FINANCE COMMITTEE MEETING
WEDNESDAY,SEPTEMBER 3, 2025
5:00pm to 7:00pm

Conference Center Located at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Ronna Jojola Gonsalves, Clerk of the Board
(510) 535-7515

LOCATION:
Open Session: HCP Conference Center, see above address
Teleconference Location: 4501 Pleasanton Avenue, Pleasanton, CA 94566

Members of the public may also participate at the following ZOOM Meeting Link:[1]
https://alamedahealthsystem.zoom.us/j/9361457125?pwd=4JnAmhDnBaLqY4GWf4PQBwp3w0Puy2.1&omn=84060119264
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FINANCE COMMITTEE MEMBERS
Alan E. Fox, Chair
Greg Garrett
David Sayen
Sblend A. Sblendorio

[1] Log into the meeting at www.zoom.com. You will be directed to download the meeting app (free) if you have not used ZOOM previously. ZOOM meetings may be accessed on computers and portable devices.

NOTE: In the event that a quorum of the Board of Trustees participates on this Committee, the meeting is noticed as a Special Meeting of the Board of Trustees; however, no final Board of Trustees action can be taken.

FINANCE COMMITTEE REGULAR MEETING AGENDA

SPECIAL NOTE: Per Brown Act requirements, Trustees of the Alameda Health System will attend board and committee meetings in person at the location(s) noticed on this agenda. Staff and members of the public may attend either in person at the location noticed on this agenda, or remotely via Zoom, using the link included on this agenda.

Public Comment Instructions
If you attend the meeting in person and wish to address the Board or Committee regarding an item on the agenda or in their purview, please see the Clerk of the Board.

If you attend the meeting remotely and wish to address the Board of Trustees or Committee regarding an item on the agenda or in their purview, send an email to cob@alamedahealthsystem.org PRIOR TO THE START OF THE MEETING. Your comment will be heard at the appropriate time. During the meeting, public comment requests may be submitted to the ZOOM meeting host or the Clerk of the Board, but requests must be submitted prior to the beginning of the public speaker time for that item.

Each speaker, whether in person or remote, will be allotted between one and three minutes to speak, depending on the number of speakers present.

OPEN SESSION / ROLL CALL

PUBLIC COMMENT

A. ACTION: Approval of the Minutes of the July 2, 2025 Finance Committee Meeting

B. INFORMATION / DISCUSSION

B1. Chief Financial Officer Report
Kimberly Miranda, Chief Financial Officer
B1a. AHS July 2025 Financial Report
B1b. St. Rose May 2025 Financial Report

B2. Chief Operating Officer Report
Mark Fratzke, Chief Operating Officer
B2a.Center for Operational Transformation

C. ACTION / DICUSSION

C1. DISCUSSION: Planning for Reduced Medi-Cal Reimbursement Resulting from Federal Budget Cuts
John Minot-Swartz, Director, Reimbursement and Finance Strategy

C2. DISCUSSION: Alameda Hospital Seismic Upgrade
James Helena, Director, Facilities Services
Kristen Thorson, Project Manager, Porter Consulting, LLC

D. ACTION / DICUSSION: Contracts

D1. New agreement with Entisys Solutions, Inc. dba E360 for provision of the Citrix virtual access platform supporting remote and mobile network access. The term of this agreement is effective September 29, 2025 through September 28, 2028. The estimated impact of this agreement is $1,499,410.
Christine Yang, Chief Information Officer

D2. Renewal agreement with GuidePoint Security LLC for provision of Arctic Wolf cybersecurity monitoring and recovery services. The term of this agreement is effective September 30, 2025 through June 30, 2028. The estimated impact of this agreement is $1,457,310.
Christine Yang, Chief Information Officer

D3. Renewal agreement with Xerox, Inc. for provision of printer equipment and services. The term of this agreement is effective November 1, 2025 through October 31, 2030. The estimated impact of this agreement is $3,983,160.
Christine Yang, Chief Information Officer

D4. New agreement with Anthem Blue Cross Life and Health Insurance Company for the provision of third-party administration services for the Alameda Health System employee health insurance plan. The initial term of this agreement is effective January 1, 2025 through December 31, 2027. The estimated impact of this agreement is $5,930,739.
Arleen Gomez, Chief Human Resources Officer

D5. Renewal agreement with Cardea Health for provision of respite housing services. The term of this agreement is effective October 1, 2025 through September 30, 2028. The estimated impact of this agreement is $6,394,800.
Romoanetia Lofton, Chief Clinical Officer

D6. Amendment with Lifepoint Rehabilitation of California, LLC to renew terms for provision of management services for the Alameda Health System inpatient rehabilitation facility. The term of this amendment is effective October 1, 2025 through September 30, 2028. The estimated impact of this amendment is $4,211,233.
Mark Fratzke, Chief Operating Officer

D7. Renewal agreement with McKesson Corporation for provision of wholesale pharmaceutical supply services. The term of this agreement is effective April 1, 2026 through March 31, 2031. The estimated impact of this agreement is $447,180,000.
Romoanetia Lofton, Chief Clinical Officer

D8. Amendment with Quest Diagnostics to increase funding for provision of reference laboratory test services. The term of this amendment is March 1, 2022 through February 28, 2026. The estimated impact of this amendment is $13,280,743.
Romoanetia Lofton, Chief Clinical Officer

E. DISCUSSION: Committee Planning, Issues Tracking

TRUSTEE COMMENTS

ADJOURNMENT

Our Mission
Caring, Healing, Teaching, Serving All

Strategic Vision
AHS will be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes the health of our diverse communities.

Values
Compassion, Commitment, Teamwork, Excellence, Integrity, and Respect.

Meeting Procedures
All items appearing on the agenda are subject to action by the Board of Trustees. Staff recommendations are subject to action and change by the Board of Trustees.

The Board of Trustees is the Policy Body of the Alameda Health System. The Board has several standing Committees where Board matters are the subject of discussion at which members of the public are urged to testify. Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Board Members or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room. Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of the Board or to its members, 1411 East 31st Street Oakland, CA 94602.

Members of the public are advised that all Board and Committee proceedings are recorded (audio), including comments and statements by the public in the course of the meetings. Copies of the audio recordings will be made available to the public. Copies of the agendas and supporting documents can be found here: http://www.alamedahealthsystem.org/meeting-agendas-and-minutes/. By attending and participating in Board/Committee meetings, members of the public consent to audio recording of any statements they may make during the proceedings.

Disability Access
The Meeting Rooms are wheelchair accessible. Assistive listening devices are available upon request at the Clerk of the Board's Office. To request accommodation or assistance to participate in the meeting, please contact the Clerk of the Board. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to

perfumes and various other chemical-based scented products. Please help us to accommodate these individuals.

The AHS Board of Trustees is committed to protecting the private health information (PHI) of our patients. We ask that speakers refrain from disclosing or discussing the PHI of others. Please also know that, should you decide to disclose your PHI, the Trustees will still likely refer your matter, to the extent it involves PHI, to the executive staff for a confidential review of the facts and for confidential handling. If you would like more information regarding the confidentiality of PHI as it relates to the Health Insurance Privacy and Accountability Act, please refer to 45CFR Section 164.101, et.seq.

A. Approval of the Minutes of the July 2, 2025 Finance Committee Meeting

FINANCE COMMITTEE MEETING
WEDNESDAY, JULY 2, 2025
5:00pm to 7:00pm

Conference Center Located at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Ronna Jojola Gonsalves, Clerk of the Board
(510) 535-7515

LOCATION:
Open Session: HCP Conference Center, see above address
Teleconference Location: 4501 Pleasanton Avenue, Pleasanton, CA 94566

FINANCE COMMITTEE MEMBERS
Alan E. Fox, Chair
Greg Garrett
David Sayen
Sblend A. Sblendorio

THE MEETING WAS CALLED TO ORDER AT 5:01 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Alan E. Fox, Greg Garrett, Sblend Sblendorio

ABSENT: David Sayen, excused

PUBLIC COMMENT:

A. ACTION: Approval of the Minutes of the April 2, 2025 Finance Committee Meeting

Trustee Fox asked if there was any public comment regarding the minutes. Ms. Jojola Gonsalves said there was none.

Trustee Garrett moved and Trustee Sblendorio seconded to approve the Minutes of the April 2, 2025 Finance Committee meeting.

ACTION: A motion was made and seconded to approve the Minutes of the April 2, 2025, Finance Committee meeting. A roll call was taken, and the motion passed.
AYES: Trustees Fox, Garrett, and Sblendorio
NAYS: None
ABSTENTION: None

NOTE: In the event that a quorum of the Board of Trustees participates on this Committee, the meeting is noticed as a Special Meeting of the Board of Trustees; however, no final Board of Trustees action can be taken.

B. INFORMATION / DISCUSSION

B1. Chief Financial Officer Report

Kimberly Miranda, Chief Financial Officer
B1a. AHS May 2025 Financial Report
B1b. St. Rose April 2025 Financial Report

Trustee Fox said cost-per-adjusted-discharge was 14% over budget. That was a large variance. He asked if that was sustainable. Ms. Miranda said it was being driven by a higher length of stay and the FTEs. Trustee Fox asked if that included the $12M for St. Rose. Ms. Miranda said it did in this context.

Trustee Fox said the labor variance as not sustainable over a long period of time. They've been fortunate over the last few years to have favorable revenue variances, high collection percentages, and high cash collected. But if that changed they would be in free fall. They would need to pay attention to how to manage that in 2026.

Trustee Sblendorio said they have been unable to meet the registry budget. He asked if this was a budgeting issue or if there were deeper conerns causing the lack of ability to meet the budget. Ms. Miranda said the budget for next year did not have such an aggressive target for registry. At this point registry was cheaper than labor. Trustee Sblendorio said turnover was expensive. The Trustees might need a deeper dive into this information.

Trustee Fox suggested they add overtime as a percentage of total hours as a metric. Ms. Miranda said she'd add that.

Trustee Garrett spoke about the difficulties of meeting FTE targets while facing the realities of what it meant to reduce staff. It was a difficult balance.

Trustee Fox agreed. In healthcare, 75% of manageable expenses were labor. It was difficult, but it needed to be managed. Mr. Jackson said they were the stewards of scarce resources. The Trustees have been empowered by the Board of Supervisors to ask these questions. It was a dichotomy but that is the nature of the work and what they signed up for.

Trustee Fox said adjusted discharges were down from last year and outpatient volume was way up. He suggested that was a favorable trend. Mr. Fratzke said he wasn't sure if it was a trend. Some of the outpatient volume was masked with the work they were doing to better capture charges. Time would tell if it was a trend.

Trustee Garrett said the other thing that stood out was length of stay. This impacted revenue because the patient's procedures have taken place, and they were waiting to be transferred. He understood staff were working on it, he understood it was complex, but it was an ongoing issue.

Trustee Fox asked who wasn't swiping in and out on the time clocks for shifts. Ms. Miranda said it was mostly registry workers. They had to manually adjust hours to pay invoices. Management was unable use the daily reports to manage labor because they didn't have all the hours in the system. Trustee Fox asked how they could verify the registry invoices if they don't have the registry workers' hours. Ms. Miranda said managers had to approve twice, once in UKG and then again with the invoices. Mr. Azizi said he'd reach out to Ms. Miranda to try to work on this situation.

Trustee Garrett asked about the May spike in employee benefits. Ms. Miranda said the payment for the self-funded health plan was $2.7M creating that variance. It was possible the stop-loss would kick in and they would get some of that back, but she didn't have that information yet.

Trustee Fox said on the retirement side the market was quite a bit higher at the end of 2024 than at the end of 2023. They should get a favorable adjustment on the pension costs during the audit. Ms. Miranda said she has not received the actuarial reports yet. When they reviewed this for the budget, they decided to keep the same percentage assuming they would not take a hit. They usually wait until they get the actuarial reports to calculate the long term portion of the retirement and then they match it.

Trustee Fox said the 2024 John George contract with the County has been approved at $74M. He asked if they had good reason to believe the same thing would happen in 2025. Ms. Miranda said there should be some more funds there. They needed to accrue at the 2023 level of $72.1M while the auditors were here so they wouldn't take a hit like last year when they accrued at $72.1M but were only allowed to record $61M.

Trustee Fox said they needed to talk with the Supervisors as soon as possible about increasing the NNB, particularly given that the Federal budget wasn't included in this forecast.

Trustee Garrett asked how long it will take to fill the sub-acute unit at St. Rose once it is licensed in July or August. Mr. Fratzke said it would take a couple of months.

Trustee Sblendorio said November will be one year into our affiliation with St. Rose. He asked for a retrospective of what has gone right what has gone wrong so the Committee can stay on top of AHS's investment in St. Rose. He was also interested in hearing what has been done to address the reputation of St. Rose to get the hospital back to being a trusted part of the community. Mr. Fratzke suggested they bring that back in October, as it will be prior to the one year anniversary.

C. ACTION / DICUSSION

C1.DISCUSSION: Environmental Services Update

Josh Geddis, Director, Environmental Services

Trustee Fox asked if the laundry services were done in house. Mr. Geddis said they were not. There were a lot of strict regulatory requirements for laundry regarding temperature, chemicals, testing, etc. to ensure the fabrics are sterile and sanitary. It was better handled by professionals.

Trustee Garrett asked how many SAN (Services as Needed) positions were being converted to FTEs. Mr. Geddis said they were converting about 12 positions. This allowed them to have a complete schedule with no service areas unmanned by AHS employees. They will always need SAN employees to cover when staff calls in sick or is on PTO.

Trustee Fox asked what the patient satisfaction scores have been regarding cleanliness. Mr. Geddis said they have improved across the system over the past fiscal year. They had some room to improve in the emergency departments.

Trustee Fox asked how EVS did in the last Joint Commission survey. Mr. Geddis said they had minimal findings. None around hazardous waste or waste disposal. They had some findings regarding dust and tape. He said that tape was always an issue. When someone hung something up with tape, the gummy residue left behind became an infection control issue.

Trustee Fox asked if the cleanliness testing was able to be tied back to specific employees. Mr. Geddis said they could match the area to the schedule to see who was working in that space. They wanted to recognize the good work. They were working on establishing an employee recognition system for their department to celebrate good performance.

Trustee Fox asked if there was any equipment that would help keep things clean to community standards. Mr. Geddis said the UV lights discussed in the presentation would be helpful. Human resources were their biggest asset.

Trustee Fox asked about turnover. Mr. Geddis said they had very low turnover. He said he recently updated the job description that required six months of experience in a healthcare environment. He said that was prohibitive. They could train someone to be a housekeeper. What they needed was people who would show up and work hard. This opened up the job market tremendously.

C2.DISCUSSION: Entity Financials Review
Kimberly Miranda, Chief Financial Officer

Trustee Garrett said the budget for the non FQHC clinics was $11,900. They exceeded that but did not meet gross revenue budget. Ms. Miranda said the wound care clinic was more intensive, so the charges were different. Marina Wellness clinic proportionally had a lower rate per visit. So, it was a service and payor mix.

Trustee Fox said Fairmont's revenue was ahead of budget and expenses were only slightly above budget. He asked if it was that they needed a little more volume to break even at Fairmont. Ms. Miranda said they had the one time passthrough of $8.5M, but that was only for three years. By increasing the volume and keeping the costs steady, they were doing better financially.

Trustee Fox noted the profitability of the rehab services and suggested they come and give a presentation.

