE			BENCHMARK/ GOAL	COMPARISON ORGANIZATION
			Mar-15	Apr-15	May-15		
I. 30-Day Readmissions (all diagnoses):							
30-Day Readmissions (# of readmits / # of total admissions)	n/a	**5.25%**	2.78%	7.82%	13.50%	15.80%	HSAG/CMS(CA)
II. Medication Errors:							
Acute (# errors / doses dispensed)	0.07%	**0.06%**	0.05%	0.09%	DP	0.10%	AH
Acute (# errors / 100 patient days)	1.75**	**1.56**	1.33	2.38	DP	TBD	TBD
LTC (# errors / 100 patient days)	0.155**	**0.057**	0.289	0.066	DP	TBD	TBD
III. HAPU (per 1000 patient days):							
Acute (patients with at least 1 HAPU)	0.29	**0.39**	0	0	0	1.27	CALNOC
# HAPUS Long-Term Care (Sub-Acute; SSC; WE)	n/a	**0.25**	0.19	0.20	1.78	2.54	NE
IV. Falls (per 1000 patient days):							
Acute (CCU/TELE/3W/ED)	1.16	**1.05**	1.54	1.92	0.36	2.89	CALNOC
Long-Term Care (Sub-Acute; SSC; WE)	n/a	**1.76**	0.96	2.58	0.77	5.78	MQI
V. Infection Prevention:							
Catheter Associated Urinary Tract Infections (per catheter days)	0%**	0%	0%	0%	0%	0.56%	NHSN
Hand Hygiene (percent compliance)	87%**	91%	91%	90%	89%	90%	TJC
Surgical Site Infections (per inpatient elective orthopedic procedures)	0%	0%	0%	0%	0%	0.00%	NHSN
VI. Core Measures (percent compliance):							
Inpatient Perfect Care (All or None)	90.27%	**94.68%**	98.65%	96.15%	TBA	90%	AHS True North
Acute Myocardial Infarction Measure Set Perfect Care	96.88%	**100%**	100%	Retired	Retired	90%	AHS True North
Heart Failure Measure Set Perfect Care	96.59%	**98.48%**	100%	Retired	Retired	90%	AHS True North
Pneumonia Measure Set Perfect Care	92.23%	**94.12%**	100%	Retired	Retired	90%	AHS True North
Immunizations Measure Set Perfect Care	94.76%	**94.60%**	100%	N/A	TBA	90%	AHS True North
Surgical Care Improve Project Measure Set Perfect Care	94.19%	**94.32%**	100%	Retired	Retired	90%	AHS True North
Stroke Measure Set Perfect Care	81.43%	**94.00%**	80.00%	100.00%	TBA	90%	AHS True North
Tobacco Cessation Measure Set Perfect Care*	n/a	**75.71%**	70%	84.00%	TBA	90%	TBD
Venous Thromboembolism Measure Set Perfect Care	87.32%	**98.26%**	100%	92.59%	TBA	90%	AHS True North
OP-5 Median Time from ED Arrival to ECG (min)	27	**20**	7.00	14	TBA	10	CMS / TJC
VII. HCAHPS (Top Box Percent):							
Communication with Nurses	69.0	**69.5**	67.6	73.9	60.5	82.1	Press Ganey
Communication with Doctors	75.4	**73.7**	71.6	71.2	61.3	84.1	Press Ganey
Staff Responsiveness	53.9	**53.1**	59.4	51.9	45.8	70.3	Press Ganey
Hospital Environment	49.6	**50.1**	48.5	59.6	51.3	70.8	Press Ganey
Pain Management	64.4	**58.2**	52.3	51.7	45.3	75.0	Press Ganey
Communication about Medications	50.4	**47.2**	45.0	46.1	36.1	67.0	Press Ganey
Discharge Information	79.4	**78.3**	81.5	84.8	66.2	88.7	Press Ganey
Care Transitions	42.0	**43.3**	45.0	40.0	32.7	56.7	Press Ganey
Rate the Hospital 9 or 10	59.9	**54.4**	48.5	55.1	38.4	76.0	Press Ganey
Recommend Hospital	63.1	**60.0**	63.6	65.6	42.7	78.6	Press Ganey
VIII. ED Turn-Around-Times (TAT):							
Door ➡ Doctor Time (min)	28	**33**	36	33	29	31	AHS True North
Door ➡ Admit (hrs)	4.1	**4.1**	4.4	4.7	4.4	2.8	AHS True North
IX. Stroke (Mean Times):							
Door ➡ CT for Code Stroke	20.5	**22**	19	23	28	25	Am St Assoc
Door ➡ Alteplase	50.7	**59**	79	33	45	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):

· Readmissions are up, though they are still below the goal. Some patients transferred from Highland's ED are difficult to place because they are underinsured have complex social and medical issues. The April and May readmissions report used a new Meditech report to calculate readmissions. The Community Paramedics Program started on June 1st, and is expected to reduce readmissions.

II. Medication Errors:

III. HAPU:

· One LTC patient trach/vent dependent patients multiple co-morbidities and a history of skin ulcers and other skin conditions developed 3 HAPUs. Provider teams continue to work on HAPU prevention including identification of patients at risk for HAPUs, turning patients and incontinence care every 2 hrs, and daily nutrition, physical therapy and skin assessments and providing specialty mattresses.

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

IV. FALLS:

· There was 1 fall in MedSurg for a patient with a diagnosis of Altered Level of Consciousness. The patient was provided with a sitter after the fall.

· **Successes:** LTC patient falls were lower in May than in April.

· **Continuing Opportunities for Improvement for inpatient falls:** New and more stable patient bedside commodes are needed to prevent further falls in the inpatient units.

V. Infection Prevention:

· **Successes:** CAUTI and SSI rates remain at zero.

· **Continuing Opportunities for Improvement**: Hand Hygiene and PPE to physicians is slightly below goal. Physicians should always use proper hygiene before and after entering patient rooms.

VI. Core Measures:

· **Successes:** Overall Perfect Care compliance rate of 96.15%.

· **Continuing Opportunities for Improvement:** Fall-outs Continuing Measures – 2: There were two cases where patients were not provided VTE prophylaxis and medical justification for not administering prophylaxis was not provided.

VII. HCAHPS:

· Alameda Hospital transitioned to Press Ganey for patient experience in April 2015, which will make their HCAHPS scores comparable to the rest of the organization. It is too early to assess transitional effects from Alameda's performance.

VIII. ECC Turn-Around-Times

· **Successes:** The monthly median Door to doctor time is below goal for the first time in 5 months.

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

IX. Stroke Mean Times:

· The mean Door to CT Completion time was 28 minutes. The fastest time was 12 minutes and the longest time was 77 minutes. The patient with the time of 77 minutes was a 59 year old patient who was found down on the sidewalk outside, with head trauma and a large intracranial bleed.

· Alteplase was given to two patients. The ER Door to Drug Times were 36 and 54 minutes for each patient.

DATE: August 3, 2015

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

FROM: J. Michael McCormick, President

SUBJECT: Report on First Meeting of the Alameda Health Care District Liaison Committee Meeting with Alameda City Council and Appointment of Two Representatives to Committee

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On June 16, 2015, the first Alameda Health Care District Liaison Committee was held in which the following person attended.

Trish Herrera Spencer, Mayor
Jim Oddie, Councilmember
Doug Long, Fire Chief
Elizabeth Warmerdam, Interim City Manager
J. Michael McCormick, President, Board of Directors
Bonnie Panlasigui, CAO, Alameda Hospital
Kristen Thorson, District Clerk

The committee was formed on June 11, 2015 by the City Council. At the meeting, the committee discussed membership, the intended purpose and scope, overlapping mission and sovereignty issues, meeting frequency and membership on the committee.

In general, the intended purpose and scope of the committee is to keep open lines of communication between City Council, the City of Alameda Health Care District and Alameda Hospital as well as to collaborate on current and new programs/ projects that promote health and well-being in the community as well as access to care.

The committee decided to meet quarterly with the next meeting to be held on October 15, 2015. The Committee also discussed having at least annual reports from the District and Hospital / System to City Council. We are coordinating the date for a report to City Council in October.

Mayor Trish Herrera Spencer and Councilmember Jim Oddie were appointed by the City Council. City Council representative requested that two representatives from the City of Alameda Health Care District, Board of Directors be appointed to the committee. Bonnie Panlasigui, CAO would attend as a non-voting member of the committee along with staff from the District and City.

I am recommending that I, as the President and CEO of the District, be formally appointed as one representative on the committee and recommend the Board nominate and appoint a second representative at the Board meeting. Nominations will be called for at the Board meeting.

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING JUNE 30, 2015

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT	As of 6/30/2014	As of 6/30/2015
Assets		
Current assets:		
Cash and cash equivalents	$ 30,136	$ 292,786
Grant and other receivables	291,283	295,000
Prepaid expenses and deposits	-	-
Total current assets	321,419	587,786
Assets limited as to use	323,821	255,304
Capital Assets, net of accumulated depreciation	4,089,000	3,650,181
	4,734,241	4,493,271
Other Assets	18,674	18,674
Total assets	$ 4,752,915	$ 4,511,946
Liabilities and Net Position		
Current liabilities:		
Line of Credit	$ 1,500,000	$ -
Current maturities of debt borrowings	25,808	26,940
Accounts payable and accrued expenses	117,592	91,750
Total current liabilities	1,643,400	118,690
Debt borrowings net of current maturities	1,058,793	1,031,855
Total liabilities	2,702,193	1,150,545
Net position:		
Invested in capital assets, net of related debt	4,089,001	4,089,001
Restricted, by conttributors	323,821	323,821
Unrestricted (deficit)	(2,362,100)	(1,051,421)
Total net position (deficit)	2,050,722	3,361,401
Total liabilities and net position	$ 4,752,915	$ 4,511,946

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	FYE 6/30/2014	YTD 6/30/2015
Revenues and other support		
District Tax Revenues	$ -	$ 5,740,247
Rents	-	172,112
Other revenues	-	1,982
Total revenues	-	5,914,341
Expenses		
Professional fees	-	120,450
Supplies	-	3,906
Repairs and maintenance	-	11,113
Rents	-	22,150
Utilities	-	7,148
Insurance	-	170,591
Depreciation and amortization	-	453,300
Interest	-	150,110
Travel, meeting and conferences	-	2,057
Other expenses	-	77,111
Total expenses	-	1,017,936
Operating gains	-	4,896,405
Transfers		(3,585,725)
Increase in net position		1,310,679
Net position at *beginning of the year*	5,642,904	2,050,722
Net position at the *end of the period*	$ 5,642,904	$ 3,361,401

