City of Alameda
HEALTH CARE DISTRICT

ALAMEDA
HEALTH SYSTEM

AHS Board of Trustees Retreat
Alameda Hospital
April 30, 2021

Alameda Sanitorium

Alameda County Infirmary

South Wing- Alameda Hospital

Highland Hospital

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Alameda Hospital Story

- Alameda Hospital founded by nurse, Kate Creedon
- Originally owned by small group of investors
- Became 501(c)3 formed in wake of great depression. Hospital operated as non-for-profit for most of its history
- 1950's – 1990's – Period of growth and development, including South Wing completed in early 1980's (2030 seismic compliant)

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Formation of City of Alameda Health Care District

- Late 1990's - new round of financial challenges
- Non-profit Board embarked on formation of Health Care District
- 2002 – Alameda voters approved formation of Health Care District by 2/3rd's margin:
  - $298/parcel annual tax approved in perpetuity
  - Tax generates about $6 million in annual revenue
  - Hospital assets transferred from 501(c)3 corporation to District
  - 5 member elected Board of Directors

District Strategic Planning - 2007 – 2012

2010 –Strategic Plan Highlights:

- Reaffirmed criticality of acute care and emergency services
- Parcel tax revenue essential but not sufficient to sustain hospital
- Need for new programs and diversified revenue sources
- Alameda Hospital could not survive as small, standalone organization

New programs added:

- Added over 125 skilled nursing and subacute beds
- Certified Primary Stroke Center
- Mulvaney Infusion Therapy Center
- Orthopedic Program offering diagnosis, surgery and therapy
- Kate Creedon Wound Care Center (with Hyperbaric Chambers)

District Search for Affiliation Partner 2012-2014

- Why affiliation?
  - Access to capital
  - Ability to develop new technology, including Electronic Health Record
  - Continued addition/growth of programs
  - Ability to negotiate with payors for access to patients at fair rates
  - Ability to attract and retain physicians and health care providers
- 2010 – 18 month search for an affiliation partner (facilitated by Request for Discussion issued to potential partners)
- Criteria for the Ideal Partner
  - Common mission and values
  - Commitment to keep acute care and emergency services on island
  - Access to Capital
  - Legal ease for affiliation
  - Vision for building a health care system

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AHS Vision in 2013

- Hybrid System: Access to commercial contracts to compliment Alameda County's historical reliance on supplemental revenue stream
- Third System in East Bay; alternative to Kaiser and Sutter
- Vision to be competitive in mainstream medical community
- Improve geographic presence in all of Alameda County
- Added capacity for AHS system

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Joint Affiliation Planning Committee 2013-2014

- 2 Board Chairs
- 2 CEO's
- 2 Medical Staff Presidents
- Legal Advisors

Charged with evaluating the concept of affiliation in view of our respective strategic priorities, defining the structure and terms of the relationship and negotiated the Joint Powers Agreement (signed early 2014) sets forth the affiliation relationship

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District Affiliation with Alameda Health System

Responsibilities under Joint Powers Agreement:

District:

- allows AHS to use facilities and operate health services
- collects parcel tax and oversees its distribution to AHS for appropriate use
- receives regular reports from AHS on operations of hospital and other services

AHS:

- oversees all operations and financial performance
- operate at least 50 acute beds and emergency department under separate licensure and medical staff
- responsible for 2020 seismic retrofit requirements (now $25 M project)

Joint:

- Plan for organization of health care services in 2030 and beyond
- Funding of 2030 seismic solution is not responsibility of AHS

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AHS/District Planning 2018-2019

2019 – AHS Board commits to completion of 2020 seismic retrofit at AH ($25 million)

2019 – Formation of Joint AHS-District Seismic Planning Committee

- Co-Chairs: Ross Peterson (AHS), Gayle Codiga (District)
- Three members: AHS   Two members: District

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Joint AHS District Seismic Planning Committee (2019-2020)