D. ACTION / DICUSSION: Contracts

Trustee Fox asked if there was any public comment regarding the Contracts. Ms. Jojola Gonsalves said there was none.

D1. Renewal agreement with Alliance HealthCare Services, Inc. dba Alliance HealthCare Radiology for provision of mobile imaging services. The term of this renewal agreement is effective April 23, 2025 through April 22, 2028. The estimated impact of this renewal is $3,333,044.
Mark Fratzke, Chief Operating Officer

D2. Renewal agreement with CareFusion Solutions, LLC for provision of infusion pumps and supplies. The term of this renewal agreement is effective August 19, 2025 through August 18, 2030. The estimated impact of this renewal agreement is $7,206,000.
Romoanetia Lofton, Chief Nursing Executive

Trustee Fox asked what the life expectancy was of the infusion pumps was. Ms. Thamrin said 10 years.

D3. Renewal agreement with East Oakland Community Project for provision of respite care services. The term of this renewal agreement is effective August 1, 2025 through July 31, 2028. The estimated impact of this agreement is $1,593,600.
Romoanetia Lofton, Chief Nursing Executive

Trustee Fox where the patients who were homeless went once discharged. Mr. Fratzke said it varied by individual. They were not discharged to the street.

Trustee Garrett said it was surprising that they could do this work for this amount of money.

D4. Renewal agreement with The Regents of the University of California on behalf of the University of California, San Franciso, Department of Neurological Surgery for provision of professional neurosurgery services. The term of this renewal agreement is August 1, 2025 through July 31, 2027. The estimated impact of this renewal agreement is $7,594,371.
Elizabeth Mahler MD, Chief Medical Officer

Trustee Fox asked if the patient volume was going up. Dr. Mahler said it was steady. The reason for the additional surgeon was because they did not have enough staff for the existing volume. She said it was a staffing and recruitment constraint not a volume constraint.

Trustee moved Sblendorio and Trustee Garrett seconded to approve agenda items D1-D4.

ACTION: A motion was made and seconded to approve agenda items D1-D4. A roll call was taken, and the motion passed.
AYES: Trustees Fox, Garrett, and Sblendorio
NAYS: None
ABSTENTION: None

E. DISCUSSION: Committee Planning, Issues Tracking

TRUSTEE COMMENTS

ADJOURNMENT: 7:05

ALAMEDA HEALTH SYSTEM

July 2025 Financial Report
Finance Committee September 3, 2025

June 2025 Preliminary Financial Report
Audit Status

Presentation does not include fiscal year-end entries that will be finalized by October 2025. Final audit report will be presented to Audit Committee on 10/29/25. Year end comparison to Budget and Prior Year will be presented after the audit is complete.

- Net Patient Revenue and Capitation
  - Look back analysis to validate AR reported for June 30, 2025
- Supplemental Program Revenue
  - No additional adjustments anticipated on other programs; however, information may change during the audit.
- Expense related items
  - Self-funded Workers' Compensation (actuarial report)
  - Self-funded Hospital and Medical Malpractice (actuarial report)
  - AHS Defined Benefit retirement plan (actuarial report)
  - Interest for 4th quarter from County on NNB and restricted funds
  - Pending legal settlements
  - AHMG quality incentive bonus
  - Any material invoicing requiring a true-up
- Foundation true-up to mirror balances between the entities
- St. Rose Hospital integration into AHS audit report

FY25 Preliminary Financial Report

	FY2025				
	Projected as of 6/11/25	Actual as of 8/24/25	Variance	% Var	
Operating revenue					
Net patient service revenue	$ 933,578	$ 933,381	$ (197)	0.0%	
Capitation revenue	55,418	55,600	182	0.3%	
Other government programs	544,008	560,025	16,017	2.9%	FY11 old waiver pickup offset by EPP adjustment
Other operating revenue	60,527	63,606	3,079	5.1%	SRH mgt fee, higher retail pharmacy
Total operating revenue	**1,593,531**	**1,612,612**	**19,081**	1.2%	
Operating expense					
Labor costs	1,155,334	1,163,271	(7,937)	-0.7%	higher FTEs, accrued AIP
Physician contract services	42,190	41,338	852	2.0%	
Purchased services	103,493	105,758	(2,265)	-2.2%	
Materials and supplies	154,442	154,414	28	0.0%	
Facilities	37,770	40,566	(2,796)	-7.4%	higher facility repairs and utilities
Depreciation and amortization	37,291	36,849	442	1.2%	
General and administrative	44,553	46,622	(2,069)	-4.6%	
Total operating expense	**1,575,073**	**1,588,818**	**(13,745)**	-0.9%	
Operating income (loss)	**18,458**	**23,794**	**5,336**	28.9%	
Non-operating activity	(4,853)	(4,455)	398	-8.2%	
Net income (loss)	**$ 13,605**	**$ 19,339**	**$ 5,734**	42.1%	
Interest income (expense)	4,600	4,202	(398)	-8.7%	
Depreciation and amortization	37,291	36,849	(442)	-1.2%	
Retirement (deferred)	-	193	193		ACERA based on acturial report
EBIDA adjustments	41,891	41,244	(647)	-1.5%	
EBIDA	**$ 55,496**	**$ 60,583**	**$ 5,087**	9.2%	
EBIDA Margin	3.5%	3.8%			
		2.6%	Target		

July 2025 Financial Report
Finance Dashboard

July-2025

	Metric	FY2026 Goal YTD	Actual YTD	YTD	Trend Lines
Volume					
	Total Adjusted Discharges	2,659	2,553		
	Total Adjusted Patient Days	30,850	31,193		
Revenue Cycle					
	Collection Ratio	19.5%	19.3%		
	Cash as % of Net Revenue	100.0%	98.4%		
	Gross Days in Patient Receivables	59.0	65.1		
Labor					
	Productivity %	100.0%	102.4%		
	Registry as % of Total FTEs	4.2%	4.2%		
	Overtime % excl Company 30	4.5	5.9		
	Total FTEs	5,165	5,197		
	FTE per Adjusted Discharge	1.94	2.04		
	*Labor Cost/FTE w/o GASB	$234,283	$240,293		
Profitability					
	Total Cost per Adjusted Discharge	$50,425	$54,083		
	Total Cost per Adjusted Patient Days	$4,346	$4,427		
	Net Income	$3,483	($975)		
	EBIDA Margin	4.5%	1.2%		
	NNB (Net Negative Balance)	<$95M	-$5,367		
	Net Position	>$0	-$61,072		
Capital					
	Capital Spent	$2,439	$1,334		
	% of Capital Spent		54.7%		

*Labor costs excludes contracted physicians; Includes Registry travel & housing costs

ALAMEDA HEALTH SYSTEM

July 2025 Financial Report
Volume Highlights – Part 1

	July 2025	Budget	Variance	% Var	PY YTD Actual	Variance	% Var
Total Adjusted Patient Days	31,193	30,850	343	1.1%	30,124	1,068	3.5%
Total Adjusted Discharges	2,801	2,659	142	5.3%	2,553	247	9.7%
GENERAL ACUTE							
GA Patient Days	6,033	6,373	-340	-5.3%	6,270	-237	-3.8%
GA Discharges	1,290	1,221	69	5.6%	1,190	100	8.4%
Average Daily Census	194.6	205.6	-11	-5.3%	202.3	-7.6	-3.8%
Average Length of Stay	4.7	5.2	-0.5	-10.4%	5.3	-0.6	-11.2%
Adjusted Patient Days	11,506	11,833	-326	-2.8%	11,603	-96	-0.8%
Adjusted Discharges	2,460	2,268	193	8.5%	2,202	258	11.7%
GA CMI	1.612	1.7	-0.088	-5.2%	1.699	-0.087	-5.1%
Emergency Visits	9,403	8,764	639	7.3%	9,174	229	2.5%
Left Without Being Seen (LWBS)	421	583	162	38.6%	603	182	43.2%
Trauma Cases	295	313	-18	-5.9%	330	-35	-10.6%
Observation Equivalent Days	696	728	-32	-4.4%	681	14	2.1%
IP Surgeries	329	360	-31	-8.6%	345	-16	-4.6%
OP Surgeries	388	384	4	1.1%	482	-94	-19.5%
Total Surgeries	717	744	-27	-3.6%	827	-110	-13.3%
Deliveries	153	141	12	8.4%	132	21	15.9%
PSYCH							
Psych Patient Days	2,121	1,925	196	10.2%	1,934	187	9.7%
Psych Discharges	213	214	-1	-0.4%	203	10	4.9%
Average Daily Census	68.4	62.1	6.3	10.2%	62.4	6	9.7%
Average Length of Stay	10	9	-1	-10.6%	9.5	-0.4	-4.5%
Adjusted Patient Days	2,671	2,387	284	11.9%	2,410	262	10.9%
Adjusted Discharges	268	265	3	1.2%	253	15	6.1%
PES Equivalent Days	874	719	155	21.5%	719	155	21.5%
REHAB							
Rehab Patient Days	673	699	-26	-3.7%	684	-11	-1.6%
Rehab Discharges	58	53	5	9.7%	50	8	16.0%
Average Daily Census	21.7	22.5	-0.8	-3.7%	22.1	-0.4	-1.6%
Average Length of Stay	11.6	13.2	-1.6	-12.2%	13.7	-2.1	-15.2%
Adjusted Patient Days	673	699	-26	-3.7%	684	-11	-1.6%
Adjusted Discharges	58	53	5	9.7%	50	8	16.0%

July 2025 Financial Report
Volume Highlights – Part 2

	July 2025	Budget	Variance	% Var	PY YTD Actual	Variance	% Var
SNF with Sub-Acute							
SNF Patient Days	8,725	8,546	179	2.1%	8,384	341	4.1%
SNF Discharges	15	24	-9	-37.7%	21	-6	-28.6%
Average Daily Census	281.5	275.7	5.8	2.1%	270.5	11	4.1%
Average Length of Stay	581.7	354.7	226.9	64.0%	399.2	182.4	45.7%
Adjusted Patient Days	9,034	8,560	474	5.5%	8,642	391	4.5%
Adjusted Discharges	16	24	-9	-35.6%	22	-6	-28.3%
Bed Holds	-27	97	-124	-127.8%	96	-123	-128.1%
CLINIC VISITS	34,996	38,468	-3,472	-9.0%	34,818	178	0.5%
Clinic Visits	29,122	32,266	-3,144	-9.7%	28,973	149	0.5%
Telehealth Visits	5,874	6,202	-328	-5.3%	5,845	29	0.5%
FQHC Visits	29,238	31,404	-2,166	-6.9%	28,875	363	1.3%
Clinic Visits	24,481	26,225	-1,744	-9.7%	23,982	499	2.1%
Telehealth Visits	4,757	5,179	-422	-5.3%	4,893	-136	-2.8%
Non-FQHC Visits	5,758	7,064	-1,306	-18.5%	5,943	178	3.0%
Clinic Visits	4,641	6,041	-1,400	-9.7%	4,991	149	3.0%
Telehealth Visits	1,117	1,023	94	-5.3%	952	29	3.0%
Physician wRVU	136,937	120,894	16,044	13.3%	127,217	9,720	7.6%
PAYOR MIX							
Insurance %	6.14%	6.52%	-0.38%	-5.8%	6.46%	-0.32%	-4.9%
Medi-Cal %	7.13%	9.56%	-2.43%	-25.4%	9.15%	-2.02%	-22.0%
Medi-Cal MC %	52.28%	52.94%	-0.67%	-1.3%	52.95%	-0.67%	-1.3%
Medicare %	23.13%	19.01%	4.12%	21.7%	19.49%	3.64%	18.7%
Medicare MC %	7.03%	7.08%	-0.05%	-0.7%	7.16%	-0.13%	-1.8%
Other Govt %	0.99%	1.78%	-0.80%	-44.8%	1.62%	-0.64%	-39.3%
Self-Pay %	3.30%	3.10%	0.20%	6.3%	3.16%	0.13%	4.3%
Total Payor Mix %	100.00%	100.00%	0.00%	0.0%	100.00%	0.00%	0.0%

July 2025 Financial Report
Medicare GMLOS Benchmark – Trend of Excess Days

Acute Care Hospitals: HGH, SLH, AH (excludes any rehab)

- LOS Variance Days | July: There were 2,670 excess days which is a 0.97% month over month Increase and is a 7.23% Decrease year over year. This reflects the total # of actual days in a bed in excess of the allowed # of days compared to the Medicare acuity model benchmark.

- Medicare GMLOS Benchmark: Compares the total AHS patient population against the Federal regulatory guidelines (Medicare), regardless if the patient is a non-Medicare State (APR) payer or a Medicare Federal (MSDRG) payer.

July 2025 Financial Report Highlights

- Unfavorable MTD revenue variance of $0.3M.
  - Net patient revenue approximated budget; although the collection percentage was 0.2% below budget.
  - Other non-operating revenue unfavorable driven by lower retail pharmacy revenue.

- Unfavorable MTD expense variance of $4.0M.
  - Labor costs unfavorable ($2.2M) - FTE utilization higher than planned (32.0 FTE, $0.5M), wage rates ($0.2M), and benefit/retirement ($1.5M).
  - Non-labor cost unfavorable ($1.8M) with the largest variances in facilities ($0.8M) due to repairs at HGH.

	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	$ 137,440	$ 137,717	$ (277)	(0.2)%	$ 127,571	7.7%
Operating expense	138,093	134,084	(4,009)	(3.0)%	124,436	(11.0)%
Operating income (loss)	**(653)**	**3,633**	**(4,286)**	**(118.0)%**	**3,135**	**(120.8)%**
Other non-operating activity	(321)	(152)	(169)	(111.2)%	(147)	(118.6)%
Net Income (loss)	**$ (974)**	**$ 3,481**	**$ (4,455)**	**(128.0)%**	**$ 2,988**	**(132.6)%**
EBIDA adjustments	2,621	2,781	(160)		3,678	
EBIDA	**$ 1,647**	**$ 6,262**	**$ (4,615)**		**$ 6,666**	
Operating Margin	(0.5)%	2.6%	(3.1)%		2.5%	
EBIDA Margin	1.2%	4.5%	(3.3)%		5.2%	

July 2025 Financial Report
Net Patient Services Revenue Highlights

- Gross patient service revenue is favorable driven by inpatient and outpatient services.
  - Discharges were higher than budget, LOS improved to 4.7 and CMI fell below budget by 5.2% indicating lower complexity of patients and services.
  - Trauma, Inpatient surgery, and HGH Observation lower than budget
  - ED visits favorable to budget by 7.3%. Outpatient surgery favorable to budget by 1.1%.
  - SNF discharges below budget by 37.7%; census favorable by 2.1%.
  - JGP days and PES exceeding budget by 10.2% and 21.5% respectively.
  - Eastmont FQ visits below budget from fewer dental visits.

- NPSR Collection ratio YTD was 19.3% which is lower than expected.
  - A price increase (3%) was implemented in chargemaster (CDM); however, government fee schedule increases and Alliance rates have not yet been realized.
  - Commercial Payer mix fell below budget by 5.8%; driven by lower trauma cases.