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	FYE 6/30/2014	YTD 6/30/2015
Increase in net position	$ (3,592,182)	$ 1,310,679
Add Non Cash items		
Depreciation	1,030,310	453,300
Changes in operating assets and liabilities		
Patient account receivable	12,351,998	-
Grant and other receivables	6,212,035	(3,717)
Inventories	1,266,892	-
Prepaid expenses and deposits	458,826	-
Accounts payable and accrued expenses	(11,588,233)	(25,843)
Accrued payroll and related liabilities	(5,283,152)	-
Estimated third party settlements	(4,107,075)	-
Deferred inflows of resources	(5,731,269)	-
Health insuranc claims payable	(714,297)	-
Net Cash provided(used) by operating activities	(9,696,147)	1,734,420
Cash flows from investing activities		
Acquisition of Property Plant and Equipment	4,429,666	(14,481)
Changes in assets limited to use	(134,066)	68,517
Net Cash used in investing activities	4,295,600	54,037
Cash flows from financing activities		
Principal payments on debt borrowings	(1,006,970)	(1,525,806)
New borrowings	1,500,000	-
Net cash used by financing activities	493,030	(1,525,806)
Net change in cash and cash equivalents	(4,907,517)	262,650
Cash at the beginning of the year	4,937,653	30,136
Cash at the end of the period	$ 30,136	$ 292,786

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.

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

CITY OF ALAMEDA HEALTH CARE DISTRICT

Minutes of the City of Alameda Health Care District Board of Directors
Open Session
Monday, June 1, 2015 Regular Meeting

Board Members Present	Legal Counsel Present	AHS Management / Guests	Excused
Robert Deutsch, MD Tracy Jensen J. Michael McCormick, President Jim Meyers, DrPH Kathryn Sáenz Duke	Thomas Driscoll, Esq.	Bonnie Panlasigui, CAO Vanetta N. Van Cleave, V.P. of Finance Carladenise Edwards, CSO	
Submitted by: Kristen Thorson, District Clerk			

Topic		Discussion	Action / Follow-Up
I.	Call to Order	The meeting was called to order at 5:08 p.m.	
II.	Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.	
III.	Adjourn into Executive Closed Session	At 5:09 p.m. the meeting was adjourned into Closed Session.	
IV.	Closed Session		
V.	Reconvene to Public Session	The meeting reconvened at 6:03 p.m. into Open Session	
	A. Announcements from Closed Session	President McCormick announced that the closed session minutes on March 2, 2015 were approved as presented.	
VI.	**Regular Agenda**		
	A. Consent Agenda 1) Approval of March 2, 2015 Minutes (Regular)		Director Jensen made a motion to approve the minutes of March 2, 2015 as presented. Director Sáenz Duke

Topic	Discussion	Action / Follow-Up
	2) Approval of April 13, 2015 Minutes (Regular) Director Sáenz Duke removed the April 13, 2015 minutes from the consent agenda for discussion. Director Duke proposed the following corrections: • Strike sentence (page 5 of 5, 2nd paragraph, line 13) *"Director Duke asked that legal counsel review what the restrictions are not necessarily how to use the funds."* • Addition to sentence (page 5 of 5, 1st paragraph, line 3): Ms. Thorson informed the Board that director Jensen was in favor of being *members of ACHD.* • Spelling correction (page 5 of 5, 3rd paragraph, line 5): mute changed to *moot*	seconded the motion. The motion carried. Director Sáenz Duke made a motion to approve the minutes of April 13 with correction as noted. Director Deutsch seconded the motion. The motion carried with one abstention (Jensen).
B.	Action Items	
	1) Approval of FY Ending June 30, 2014 Audited Financial Statements Rick Jackson, auditor from JWT & Associates, LLP presented the FY Ending June 30, 2014 Audit as outlined in the packet on pages 17-35. He noted that the audited financials include 10 months of operations from the Hospital and 2 month of District alone operations. In future years, the audit will look dramatically different. Director Deutsch requested that an opportunity for discussion be offered after the motions have been made and before voting takes place.	Director Jensen made a motion to approve the FY Ending June 30, 2014 Audited Financial Statements. Director Deutsch seconded the motion. The motion carried.
	2) Approval to Support Alameda Hospital in 4th of July Parade. Ms. Thorson presented a recommendation to support Alameda Hospital and Alameda Health System in the 4th of July Parade with a $500 contribution toward the cost of the event. Director Saenz Duke asked whether hospital or health related items were distributed along the parade route. Louise Nakada noted that in the spirit of the 4th of July, patriotic items are handed out and the hospital has moved away from handing out flyers, health related information or brochures. Director Deutsch suggested that a list of hospital services be displayed on the cable car to let the community know what is offered at the hospital.	Director Meyers made a motion to approve funding of $500 to help support the Alameda Hospital / Alameda Health System entry in the parade. Director Jensen seconded the motion. The motion carried.
	3) Authorization to Bind District Insurance Policies for Property, General liability, Excess Liability and directors and Officers, Crime for FY 2015-2016. Ms. Thorson presented the recommendations to Bind the District's insurance policies for FY 2015-2016. The cost of the policies are outlined below. • Property Insurance: $24,277.12 • Directors and Officers and Crime: $21,401 • General Liability and Excess Liability: NTE $7,200	Director Meyers made a motion to authorize the board President to execute the necessary paperwork to bind the district insurance policies for FY 2015-2015. Director Sáenz Duke seconded the motion. The motion carried.

Topic	Discussion	Action / Follow-Up
	There was discussion on the purpose of the policies, coverage of the policies, including an overview of what the District was insured for and what insurance was maintained by Alameda Health System. Director Sáenz Duke asked for a comparison of premiums in particular to D&O coverage due to a significant decrease in responsibility. Ms. Thorson notes page 41 of the packet with a chart of comparisons. President McCormick inquired about the property value and rate as noted on page 43 of the packet. Ms. Thorson noted that the rate was believed to be in comparison to the other hospitals in the HARPP program. Ms. Thorson also noted in response to President McCormick's question that an option for an appraisal is available through HARPP and Alliant Insurance Services.	
	4) Approval of Resolution No. 2015-2: Levying the City of Alameda Health Care District parcel Tax for the Fiscal year 2015-2016. Director Sáenz Duke recommended the following revisions to the Resolution as outlined in red italics below. 6th paragraph: "Whereas, pursuant to the Agreement the District agreed to fulill its mission to serve the health needs of the Alameda City ~~*Cc*~~community…and the continued operation of its hospital *and other health related* services; and" 7th paragraph: "Whereas without the levy of a parcel…the District's revenue ~~*stream*~~ will be insufficient to allow the provision of continued local access to emergency room carem, acute hospital care and other ~~*necessary medical services*~~ *important services to protect and promote safety and health of District residents; and"*	Director Jensen made a motion to approve Resolution No. 2015-2 with the recommended changes outlined by Director Saenz Duke. Director Meyers seconded the motion. The motion carried.
	5) Approval of Certification and Mutual Indemnification Agreement Ms. Thorson presented the recommendation to approve the Certification and Mutual Indemnification Agreement. Director Meyers inquired about why legal counsel signed the document and not a member of the Board. Mr. Driscoll replied that it was a request from the County.	Director Meyers made a motion to approve the Certification and Mutual Indemnification Agreement. Director Jensen seconded the motion. The motion carried.
	6) Approval to Send Letter of Support to AHS Governance and Senior Leadership in Support of Alameda Health System's Vision and Overall Strategy President McCormick stated the purpose of the letter was to welcome Delvecchio Finley, comment on the one year anniversary of the affiliation and to show support for AHS's vision and overall strategy. Director Sáenz Duke endorsed the intent of the letter and inquired about the status of the committee appointments to AHS Board of Trustee Committees. Director Jensen noted that there were no changes in the status. There was a brief discussion about appointment to the committees and the process for AHS.	Director Sáenz Duke made a motion to send letter of support to AHS governance and senior leadership as outlined. Director Meyers seconded the motion. The motion carried.

Topic	Discussion	Action / Follow-Up
	Director Meyers thanked Director Sáenz Duke for participating in the AHS CEO selection and interview process.	
	7) Approval of FY 2015-2016 District Operating Budget Director Meyers presented the operating budget and noted that AHS would then bring back a parcel tax budget for the District to approve. He reviewed that the Board asked Director Sáenz Duke and himself to review what other community based District's do when they are not operating a hospital as part of the Vision 2015 work. He stated that the budget reflects the presentation later in the meeting. He stated that there is a point of discussion at the end of the presentation on budge. He stated that the language is open to budgeting and running this district as a community based district and the presentation and budget included their recommendation on how we might do that. There is 3 items that reflect their Vision 2015 work. One of which was salaries, wages and benefits increasing to reflect a 0.5 FTE position of an Executive Director. President McCormick asked if Director Meyers wanted to defer discussion on the operating budget until after the Vision 2015 presentation. Director Meyers confirmed, and the Board agreed to defer discussion until later in the meeting. Reference section D, 4) for further discussion and action taken.	Reference section D, 4) for further discussion and action taken.
	8) Approval to Secure Corporate / Business Credit Card Ms. Thorson distributed a recommendation to secure a corporate business card and designate J. Michael McCormick as the authorized official and authorize the financial institution to issue a credit card to the District Clerk in order to conduct District business as needed. It was recommended that the credit card that would be issued to president/CEO, would be stored securely and in the event of an emergency or special circumstance, that card could be used. Ms. Thorson also recommended developing a District policy on use of the credit card to be approved by the Board. Director Meyers inquired if any Board member wanted a credit card for District business to let him know and he would research polices to present to the Board. Director Deutsch suggested that the card be limited to the clerk and President as outlined in the recommendation.	Director Meyers made a motion to approve securing a corporate / business credit card as presented. Director Jensen seconded the motion. The motion carried.
	9) Recommendation to move Funds from City of Alameda Health Care Corporation and CW&S Investment Company Ms. Thorson reviewed the recommendations presented in the packet on pages 71-72. Option 1, would be to move the money from the current Health Care Corporation CD and CW&S Investment Company, LLC to a Certificate of Deposit account. Option 2, is to move the funds to a Business Money Market Savings Account. Director Jensen inquired about limitation to use and	President called for a motion for Option 1. No motion was made. He then called for a motion for Option 2. Director Jensen made a motion to move a total of $30,143.13 to a money market savings account (Option 2) with the Bank of Marin.