Studied prior District Planning Initiatives

Kaufman Hall Study

- Projection of Health Care Needs for 2029
- Showed need for 25 acute care beds from Alameda volume alone
- Showed positive contribution margin from Alameda Hospital to AHS
- Demonstrated Alameda Hospital must continue to be part of a larger health care system

Ratcliff Architect Facility Planning Options

- Based on historical knowledge of all campus facilities
- Architects for 2020 Seismic Retrofit solution
- Developed plan for renovation and decanting hospital functions into South Wing (estimated cost: construction only $120 M) -25 beds + subacute

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Ratcliff Architectural Analysis Alameda Hospital Site Map

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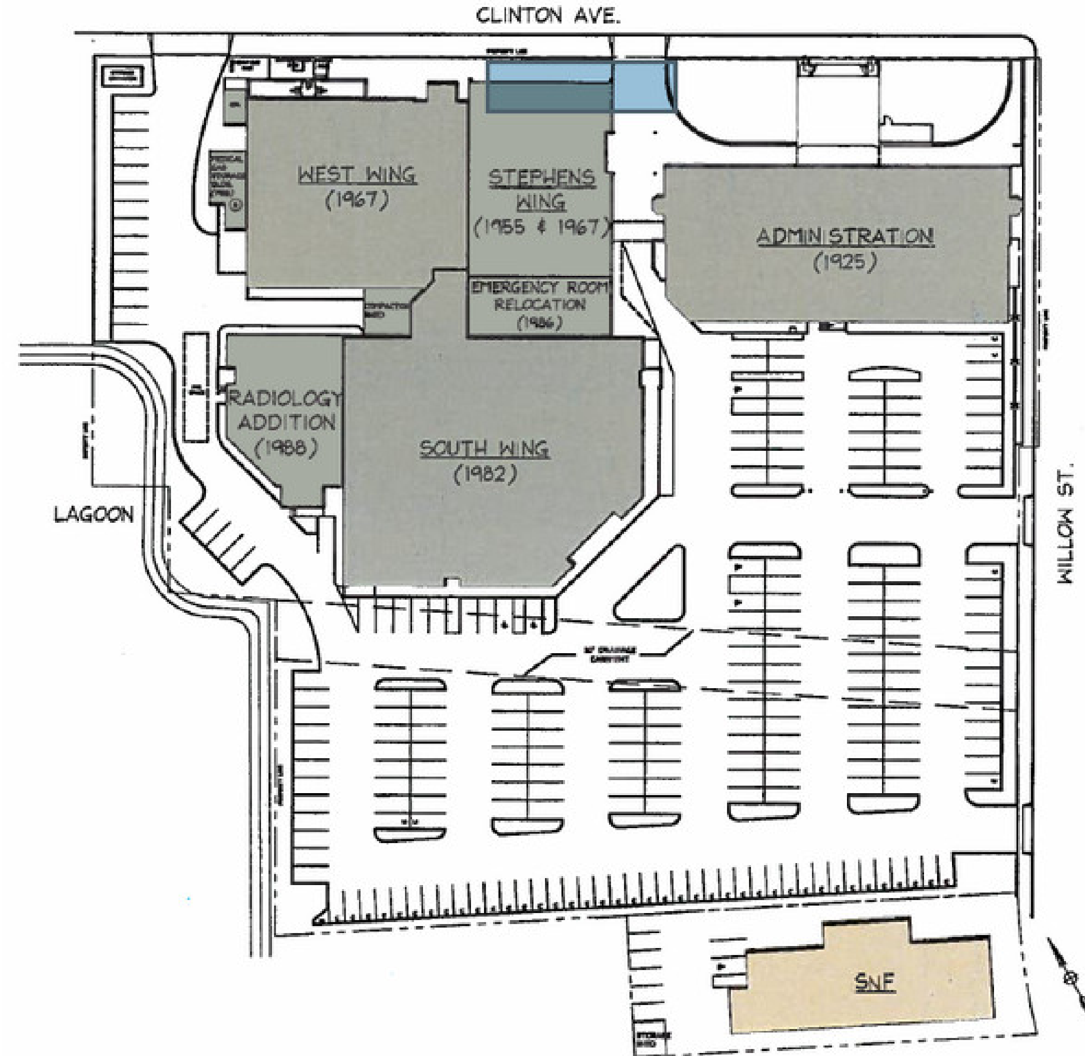