	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	$ 220,563	$ 219,734	$ 829	0.4%	$ 212,781	3.7%
Outpatient service revenue	157,189	150,195	6,995	4.7%	144,709	8.6%
Professional service revenue	41,581	44,530	(2,949)	(6.6)%	40,502	2.7%
Gross patient service revenue	419,333	414,459	4,875	1.2%	397,993	5.4%
Deductions from revenue	(338,205)	(333,440)	(4,765)	(1.4)%	(321,063)	5.3%
Net patient service revenue	**81,128**	**81,018**	**110**	**0.1%**	**76,929**	**(5.5)%**
Collection % - NPSR	19.3%	19.5%	(0.2)%		19.3%	
Capitation and HPAC	4,494	4,547	(53)	(1.2)%	4,474	0.4%
Other government programs	45,324	45,415	(91)	(0.2)%	39,714	14.1%
Other operating revenue	6,494	6,736	(242)	(3.6)%	6,454	0.6%
Total operating revenue	**$ 137,440**	**$ 137,116**	**$ (276)**	**(0.2)%**	**$ 127,571**	**7.7%**

July 2025 Financial Report
Governmental and Other Revenue Highlights

- Other government programs approximates budget for the month. Prop 56 had unfavorable variance ($0.1 million). The budget was based on FY2025 receipts which was overstated due to an overpayment. The variance will continue all year.
- Other operating revenue unfavorable by ($0.2M) from lower retail pharmacy ($0.9M) offset by SRH management fees ($0.3M), grant revenue ($0.2M), and other timing differences ($0.2M). The SRH management fees were not budgeted.

	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Net patient service revenue	81,128	81,018	110	0.1%	76,929	(5.5)%
Capitation and HPAC	4,494	4,547	(53)	(1.2)%	4,474	0.4%
Medi-Cal Waiver	8,498	8,474	24	0.3%	8,915	(4.7)%
Measure A and parcel tax	12,760	12,760	0	0.0%	12,785	(0.2)%
Supplemental Programs	24,066	24,182	(116)	(0.5)%	18,014	33.6%
Covid-19	-	-	-	0.0%	-	0.0%
Other government programs	**45,324**	**45,415**	**(91)**	**(0.2)%**	**39,714**	**14.1%**
Grant Revenue	1,205	987	218	22.1%	983	22.7%
Other Operating Revenue	5,289	5,749	(460)	(8.0)%	5,471	(3.3)%
Other operating revenue	**6,494**	**6,736**	**(242)**	**(3.6)%**	**6,454**	**0.6%**
Total operating revenue	**$ 137,440**	**$ 137,716**	**$ (276)**	**(0.2)%**	**$ 127,571**	**7.7%**

July 2025 Financial Report
Expense Highlights excluding Labor

- Physician contract services unfavorable with largest negative variance in General Surgery.
- Purchased services unfavorable from software licenses ($0.2M), management consultants ($0.2M), and remaining variance ($0.3M) spread across many cost centers.
- Material and supplies unfavorable from surgical supplies ($0.4M) offset by favorable variance in non-medical supplies ($0.1M).
- Facilities unfavorable from timing of equipment/building repairs ($0.7M) and utilities ($0.2M). Most of the repair variance was at Highland Hospital ($0.4M).
- Depreciation and amortization favorable from timing of equipment depreciation ($0.4M) offset by lease/software amortization ($0.1M).
- General and administrative approximately on budget.

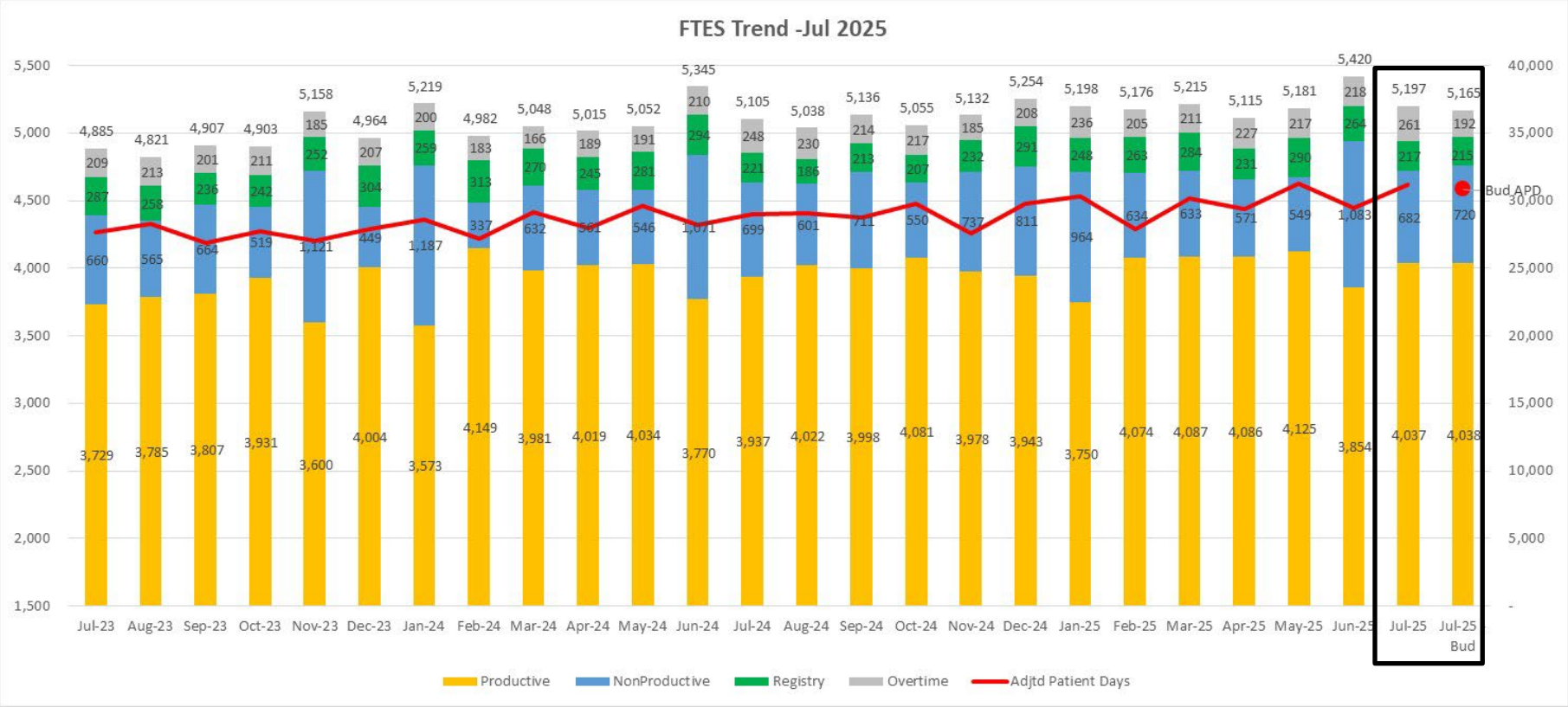
	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	$ 104,062	$ 101,824	$ (2,238)	(2.2)%	$ 92,616	(12.4)%
Physician contract services	3,827	3,598	(229)	(6.4)%	3,385	(13.1)%
Purchased services	8,685	7,982	(703)	(8.8)%	8,240	(5.4)%
Materials and supplies	13,145	12,812	(333)	(2.6)%	10,836	(21.3)%
Facilities	3,710	2,827	(883)	(31.2)%	3,257	(13.9)%
Depreciation and amortization	2,290	2,618	328	12.5%	3,518	34.9%
General and administrative	2,374	2,423	49	2.0%	2,584	8.1%
Total operating expense	**$ 138,093**	**$ 134,084**	**$ (4,009)**	**(3.0)%**	**$ 124,436**	**(11.0)%**

July 2025 Financial Report
Expense Highlights – Labor (part 1)

- Staff, physician and registry labor costs were unfavorable to budget driven by higher FTE volume (32 FTEs/$0.5M) and higher rates ($0.2M).
  - AHS continues to roll-out UKG timekeeping for registry and timing differences occur between when invoices are paid and hours are included to calculate FTEs.
- Employee Benefits unfavorable from self-funded health ($1.7M) offset by favorable variance for Kaiser insurance plan ($0.3M).
- Retirement unfavorable from ACERA ($0.2M).

	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	$ 63,673	$ 61,902	$ (1,771)	(2.9)%	$ 54,562	(16.7)%
Salaries and wages (physicians)	10,639	11,315	676	6.0%	10,152	(4.8)%
Registry	3,835	4,285	450	10.5%	4,456	13.9%
Employee benefits (taxes, insurance)	17,174	15,774	(1,400)	(8.9)%	15,676	(9.6)%
Retirement	8,741	8,548	(193)	(2.3)%	7,770	(12.5)%
Total labor costs	**$ 104,062**	**$ 101,824**	**$ (2,238)**	**(2.2)%**	**$ 92,616**	**(12.4)%**
Compensation ratio	75.7%	73.9%	-1.8%		72.6%	
Paid FTEs	5,197	5,165	(32)	(0.6)%	5,105	(1.8)%

July 2025 Financial Report
Analysis of Total Labor Expense



- Paid FTEs exceeded budget by 32 (5,197-5,165) and 0.6% for the month.
- Higher hours in overtime were partially offset by fewer non-productive hours. Other categories approximated budget.
- Total adjusted patient days above budget 1.1%; total adjusted discharges above budget by 5.3%.

July 2025 Financial Report
Physician Expenses Variance

Budget Variances by Physician Specialty
(in thousands)

	Current Month - July 2025		
Specialty	**Salaries**	**Contract**	**Total**
Primary	(3)	(23)	(26)
Geriatrics	(26)	0	(26)
Anesthesia	21	0	21
Pathology	(15)	0	(15)
Hospice	(6)	0	(6)
OB/GYN	101	1	102
OMFS	(3)	(14)	(17)
Neurosurgery	0	198	198
Vasculary Surgery	0	230	230
Wellness Centers	261	(38)	223
Radiology	64	(27)	36
Psychiatry	37	74	111
Hospitalist	66	(41)	25
General Surgery	0	(102)	(102)
GME	(2)	(43)	(45)
Other	183	(444)	(261)
	$ 676	**$ (229)**	**$ 446**

**Variances less than ($100k) in "Other"*

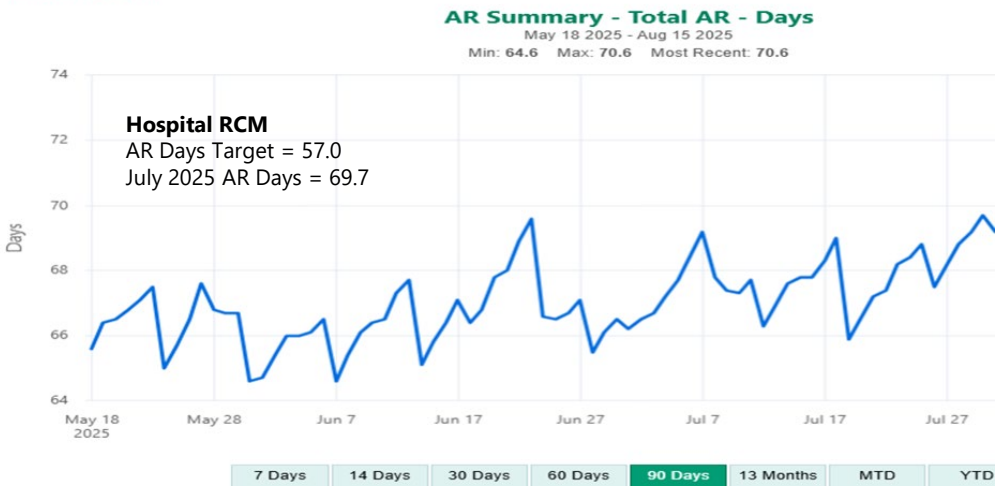
July 2025 Financial Report
Balance Sheet Key Metrics

- Days in Cash are 3.1 and higher than year-end; typically, below 5.0 days.
- Gross AR Days increased 2.7 days and Net AR Days increased 0.9 days. See next slide for additional detail.
- Days in Accounts Payable decreased due to timing of the check run and implementation of Hyland/Onbase (automation of AP processes). The target is 30 days.
- Net Position is negative $61.1M and increased $0.8M from June 30, 2025 reflecting YTD Net Income.
- Net Negative Balance is a payable of $5.4M. NNB consists of the liquidity facility (loan) of $32.5M offset by the restricted cash of $27.1M; and is expected to be below the June 30, 2026 credit ceiling of $95.0M at the end of the fiscal year.

	Jul-25	FY 2025
Days in cash	3.1	1.2
Gross days in patient receivable	65.1	62.4
Net days in patient receivable	46.4	45.5
Due from/(to) third-party payors	$ 156,041	$ 154,653
Due from/(to) County	$ 33,290	$ 39,481
Days in accounts payable	32.5	38.1
% of AP over 60 days	5.6%	10.6%
Net position - fund balance/(deficit)	$ (61,072)	$ (60,267)
Net negative balance - receivable/(payable)	$ (5,367)	$ 26,631

July 2025 Financial Report
AR Trending

Trending Graph



Hospital Revenue Cycle Key Indicators

- HB AR Days increased by 3.7 days compared to prior month. June AR Days 66.0, July AR Days 69.7
- July collections were $55.4M. Lower than the average of the prior twelve months at $61.6M.

Trending Graph

Professional Revenue Cycle Key Indicators

- PB AR Days decreased by 1.2 days compared to prior month. June AR Days 38.0 days, July AR Days 39.2
- July collections were $12.5M. Higher than average of the prior twelve months at $11.1M.

July 2025 Financial Report
Patient Collections

- FY25 Patient collections approximately 9.3% higher than the same period in FY25.
- Payments received in July for JGP represent FY25 for April/May 2025. JGP FY25 contract with the County was amended from $49.2M to $74.2M; total FY25 contract payments through July 2025 is $56.7M. As a reminder, AHS currently accruing at $72.1M consistent with the FY23 contract. Funding does not cover costs.
- JGP FY24 2nd amendment was completed from $61.2M to $73.6M; all remaining funds were received in July 2025.