Topic	Discussion	Action / Follow-Up
	possible uses for the money. Director Meyers noted that these funds are not subject to any JPA requirements. It was discussed that these funds could be used for potential Vision 2015 work or other activities as decided upon by the Board. Director Deutsch suggested moving the funds at least for the next year to the money market account to allow for more flexibility. President McCormick and Director Meyers both preferred Option 1. President called for a motion for Option 1. Being no motion made, he called for a motion for Option 2.	Director Deutsch seconded the motion. The motion passed 3 (Jensen, Deutsch, Saenz Duke) to 2 (Meyers, McCormick).
President McCormick requested that the agenda be modified to allow for the special presentation from the Northern California Breathmobile.		
D.	District Updates	No action taken.
	1) Special Presentation: Northern California Breathmobile Presentation President McCormick introduced Washington Burns, MD, Executive Director of the Prescott-Joseph Center for Community Enhancement and Administrative Director of the Northern California Beathmobile who provided a presentation and overview of the program. President McCormick noted that collaborating with the Breathmobile could be a potential opportunity under the Vision 2015 work. Copies of the presentation will be posted on the website and available from the District Clerk.	No action taken.
C.	Alameda Health System and Alameda Hospital Update	
	1) Financial Report Vanetta Van Cleave, VP Finance from Alameda Health System presented a financial update for the system and for Alameda Hospital. Copies of the presentation will be posted on the website and available from the District Clerk. Ms. Van Cleave acknowledged the District's requests for additional information and her receipt of the pre-affiliation financial packet. She reported that the report that will be given tonight and that was included in the packet is not as robust but she should identify some key areas of improvement that will provide a higher level of detail. The presentation included an overview of the March financial statements for AHS and for Alameda Hospital, key metrics including accounts payable, key revenue cycle accomplishments and projects for improvement and FY 16 operating budget status. Director Meyers inquired about collection ratios and the industry standard. Ms. Van Cleave noted that she would look into that information and that the information would be affected by several variables including the charge Master. Director Meyers stated that by federal law, the charge master needs to match average insured price. Ms. Van Cleave noted that revisions to the charge master were in progress. Director Meyers inquired about accounts receivable and noted that he has requested this information and trending statistics to see improvements several meetings ago	No action taken

Topic	Discussion	Action / Follow-Up
	and did not see it in the information presented. He also requested clean claims rates. His request stems from inquiries form the community about billing. While there has been great progress in accounts payable across the System, Director Meyers requested info specific to Alameda Hospital. Director Deutsch stated that a number of his patients have been receiving bills from services in which their insurance has not been billed from summer 2014 and if there was a program or initiative to collect on these bills. Director Meyers stated that the Board has a responsibility to understand financials presented. He wanted to know what AHS believes are the priorities so that over a period of time, metrics can be trended and improvement can be seen in these key metrics. President McCormick noted that he still had interest in key ratios and statistics that we outlined in the former financial statements. Director Jensen noted that AHS Board of Trustees approved a contract with Alliance One to work accounts receivables at Alameda Hospital.	
	2) Quality Dashboard Report Ms. Panlasigui reviewed the quality dashboard as presented on mages 79-80. She noted that processes are being implemented to improve HCAHPS scores, including hourly rounding, discharge phone calls and new whiteboards to assist with communication to patients. She also noted outliers in the core measures reporting.	No action taken.
	3) Chief Administrative Officer (CAO) Report Ms. Panlasigui distributed the written CAO report that included the months of April and May 2015. She highlighted the following areas as outlined in her report. • True North Metric, Access: Patient Flow, Westmed Contract • True North Metric, Sustainability: Market Share, Bay Area Accountable Care Network, Capital Equipment Planning • True North Metric, Integration (Quality): Long Term Care, New Grad Program • True North Metric, Network: Crimson Market Advantage & Market Migration/Outmigration, Community Events • True North Metric, Workforce: Hospital and Nursing Home Week, Open Forums, Pulse Check Survey Follow-up Director Jensen inquired about the ability to understand the possible reasons behind any outmigration. Ms. Edwards stated that staff analyzes the data that is available to draw conclusions based on the data and identify potential areas for growth.	No action taken.
	4) Alameda Health System Board of Trustees Report	No action taken.

Topic	Discussion	Action / Follow-Up
	Director Jensen announced that AHS entered into two new union contracts, one with Waters Edge Union that included an increase of 4% for those making less than $12/hour and 3% increase for those making over $12/hour. The other contract was with UAPD which includes staff physicians primarily at Highland and John George. This union contract includes incentives for productivity. She announced the hiring of Delvecchio Finley as CEO of Alameda Health System. She provided a brief background on him. In July there will be a new AHS Board of Trustee President, Michelle Lawrence. She distributed a list that identified the terms of the Board of Trustees. The Board also signed a lease to use the 12th floor of the Oakport Business Center to accommodate staff that will be displaced when the new tower opens and other buildings are torn down. She encouraged the Board to take the opportunity to tour the AHS facilities and the new tower. The Alameda County debt agreement was extended to December 15, 2015. AHS and the Board continue to work with the County on the debt agreement. Board and elected officials in the County have been focused on San Leandro Hospital and keeping it open as it is currently losing a significant amount of money per month. The FY 2015-2016 operating budget is being developed and the board is expected to see the budget in the next 4-6 weeks. Departments across the system have been asked to identify vacant positions and make cuts in positions. The Board hopes that cut will be made to vacant positions but expects that some filled positions to be eliminated. In regards to the AHS Committee appointments and District representatives, the Governance Committee, at the last meeting, did recommend that the Board of Directors have an appointment to the Strategic Planning Committee. Director Saenz Duke has been attending the meetings and Director Jensen recommended that she continue to be the representative. She encouraged the Board of Directors continue to attend open session committee and Board meetings.	
D.	District Updates – continued	No action taken.
	2) President's Report President McCormick noted that tours are available of the new acute care tower at Highland Hospital. Ms. Thorson offered to assist in coordinating tours with AHS and the Board as requested.	No action taken.
	3) Treasurer's Report a. March & April 2015 Expense to Budget Update	No action taken.

Topic	Discussion	Action / Follow-Up
	Ms. Thorson noted the expense to budget document on page 84-85 of the packet. The FYE 2014 audit is complete and will be presented at the next meeting. Ms. Thorson also noted that the District will be converting from a cash basis to accrual based accounting in the next fiscal year. President McCormick suggested a type of holding account / reserve for larger expenses such as election expense. Director Deutsch stated that the accrual would allow for such an expense. Ms. Thorson noted that each election year would be budgeted. President McCormick suggested this to help with cash flow and planning purposes for AHS and the District. Director Meyers asked if we would be ever at risk of not having enough money. Ms. Thorson noted that at time of each parcel tax, several factors including cash on hand and projected revenue are reviewed prior to the transfer. Ms. Thorson reviewed the costs associated with election year expenses and the expense is based on the number of registered voter and not the number of candidates running for office. There was discussion about the District paying for candidates statements in an election year and the District has the option to pay for the statement or not as part of the election cycle. b. Jaber Properties Follow-Up Ms. Thorson reviewed the follow-up as requested front the Board at the last meeting relating to variances noted in the Jaber analysis. Director Meyers asked if there were any negotiations going on currently with the Jaber properties and specifically a master lease offer. President McCormick noted that there were some initial discussions. Director Meyers requested that an agenda topic be added to the next meeting and requested that the Treasurer be involved in any discussions going forward. Mr. Driscoll noted the proposed terms that were emailed to him and then sent to President McCormick. No further discussions have been made to date with any parties. Director Meyers stated that he should be involved in any discussions as Treasurer.	
Ms. Thorson noted that while additional time was allotted for the Board meeting tonight and videotaping, there was approximately 30 minutes available for videotape. The Board agreed to continue with the Vision 2015 Report and approval of operating budget.		
	4) Vision 2015 Report Director Meyers thanks Director Saenz Duke for working with him on the Vision 2015. He and Director Saenz Duke reviewed the presentation that was included in the packet on pages 89-116. The presentation outlined the Vision 2015 charter, research conducted, findings from research, recommendation budget and proposal for discussion and vote. They reported their findings of what the District could do, guided by the JPA and local health care district law, and how we could do it and topics of possible priority. Reference presentation. Director Meyers outlined the minimum amount of staffing required to move forward with the areas identified on pages 112-115 of the presentation. Two options were presented as listed	Director Meyers made a motion to offer a $250 honorarium plus local travel expenses. Director Deutsch seconded the motion. The motion carried.

Topic	Discussion	Action / Follow-Up

	below.
	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)	

The Board meeting changed from video to audio at 9:30 PM		
	Director Meyers stated that he has presented an operating budget that includes Option 1. Director Jensen agreed that the District should be thoughtful and proactive to fulfill the authority in the future. Director Jensen stated that many of these things, prior to the affiliation, were conducted by hospital staff. She continued to state that AHS and hospital staff continue to do these activities. She noted that the outreach may not be strategic in the approach and specific to Alameda. President McCormick noted that he liked the presentation and that this was a wonderful first step for the work that has been done. Director Meyers directed the Board back to page 69 for the operating budget. He noted that the budget has dropped 35% over prior year's budget with the inclusion of the 0.5 FTE Executive Director. Director Meyers noted that the approval of the budget was on the table for approval. He inquired about the process of approval of the budget by AHS and then the approval of the parcel tax plan by AHS and the order of such approvals. If the Board approves the budget as presented, the Board has approved Option 1. After the motion was made Director Deutsch commented that the savings in the budget may be a stretch if the FY 214-2015 budget was in a sense created with little experience as to what would happen in the first year post affiliation. With the executive director position, he did not know what the 0.5 FTE would involve. He expressed that it was difficult to sort out the potential overlaps with what AHS and the hospital continue to do and what the District may do. If the approval of the budget is necessary to continue the dialogue of the vision, he would support it. Director Jensen commented that the 0.5 FTE Executive Director was a good place to start. She felt a need for the District to be more involved and proactive in the community separate from AHS. Director Deutsch noted the premise and campaign that the parcel tax was to support the operations of an acute care hospital and emergency services. He stated that he understood that	Director Jensen moved adoption of the budget as presented which included Option 1. Director Saenz Duke seconded the motion. After no further discussion the motion carried.