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AH Statistics

ALAMEDA HOSPITAL

	AVERAGE DAILY CENSUS	AVERAGE DAILY ED VISITS	AVERAGE DAILY SNF CENSUS	AVERAGE MONTHLY TRANSFERS
FY 19-20*	31.5	44	N/A	36.6
FY 20-21*	30.9	32	152.2	28.8

* based on 8 mos data in both years

- March 2021 – 59 transfers into AH from HGH and SLH; 4 in one day due to red surge alert
- Increased % of patients served in AH emergency dept are uninsured or previously oriented to HGH ED; reduced wait times and improved access for these patients
- During 2nd COVID surge: AH had 24 COVID patients, including 7 in ICU

Current Synergy between AHS and District

- 25% of acute care patients at AH are transfers from Highland ED or acute care
- Average Acute Census at Alameda Hospital: 30 ; most admissions through ED (16,000 visits including 1000 ambulance runs)
- AH is release valve for Highland ED and inpatient capacity
- Long term care at Alameda Hospital is at capacity (174)and is rated as 5 stars by State of California
- AH Subacute (35 beds) and SNF (140) beds provide preferential acceptance of patients from AHS; important resource for discharges
- Alameda Hospital Strengths: Stroke Program, Subacute, Wound Care
- Still capacity to do more surgery at Alameda Hospital
- Shared Electronic Health Record system (EPIC) successfully implemented in 2019
- Can AHS do without acute overflow capacity at its non-Highland facilities?

Opportunities for Further Synergies between AHS and AH

- 2030 Seismic challenges cannot be ignored
  - Need to advocate for change in requirements
  - Explore flexibility in licensing to explore new models of care: freestanding ED, micro hospital
  - Alameda remains vulnerable to isolation after seismic event (needs a continued health care resource on island)
- Continue pursuit of new and improved contracts with third party payors; disseminate this information to the community
- Alameda Fire Community Paramedicine Program (to reduce readmissions and enhance community health)
- Consider reinstituting programs: Cancer Care, Primary Care Clinic, Eye Surgery, GI Lab
- Evaluate new programs targeted to underserved needs of Alameda County residents (e.g. needs of aging population, etc)

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In summary,

District believes AH is an important part of the AHS system but there are opportunities to further optimize its role in the AHS system while improving access to care and quality of services to the community and AHS patients

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Joint AHS District Seismic Planning Committee (2019-2020)

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Final Committee Recommendations to Both Boards:

- Lobby legislative bodies and elected officials to amend 2030 seismic requirements
- AHS management to explore new programs to enhance utilization of Alameda Hospital capacity and services
- AHS management to consider study to optimize service line distribution and optimization within the AHS system.

Recommendations were approved in June 2020 by District Board but not acted upon by AHS Board of Trustees

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Where do we go from here? District Thoughts

- Reconstitute Joint Planning Committee; expand its focus beyond just seismic issues
- Continue advocacy initiative to change terms of SB 1953
- Evaluate development Primary Care Clinic or Practice
- Evaluate new programs/services (e.g. programs for elderly, cancer care, behavioral health, certified Geriatric Emergency Department)
- Programs that focus on growth aspects of Alameda: 4000 new housing units, expansion of Life Science industries and light industrial/IT

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Where do we go from here?
AHS Thoughts

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- Continued expansion of commercial payor contracts
- Timeline for Decision making (especially for construction related decisions)
- Re-market the ED to the Alameda community (including information on 3rd party payors)
- How can Alameda Hospital support AHS population growth goals

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DISCUSSION