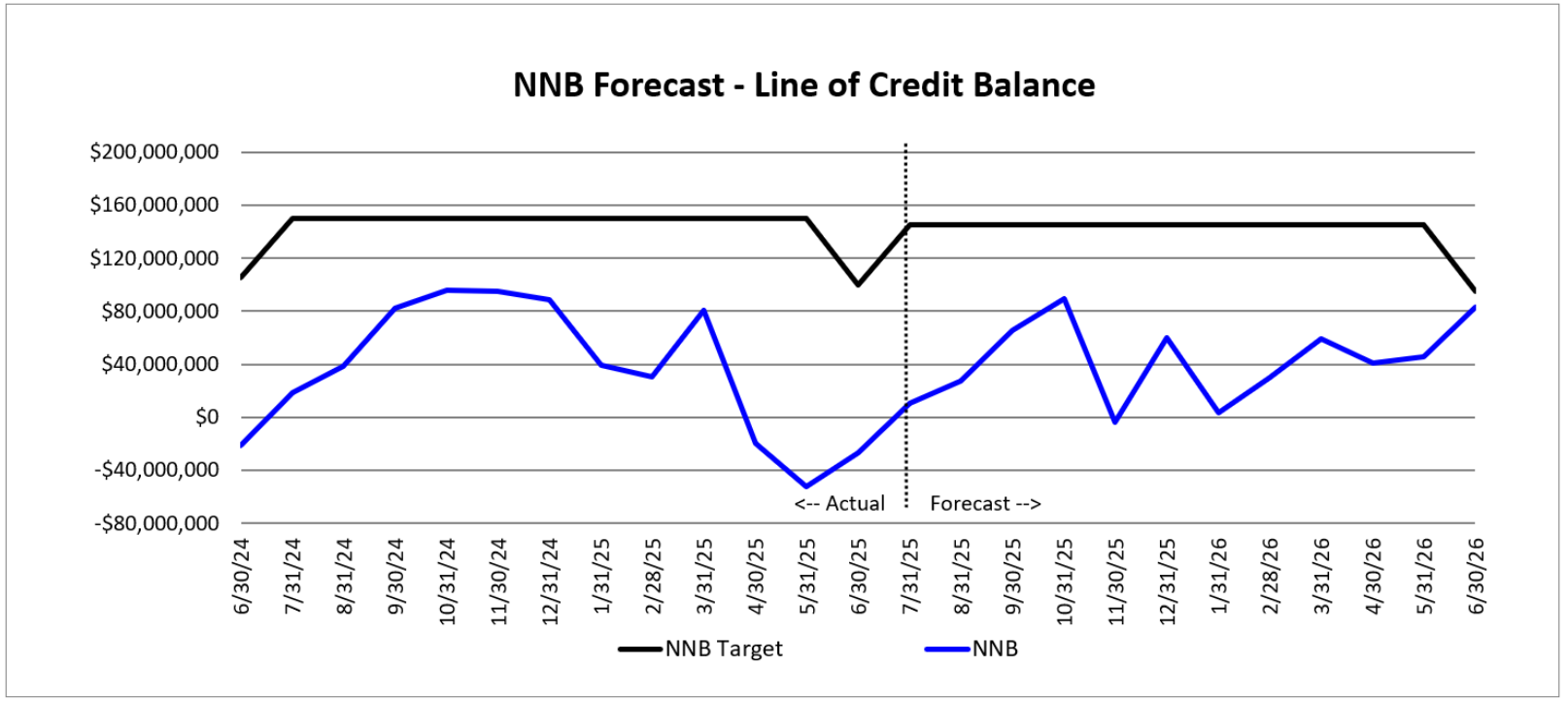
PATIENT COLLECTIONS
(in thousands)

	Behavioral Health	Epic	Total FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Jul	11,545	67,883	79,428	72,694	79,592	74,260	59,732
Aug	-	-	-	79,768	69,313	58,590	57,374
Sep	-	-	-	69,741	63,322	76,063	61,968
Oct	-	-	-	76,783	63,122	59,796	49,923
Nov	-	-	-	78,747	57,781	56,939	52,057
Dec	-	-	-	94,631	63,867	67,018	68,121
Jan	-	-	-	89,014	68,757	71,452	62,292
Feb	-	-	-	68,511	75,852	57,886	52,269
Mar	-	-	-	91,851	54,720	65,320	62,888
Apr	-	-	-	74,892	61,895	55,307	56,235
May	-	-	-	74,339	102,015	63,795	69,591
Jun	-	-	-	72,211	71,208	70,027	53,187
Total	**11,545**	**67,883**	**79,428**	**943,182**	**831,444**	**776,453**	**705,637**
	% change between fiscal years		9.3%	13.4%	7.1%	10.0%	

July 2025 Financial Report
Line of Credit (NNB) Forecast through 6/30/26

- FY2026 forecast reflects AHS operations consistent with the approved budget and is expected to be compliant at 6/30/26. Changes were as follows.
  - SNF DP-NF CY2024 ($25.8M) cashflow was included to stay below the 6/30/26 threshold of $95.0M as approved as part of the Budget.
  - Old Waiver FY2011 was updated to reflect a final settlement ($29.2M) in November 2025.
  - Payroll and accounts payable draws have increased consistent with negative variance to budget in July.

- Items that were not included in forecast.
  - St. Rose funding for IGT contribution.
  - St. Rose line of credit.



July 2025 Financial Report
Material Items Impacting NNB Forecast

- Medi-Cal Waiver FY2011 was added for $29.2M in November 2025.
- SNF DP-NF CY2024 was added for $25.8M in January 2026.
- Prior year activity for the AB915, Medi-Cal FQHC and Physician SPA settlements are reflected in bottom table as the final settlement and timing are unknown. The Old Waiver FY2011 is expected to be settled by October 2025; resulting in the release of reserves in June 2025 and additional funding ($29.2M) in November 2025.

Material Items Included in NNB Forecast
(in thousands)

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	FY26 Q3	FY26 Q4
GPP (quarterly)	$ 25,700	$ -	$ 25,700	$ -	$ -	$ 25,700	$ 25,700
EPP (semi-annual)	-	-	21,000	-	-	-	21,000
QIP	-	-	34,364	-	-	-	34,364
Medi-Cal Rate Range	-	-	-	-	-	42,700	-
Medi-Cal Waiver (fy11)	-	-	-	29,169	-	-	-
BHCS (JGP/Alameda County) - fy25	5,206	5,109	-	-	-	-	-
BHCS (JGP/Alameda County) - fy26	-	6,084	6,084	6,084	6,084	18,251	18,251
HPAC	-	-	-	10,800	-	10,800	21,600
AB85 Realignment	-	-	(41,670)	-	-	-	-
SNF DP-NF	-	-	-	-	-	25,797	-
St. Rose Hospital LOC	-	-	-	-	-	-	-
Donation to St. Rose Hospital		-	-	-	-	-	-
	$ 30,906	$ 11,193	$ 45,478	$ 46,053	$ 6,084	$ 123,248	$ 120,915

Prior Year Reimbursement Settlements

Waiver recoupment (fy11)	$ 29,169	Payment expected in Nov-25
AB915 (fy14-fy20)	(17,000)	TBD
Medi-Cal FQHC recoupment (fy08 - fy13)	(40,000)	TBD
Physician SPA (fy08 - fy13)	(25,000)	TBD
	$ (52,831)	

May 2025 Consolidated Results
Financial Summary & YTD Highlights

- SRH YTD net income is $12.7K and favorable to budget.
  Revenue variance of $30.185M
  - Other revenue – receipt of IGT funding in May ($30.3M); however, spread evenly in the budget.
  - Net patient service revenue variance, favorable 2.2% YTD, driven by timing of supplemental revenue (DSH payments)
  - Unfavorable expenses of $156.0K driven by benefit costs for health claims exceeding budget by $1.5M offset by delays opening SNF Subacute.

- MOB YTD net income is $310.4K, exceeding budget by $87.4K (39.2%).
  - Rent revenue higher than budget from additional tenant (LaFamilia)
  - Still deferring repairs and lower than budget property taxes

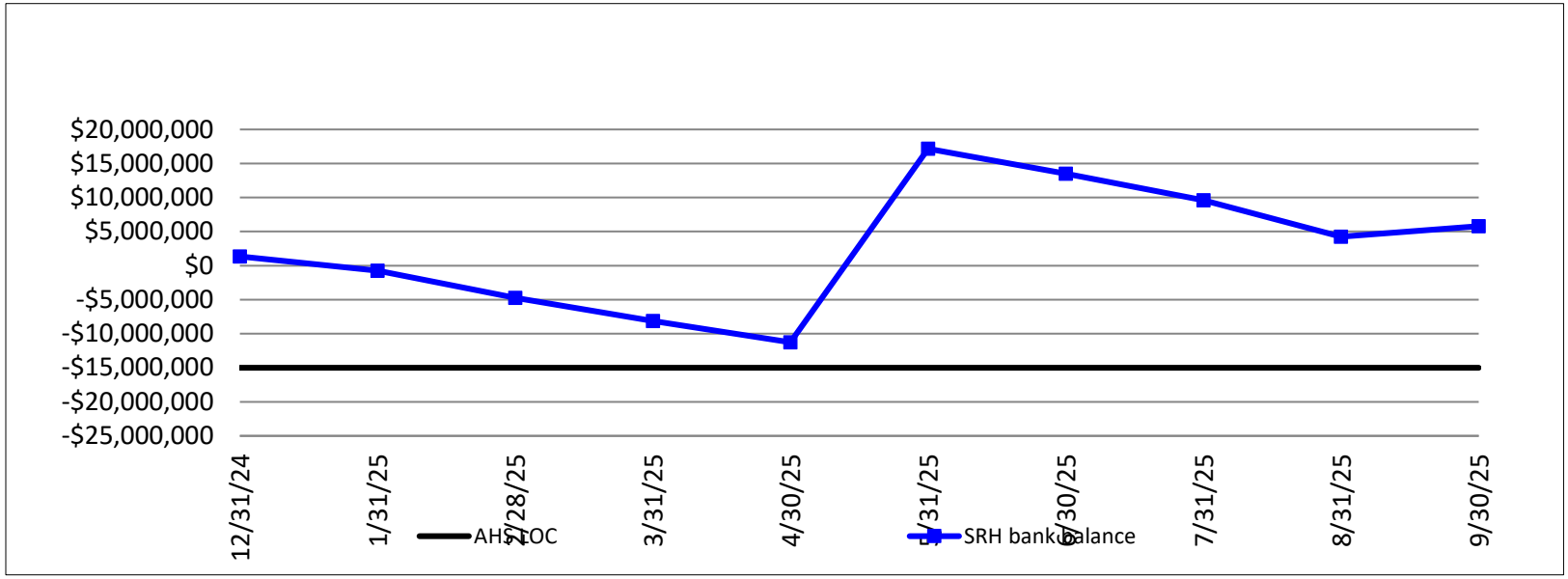
- Foundation YTD net loss is ($634.5K) unfavorable by ($708.5K) driven by the $1M donation to St. Rose Hospital, partially offset by The Dee Jordan Trust ($300K)

	May 31, 2025				Year-To-Date			
	Actual	**Budget**	**Var ($)**	**Var (%)**	**Actual**	**Budget**	**Var ($)**	**Var (%)**
Total Net Patient Service Revenue	$9,484	$8,742	$741	8.5%	$67,951	$66,481	$1,470	2.2%
Total Other Revenue	$30,520	$1,075	$29,444	2738.1%	$40,026	$14,554	25,473	175.0%
TOTAL OPERATING REVENUE	**$40,003**	**$9,818**	**$30,185**	**307.5%**	**$107,977**	**$81,035**	**$26,942**	**33.2%**
Less: Operating Expenses	$11,667	$11,510	($156)	-1.4%	$92,049	$92,221	173	0.2%
EBITDA	**$28,337**	**($1,692)**	**$30,029**	**-1774.4%**	**$15,928**	**($11,187)**	**$27,115**	**-242.4%**
Total Non-Operating Exp/(Income	$439	$392	$47	12.1%	$3,510	$3,162	$349	11.0%
Restr Donation - AA Geropscych)	$0	$292	($292)	-100.0%	$0	$2,333	(2,333)	-100.0%
NET INCOME/(LOSS)	**$27,897**	**($1,793)**	**$29,690**	**-1656.1%**	**$12,418**	**($12,015)**	**$24,433**	**-203.4%**

April 2025
Cash Flow Projection

- SRH started drawing down from AHS LOC in January and has borrowed $11M through May 6th, 2025. Interest has been accruing on the County's cost of fund rate. Total amount drawn, along with the interest incurred to date was paid off on June 12th.
  - SRF donated $1M to SRH on April 16th.
  - Great news! The IGT funding has been received. A check for $30,332,000 arrived on May 28th. Currently catching up paying vendors.

- The current projection indicates that no further drawing is necessary until October 2025. Currently onboarding an Accountant and working on FY2026 budget.



ALAMEDA HEALTH SYSTEM

MEMORANDUM

1411 East 31st Street
Oakland, CA 94602

TO: AHS Finance Committee
FROM: Kim Miranda, CFO
DATE: August 29, 2025
SUBJECT: July 2025 Financial Report

Financial Summary

Net Income for the month was a loss of $1.0 million compared to a budget of $3.5 million and unfavorable to budget by $4.5 million and 128.0%. Operating Revenue was $137.4 million and unfavorable to budget by $0.3 million and 0.2%. Operating Expense was $138.1 million and unfavorable to budget by $4.0 million and 3.0%. Earnings before interest, depreciation, and amortization (EBIDA) were $1.6 million and the EBIDA Margin was 1.2% compared to a budget EBIDA of $6.3 million and a budget EBIDA Margin of 2.6%. For the month, EBIDA was unfavorable to budget by $4.6 million.

	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	$ 137,440	$ 137,717	$ (277)	(0.2)%	$ 127,571	7.7%
Operating expense	138,093	134,084	(4,009)	(3.0)%	124,436	(11.0)%
Operating income (loss)	**(653)**	**3,633**	**(4,286)**	**(118.0)%**	**3,135**	**(120.8)%**
Other non-operating activity	(321)	(152)	(169)	(111.2)%	(147)	(118.6)%
Net Income (loss)	**$ (974)**	**$ 3,481**	**$ (4,455)**	**(128.0)%**	**$ 2,988**	**(132.6)%**
EBIDA adjustments	2,621	2,781	(160)		3,678	
EBIDA	**$ 1,647**	**$ 6,262**	**$ (4,615)**		**$ 6,666**	
Operating Margin	(0.5)%	2.6%	(3.1)%		2.5%	
EBIDA Margin	1.2%	4.5%	(3.3)%		5.2%	

Operating Revenue

Gross Patient Service Revenue

Gross Patient Service Revenue (patient charges) was $419.3 million for the month and favorable to budget by $4.9 million and 1.2%. Inpatient and Outpatient charges were above budget by 0.4% and 4.7%, respectively, and Professional service revenue fell below budget by 6.6%. Acute patient days were below budget for the

	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	$ 220,563	$ 219,734	$ 829	0.4%	$ 212,781	3.7%
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Deductions from revenue	(338,205)	(333,440)	(4,765)	(1.4)%	(321,063)	5.3%
Net patient service revenue	**81,128**	**81,018**	**110**	**0.1%**	**76,929**	**(5.5)%**
Collection % - NPSR	19.3%	19.5%	(0.2)%		19.3%	
Capitation and HPAC	4,494	4,547	(53)	(1.2)%	4,474	0.4%
Other government programs	45,324	45,415	(91)	(0.2)%	39,714	14.1%
Other operating revenue	6,494	6,736	(242)	(3.6)%	6,454	0.6%
Total operating revenue	**$ 137,440**	**$ 137,716**	**$ (276)**	**(0.2)%**	**$ 127,571**	**7.7%**

month by 5.3%. General Acute Length of Stay (LOS) is 4.7 which was below budget for the month and prior year. Discharges are higher while observation status has decreased. The case mix index (CMI) was below budget for the month and prior year. CMI is an indicator of the overall complexity of inpatient illness and services being provided. The favorable outpatient charges variance was from prior period charges that were released after subsequent review and Emergency Room visits. Outpatient surgeries were at budget. Clinic visits were below budget by 9.0% driven by lower Eastmont Dental visits and budget timing. Physician wRVU were above budget by 13.3% driven by hospital services. Overall, on an adjusted day basis, volumes were slightly above budget for the month. Adjusted discharges were 5.3% above budget due to lower LOS and more discharges than anticipated.

Net Patient Revenue

Net Patient Service Revenue (NPSR) was $81.1 million for the month and at budget. The collection ratio was 19.3% and unfavorable by 0.2%, offset by higher volumes. Government fee schedule increases and the Alliance contract increases have not been realized. The commercial payer mix was unfavorable to budget by 5.8% driven by lower trauma cases. The collections on fully reserved accounts (over 270 days) were consistent with the trend.