Topic	Discussion	Action / Follow-Up
	the mission of hospital's can change and it has changed over the years. He continued to say that there was a risk or concern from the community for taking on direct responsibilities as opposed to facilitating forums between organizations. While he had concerns about mission creep, he would support Option 1. Director Meyers noted that the majority of their discussion in developing this report was focused on Measure A. Ms. Edwards, Chief Strategy Officer commented that adding the FTE is one thing and then adding the resources to effectuate change, additional resources will be needed. The District will need resources to equitably contribute to some of the ideas proposed or to support those activities already done by the System and Hospital. She expressed that she agreed with the proposed mission and vision that was presented. Director Meyers did include some funding in the budget (education and consulting) to partially support pursuit of the vision work as the District moves forward.	
	a. Proposal to Offer Honorarium / Stipend to a California Healthcare District to Present to District as part of Vision 2015 Work Director Duke noted her report on Petaluma Healthcare District as included in the packet. Ms. Thorson noted that a dollar amount for a stipend should be identified and voted on by the Board.	Director Meyers recommended a stipend of $250 for local (Northern California) be offered. Director Deutsch seconded the motion. The motion carried.
	5) Report on Annual Meeting of the Association of California Healthcare Districts (ACHD) Report was deferred to the next meeting.	No action taken.
	6) 2015-2016 District Board Meeting Schedule A schedule of the approved meeting dates was provided to the Board as reference.	No action taken.
VII.	**Board Comments**	No board comments
VIII.	**Adjournment** Being no further business the meeting was adjourned at 9:56 p.m.	

Attest:

J. Michael McCormick
President

Kathryn Sáenz Duke
Secretary

Alameda Health Care District
Board of Directors

August 3, 2015

Financial Report

Vanetta Van Cleave,
Vice President - Finance

Presentation Agenda

- Alameda Health System
  - Fiscal 2015 Operations
  - Business Unit Profitability - Allocations
  - Fiscal 2016 Budget
  - HCSA (Toyon) Recommendations
  - Supplemental Reimbursement and Contracting
- Alameda Hospital Financial Report
  - Fiscal 2015 Operations
  - Fiscal 2016 Budget
  - AH Revenue Cycle
- Parcel Tax 2015

Summary of Financial Operations

- Fiscal 2015 – $21m loss, improved from Fiscal 2014 $51m loss.
  - Operating loss reduced by $30 million; revenues plus 23%, expenses 17%.
  - Cash Collection on NPSR (Core) increased by 65%.
  - Trends are going in the right direction – FTE's per AOB, Comp Ratio, Run Rate.

- Alameda County Agreement
  - In compliance; finished June 30, 2015 at $137 million NNB.
  - Discussions regarding Permanent Agreement re-starting.
  - Ongoing Metrics agreed to.

- Performance Improvement Initiatives Continue
  - Revenue Cycle Improvement - $20 million target for 2016.
  - Better II Performance Improvement - $10 million target.
  - HCSA (Toyon) Recommendations – Excellent Progress.

- Financial Reporting –
  - Decision Support/Service Line Analysis – almost there.
  - Long Term Financial Planning Model in process; objective is to coordinate with Strategic Plan revision later this year.
  - **Business Unit Profitability available now.**

Fiscal 2015 Allocations

	Year-To-Date					
	Income With Allocations	Contractual Allowances	Supplemental Reimbursements	System Support Costs	With Out Allocations	2015 Budget
Highland Hospital	(16,338)	411,963	(19,939)	(100,800)		
Fairmont Hospital	(26,633)	(123,857)	8,294	(14,587)		
Behavioral Health	(21,766)	(155,078)	16,876	(20,671)		
Ambulatory	(58,463)	(133,028)	7,387	(25,137)		
Alameda Health Partners	69	-	-	-		
Home Office	151,994	-	(34,041)	216,634		
CORE Total	28,862	-	(21,423)	55,439	(5,154)	12,111
San Leandro Hospital	(30,402)	-	8,715	(25,500)	(13,617)	(6,170)
Alameda Hospital	(19,284)	-	12,708	(29,939)	(2,053)	3,391
AHS Operating Income	**$ (20,824)**	**$ -**	**$ -**	**$ -**	**$ (20,824)**	**$ 9,332**

ALAMEDA
HEALTH SYSTEM

Fiscal 2015 Performance by Business Unit

Fiscal 2015	Highland Hospital	Fairmont Campus	Behavioral Health	Ambulatory	AHP	San Leandro Hospital	Alameda Hospital	Support Services	Consolidated
Net Patient Service Revenue	**276,347**	**27,769**	**42,702**	**35,375**	**504**	**57,179**	**78,538**	**(0)**	**518,414**
Total Supplemental Revenue	**100,290**	**2,465**	**16,120**	**4,158**	**-**	**11,833**	**18,560**	**148,658**	**302,084**
Net Operating Revenue	**376,638**	**30,234**	**58,822**	**39,533**	**504**	**69,011**	**97,099**	**148,658**	**820,498**
Salaries and wages	151,348	24,395	37,785	45,668	232	37,995	41,678	53,561	392,661
Employee benefits	46,359	8,860	11,372	17,779	-	10,773	13,594	47,862	156,598
Registry	9,485	1,553	596	196	-	1,453	2,167	1,717	17,167
Contracted physician services	23,603	784	6,254	592	-	6,400	3,977	31,680	73,291
Purchased services	8,252	2,422	1,569	1,531	164	5,628	8,199	46,104	73,868
Total operating expense	**292,175**	**42,281**	**59,917**	**72,860**	**434**	**73,913**	**86,780**	**212,853**	**841,213**
Operating Income	**84,462**	**(12,047)**	**(1,095)**	**(33,326)**	**69**	**(4,902)**	**10,318**	**(64,195)**	**(20,715)**
Support Services Allocation	(100,800)	(14,587)	(20,671)	(25,137)	-	(25,500)	(29,939)	216,634	-
Contribution / Income	**$ (16,338)**	**$ (26,633)**	**$ (21,766)**	**$ (58,463)**	**$ 69**	**$ (30,402)**	**$ (19,284)**	**$ 151,994**	**$ (20,824)**
Operating Margin	22.4%	-39.8%	-1.9%	-84.3%	13.7%	-7.1%	10.6%	-43.2%	-2.5%
EBIDA Margin	-3.8%	-87.9%	-36.9%	-145.4%	13.7%	-42.3%	-18.2%	108.2%	-0.7%
Collection % - NPSR	22.8%	18.5%	21.5%	21.7%	100.1%	19.5%	24.3%		22.2%
Collection % - Total	31.1%	20.2%	29.7%	24.3%	100.1%	23.6%	30.1%		35.1%
Paid full time equivalents (FTE)	1,419	281	318	503	-	342	537	553	3,953
Paid FTE's per adjusted occupied bed	7.59	2.31	3.09			6.04	1.78		4.78
Worked hours per APD	36.81	11.08	14.88			29.67	8.67		23.16
Compensation ratio	55.0%	115.1%	84.6%	161.0%	46.1%	72.8%	59.2%	69.4%	69.0%

ALAMEDA HEALTH SYSTEM

2016 Summary Operating Budget - System

(Stated in $000's)	*2014*	*Projected 2015*	*Budget 2016*	*Favor/(Unfavor) $ Change*	*% Change*
Net Patient Revenue	$ 289,758	$ 493,186	$ 561,604	$ 68,418	13.9 %
Supplemental Revenue	375,975	327,227	311,031	(16,195)	(4.9)%
Total Operating Revenue	665,733	820,413	872,636	52,223	6.4 %
Total Operating Expenses	716,672	843,969	843,805	164	0.0 %
Net Operating Income	(50,939)	(23,556)	28,831	52,387	222.4 %
Non Operating Income/(Expenses)	11,798	(239)	101	340	142.3 %
Total Income Before Contributions	$ (39,141)	$ (23,795)	$ 28,932	$ 52,727	221.6 %
Capital Contributions	0	0	0	0	0.0 %
Total Income	$ (39,141)	$ (23,795)	$ 28,932	$ 52,727	221.6 %
Collection rate	17.0 %	20.9 %	23.0 %		
Operating Margin	(7.7)%	(2.9)%	3.3 %		
EBIDA Margin	(4.2)%	(1.3)%	5.0 %		
Total FTEs	3,186	3,956	3,960	(4)	(0.1)%
FTE per AOB	5.86	4.80	4.68	0.12	2.5%
Adjusted Patient Days (APD)	198,320	300,647	309,051	8,404	2.8%
Operating Expense per APD	$ 3,356.86	$ 2,728.82	$ 2,823.60	$ 94.77	3.5%
Operating Expense per APD	$ 3,613.72	$ 2,807.18	$ 2,730.31	$ 76.87	2.7%
SWB to net revenue	71.2 %	69.6 %	66.7 %	2.9 %	

HCSA (Toyon) Findings & Recommendations	Action	Timeline
1. Establish a culture of accountability, including metrics for key initiatives.	Accountability has been built into the Fiscal 2015 budget process and will be reinforced through continuing education and implementation of a monthly Variance Committee review at the departmental level.	Complete
2. Repair the organizations revenue cycle.	AHS has made tremendous progress over the last year, improving performance by over $20 million on an annualized basis. There are additional opportunities, but we have a well organized improvement plan underway under the oversight of our Revenue Cycle Improvement Committee.	Complete/ Ongoing
3. Achieve benchmark performance on operating expenses and put appropriate controls in place.	AHS has established a Fiscal 2016 budget that meets our immediate objectives. Additional work needs to be done, but our Better II initiative is now focused on labor productivity and we are implementing improved schedules and controls a the departmental level.	In Process
4. Improve Financial and Operational Reporting	Accounting has been restructured to provide profitability reporting at the business unit level.	Complete
5. Evaluate service line and business unit profitability.	Implementation of ePSI Decision Support/Cost Accounting is nearly complete and reporting will be available very shortly.	In Process
6. Perform a Strategic Reimbursement Analysis to best position AHS under healthcare reform and track payer mix.	The Strategic Reimbursement Analysis is complete and we are awaiting the final form of the next MediCal Waiver to determine the specific strategy.	Complete
7. Assess and update the current strategic financial plan to ensure long-term financial stability.	AHS has just engaged Sg2 (a MedAssets company) to complete a market assessment and update our Strategic Plan. We expect this to be available in September.	In Process
8. Develop a plan to repay the loan to the County.	The plan was developed and successfully implemented. AHS is in compliance with the Interim Agreement effective June 30, 2015. We are now re-initiating discussions regarding the Permanent Agreement.	Complete

