

Alameda Health System

Fiscal 2021 Operating and Capital Budget Status Report

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June 11, 2020

Ideas for Vetting

Impact ↑	Effort →	
	Low Effort, High Impact	High Effort, High Impact
	<ol style="list-style-type: none"> 1. Infusion Services – incremental volume (with 1.0 FTE Hematologist) 2. JGP –reduce denials 3. Improve Charge Capture – charge price review & additional training for front-line staff 4. Operational efficiency strategies developed with key stakeholders 	<ol style="list-style-type: none"> 1. Identify and assist HPAC & uninsured patients to apply Medi-Cal (OMS) 2. Vizient Labor Optimization 3. No COLA Increase 4. Restructure Benefit Plan 5. Length of Stay Management 6. Payor contract strategy – Medi-Cal Managed Care and commercial payors 7. JGP – PES Medicare eligibility
	Low Effort, Low Impact	High Effort, Low Impact
	<ol style="list-style-type: none"> 1. Improvement in Supply Chain management 2. Re-negotiate Outside Medical Service contracts 3. Restructure DTO for Directors and above 	<ol style="list-style-type: none"> 1. Restructure PTO policy 2. Introduce Administrative Day off

FY21 Budget Updates

June 5, 2020

	<u>EBIDA</u>	<u>Cash Flow</u>
5/22 Budget	(22,662)	(299,618)
EBIDA Key Drivers:		Cash Flow Key Drivers:
		<i>Change in budget EBIDA</i> (10,210)
<i>Medi-Cal GME approved by CMS. FY18 and FY19 revenue recognized in FY20.</i>	(14,000)	<i>Medi-Cal GME: CMS approved program, removing the contingency. Revenue recorded for FY17-FY20 in FY20. Receipt of FY19 & FY20 expected in FY21.</i> 6,000
<i>Restating FY21 AB85 Realignment to the full payment of \$43M.</i>	3,000	<i>AB85 Realignment: CAPH confirmed with the State the \$12M FY18 AB85 Realignment will settle on time despite expected COVID processing delay. Due to decrease consumer spending, the FY20 AB85 Realignment received will be paid back (\$3M) to County.</i> 9,000
<i>Reduce \$280K Purchased Svc Exp in Nursing Admin.</i>	280	<i>EPP/QIP: Expect full cash payment for EPP/QIP, with no payback timing for \$10M IGT-A obligation; currently being negotiated with the State.</i> 10,000
<i>Delay in physician hiring</i>	240	<i>Rate Range: Program changed from FY to CY. Payments will be made based on old timeframe.</i> 30,000
<i>Eliminate all Food Expense</i>	270	<i>Current Year Other Supplemental Activities</i> 600
		<i>Old Waiver: Received cash from SNCP for COVID support; and trued up to the CAPH latest models.</i> 10,400
<i>Total Changes</i>	(10,210)	<i>Total Changes</i> 55,790
6/3 Budget updates	(32,872)	(243,769)

Updated
AHS
Cash
Flow
Draft

(Stated in thousands)	ACTUAL 2018	ACTUAL 2019	PROJECTION 2020	BUDGET 2021
EBIDA - Cash From Operations	\$ 15,862	\$ 48,092	\$ 30,000	\$ (32,872)
EBIDA Margin	1.6%	4.6%	2.8%	-3.1%
Other Timing	(27,070)	45,744	10,417	TBA
Supplemental Payments Timing	97,483	(61,000)	(30,683)	(13,200)
Cash Flow	86,275	32,836	9,734	(46,072)
EPIC	(6,500)	(28,083)	(25,819)	
EPIC Financing	16,160	-	12,704	-
EPIC Financing Payment	(1,383)	(2,400)	(2,417)	(3,108)
SLH Acute Rehab	(4,267)	(19,105)	(2,624)	
Alameda Hospital Seismic Project		(1,656)	(6,857)	(10,594)
Other Committed Capital	(44,138)	3,359	(4,700)	(9,872)
Commitment	(40,128)	(47,885)	(29,713)	(23,574)
Capital Requests	-	-	-	(43,434)
AHSF Support	2,048	4,650	400	2,500
Other Funding Source (e.g. Jaber)		74	77	
Kaiser MRI (pass thru AHSF)		4,533	1,531	
Kaiser Foundation Support - EPIC	9,000	7,500	2,500	
Net Capital Requests	11,048	16,757	4,508	(40,934)
Old Waivers (FY09-FY15)		-	-	(67,152)
Physician SPA (1)		-	-	-
Medical Cost Settlement (FY11-FY18)		-	-	(30,300)
FQHC Settlement (FY08-FY13)		-	-	(40,000)
Total Prior Year Re-coupment	-	-	-	(137,452)
POB Debt Retirement	(13,848)	(12,135)	(11,612)	(7,156)
Capital Cost Transfer to County (2)		(4,419)	-	(9,000)
Capital Cost Transfer from County		-	-	13,419
Capital Reserve Fund (pmt to County)	-	(7,000)	(7,000)	(7,000)
Capital Reserve Fund (pmt from County)		-	-	14,000
Total County Transactions	(13,848)	(23,554)	(18,612)	4,263
Cash Surplus/(Deficit)	43,347	(21,846)	(34,083)	(243,769)
Net Negative Balance	(62,483)	(84,329)	(118,412)	(362,181)
Scheduled NNB Limit	(135,000)	(130,000)	(125,000)	(120,000)
Excess/(Short) of NNB	72,517	45,671	6,588	(242,181)