Other Government Program Revenue

Other Government Program Revenue for the month was $45.3 million and approximated budget. Prop 56 had an unfavorable variance ($0.1 million) that will continue for the rest of the fiscal year. The budget was based on FY25 receipts that included an overpayment from Alameda Alliance. Also, most of the government programs were accrued at budget since no added information was available.

Other Operating Revenue

Other Operating Revenue for the month was $6.5 million and unfavorable to budget by $0.2 million and 3.6%. Grant revenue was favorable from timing differences ($0.2 million). Other Operating revenue was unfavorable from lower retail pharmacy revenues ($0.9 million) that were offset by the St. Rose Hospital management fee ($0.3 million) which was not included in the budget.

Operating Expense

Operating Expense was $138.1 million for the month and unfavorable to budget by $4.0 million and 3.0%. Labor costs are discussed in a subsequent section.

	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	$ 104,062	$ 101,824	$ (2,238)	(2.2)%	$ 92,616	(12.4)%
Physician contract services	3,827	3,598	(229)	(6.4)%	3,385	(13.1)%
Purchased services	8,685	7,982	(703)	(8.8)%	8,240	(5.4)%
Materials and supplies	13,145	12,812	(333)	(2.6)%	10,836	(21.3)%
Facilities	3,710	2,827	(883)	(31.2)%	3,257	(13.9)%
Depreciation and amortization	2,290	2,618	328	12.5%	3,518	34.9%
General and administrative	2,374	2,423	49	2.0%	2,584	8.1%
Total operating expense	**$ 138,093**	**$ 134,084**	**$ (4,009)**	**(3.0)%**	**$ 124,436**	**(11.0)%**

Non-labor expense variances net to an unfavorable variance of $1.8 million for the month as follows.

- Physician contract services were unfavorable to budget by $0.2 million and 6.4%. The largest negative variances are in General Surgery.
- Purchased services were unfavorable to budget by $0.7 million and 8.8% driven by unfavorable variances in software licenses ($0.2 million), management consultants ($0.2 million), and the remaining variance ($0.3 million) spread across many cost centers.
- Materials and supplies were unfavorable to budget by $0.3 million and 2.6% driven by unfavorable variances in surgical supplies ($0.4 million) offset by favorable variances in non-medical supplies ($0.1 million). Retail pharmaceuticals approximated budget for the month.
- Facilities were unfavorable to budget by $0.9 million and 31.2% driven by timing of building/equipment repairs ($0.7 million) and utilities ($0.2 million). Most of the repair variance was for Highland Hospital ($0.4 million).
- Depreciation and amortization were favorable to budget by $0.3 million and 12.5% driven by budget timing for equipment depreciation ($0.4 million) offset by lease/software amortization ($0.1 million).
- General and administrative costs approximated budget.

Labor Costs

Labor costs for the month were $104.1 million and unfavorable to budget by $2.2 million and 2.2%.

	July 2025				FY 2025	
	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	$ 63,673	$ 61,902	$ (1,771)	(2.9)%	$ 54,562	(16.7)%
Salaries and wages (physicians)	10,639	11,315	676	6.0%	10,152	(4.8)%
Registry	3,835	4,285	450	10.5%	4,456	13.9%
Employee benefits (taxes, insurance)	17,174	15,774	(1,400)	(8.9)%	15,676	(9.6)%
Retirement	8,741	8,548	(193)	(2.3)%	7,770	(12.5)%
Total labor costs	**$ 104,062**	**$ 101,824**	**$ (2,238)**	**(2.2)%**	**$ 92,616**	**(12.4)%**
Compensation ratio	75.7%	73.9%	-1.8%		72.6%	
Paid FTEs	5,197	5,165	(32)	(0.6)%	5,105	(1.8)%

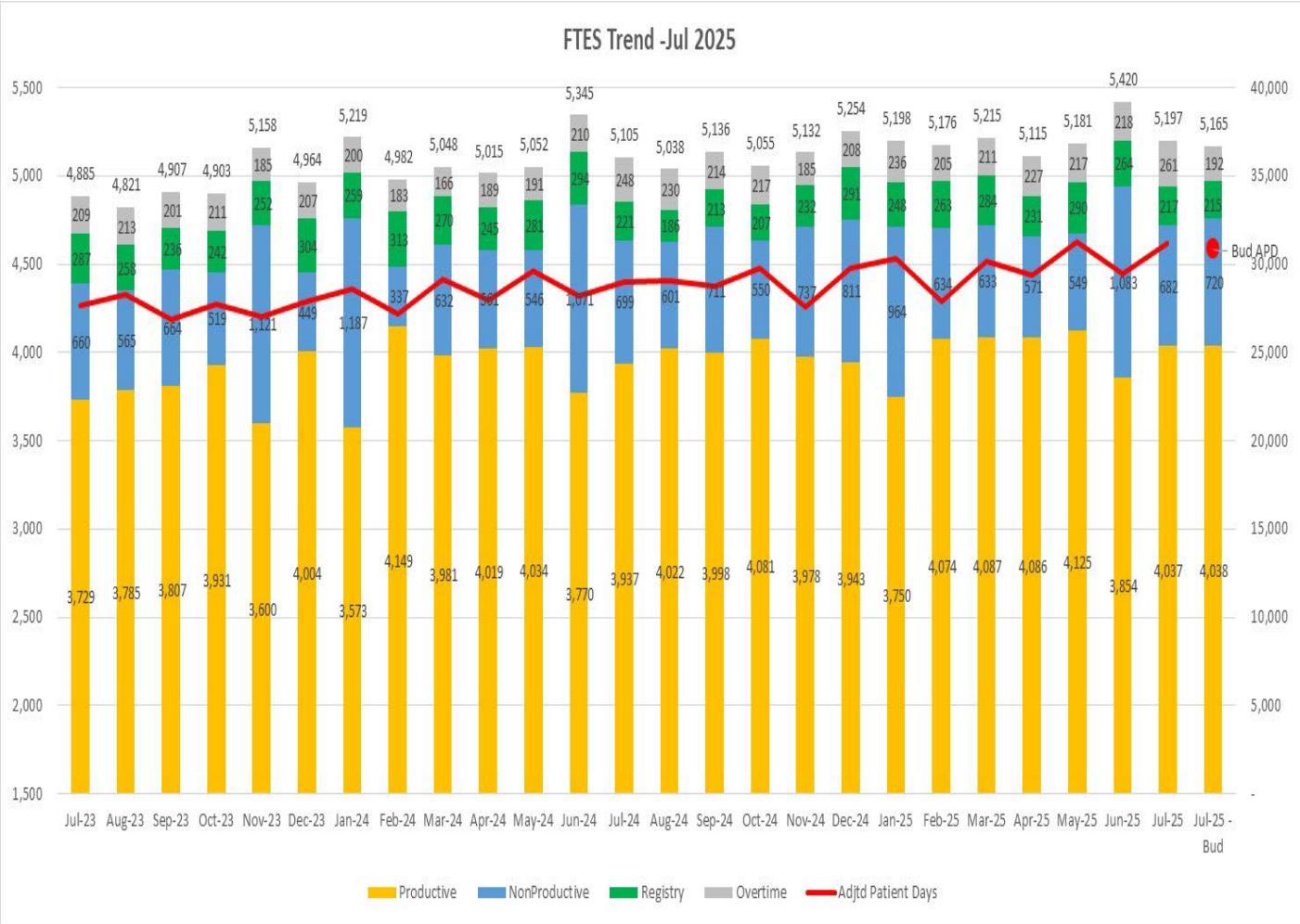
For the month, staff, physician and registry labor costs were unfavorable to budget by $0.6 million and 0.8% driven by higher FTE volume (32 FTEs/$0.5 million) and higher rates ($0.2 million). AHS continues to roll out UKG timekeeping to registry. At this point, timing differences occur between when invoices are paid, and the hours included to calculate FTE causing variances for the month.

Employee benefits were unfavorable by $1.4 million and 8.9% driven by self-funded health insurance ($1.7 million) offset by positive variance for Kaiser insurance plan ($0.3 million).

Retirement expense was unfavorable by $0.2 million and 2.3% from ACERA ($0.2 million).

FTE Trending

For the month, Paid FTE was 5,197 compared to a budget of 5,137 which was unfavorable to budget by 32 and 0.6%. The FTE trend graph below reflects paid FTE and adjusted patient days (Total Gross Revenues / Inpatient Revenues = Outpatient Factor x Patient Days) by the month beginning in July, 2023. Overall, adjusted patient days (red line) exceeded budget this month. The bars reflect Paid FTE for each month and are stacked to include each paid labor component represented by color within the bars. The current month actual and budget are reflected in the last columns on the right of the graph. For the month, overtime (grey) and registry (green) exceeded budget resulting in an unfavorable FTE variance. Non-productive (blue) and productive approximate budget.



Balance Sheet and Financial Condition
The Balance Sheet key financial metrics are reflected in the table below.

	Jul-25	FY 2025
Days in cash	3.1	1.2
Gross days in patient receivable	65.1	62.4
Net days in patient receivable	46.4	45.5
Due from/(to) third-party payors	$ 156,041	$ 154,653
Due from/(to) County	$ 33,290	$ 39,481
Days in accounts payable	32.5	38.1
% of AP over 60 days	5.6%	10.6%
Net position - fund balance/(deficit)	$ (61,072)	$ (60,267)
Net negative balance - receivable/(payable)	$ (5,367)	$ 26,631

Days in Cash
Days in Cash are low as all AHS cash receipts are swept to the County Treasury. The Days in Cash can fluctuate based on timing of cash draws from the County treasury and timing of vendor payments and payroll.

Accounts Receivable (AR)
The Gross Days in AR were 65.1 days and 2.7 days higher than last month due to lower cash receipts. Net Days in AR were 46.4 and 0.9 days higher than the previous month from lower net revenue per calendar day by 3.1%. The calculation reflects 90 days versus actual days for the quarter to standardize the calculation. Utilizing a 90-day period does lead to more fluctuations. Key updates on work in progress within Revenue Cycle are noted below:

- Settlements through arbitration using Sac Law continue to support GRIT.

Patient collections are reflected in the table below. Behavioral Health represents the County receipts under contract for JGP services which total $11.5 million. AHS and the County executed the 2nd amendment in May 2025 increasing the FY2024 contract total from $61.2 million to $73.6 million. Invoices were submitted to the County for the remaining $12.4 million. Payments under the FY2025 contract which was also amended to increase the maximum from $49.2 to $74.2M, total $56.6 million through April 2025. As a reminder the FY2023 contract was $72.1 million, and AHS accrued at this higher level of reimbursement, which is now supported by the recent amendments.

Accounts Payable
Days in Accounts Payable are 32.5 at the end of the month and decreased 5.6 days over the prior month from timing of recurring check runs versus the last day of the calendar month and resolution of ongoing implementation issues with OnBase. The Percent over 60 Days is 5.6% and is above the 5% target. Purchasing and Accounts Payable teams are making positive progress resolving older invoices held in work queues.

PATIENT COLLECTIONS
(in thousands)

	Behavioral Health	Epic	Total FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Jul	11,545	67,883	79,428	72,694	79,592	74,260	59,732
Aug	-	-	-	79,768	69,313	58,590	57,374
Sep	-	-	-	69,741	63,322	76,063	61,968
Oct	-	-	-	76,783	63,122	59,796	49,923
Nov	-	-	-	78,747	57,781	56,939	52,057
Dec	-	-	-	94,631	63,867	67,018	68,121
Jan	-	-	-	89,014	68,757	71,452	62,292
Feb	-	-	-	68,511	75,852	57,886	52,269
Mar	-	-	-	91,851	54,720	65,320	62,888
Apr	-	-	-	74,892	61,895	55,307	56,235
May	-	-	-	74,339	102,015	63,795	69,591
Jun	-	-	-	72,211	71,208	70,027	53,187
Total	**11,545**	**67,883**	**79,428**	**943,182**	**831,444**	**776,453**	**705,637**
	% change between fiscal years		9.3%	13.4%	7.1%	10.0%	

Supplemental Program Revenue Receivable/Payable

The information presented in the table below provides subsidiary information for Supplemental Program receivables and payables on the Balance Sheet. The net receivable balance for Supplemental Programs is $156.0 million, which increased $1.4 million over last month. Key items are noted below.

- Payment received for Medi-Cal P14 FY2019 Final Settlement ($6.1 million).
- Payment received for GPP CY2025 Q2 ($65.7 million).
- IGT funded for GPP CY2025 Q2 ($39.0 million).
- IGT funded for GME FY2026 Q1 ($3.4 million).
- Minor cost report adjustments and monthly accruals ($30.8 million).

Estimates are necessary to record supplemental income because the ultimate amount that may be collected under the program is uncertain, dependent on costs for services that were ultimately provided, quality metrics achieved, Medi-Cal enrollment, and our ability to identify and claim related costs. The timing of receipts and payments is critical because these cashflows affect the NNB under our Line of Credit with the County. Nearly half of AHS annual revenue comes from supplemental funding.

AHS has significant liability estimates dating back more than 5 years as reflected at the bottom of the schedule. They include the old Medi-Cal Waiver, AB915, Physician SPA and Highland FQHC. Notification of FY2011 Waiver settlement was received in June 2025 from DHCS and adjustments were booked in June to eliminate the reserves ($4.8 million) and recognize receivable ($27.6 million). The result was a favorable pick up of $32.4 million. The preliminary settlement schedule varied from trend which warranted the reserve. However, when the pool finally settled among all the public hospital systems, the preliminary data proved to be valid. Also, AB915 was added to the section for FY2014 through FY2020 as the program audits are delayed by the State. The total estimated amount due is $54.4 million.