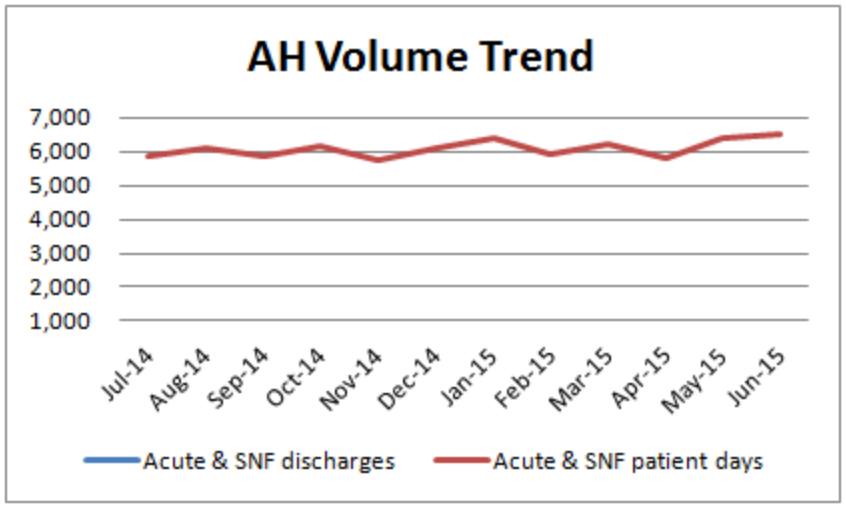
Supplemental Reimbursement and Contracting

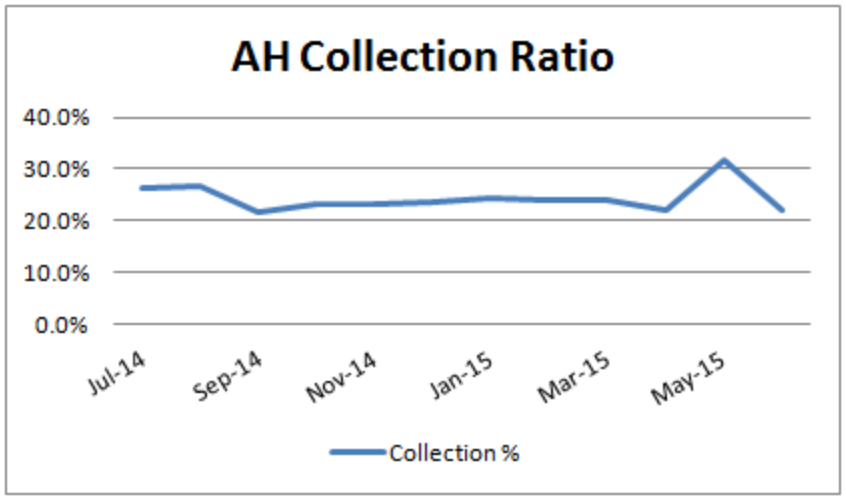
- **Supplemental Reimbursement**
  - Current Strategy is to **maximize DSH reimbursement** at Highland, while using available **Rate Range $** at San Leandro and Alameda. We are coordinating strategy with Alameda Alliance and CAPH.
  - The proposed new "**Medi-Cal 2020**" Waiver would convert DSH/SNCP to block grants subject to earning credits for defined objectives, with a focus on "**expanding access, improving quality and outcomes, and controlling costs of care**". **The new waiver would include Alameda Hospital in DSRIP.**
  - **FQHC Status is being reviewed** in coordination with County; potential need to convert from H to HE, which would require a separate community board. Analysis is underway and there will be **a joint planning retreat** to determine the optimum strategy for the community.

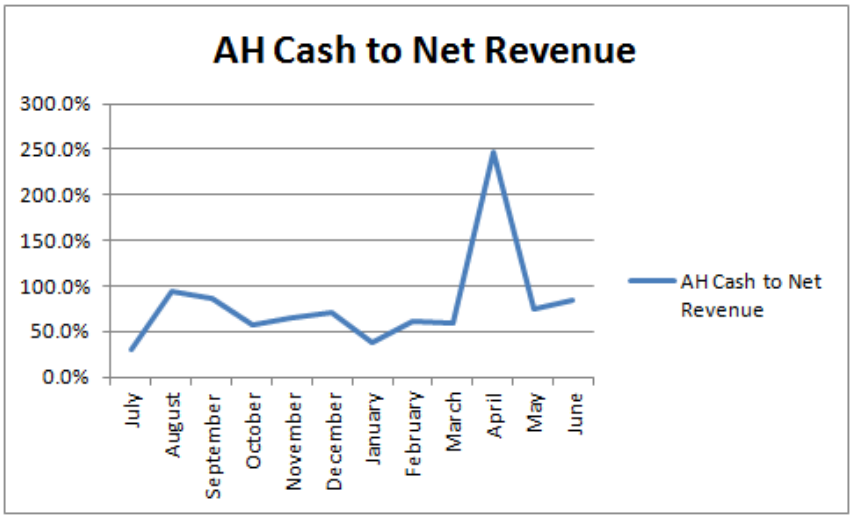
- **Managed Care Contracting**
  - Basic strategy is to ensure that AHS receives **adequate compensation** under commercial agreements.
  - At current rates and terms, AHS would be **better off non-participating**.
  - Discussions are underway and we are receiving very good responses – (CHCN, Alliance, Kaiser, rental networks PPO's).
  - **Self Pay Discount Policy** being implemented; directed at PPO and Self Pay.
  - Bay Area Accountable Care **(The Network)** discussions continue and AHS being considered for its own **Dyad (risk bearing entity)** on roll-out next year.

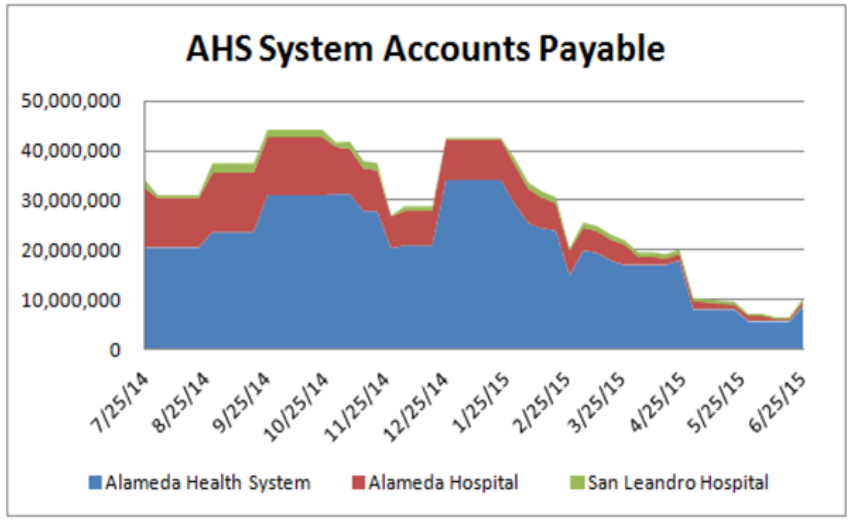
Alameda Hospital Contribution Statement FYE 2015

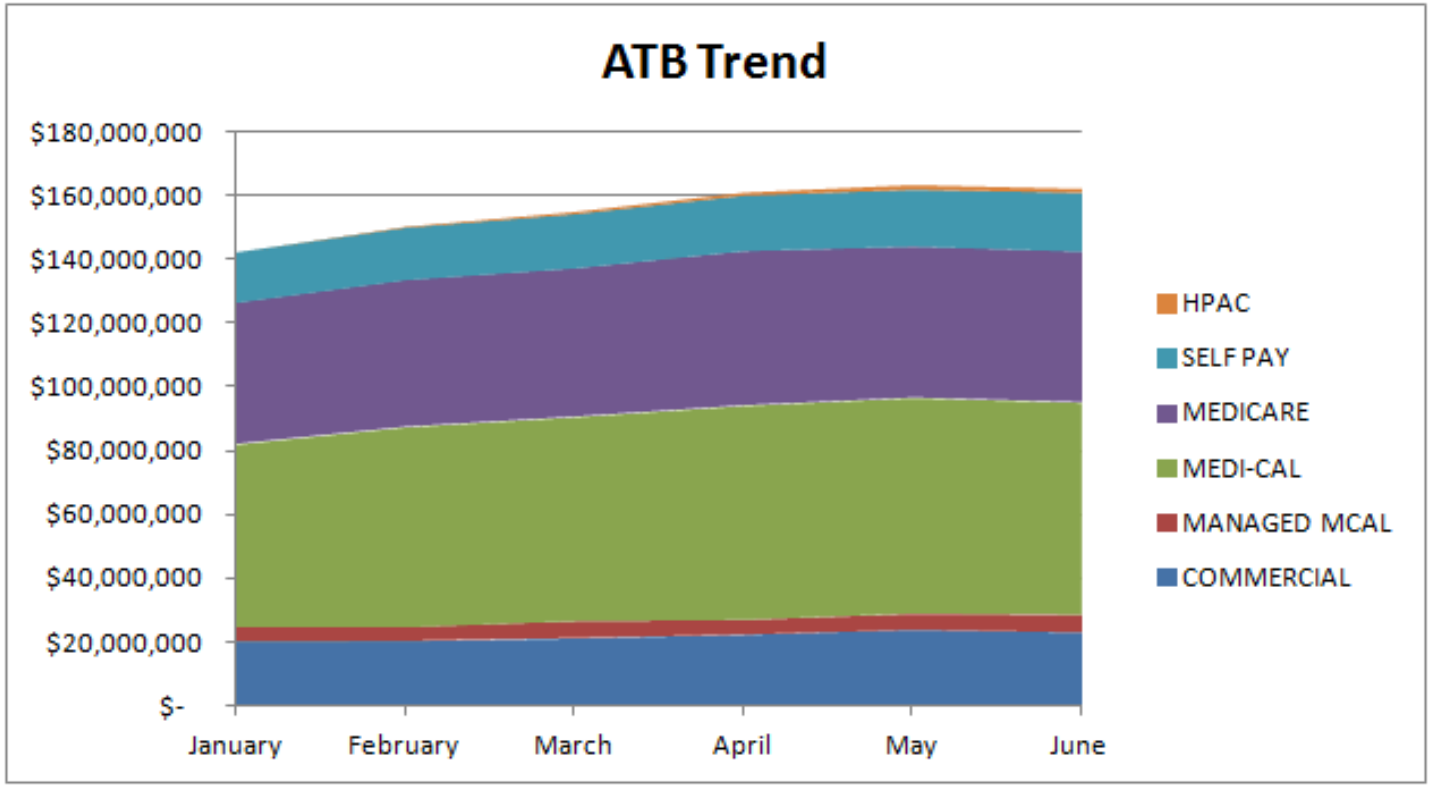
	Year-To-Date			
	Actual	**Budget**	**Variance**	**% Variance**
Net Patient Service Revenue	**78,538**	**79,917**	**(1,379)**	**-1.7%**
Medi-Cal Waiver	-	4,000	(4,000)	-100.0%
Measure A, Parcel Tax, Other Support	3,245	5,784	(2,539)	-43.9%
Supplemental Programs	14,606	-	14,606	100.0%
Other Operating Revenue	676	449	227	50.5%
Incentives	32	1,514	(1,482)	-97.9%
Total Supplemental Revenue	**18,560**	**11,747**	**6,813**	**58.0%**
Net Operating Revenue	**97,099**	**91,665**	**5,434**	**5.9%**
Salaries and wages	41,678	40,958	(719)	-1.8%
Employee benefits	13,594	17,397	3,802	21.9%
Registry	2,167	1,908	(259)	-13.6%
Contracted physician services	3,977	2,985	(992)	-33.2%
Purchased services	8,199	7,641	(558)	-7.3%
Pharmaceuticals	2,753	2,910	157	5.4%
Medical Supplies	5,847	3,876	(1,971)	-50.8%
Materials and supplies	2,179	3,076	897	29.2%
General & administrative expenses	203	2,178	1,975	90.7%
Depreciation	1,587	1,149	(438)	-38.2%
Total operating expense	**86,780**	**88,626**	**1,846**	**2.1%**
Operating Income	**10,318**	**3,039**	**7,279**	**239.5%**
Support Services Allocation	(29,939)	-	(29,939)	-100.0%
Other Non-operating income(expense)	330	335	(5)	-1.5%
Contribution	**$ (19,284)**	**$ 3,391**	**$ (22,674)**	**-668.7%**
Operating Margin	10.6%	3.3%		
EBIDA Margin	-18.2%	5.0%		
Collection % - NPSR	24.3%	24.4%		
Collection % - Total	30.1%	28.0%		
Acute & SNF discharges	2,648	3,219	(571)	-17.7%
Average length of stay	27.56	22.23	(5.33)	-24.0%
Average daily census	200	196	4	2.0%
Paid full time equivalents (FTE)	537	570	33	5.8%
Paid FTE's per adjusted occupied bed	1.78	1.93	0.15	7.8%
Compensation ratio	59.2%	65.7%	6.6%	


AH Volume Trend
7,000
6,000
5,000
4,000
3,000
2,000
1,000
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Apr-15
May-15
Jun-15
Acute & SNF discharges
Acute & SNF patient days


AH Collection Ratio
40.0%
30.0%
20.0%
10.0%
0.0%
Jul-14
Sep-14
Nov-14
Jan-15
Mar-15
May-15
Collection %


AH Cash to Net Revenue
300.0%
250.0%
200.0%
150.0%
100.0%
50.0%
0.0%
July
August
September
October
November
December
January
February
March
April
May
June
AH Cash to Net Revenue


AHS System Accounts Payable
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
7/25/14
8/25/14
9/25/14
10/25/14
11/25/14
12/25/14
1/25/15
2/25/15
3/25/15
4/25/15
5/25/15
6/25/15
Alameda Health System
Alameda Hospital
San Leandro Hospital


ATB Trend
$180,000,000
$160,000,000
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$-
January
February
March
April
May
June
HPAC
SELF PAY
MEDICARE
MEDI-CAL
MANAGED MCAL
COMMERCIAL

Alameda Hospital FY 2016 Budget

(In Thousands)	Total
Inpatient service revenue	$ 270,611
Outpatient service revenue	132,817
Professional service revenue	1,012
Gross patient service revenue	**404,440**
Deductions from revenues	(322,453)
Capitation - HPAC	-
Net patient service revenue	**81,987**
Medi-Cal Waiver	-
CA Hospital Fee	-
Measure A, Parcel Tax, Other Support	5,171
DSRIP Revenue	-
Supplemental Programs	6,512
Grants & Research Protocol	-
Other Operating Revenue	141
Incentives	-
Supplemental Revenue	**11,824**
Net operating revenue	**93,811**
Salaries & Wages, Overtime, Registry &	45,403
Employee Benefits	14,670
Registry and Temps	747
Contracted Physician Services	4,284
Purchased Services	7,207
Pharmaceuticals	2,094
Medical Supplies	5,620
Materials & Supplies	1,519
Outside Medical Services	-
General & Administrative Expenses	903
Repairs/Maintenance/Utilities	1,582
Building/Equipment Leases & Rentals	2,238
Depreciation	1,156
Total operating expense	87,424
Operating Income	**6,387**
Interest Income	330
Interest Expense	-
Other Non-operating income(expense)	(30,112)
Contribution	**$ (23,394)**

ALAMEDA HEALTH SYSTEM

Alameda Health District Parcel Tax – Fiscal 2015

	COAHCD February Revision FY 2014-2015	AHS Actual FY 2014-2015	Variance
Parcel Tax Balance to transfer to AHS	$ 5,170,673	$ 5,184,163	$ 13,490
Repayment of Debt due to AHS	1,598,438	1,621,406	22,968
Repayment of Debt due to Alameda Hospital Foundation	405,000	405,000	-
Accounts payable reduction	1,936,197	1,936,197	-
AHS Capital expenditures plan	1,231,038	-	
To be expended in FY16		1,208,070	(22,968)
	$ 5,170,673	$ 5,170,673	$ -

ALAMEDA HEALTH SYSTEM

Discussion

City of Alameda Health Care District

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

	Budget July - June Fiscal Year 2015	Actual July - June Fiscal Year 2015	Current Month
District Revenue Sources			
Jaber Property Gross Revenues	166,800	172,112	14,225
District Property Tax Revenues	5,780,000	5,736,530	-
Other		1,982	-
Interest		-	-
Total Revenues	5,946,800	5,910,624	14,225
Administrative Expenses			
Salary, Wages and Benefits	49,500	-	-
Board Stipend	6,000	2,000	-
Education & Conferences	5,000	2,050	-
Dues & Subscriptions	5,000	202	-
Insurance - General, D&O, Property	138,000	170,591	52,878
Accounting	10,000	7,500	3,000
Annual Independent audit	17,500	17,500	-
General Counsel	60,000	69,399	4,760
Office Expenses	4,800	307	-
District Markenting, Promotions	2,500	781	500
Consultant Fees	25,400	7,386	500
Lease expense (Equipment & Building)	27,700	22,150	-
Utilities, Phones, Maintenance	4,800	1,277	18
Jaber Property	38,997	26,062	3,135
Interest Expense	51,672	150,110	4,339
Other misc Operating Expenses	3,600	300	-
Food/Meals	2,250	3,607	1,523
Election Year Expenses	120,000	71,316	-
Total Administrative Expenses	572,719	552,537	70,654

Outlays			
Principal on Note	25,808	25,806	2,117
Leasehold Improvements, Furnishings	15,000	14,481	350
Accounts Payable		42,133	-
Loan Repayment		1,500,000	
Sum of Total Uses	613,527	2,134,957	73,121

Total Revenue Sources	**5,946,800**	**5,910,624**	**14,225**
Minus Total District Uses	**613,527**	**2,134,957**	**73,121**
Balance to Transfer to Alameda Health System	**5,333,273**	**3,775,667**	**(58,896)**
Actual funding		**(5,184,163)**	**-**
		(1,408,496)	(58,896)

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

ALAMEDA HOSPITAL

REVENUE CYCLE UPDATE

August 3, 2015

Although the monthly ATB gross balance has grown from $142 million to $162 million from January 2015 to June 2015, we are experiencing positive signs that the trend is reversing. The AR balance has decreased by $1.2 million from May to June, we had a record breaking cash month in April, and we expect this favorable trend to continue for the following reasons:

Medi-Cal

41% of the AH gross AR is Medi-Cal (standard Medi-Cal and Alameda Alliance). Of the $66 million gross Medi-Cal balance, $40 million has been unbilled awaiting approval of the Sub-Acute application. With the application now approved, these unbilled claims are now being processed with $8 million in expected net payments to begin by the end of August.

Alameda Alliance (AAH) Managed Medi-Cal has approximately $22 million gross AR delayed due to claims processing issues. Expected resolution is 30 – 60 days while we work with the AAH claims department.

Self Pay Balances

MediTech system issues prevented the generation of standard patient collection statements which seriously impact self pay collection performance. This problem was resolved in May with the implementation of the statement outsourcing agreement with Alliance One. Collection statements are now produced and mailed weekly by Alliance One and the results have been encouraging with over $445,000 in self pay payments received since the May implementation. Currently there are over $18 million in self pay balances in the statement process.

Change in Electronic Billing Companies

On August 8th we are changing electronic billing companies with the transition from Emdeon to DSG. Over the past several months we have experience a number of operational issues with Emdeon impacting claims process and cash flow. In addition, Emdeon is not as rich in capabilities as DSG, the system we use for electronic billing for San Leandro and AHS. We will realize the following benefits:

-Enhanced Medi-Cal billing edits which will improve cash flow and reduce denied claims.

-Ability to receive Medi-Cal electronic remittances for automated payment posting

-Ability to electronically bill Alameda Alliance, our largest HMO provider

Improved HFS Support

HFS, the company we use for billing and follow up services, has assigned additional resources (4 follow up representatives) for follow up activities on unpaid Medicare and commercial claims. We expect the additional resources will result in improved cash flow for AH from these payer groups.

On-Site Revenue Cycle Support

Within the next 60 days we will be providing AH with improved on-site revenue cycle support. We will be hiring an individual to work directly with the AH departments to help resolve revenue cycle related issues and act as the on-site revenue cycle "point person & primary communications link between AH, HFS, and AHS patient financial services leadership.