Net Reimbursement Supplemental Programs as of 7/31/2025					
Programs	**FY97-20**	**FY21-25**	**FY26**	**Net Balance**	**Comments**
Medicare Cost Report	(1,473)	(4,676)	(55)	(6,204)	Older years pending disputed SSI ratio and outlier holds for both OPPS / IPPS services from CMS.
Medi-Cal P14 Waiver	994	(1,680)	(738)	(1,424)	P14 audits are in various stages of completion. Currently DHCS has finalized up to FY18.
Current Waiver (GPP & CalAIM)	-	(5,618)	8,403	2,785	Global Payment Program (GPP) subsidizing remaining uninsured. GPP extended to 2026 as CalAIM.
AB85 Realignment	0	(86,817)	-	(86,817)	Realignment reserves for HPAC amendment passing through the County for physical health for Medi-Cal and Indigent populations.
Physician SPA	(6,000)	3,842	945	(1,213)	Reconciliation based on P14 utilization file with the State. FY14-FY16 Finalized. Catch-up ACA interim payments began during FY22.
FQHC	(7,922)	(15,405)	(417)	(23,744)	Negotiating settlement for a new FQ rate. The difference between the new FQ rate and FFS rate will determine the settlement for the impacted years. AHS started billing as a FQ in March 2022.
Medi-Cal Managed Care EPP	0	109,624	5,644	115,268	EPP (Enhanced Payment Program). New supplemental program for services provided to Medi-Cal Managed Care.
Medi-Cal Managed Care QIP	0	106,747	6,642	113,388	QIP (Quality Incentive Program). New supplemental program for services provided to Medi-Cal Managed Care.
Medi-Cal Managed Care Rate Range	(0)	69,800	4,317	74,117	Subsidize rates for Medi-Cal Managed Care members in Alameda County.
Medi-Cal Managed Care GME	0	8,237	4,582	12,818	CMS approved in March 2020. GME is paying concurrently with fiscal year.
Medi-Cal Managed Care DP-NF Pass-Through	-	2,150	-	2,150	New payment program assisting AHS with LTC carve-in from FFS to managed care, time-limited CY2023 through CY2025. First year disclosed and received Jan 2025, further years TBA
Medi-Cal SNF Cost Settlement	0	1,967	35	2,002	The State began their reconciliation.
AB915	-	2,353	734	3,087	AB915/Medi-Cal Hospital OP cost settlement. DHCS began reconciling older years during FY23.
All Other Supplemental Programs	0	3,643	620	4,263	Hospital Fee, NDPH & P4P programs
Subtotal	**$ (14,401)**	**$ 194,167**	**$ 30,711**	**$ 210,476**	
Old Waiver (FY11, DSH/SNCP)	27,565	0	0	27,565	All years have been finalized. Just waiting on payments and IGTs. Reserves closed out in June 2025 based on notices being received.
AB915 (FY14-FY20)	(17,000)	0	0	(17,000)	FY14-FY20 Reserve pending on audits.
Physician SPA (FY08-12)	(25,000)	0	0	(25,000)	FY13 final settled.
FQHC (FY12-18)	(40,000)	0	0	(40,000)	Negotiating settlement for Highland FQ clinics is pending for HGH K-6 clinic.
Subtotal	**$ (54,435)**	**$ -**	**$ -**	**$ (54,435)**	
Grand Total	**$ (68,836)**	**$ 194,167**	**$ 30,711**	**$ 156,041**	

Net County Receivable and Payable

Due To/From County of Alameda	Jul-25	FY 2025
Due from County of Alameda	$ 43,672	$ 45,740
Capital designation receivable	7,000	7,000
Due from County of Alameda	**50,672**	**52,740**
Due to County of Alameda	(3,091)	(2,379)
County IGT funding	(3,411)	-
Capital cost payable	(10,880)	(10,880)
Due to County of Alameda	**(17,382)**	**(13,259)**
Net due from/(to) County	**$ 33,290**	**$ 39,481**

The net County receivable and payable due under arrangements with the County are reflected as part of the Due to and Due From accounts reported on the Balance Sheet as follows:

- The County receivable includes the HPAC contract, John George Pavilion (JGP) services agreement and grants.
- The Capital Designation receivable reflects reimbursement expected from the County ($7 million per year) to help fund the Sapphire project. An annual invoice is sent to the County after AHS transfers the funds, and certain contractual requirements are met at the end of the fiscal year. The FY2025 invoice was submitted to the County in June 2025.
- Inter-government transfers (IGT) are ongoing to draw down federal supplemental funding and then paid back to the County.
- The Capital Cost Transfer reflects a payable based on the balance remaining on open cost report settlements associated with County owned buildings ($10.9 million). AHS transfers cost reimbursement estimates to the County each year and AHS has the contractual ability to benefit from these funds to help maintain and invest in County owned facilities. In May 2024, the County accessed $1.2 million to pay for an emergency transformer on the Fairmont campus. AHS is working with the County to develop a workflow to allow AHS to capture costs for future cost reimbursement.

Net Position

The Net Position or Fund Balance of AHS as of July 31, 2025, is negative $61.1 million, which deteriorated $0.8 million over last month reflecting the net loss for the month ($1.0 million) offset by capital contribution from Jaber Funds ($0.2 million).

Net Negative Balance

The Net Negative Balance (NNB) or Line of Credit with the County is $5.4 million payable on July 31, 2025 and remains compliant with the terms of the Permanent Agreement. The Working Capital Loan is reported on the Balance Sheet as a long-term liability labeled “Liquidity Facility – County of Alameda.” To calculate the

NNB, the Liquidity Facility ($32.5 million payable) decreased by the County Restricted Cash Fund ($27.1 million) which is included in Cash.

Contingencies

John George Pavilion (JGP)

Consistent with FY2025 reporting, AHS included revenue of $72.1 million under the County contract in the FY2026 budget and is accruing revenue based on the FY23 contract maximum and our understanding that the change from Short Doyle cost reimbursement to fee for service payments under Cal Aim was not going to reduce funding for behavioral health services. AHS and the County are currently working to execute the FY2026 contract which is expected to increase funding. The amendment for the FY2025 contract was signed in May 2025 increasing the contract maximum from $49.2 million to $74.2 million. The FY2024 2nd contract amendment was also signed in May 2025 increasing the contract maximum from $61.2 million to $73.6 million. AHS has submitted invoices to the County to capture the contract increases and avoid further adjustment.

The County continues to struggle with the implementation of new software, SmartCare, which has delayed billing. JGP technical services have been input into SmartCare to be billed and paid for by the State although AHS has not received any information from the County on denials or payments they have received. AHS and the County partnered to determine appropriate billing of professional fees, which under this new system are payable separate from technical services for the first time. There is a twelve-month timely filing requirement to submit claims. The County has indicated it will ensure claims are paid even if the timely filing deadline means they cannot be federally matched. AHS has submitted professional claims to the County; however, no information has been provided to us on the status of these claims.

Highland Federally Qualified Healthcare Center (FQHC) Settlement

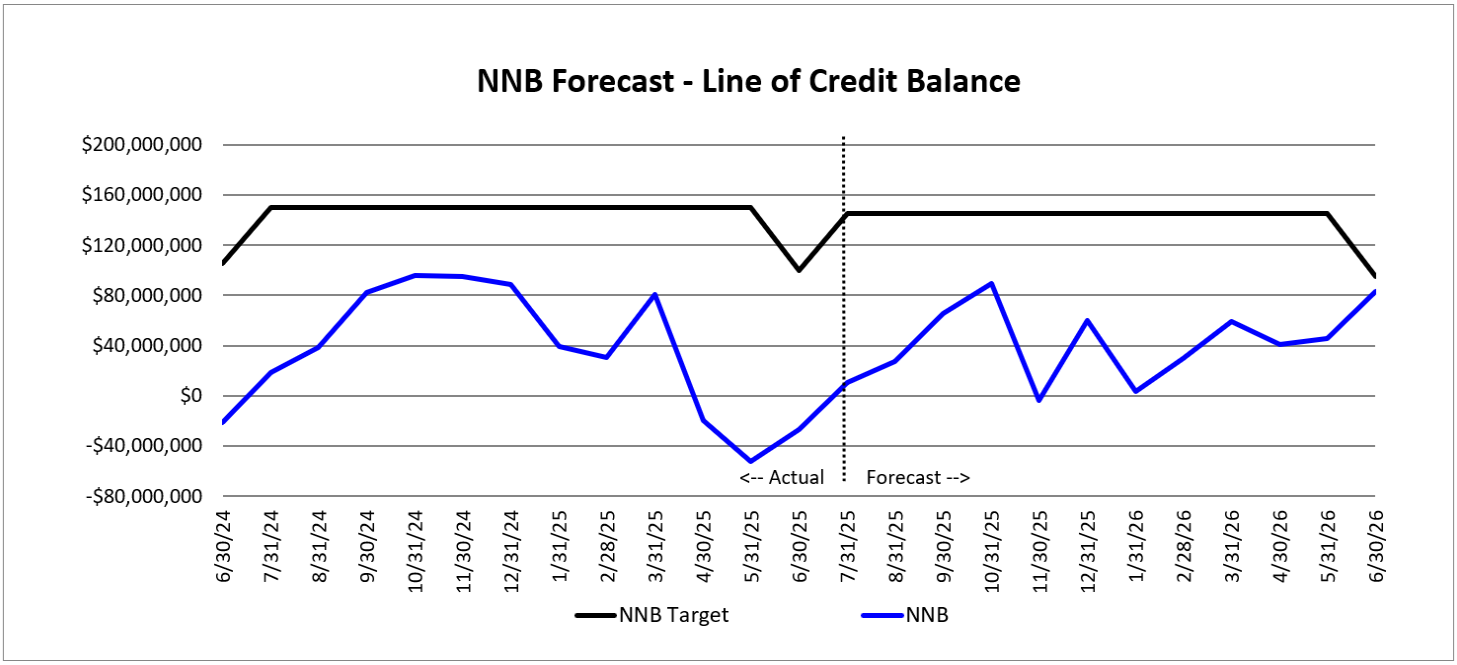
The State reached out to AHS inquiring about a new application that AHS submitted to establish the dental clinic located at Highland as a new FQHC. The State wanted to understand the new application request which started a conversation that ultimately resulted in the State verbally agreeing AHS could resume billing previous service locations on the Highland campus as FQHC. AHS began billing as an FQHC for these service locations on March 1, 2022. AHS and the State started negotiations on a retroactive settlement going back to the FY2012 filing made by AHS to establish an FQHC rate. Once the negotiations progress to a point where a new estimate can be determined, AHS will adjust the current liability on the balance sheet. AHS currently has a pending recoupment of $40.0 million. AHS is being paid at the historical Highland FQ rate for the additional service locations until the new rate is finalized.

Line of Credit (Net Negative Balance) Forecast

The Line of Credit Balance or the Net Negative Balance (NNB) held with the County is forecasted in the line graph below through June 30, 2026 for planning purposes. AHS is currently forecasting that the NNB will be compliant with the terms of the agreement with the County which limits the NNB to $95.0 million on June 30, 2026. The forecast reflects AHS operations consistent with the approved budget and the forecast updates as actual activity is reflected in the cashflow model.

The forecasted NNB on July 31, 2025 improved from recognition of the FY2011 Waiver Final Settlement ($29.2 million) and the expectation of receiving CY2024 SNF DP-NF funding ($25.8 million) partially offset by increased draws for payroll and accounts payable based on July activity. As a reminder, the intent was to preserve SNF DP-NF funds for future investments or to establish reserve fund since these funds are not expected to continue beyond the three-year period (CY23-CY25). However, the Trustees approved the use of

these funds to cover the projected NNB shortfall as part of the annual budget approval. In addition, the approved budget did not contemplate St. Rose Hospital (SRH) funding requirements.



Material items impacting the NNB are summarized in the table below. The top portion of the table provides expected cash flow from sizable items included in NNB forecast. Forecasted items have changed as follows.

- Behavior Health (JGP/Alameda County) was changed from $7.1 million in August and September to $5.2 million and $5.1 million, respectively, to reflect actual payment.
- CY2024 SNF DP-NF funding estimate was added in January 2026.
- SRH is projecting to access the line of credit in October 2025, which was not included in the AHS forecast.
- SRH will need support to maximize the FY26 IGT funding, which is not included in the AHS forecast.
- SRH budget planning is underway for FY2026.

The bottom portion of the table below reflects older year's liability estimates which are not included in the forecast (blue line) due to unknown timing for resolution. However, notice was received from DHCS that the FY11 Waiver settlement would be favorable resulting in a pickup of $29.2 million expected in November which is incorporated in the cashflow forecast. AB915 for FY2014 through FY2020 was added to the schedule because program review for these fiscal years was delayed by the State ($17.0 million). The Federal Qualified Health Center (FQHC) recoupment is a conservative settlement estimate based on the difference between reimbursement rates for services provided at Highland campus locations that were considered qualified and subsequently denied by the State. AHS is in current discussions with the State and once an agreement is reached with the State the FQHC liability will be adjusted Lastly, Physician SPA reconciliations are delayed because the State is having difficulty obtaining claim data.

Material Items Included in NNB Forecast
(in thousands)

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	FY26 Q3	FY26 Q4
GPP (quarterly)	$ 25,700	$ -	$ 25,700	$ -	$ -	$ 25,700	$ 25,700
EPP (semi-annual)	-	-	21,000	-	-	-	21,000
QIP	-	-	34,364	-	-	-	34,364
Medi-Cal Rate Range	-	-	-	-	-	42,700	-
Medi-Cal Waiver (fy11)	-	-	-	29,169	-	-	-
BHCS (JGP/Alameda County) - fy25	5,206	5,109	-	-	-	-	-
BHCS (JGP/Alameda County) - fy26	-	6,084	6,084	6,084	6,084	18,251	18,251
HPAC	-	-	-	10,800	-	10,800	21,600
AB85 Realignment	-	-	(41,670)	-	-	-	-
SNF DP-NF	-	-	-	-	-	25,797	-
St. Rose Hospital LOC	-	-	-	-	-	-	-
Donation to St. Rose Hospital		-	-	-	-	-	-
	$ 30,906	$ 11,193	$ 45,478	$ 46,053	$ 6,084	$ 123,248	$ 120,915

Prior Year Reimbursement Settlements

Waiver recoupment (fy11)	$ 29,169	Payment expected in Nov-25
AB915 (fy14-fy20)	(17,000)	TBD
Medi-Cal FQHC recoupment (fy08 - fy13)	(40,000)	TBD
Physician SPA (fy08 - fy13)	(25,000)	TBD
	$ (52,831)	

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For the Period Ended July 31, 2025
(In Thousands)

	July 2025				FY 2025		
	Actual	Budget	Variance	% Variance	YTD	Variance	% Variance
Operating revenue							
Net patient service revenue	$ 81,128	$ 81,019	$ 109	0.1%	$ 76,929	$ 4,199	5.5%
Capitation revenue	4,494	4,547	(53)	(1.2)%	4,474	20	0.4%
Other government programs	45,324	45,415	(91)	(0.2)%	39,714	5,610	14.1%
Other operating revenue	6,494	6,736	(242)	(3.6)%	6,454	40	0.6%
Total operating revenue	**137,440**	**137,717**	**(277)**	**(0.2)%**	**127,571**	**9,869**	**7.7%**
Operating expense							
Labor costs	104,062	101,824	(2,238)	(2.2)%	92,616	(11,446)	(12.4)%
Physician contract services	3,827	3,598	(229)	(6.4)%	3,385	(442)	(13.1)%
Purchased services	8,685	7,982	(703)	(8.8)%	8,240	(445)	(5.4)%
Materials and supplies	13,145	12,812	(333)	(2.6)%	10,836	(2,309)	(21.3)%
Facilities	3,710	2,827	(883)	(31.2)%	3,257	(453)	(13.9)%
Depreciation and amortization	2,290	2,618	328	12.5%	3,518	1,228	34.9%
General and administrative	2,374	2,423	49	2.0%	2,584	210	8.1%
Total operating expense	**138,093**	**134,084**	**(4,009)**	**(3.0)%**	**124,436**	**(13,657)**	**(11.0)%**
Operating income (loss)	**(653)**	**3,633**	**(4,286)**	**(118.0)%**	**3,135**	**(3,788)**	**(120.8)%**
Non-operating activity							
Interest income (expense)	(331)	(163)	(168)	(103.1)%	(160)	(171)	(107.1)%
Other nonoperating revenue	10	11	(1)	(9.1)%	13	(3)	(23.0)%
Total non-operating activity	**(321)**	**(152)**	**(169)**	**(111.2)%**	**(147)**	**(174)**	**(118.6)%**
Net income (loss)	**$ (974)**	**$ 3,481**	**$ (4,455)**	**(128.0)%**	**$ 2,988**	**$ (3,962)**	**(132.6)%**
EBIDA adjustments							
Interest income (expense)	331	163	168		160	171	
Depreciation and amortization	2,290	2,618	(328)		3,518	(1,228)	
Total EBIDA adjustments	2,621	2,781	(160)		3,678	(1,057)	
EBIDA	**$ 1,647**	**$ 6,262**	**$ (4,615)**		**$ 6,666**	**$ (5,019)**	

ALAMEDA HEALTH SYSTEM (consolidated)
Balance Sheet
As of July 31, 2025
(In Thousands)

	Current Month	FYE 2025
ASSETS		
Cash & cash equivalents	$ 13,538	$ 14,556
Patient account receivables, net	107,502	101,401
Due from third-party payors	347,867	346,479
Due from County of Alameda	50,672	52,740
Due from State of California	26,018	25,635
Inventories	12,506	12,267
Other current assets	22,433	17,592
TOTAL CURRENT ASSETS	**580,536**	**570,670**
Restricted cash equivalents	27,133	27,133
Right-to-use lease assets, net	30,981	31,604
Right-of-use subscription assets, net	4,853	5,050
Capital assets - nondepreciable	9,021	9,021
Capital assets - depreciable, net	128,918	129,675
TOTAL NONCURRENT ASSETS	**200,906**	**202,483**
DEFERRED OUTFLOWS OF RESOURCES	**105,415**	**105,415**
TOTAL ASSETS & DEFERRED OUTFLOWS	**$ 886,857**	**$ 878,568**

LIABILITIES & NET ASSETS		
Accounts payable and accrued expenses	$ 69,428	$ 79,162
Accrued compensation	46,287	63,953
Due to third-party payors	191,826	191,826
Due to County of Alameda	17,382	13,259
Other Payables	42,892	37,834
TOTAL CURRENT LIABILITIES	**367,815**	**386,034**
Liquidity facility - County of Alameda	32,500	502
Net pension obligation	369,662	369,662
Post employment benefit asset	43,255	43,255
Accrued compensated absences, net of current portion	22,604	26,667
Self-insurance liabilities, net of current portion	39,820	39,820
Lease obligations, net of current portion	29,192	29,739
Subscription obligations, net of current portion	1,918	1,993
Other long-term liabilities	0	0
TOTAL LONG TERM LIABILITIES	**538,951**	**511,638**
DEFERRED INFLOWS OF RESOURCES	**41,163**	**41,163**
Fund balance - capital contribution	86,635	86,466
Fund balance - prior years	(146,733)	(166,072)
Current year income/(loss)	(974)	19,339
FUND BALANCE	**(61,072)**	**(60,267)**
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCE	**$ 886,857**	**$ 878,568**

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Cash Flows
For the Period Ended July 31, 2025
(in thousands)

	Current Month	FYE 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	$ (653)	$ 23,794
Depreciation and amortization	2,290	36,849
Net changes in operating assets and liabilities:		
Patient account receivables, net	(6,101)	4,695
Due from/to third-party payors	(1,388)	(9,320)
Due from/to County	6,191	(14,681)
Due from State	(383)	(1,371)
Inventory	(239)	(280)
Other current assets	(4,841)	30
Accounts payable and accrued expenses	(9,732)	(6,325)
Accrued compensation	(17,666)	7,686
Other current payables	5,058	5,192
Net pension liability	-	(56,345)
Other postemployment benefits obligations	-	4,881
Other long-term liabilities	(4,063)	5,936
Deferred outflows/inflows	-	51,010
Net cash provided by (used in) operating activities	**(31,527)**	**51,751**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Change in liquidity facility	31,998	(4,599)
Interest payments on working capital loan	370	4,402
Receipts of rental income	10	(253)
Net cash provided by (used in) noncapital financing activities	**32,378**	**(450)**
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Purchase and construction of capital assets	(712)	(19,936)
Proceeds from disposals of capital assets	0	0
Repayment of other long-term liabilities	0	(2,783)
Payments of lease liabilies	(547)	(6,730)
Interest payments on lease liabilities	94	1,232
Payments of subscription obligations	(76)	(4,532)
Interest payments on subscription obligations	11	128
Capital contributions and transfers	169	1,015
Net cash provided by (used in) capital and financing activities	**(1,061)**	**(31,606)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment income	(806)	(9,964)
Net cash provided by (used in) investing activities	**(806)**	**(9,964)**
CHANGES IN CASH AND CASH EQUIVALENTS	**(1,016)**	**9,731**
CASH AND CASH EQUIVALENTS, beginning of period	41,689	31,958
CASH AND CASH EQUIVALENTS, end of period	**$ 40,673**	**$ 41,689**

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Month: July

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	Actual	Budget	Variance	% Var	YTD Actual	YTD Budget	Var	% Var	PY YTD Actual	Variance	% Var
Campus: AHS ALL CAMPUS											
Total Patient Days	17,552	17,543	9	0.1%	17,552	17,543	9	0.1%	17,272	280	1.6%
Total Discharges	1,576	1,512	64	4.2%	1,576	1,512	64	4.2%	1,464	112	7.7%
Total Adjusted Patient Days	31,193	30,850	343	1.1%	31,193	30,850	343	1.1%	30,124	1,068	3.5%
Total Adjusted Discharges	2,801	2,659	142	5.3%	2,801	2,659	142	5.3%	2,553	247	9.7%
GENERAL ACUTE											
GA Patient Days	6,033	6,373	-340	-5.3%	6,033	6,373	-340	-5.3%	6,270	-237	-3.8%
GA Discharges	1,290	1,221	69	5.6%	1,290	1,221	69	5.6%	1,190	100	8.4%
Average Daily Census	194.6	205.6	-11	-5.3%	194.6	205.6	-11	-5.3%	202.3	-7.6	-3.8%
Average Length of Stay	4.7	5.2	-0.5	-10.4%	4.7	5.2	-0.5	-10.4%	5.3	-0.6	-11.2%
Adjusted Patient Days	11,506	11,833	-326	-2.8%	11,506	11,833	-326	-2.8%	11,603	-96	-0.8%
Adjusted Discharges	2,460	2,268	193	8.5%	2,460	2,268	193	8.5%	2,202	258	11.7%
Occupancy %	65%	69%	-4%	-5.3%	65%	69%	-4%	-5.3%	68%	-3%	-3.8%
GA CMI	1.612	1.7	-0.088	-5.2%	1.612	1.7	-0.088	-5.2%	1.699	-0.087	-5.1%
Emergency Visits	9,403	8,764	639	7.3%	9,403	8,764	639	7.3%	9,174	229	2.5%
Left Without Being Seen (LWBS)	421	583	162	38.6%	421	583	162	38.6%	603	182	43.2%
Trauma Cases	295	313	-18	-5.9%	295	313	-18	-5.9%	330	-35	-10.6%
Observation Equivalent Days	696	728	-32	-4.4%	696	728	-32	-4.4%	681	14	2.1%
IP Surgeries	329	360	-31	-8.6%	329	360	-31	-8.6%	345	-16	-4.6%
OP Surgeries	388	384	4	1.1%	388	384	4	1.1%	482	-94	-19.5%
Total Surgeries	717	744	-27	-3.6%	717	744	-27	-3.6%	827	-110	-13.3%
Deliveries	153	141	12	8.4%	153	141	12	8.4%	132	21	15.9%
PSYCH											
Psych Patient Days	2,121	1,925	196	10.2%	2,121	1,925	196	10.2%	1,934	187	9.7%
Psych Discharges	213	214	-1	-0.4%	213	214	-1	-0.4%	203	10	4.9%
Average Daily Census	68.4	62.1	6.3	10.2%	68.4	62.1	6.3	10.2%	62.4	6	9.7%
Average Length of Stay	10	9	-1	-10.6%	10	9	-1	-10.6%	9.5	-0.4	-4.5%
Adjusted Patient Days	2,671	2,387	284	11.9%	2,671	2,387	284	11.9%	2,410	262	10.9%
Adjusted Discharges	268	265	3	1.2%	268	265	3	1.2%	253	15	6.1%
PES Equivalent Days	874	719	155	21.5%	874	719	155	21.5%	719	155	21.5%
REHAB											
Rehab Patient Days	673	699	-26	-3.7%	673	699	-26	-3.7%	684	-11	-1.6%
Rehab Discharges	58	53	5	9.7%	58	53	5	9.7%	50	8	16.0%
Average Daily Census	21.7	22.5	-0.8	-3.7%	21.7	22.5	-0.8	-3.7%	22.1	-0.4	-1.6%
Average Length of Stay	11.6	13.2	-1.6	-12.2%	11.6	13.2	-1.6	-12.2%	13.7	-2.1	-15.2%
Adjusted Patient Days	673	699	-26	-3.7%	673	699	-26	-3.7%	684	-11	-1.6%
Adjusted Discharges	58	53	5	9.7%	58	53	5	9.7%	50	8	16.0%
Occupancy %	78%	81%	0%	0.0%	78%	81%	0%	0.0%	79%	0%	0.0%

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SNF with Sub-Acute											
SNF Patient Days	8,725	8,546	179	2.1%	8,725	8,546	179	2.1%	8,384	341	4.1%
SNF Discharges	15	24	-9	-37.7%	15	24	-9	-37.7%	21	-6	-28.6%
Average Daily Census	281.5	275.7	5.8	2.1%	281.5	275.7	5.8	2.1%	270.5	11	4.1%
Average Length of Stay	581.7	354.7	226.9	64.0%	581.7	354.7	226.9	64.0%	399.2	182.4	45.7%
Adjusted Patient Days	9,034	8,560	474	5.5%	9,034	8,560	474	5.5%	8,642	391	4.5%
Adjusted Discharges	16	24	-9	-35.6%	16	24	-9	-35.6%	22	-6	-28.3%
Occupancy %	97%	95%	0%	0.0%	97%	95%	0%	0.0%	93%	0%	0.0%
Bed Holds	-27	97	-124	-127.8%	-27	97	-124	-127.8%	96	-123	-128.1%
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	5,197	5,165	-32	-0.6%	5,197	5,165	-32	-0.6%	5,104	-92	-1.8%
Total Productive FTE	4,515	4,441	-74	-1.7%	4,515	4,441	-74	-1.7%	4,406	-109	-2.5%
Total Paid FTE per AOB	5.16	5.19	0.03	0.5%	5.16	5.19	0.03	0.5%	5.25	0.09	1.7%
Worked Hours Per APD	25.6	25.5	-0.1	-0.5%	25.6	25.5	-0.1	-0.5%	25.9	0.3	1.0%
Worked Hours Per AD	286	296	10	3.5%	286	296	10	3.5%	306	20	6.6%
Physician wRVU	136,937	120,894	16,044	13.3%	136,937	120,894	16,044	13.3%	127,217	9,720	7.6%
CLINIC / TELEHEALTH	34,996	38,468	-3,472	-9.0%	34,996	38,469	-3,473	-9.0%	34,818	178	0.5%
Clinic Visits	29,122	32,266	-3,144	-9.7%	29,122	32,266	-3,144	-9.7%	28,973	149	0.5%
Telehealth Visits	5,874	6,202	-328	-5.3%	5,874	6,202	-328	-5.3%	5,845	29	0.5%
FQHC Visits	29,238	31,404	-2,166	-6.9%	29,238	31,404	-2,166	-6.9%	28,875	363	1.3%
Clinic Visits	24,481	26,225	-1,744	-9.7%	24,481	26,225	-1,744	-6.7%	23,982	499	2.1%
Telehealth Visits	4,757	5,179	-422	-5.3%	4,757	5,179	-422	-8.1%	4,893	-136	-2.8%
Non-FQHC Visits	5,758	7,064	-1,306	-18.5%	5,758	7,064	-1,306	-18.5%	5,943	178	3.0%
Clinic Visits	4,641	6,041	-1,400	-9.7%	4,641	6,041	-1,400	-9.7%	4,991	149	3.0%
Telehealth Visits	1,117	1,023	94	-5.3%	1,117	1,023	94	-5.3%	952	29	3.0%
PAYOR MIX											
Insurance %	6.14%	6.52%	-0.38%	-5.8%	6.14%	6.52%	-0.38%	-5.8%	6.46%	-0.32%	-4.9%
Medi-Cal %	7.13%	9.56%	-2.43%	-25.4%	7.13%	9.56%	-2.43%	-25.4%	9.15%	-2.02%	-22.0%
Medi-Cal MC %	52.28%	52.94%	-0.67%	-1.3%	52.28%	52.94%	-0.67%	-1.3%	52.95%	-0.67%	-1.3%
Medicare %	23.13%	19.01%	4.12%	21.7%	23.13%	19.01%	4.12%	21.7%	19.49%	3.64%	18.7%
Medicare MC %	7.03%	7.08%	-0.05%	-0.7%	7.03%	7.08%	-0.05%	-0.7%	7.16%	-0.13%	-1.8%
Other Govt %	0.99%	1.78%	-0.80%	-44.8%	0.99%	1.78%	-0.80%	-44.8%	1.62%	-0.64%	-39.3%
Self-Pay %	3.30%	3.10%	0.20%	6.3%	3.30%	3.10%	0.20%	6.3%	3.16%	0.13%	4.3%
Total Payor Mix %	100.00%	100.00%	0.00%	0.0%	100.00%	100.00%	0.00%	0.0%	100.00%	0.00%	0.0%
CAMPUS CMI											
CMI Alameda	1.362	1.496	-0.133	-8.9%	1.362	1.496	-0.133	-8.9%	1.495	-0.132	-8.9%
CMI Highland	1.694	1.795	-0.101	-5.6%	1.694	1.795	-0.101	-5.6%	1.795	-0.102	-5.7%
CMI San Leandro	1.541	1.521	0.019	1.3%	1.541	1.521	0.019	1.3%	1.518	0.023	1.5%
CMI Behavioral Health	1.384	1.325	0.06	4.5%	1.384	1.325	0.06	4.5%	1.323	0.062	4.6%