-

FY 2015 AR Cash

	AHS Cash Collected	Alameda Cash Collected	San Leandro Cash Collected	Total Cash Collected
Jul	29,201,771	**2,018,773**	3,598,162	34,818,706
Aug	18,794,482	**6,301,008**	3,317,116	28,412,606
Sep	35,007,843	**5,033,870**	3,873,779	43,915,492
Oct	27,468,884	**3,801,140**	4,889,911	36,159,935
Nov	27,542,771	**3,794,862**	4,145,340	35,482,973
Dec	31,753,799	**4,578,916**	4,644,161	40,976,876
Jan	32,243,115	**2,817,445**	3,696,101	38,756,661
Feb	28,974,884	**3,989,190**	3,557,829	36,521,902
Mar	32,059,907	**4,202,010**	5,076,600	41,338,517
Apr	24,044,943	**14,209,534**	5,220,366	43,474,843
May	28,983,185	**5,926,676**	4,778,403	39,688,263
Jun	37,878,557	**4,932,290**	5,303,173	48,114,020
	353,954,140	**61,605,715**	**52,100,941**	**467,660,795**

Alameda Hospital ATB Trend - January to June 2015							
PAYER	**January 2015**	**February 2015**	**March 2015**	**April 2015**	**May 2015**	**June 2015**	**Payer % of Total**
COMMERCIAL	$ 20,067,788	$ 20,178,266	$ 21,123,681	$ 22,247,437	$ 23,808,673	$ 22,953,015	14%
MANAGED MCAL	$ 4,760,972	$ 4,623,844	$ 5,590,483	$ 4,879,255	$ 5,335,218	$ 5,871,119	4%
MEDI-CAL	$ 57,199,091	$ 62,615,965	$ 63,875,107	$ 67,016,079	$ 67,427,850	$ 66,320,769	41%
MEDICARE	$ 44,411,367	$ 46,115,636	$ 46,575,028	$ 48,400,757	$ 47,412,929	$ 47,253,194	29%
SELF PAY	$ 15,750,503	$ 16,414,695	$ 16,994,606	$ 17,346,945	$ 17,741,463	$ 18,377,806	11%
HPAC		$ 366,107	$ 738,518	$ 966,656	$ 1,488,135	$ 1,230,123	1%
GRAND TOTAL	**$ 142,189,721**	**$ 150,314,513**	**$ 154,897,423**	**$ 160,857,129**	**$ 163,214,268**	**$ 162,006,026**	**100%**

Alameda Hospital
A member of Alameda Health System

2070 Clinton Avenue
Alameda, CA 94501

MEMORANDUM

TO: City of Alameda Health Care District, Board of Directors
Alameda Hospital Leadership, Medical Staff and Employees

FROM: Bonnie Panlasigui, FACHE
Chief Administrative Officer

DATE: August 3, 2015

SUBJECT: Alameda Hospital Update – June and July 2015

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

Action	Goal	% Complete	Next Steps
Patient Flow	FY 2016	25%	To help prioritize and properly execute on patient flow and improved patient experience, the senior team is planning a day-long retreat to prioritize the areas where quick wins can be realized and a timeline on milestones to accomplish.
Leadership Appointments	FY 2016	50%	We have appointed a new Director of Nursing, Barbara Van Duren, who previously served at San Leandro Hospital as inpatient nurse manager. She served 10 years as a CNO at a hospital similar in size to Alameda in Los Banos, CA. Her expertise lies in evidence based care, lean/process improvement and improved patient experience results. There is a new Director of Nursing at Waters Edge starting later this month in August, Jung Kim, who has an extensive background in post acute care. His last position included clinical oversight of five SNFs and has a strong record of increasing customer satisfaction and training to take on more clinically complex patients. We are currently undergoing leadership changes in the emergency room and radiology departments.

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

Action	Goal	% Complete	Next Steps
Capital Update	ongoing	25%	The high priority capital items are already underway and have been funded. This includes $500,000 in new beds, mattresses and gurneys for our patients. We anticipate this investment to improve the quality of patient care and improved employee and physician morale. The next priority in our capital budget is focused on the renovation of our patient rooms and main corridors to improve the overall first impressions. We are also investing in surgical equipment to offer more services in Alameda in areas of ortho, GYN, urology, GI, pain management and general surgery.
Long Term Care Cash Collections Update			The Medi-cal field office has entered the Sub Acute billing codes into the medi-cal billing system and attached codes 71 and 72 for AH Sub Acute NPI and license after the approval of the Sub Acute Contract (CHOW) and survey occurred. Codes added and finalized into the Medi-cal field office system on 7/9/15 and the test claim billed has a pay date of 8/3/15. All Sub Acute billing currently under way now that the test claim has a pay date.

True North Goal 3: Integration: Achieve zero preventative harm and produce the best achievable outcomes

Action	Goal	% Complete	Next Steps
Hospital Regulatory Survey Results	N/A	FYI	June and July were months of two unannounced surveys from CDPH. • Patient Safety Initiative Validation Survey: Alameda Hospital was selected as one of six hospitals in the country to participate in this new survey. The focus areas were on infection control, quality improvement and discharge planning. The findings helped us as an organization to identify our areas of opportunity and we are awaiting the official 2567 report. Action plans have been created. • Medication Error Reduction Plan survey: It was identified that there is no formal process of presenting and approving the MERP plan to the Medical Executive Committee. We are working with the pharmacy leaders in AHS to learn best practices and to have a more robust method of reporting and closing the loop on identified trends in medication errors. The most important takeaway was the need to follow the Plan, Do, Check, Act process in our reporting structure.

New Nurse Grad/Preceptorship and Cross Training	Sept 2015	10%	Many improvements and changes are underway with nursing: 1) charge nurse job descriptions are being created and will be added to the skill mix of each shift on each unit, 2) cross training is beginning to allow existing nurses to have the change to grow in learning other units of the hospital (ie: med/surg to ER or surgery department), 3) strong emphasis on recruitment of nurses to meet core staff for each shift. Already several new grads have applied for positions and the formal preceptorship program will begin next spring once the core staffing is up to the level it needs to be.

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

Action	Goal	% Complete	Next Steps
Long Term Care Patient Satisfaction Survey		100%	The long term care sites had their second go around of MyInnerview patient and family satisfaction survey. Waters Edge was on target with the national Peer Group for Overall Satisfaction and South Shore and Sub Acute sites were above the national peer groups in overall satisfaction.
Improve publicly reported HCAHPS patient satisfaction scores	Dec 2015		The Press Ganey reports are now available and are revealing that there is much work to be done and the emphasis is on the identified priority areas, which is proven to have the highest correlation to overall satisfaction. • The leadership team will be focusing on rounding with patients. Currently we are evaluating a program called “adopt a patient” that will assign each leader to a patient room to take ownership of as the patient’s ambassador and advocate. • We are also working on hardwiring hourly rounding and bedside shift report to include the patients as much as possible in their plan of care. • A Patient and Family Centered Committee is being created in the hospital. This is a team that will focus on the tactics to improve the overall experience and gain feedback from actual former patients in the community.

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

Action	Goal	% Complete	Next Steps
Service line development	Ongoing		Planning is underway to grow and expand oncology and infusion services at Alameda Hospital and Alameda Health System. Gary Cecchi, MD, will be serving as Medical Director for the system. His office is now located in our medical office building. We

			anticipate the growth to be strong for Alameda Hospital.
Crimson Market Advantage / Market migration/ outmigration	ongoing		The focus is on the Primary Care Physician referral patterns exploring the following: • Understanding PCP leakage by service line • Exploring referral market share in new markets/territories • Determining current PCP alignment in our PSA, SSA and extended areas • Understanding independent PCP alignment with our hospital and competitors • Identifying loyal PCP relationships to further promote a service line
Community Events	Ongoing	FYI	• June 8: We had a great presentation from the Philippines Alameda Sister City Delegation regarding their medical mission work. The Mayor of Dumaguete and President of the Philippines Chamber of Commerce from Negros Oriental were present. There will be a medical mission trip scheduled for January and hospital employees/community leaders are encouraged to join. • June 12: Alameda Hospital & American Red Cross co-sponsored a community blood drive • June 10: Alameda Hospital Auxiliary Installation Luncheon honored our volunteers and installed the next group of leaders • June 21: Alameda Relay for Life had hospital employees walk the event and contributed financially as individuals • June 21: Neptune Beach Jam hosted by the Alameda Chamber of Commerce – Louise Nakada represented both the Chamber and the Hospital at the same booth. • June 27: Alameda Hospital hosted a special Alameda Walks with the Mayor in partnership with the Alameda Recreation and Parks. A total of 20 people from the community participated. • July 4: Alameda 4th of July Parade was a success with 50 volunteers and hospital employees and district Board members. • July: Alameda Hospital hosted a Girls Inc. Eureka Job Shadow student for the month of July. • July 25: Park Street Art and Wine Faire – Alameda Hospital provided health screenings and information

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

Action	Goal	% Complete	Next Steps
Employee appreciation night	July	100%	122 Hospital employees, family and friends enjoyed the second Alameda Hospital Night at the A's game this year on Tuesday, July 21. Participants enjoyed free parking, a tailgate barbecue, and field level tickets. 35 people from the Waters Edge Facility made up the largest, single group.
Open forums	ongoing	FYI	Open forums are scheduled for the middle of August. There will be an opportunity for employees to write their questions in advance anonymously and the forum will be an informal open question and answer session. All physicians, employees and volunteers are invited to participate. There will be posters on display in the main lobby, cafeteria and Waters Edge.
Culture of Safety Survey Results	July 2015	10%	The culture of safety results for AHS revealed several opportunities for us to focus on in creating an environment that is open and non punitive. More information to come in following months when the action plan is created.

Upcoming "Save the Date" Events for the District Board/Community to attend:

- Alameda Fire Department Community Paramedic Program Media Event
  - Date: August 21, 2015
  - Time: 2:00 – 4:00pm
  - Location: Alameda City Council Chambers

- Alameda Hospital Foundation Fall Gala: "A Night of Magic"
  - Date: September 26, 2015
  - Time: 6:30pm
  - Location: Rockwall Wine Company, Alameda

- District and Hospital Update to the Alameda City Council
  - Tentative date set for either October 6th or 20th

- Alameda Hospital Annual Community Health Fair
  - Date: October 17, 2015
  - Time: 9:00 – 12:00pm
  - Location: Alameda Hospital

City of Alameda Health Care District

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

	Budget July - June Fiscal Year 2015	Actual July - June Fiscal Year 2015	Current Month
District Revenue Sources			
Jaber Property Gross Revenues	166,800	172,112	14,225
District Property Tax Revenues	5,780,000	5,736,530	-
Other		1,982	-
Interest		-	-
Total Revenues	5,946,800	5,910,624	14,225
Administrative Expenses			
Salary, Wages and Benefits	49,500	-	-
Board Stipend	6,000	2,000	-
Education & Conferences	5,000	2,050	-
Dues & Subscriptions	5,000	202	-
Insurance - General, D&O, Property	138,000	170,591	52,878
Accounting	10,000	7,500	3,000
Annual Independent audit	17,500	17,500	-
General Counsel	60,000	69,399	4,760
Office Expenses	4,800	307	-
District Markenting, Promotions	2,500	781	500
Consultant Fees	25,400	7,386	500
Lease expense (Equipment & Building)	27,700	22,150	-
Utilities, Phones, Maintenance	4,800	1,277	18
Jaber Property	38,997	26,062	3,135
Interest Expense	51,672	150,110	4,339
Other misc Operating Expenses	3,600	300	-
Food/Meals	2,250	3,607	1,523
Election Year Expenses	120,000	71,316	-
Total Administrative Expenses	572,719	552,537	70,654
Outlays			
Principal on Note	25,808	25,806	2,117
Leasehold Improvements, Furnishings	15,000	14,481	350
Accounts Payable		42,133	-
Loan Repayment		1,500,000	
Sum of Total Uses	613,527	2,134,957	73,121
Total Revenue Sources	**5,946,800**	**5,910,624**	**14,225**
Minus Total District Uses	**613,527**	**2,134,957**	**73,121**
Balance to Transfer to Alameda Health System	**5,333,273**	**3,775,667**	**(58,896)**
Actual funding		**(5,184,163)**	**-**
		(1,408,496)	(58,896)

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

FACT SHEET

FOR IMMEDIATE RELEASE

July 30, 2015

Contact: go.cms.gov/media

Medicare and Medicaid at 50: Keeping America Healthy and Driving Innovation in Health Care

FACT SHEET: Medicare and Medicaid at 50: Keeping America Healthy and Driving Innovation in Health Care

Today (July 30) marks the 50th Anniversary of Medicare and Medicaid, both historic social achievements that dramatically changed the health care landscape for seniors, low-income children and adults, and people with disabilities. These programs have greatly reduced the number of uninsured people and have helped create a health care system that is better, smarter, and more comprehensive.

Medicare at 50 – Stronger than Ever

More than 55 million seniors and people with disabilities can afford the care they need to remain healthy because of Medicare. Before the passage of the Social Security Amendments of 1965, about half of Americans age 65 and over lacked health insurance, forcing them to pay out of pocket or forgo needed care. Today, that figure is two percent.

The Affordable Care Act (ACA) has strengthened the Medicare program, helping produce exceptionally slow growth in per-beneficiary costs while improving benefits. This includes:

- **Savings on prescription drugs:** 9.4 million people with Medicare have saved over $15 billion on their prescriptions, an average of $1,598 per beneficiary.
- **Free preventive services:** 39 million people with Medicare took advantage of free preventive services under the law, and nearly 4.8 million people took advantage of the Annual Wellness Exam.
- **Longer life for the Medicare Trust Fund:** The Medicare Hospital Insurance Trust Fund will remain solvent through 2030 – an improvement of 13 years compared to 2009 (pre-ACA).
- **Slow Growth Rate:** Growth in per-beneficiary Medicare spending is exceptionally low – just 2.3 percent in 2014 – and is below the growth rate of per-capita GDP and about one-half of the average growth rate from 2000-2010.

Medicare is a leader in the health care system, pioneering ways to reward quality over quantity, coordinate services across settings, and provide better value for seniors and taxpayers. The Administration is focused on delivering better care to beneficiaries and putting patients at the center of their care. This includes quality improvements that have reduced hospital readmissions, saved thousands of lives, and lowered health spending by billions of dollars, and we will continue to build on this progress:

- **Readmissions are down:** Medicare hospital readmissions are down nearly 8 percent since 2012, meaning fewer additional hospital stays for seniors and cost savings to the program.

- **Hospital acquired conditions are down:** Rates of hospital acquired conditions for Medicare beneficiaries decreased by 17 percent between 2010 and 2013 – the most recent year for data – meaning fewer complications and infections for persons receiving hospital-based care and cost savings to the program.

- **Innovation to drive better quality care:** The Center for Medicare and Medicaid Innovation (Innovation Center) is testing innovative payment and service delivery models that reduce spending while maintaining or improving quality of care. The Innovation Center has over 20 models engaging more the 60,000 health care providers and more than 2.5 million Medicare, Medicaid, and CHIP beneficiaries are or soon will be receiving care through these initiatives.

- **Alternative payment models deliver better care at better value:** CMS through the Innovation Center and other programs are creating alternative payment models; including: Accountable Care Organizations (ACOs) and the Medicare Shared Savings Program have already resulted in $417 million in savings for Medicare; over 400 ACOs are participating in the Medicare Shared Savings program, serving over 7 million beneficiaries; and the Comprehensive Primary Care Initiative, a multi-payer initiative involving nearly 500 practices serving 2.5 million beneficiaries, has already resulted in decreased hospital admissions and emergency department visits at some sites.

- **Quality improvements save lives and money:** Quality improvements like Partnership for Patients, ACOs, Quality Improvement Organizations, and others have resulted in saving 50,000 lives and $12 billion in health spending from 2010 to 2013, according to preliminary estimates.

Medicaid at 50 – Keeping Americans Healthy

Medicaid provides comprehensive coverage to about 70 million eligible children, pregnant women, low-income adults, people living with disabilities, and seniors. It covers essential services like doctor visits, hospital stays, preventive care (such as immunizations, mammograms and colonoscopies), care for new and expecting mothers, mental health care, and dental and vision care for children and low-income families.

Medicaid has produced significant benefits to people of all ages and in all stages of their lives, including:

- **Cutting the uninsured rate for children by more than half:** Between 1997 and 2014, Medicaid - together with its companion program, the Children's Health Insurance Program (CHIP) - was the driving force behind a dramatic reduction in the rate of uninsured children, from 13.9 percent to 5.5 percent.

- **Covering home and community-based services so people with disabilities and seniors can live independently**: According to a report by the Kaiser Family Foundation, roughly 80 percent of non-elderly Medicaid beneficiaries with disabilities who use long-term services and supports receive services in the community rather than in institutions, and half of all elderly Medicaid beneficiaries who use long-term care receive services at home or in the community.

- **Supporting people with disabilities:** Medicaid has led the way in finding creative options to provide holistic services and supports for people with disabilities. Personal Care is an optional state plan benefit that can play an important role in supporting people in their homes and communities, by providing necessary help to caregivers, and helping to prevent the need for institutional care. Self-direction affords individuals an important option for maximum choice and control over the services they receive and helps people live and work in integrated communities. Support for caregivers provides assistance, training, and respite for family members who provide daily care to beneficiaries. And peer supports encourage peer-to-peer mentoring relationships that improve health.

- **Contributing to a drop in premature births by reducing the number of early elective deliveries:** Through the Strong Start for Mothers and Newborns initiative, a public-private partnership and awareness campaign, HHS is working with hospitals to reduce the number of unnecessary early elective deliveries among women enrolled in Medicaid or CHIP, which will improve health outcomes and reduce costs. HHS collaborated with Hospital Engagement Networks across the country to identify and spread best practices, which contributed to a 70.4 percent reduction in early elective deliveries between 2010 and 2013 among participating hospitals.

Through continual innovation and improvement, Medicaid has been taking steps to deliver better care, spend health care dollars more wisely, and provide better access, including:

- **Paying for value, not volume:** Medicaid ACOs in a number of states are identifying indicators of access, care coordination, and cost-efficiency and have tied provider payments to meeting or exceeding goals related to those indicators.

- **Making it easier to apply for coverage:** As a result of the ACA, the process to gain coverage through Medicaid has been streamlined, so individuals can apply online, by telephone, by mail, or in person, and can get help from application assisters in their communities or by calling a toll-free number.

- **More timely eligibility decisions:** States now rely on available electronic data sources to confirm information on the application, facilitating faster eligibility decisions. States are making substantial progress processing Medicaid and CHIP applications more efficiently for people whose eligibility is based on modified adjusted gross income, often in real or near real-time. For example, in Washington,92 percent of applications are processed in under 24 hours; in New York, 80 percent of applications are processed in one session; and in Rhode Island, 66 percent of applications are processed without manual intervention or the requirement of additional information.

As a result of the ACA, states have new opportunities to expand their Medicaid programs and to insure more low-income people. A recent study found that, since October 2013, the uninsurance rate among low-income adults has fallen 5.2 percentage points more in expansion states than in non-expansion states. Medicaid expansion has had other significant beneficial effects as well:

- **Less uncompensated care:** According to the HHS Assistant Secretary of Planning and Evaluation, hospitals provided over $50 billion in uncompensated care in 2013; in 2014, there was a $7.4 billion reduction in uncompensated care costs, with 68 percent of the reduction coming from states that expanded Medicaid.

- **Improved Access for Beneficiaries.** The Commonwealth Fund Biennial Health Insurance Survey of 2014 looked at the experiences of adults with private insurance compared to Medicaid beneficiaries who had coverage for a full year, as well as adults who were uninsured for some time during the year. The survey found that Medicaid beneficiaries were as likely as those with private insurance, and significantly more likely than uninsured adults, to report having a regular source of care.

- **Better health and longer lives:** A recent Council of Economic Advisers report estimates that states that have already expanded Medicaid will lower the risks of death. The report estimates that if all states that have not expanded Medicaid did so, an additional 5,200 deaths would be avoided every year once coverage was fully in effect.

- **Greater financial security:** The Council of Economic Advisers estimates that states that have already expanded Medicaid have reduced the number of people who have trouble paying bills due to the burden of medical costs by 594,000 each year. If all states that have not yet expanded Medicaid did so, 611,000 fewer Americans will have trouble paying other bills due to the burden of medical costs.