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Month: July

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	Actual	Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	PY YTD Actual	Variance	% Var
Campus: HIGHLAND											
Total Patient Days	4,273	4,513	-240	-5.3%	4,273	4,513	-240	-5.3%	4,414	-141	-3.2%
Total Discharges	810	783	27	3.4%	810	783	27	3.4%	721	89	12.3%
Total Adjusted Patient Days	7,718	7,914	-196	-2.5%	7,718	7,914	-196	-2.5%	7,677	41	0.5%
Total Adjusted Discharges	1,463	1,373	90	6.5%	1,463	1,373	90	6.5%	1,254	209	16.7%
GENERAL ACUTE											
GA Patient Days	4,273	4,513	-240	-5.3%	4,273	4,513	-240	-5.3%	4,414	-141	-3.2%
GA Discharges	810	783	27	3.4%	810	783	27	3.4%	721	89	12.3%
GA OP Factor	1.8127	1.7602	-0.0525	-3.0%	1.8127	1.7602	-0.0525	-3.0%	1.745	-0.0677	-3.9%
Average Daily Census	137.8	145.6	-7.7	-5.3%	137.8	145.6	-7.7	-5.3%	142.4	-4.5	-3.2%
Average Length of Stay	5.3	5.8	-0.5	-8.5%	5.3	5.8	-0.5	-8.5%	6.1	-0.8	-13.8%
Adjusted Patient Days	7,746	7,943	-197	-2.5%	7,746	7,943	-197	-2.5%	7,702	43	0.6%
Adjusted Discharges	1,468	1,378	90	6.5%	1,468	1,378	90	6.5%	1,258	210	16.7%
Occupancy %	82%	86%	-5%	-5.3%	82%	86%	-5%	-5.3%	84%	-3%	-3.2%
Paid FTE	1,826	1,843	17	0.9%	1,826	1,843	17	0.9%	1,782	-44	-2.4%
Productive FTE	1,598	1,585	-13	-0.8%	1,598	1,585	-13	-0.8%	1,540	-58	-3.8%
Paid FTE Per AOB	7.31	7.19	-0.12	-1.6%	7.31	7.19	-0.12	-1.6%	7.17	-0.13	-1.9%
Worked Hours per APD	36.6	35.4	-1.2	-3.4%	36.6	35.4	-1.2	-3.4%	35.4	-1.1	-3.2%
Worked Hours per AD	193	204	11	5.4%	193	204	11	5.4%	217	24	11.1%
Emergency Visits	4,835	4,379	456	10.4%	4,835	4,379	456	10.4%	4,548	287	6.3%
Left Without Being Seen (LWBS)	265	540	275	103.8%	265	540	275	103.8%	531	266	100.4%
Trauma Cases	295	313	-18	-5.9%	295	313	-18	-5.9%	330	-35	-10.6%
Observation Equivalent Days	229	342	-113	-33.1%	229	342	-113	-33.1%	295	-66	-22.4%
IP Surgeries	266	284	-18	-6.5%	266	284	-18	-6.5%	278	-12	-4.3%
OP Surgeries	240	196	44	22.2%	240	196	44	22.2%	208	32	15.4%
Total Surgeries	506	481	25	5.2%	506	481	25	5.2%	486	20	4.1%
Deliveries	153	141	12	8.4%	153	141	12	8.4%	132	21	15.9%
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	1,826	1,828	2	0.1%	1,826	1,828	2	0.1%	1,782	-44	-2.4%
Total Productive FTE	1,598	1,573	-25	-1.6%	1,598	1,573	-25	-1.6%	1,540	-58	-3.8%
Total Paid FTE per AOB	7.33	7.16	-0.18	-2.4%	7.33	7.16	-0.18	-2.4%	7.2	-0.14	-1.9%
Worked Hours Per APD	36.7	35.2	-1.5	-4.2%	36.7	35.2	-1.5	-4.2%	35.5	-1.1	-3.2%
Worked Hours Per AD	194	203	9	4.6%	194	203	9	4.6%	218	24	11.1%
Physician wRVU	3	1	1	84.5%	3	1	1	84.5%	1	1	92.9%
OTHER STATS											
GI Procedures	350	349	1	0.2%	350	349	1	0.2%	354	-4	-1.1%
Cardiac Procedures	139	58	81	140.3%	139	58	81	140.3%	63	76	120.6%
HGH Cath Lab and IR Procedures	787	258	529	205.5%	787	258	529	205.5%	432	355	82.2%
CLINIC / TELEHEALTH											

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Specialty	706	530	176	33.3%	706	530	176	33.3%	583	123	21.1%	
Behavioral Health	652	1,805	-1,153	-63.9%	652	1,805	-1,153	-63.9%	996	-344	-34.5%	
Clinic Visits	1,358	2,335	-977	-41.8%	1,358	2,335	-977	-41.8%	1,579	-221	-14.0%	
Telehealth Specialty	885	739	146	19.8%	885	739	146	19.8%	770	115	14.9%	
Telehealth Behavioral Health	111	187	-76	-40.7%	111	187	-76	-40.7%	92	19	20.7%	
Telehealth Visits	996	926	70	7.6%	996	926	70	7.6%	862	134	15.5%	
TOTAL CLINIC VISITS	2,354	3,261	-907	-27.8%	2,354	3,261	-907	-27.8%	2,441	-87	-3.6%	
PAYOR MIX												
Insurance %	5.90%	7.41%	-1.51%	-20.4%	5.90%	7.41%	-1.51%	-20.4%	7.25%	-1.35%	-18.6%	
Medi-Cal %	7.94%	10.33%	-2.39%	-23.2%	7.94%	10.33%	-2.39%	-23.2%	9.90%	-1.96%	-19.8%	
Medi-Cal MC %	50.31%	52.98%	-2.67%	-5.0%	50.31%	52.98%	-2.67%	-5.0%	53.60%	-3.29%	-6.1%	
Medicare %	22.63%	17.78%	4.85%	27.3%	22.63%	17.78%	4.85%	27.3%	18.18%	4.45%	24.5%	
Medicare MC %	7.82%	6.53%	1.28%	19.6%	7.82%	6.53%	1.28%	19.6%	6.75%	1.07%	15.9%	
Other Govt %	1.15%	2.31%	-1.16%	-50.1%	1.15%	2.31%	-1.16%	-50.1%	1.98%	-0.83%	-41.8%	
Self-Pay %	4.26%	2.65%	1.60%	60.5%	4.26%	2.65%	1.60%	60.5%	2.35%	1.91%	81.3%	
Total Payor Mix %	100.00%	100.00%	0.00%	0.0%	100.00%	100.00%	0.00%	0.0%	100.00%	0.00%	0.0%	
CMI Highland MTD	1.694	1.795	-0.101	-5.6%	1.694	1.795	-0.101	-5.6%	1.795	-0.102	-5.7%	

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Month: July

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	Actual	Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	PY YTD Actual	Variance	% Var
Campus: ALAMEDA											
Total Patient Days	6,250	6,265	-15	-0.2%	6,250	6,265	-15	-0.2%	6,090	160	2.6%
Total Discharges	236	229	7	3.1%	236	229	7	3.1%	216	20	9.3%
Total Adjusted Patient Days	9,506	9,198	308	3.4%	9,506	9,198	308	3.4%	9,131	376	4.1%
Total Adjusted Discharges	359	336	23	6.8%	359	336	23	6.8%	324	35	10.8%
GENERAL ACUTE											
GA Patient Days	867	975	-108	-11.1%	867	975	-108	-11.1%	999	-132	-13.2%
GA Discharges	230	217	13	6.1%	230	217	13	6.1%	208	22	10.6%
Average Daily Census	28	31.4	-3.5	-11.1%	28	31.4	-3.5	-11.1%	32.2	-4.3	-13.2%
Average Length of Stay	3.8	4.5	-0.7	-16.2%	3.8	4.5	-0.7	-16.2%	4.8	-1	-21.5%
Adjusted Patient Days	1,653	1,755	-102	-5.8%	1,653	1,755	-102	-5.8%	1,826	-173	-9.5%
Adjusted Discharges	438	390	48	12.4%	438	390	48	12.4%	380	58	15.3%
Occupancy %	42%	48%	-5%	-11.1%	42%	48%	-5%	-11.1%	49%	-6%	-13.2%
Paid FTE	409	403	-7	-1.6%	409	403	-7	-1.6%	414	4	1.1%
Productive FTE	349	346	-2	-0.7%	349	346	-2	-0.7%	355	6	1.6%
Paid FTE Per AOB	7.68	7.11	-0.56	-7.9%	7.68	7.11	-0.56	-7.9%	7.02	-0.65	-9.3%
Worked Hours per APD	37.4	35	-2.4	-7.0%	37.4	35	-2.4	-7.0%	34.4	-3	-8.7%
Worked Hours per AD	141	157	16	10.4%	141	157	16	10.4%	165	24	14.7%
Emergency Visits	1,734	1,563	171	10.9%	1,734	1,563	171	10.9%	1,657	77	4.6%
Left Without Being Seen (LWBS)	63	0	-63	-100.0%	63	0	-63	-100.0%	30	-33	-52.4%
Observation Equivalent Days	216	175	41	23.6%	216	175	41	23.6%	185	31	16.7%
IP Surgeries	13	18	-5	-26.5%	13	18	-5	-26.5%	14	-1	-7.1%
OP Surgeries	1	0	1	0.0%	1	0	1	0.0%	86	-85	-98.8%
Total Surgeries	14	18	-4	-20.9%	14	18	-4	-20.9%	100	-86	-86.0%
SNF with Sub-Acute											
SNF Patient Days	5,383	5,290	93	1.7%	5,383	5,290	93	1.7%	5,091	292	5.7%
SNF Discharges	6	12	-6	-50.9%	6	12	-6	-50.9%	8	-2	-25.0%
Average Daily Census	173.6	170.7	3	1.7%	173.6	170.7	3	1.7%	164.2	9.4	5.7%
Average Length of Stay	897.2	433.3	463.9	107.1%	897.2	433.3	463.9	107.1%	636.4	260.8	41.0%
Adjusted Patient Days	5,438	5,298	140	2.6%	5,438	5,298	140	2.6%	5,116	322	6.3%
Adjusted Discharges	6	12	-6	-50.4%	6	12	-6	-50.4%	8	-2	-24.6%
Occupancy %	96%	94%	0%	0.0%	96%	94%	0%	0.0%	91%	0%	0.0%
Bed Holds	-49	68	-117	-172.6%	-49	68	-117	-172.6%	66	-115	-174.2%
Paid FTE	208	211	2	1.1%	208	211	2	1.1%	187	-21	-11.3%
Productive FTE	184	182	-2	-1.4%	184	182	-2	-1.4%	162	-22	-13.7%
Paid FTE per AOB	1.19	1.23	0.04	3.6%	1.19	1.23	0.04	3.6%	1.13	-0.05	-4.7%
Worked Hours per APD	6	6.1	0.1	1.3%	6	6.1	0.1	1.3%	5.6	-0.4	-6.9%
Worked Hours per AD	5387	2635	-2752	-104.5%	5387	2635	-2752	-104.5%	3573	-1814	-50.8%
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	618	609	-8	-1.4%	618	609	-8	-1.4%	601	-17	-2.8%

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Total Productive FTE	533	525	-8	-1.6%	533	525	-8	-1.6%	517	-16	-3.2%
Total Paid FTE per AOB	2.01	2.05	0.04	1.9%	2.01	2.05	0.04	1.9%	2.04	0.03	1.3%
Worked Hours Per APD	9.9	10.1	0.2	1.7%	9.9	10.1	0.2	1.7%	10	0.1	0.9%
Worked Hours Per AD	263	277	14	4.9%	263	277	14	4.9%	283	20	6.9%
CLINIC / TELEHEALTH											
Specialty	1,526	1,275	251	19.7%	1,526	1,275	251	19.7%	1,200	326	27.2%
Clinic Visits	1,526	1,275	251	19.7%	1,526	1,275	251	19.7%	1,200	326	27.2%
Telehealth Specialty	18	28	-10	-35.7%	18	28	-10	-35.7%	28	-10	-35.7%
Telehealth Visits	18	28	-10	-35.7%	18	28	-10	-35.7%	28	-10	-35.7%
TOTAL CLINIC VISITS	1,544	1,303	241	18.5%	1,544	1,303	241	18.5%	1,228	316	25.7%
PAYOR MIX											
Insurance %	7.92%	7.14%	0.78%	10.9%	7.92%	7.14%	0.78%	10.9%	7.57%	0.35%	4.6%
Medi-Cal %	5.51%	5.85%	-0.34%	-5.8%	5.51%	5.85%	-0.34%	-5.8%	6.33%	-0.81%	-12.9%
Medi-Cal MC %	52.69%	50.03%	2.66%	5.3%	52.69%	50.03%	2.66%	5.3%	47.35%	5.34%	11.3%
Medicare %	23.90%	21.76%	2.15%	9.9%	23.90%	21.76%	2.15%	9.9%	22.16%	1.75%	7.9%
Medicare MC %	7.02%	11.23%	-4.22%	-37.5%	7.02%	11.23%	-4.22%	-37.5%	10.85%	-3.83%	-35.3%
Other Govt %	1.44%	1.53%	-0.09%	-5.9%	1.44%	1.53%	-0.09%	-5.9%	1.33%	0.11%	8.1%
Self-Pay %	1.51%	2.47%	-0.95%	-38.6%	1.51%	2.47%	-0.95%	-38.6%	4.42%	-2.90%	-65.7%
Total Payor Mix %	100.00%	100.00%	0.00%	0.0%	100.00%	100.00%	0.00%	0.0%	100.00%	0.00%	0.0%
CMI Alameda MTD	1.362	1.496	-0.133	-8.9%	1.362	1.496	-0.133	-8.9%	1.495	-0.132	-8.9%

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Month: July

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	Actual	Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	PY YTD Actual	Variance	% Var
Campus: JOHN GEORGE											
Total Patient Days	2,121	1,925	196	10.2%	2,121	1,925	196	10.2%	1,934	187	9.7%
Total Discharges	213	214	-1	-0.4%	213	214	-1	-0.4%	203	10	4.9%
Total Adjusted Patient Days	2,572	2,316	256	11.0%	2,572	2,316	256	11.0%	2,332	240	10.3%
Total Adjusted Discharges	258	257	1	0.4%	258	257	1	0.4%	245	13	5.5%
Psych Patient Days	2,121	1,925	196	10.2%	2,121	1,925	196	10.2%	1,934	187	9.7%
Psych Discharges	213	214	-1	-0.4%	213	214	-1	-0.4%	203	10	4.9%
Average Daily Census	68.4	62.1	6.3	10.2%	68.4	62.1	6.3	10.2%	62.4	6	9.7%
Average Length of Stay	10	9	-1	-10.6%	10	9	-1	-10.6%	9.5	-0.4	-4.5%
Adjusted Patient Days	2,671	2,387	284	11.9%	2,671	2,387	284	11.9%	2,410	262	10.9%
Adjusted Discharges	268	265	3	1.2%	268	265	3	1.2%	253	15	6.1%
PES Equivalent Days	874	719	155	21.5%	874	719	155	21.5%	719	155	21.5%
PES Visits	884	891	-7	-0.8%	884	891	-7	-0.8%	17,265	-16,381	-94.9%
PES Hours	20,978	16,585	4,393	26.5%	20,978	16,585	4,393	26.5%	17,265	3,713	21.5%
PES Hours per Visit	24	19	-5	-27.5%	24	19	-5	-27.5%	1	-23	-2273.1%
TOTAL FTE, HOURS, WRVU											
Worked Hours Per APD	23.6	23.3	-0.4	-1.6%	23.6	23.3	-0.4	-1.6%	24.7	1.1	4.3%
Worked Hours Per AD	235	209	-26	-12.3%	235	209	-26	-12.3%	235	0	-0.1%
Physician wRVU	8,738	10,102	-1,365	-13.5%	8,738	10,102	-1,365	-13.5%	10,067	-1,329	-13.2%
PAYOR MIX											
Insurance %	5.25%	3.12%	2.13%	68.3%	5.25%	3.12%	2.13%	68.3%	2.74%	2.51%	91.3%
Medi-Cal %	7.09%	11.21%	-4.12%	-36.7%	7.09%	11.21%	-4.12%	-36.7%	11.55%	-4.46%	-38.6%
Medi-Cal MC %	61.66%	53.47%	8.19%	15.3%	61.66%	53.47%	8.19%	15.3%	53.15%	8.52%	16.0%
Medicare %	21.97%	20.42%	1.56%	7.6%	21.97%	20.42%	1.56%	7.6%	21.75%	0.22%	1.0%
Medicare MC %	4.28%	3.20%	1.07%	33.5%	4.28%	3.20%	1.07%	33.5%	3.00%	1.28%	42.7%
Other Govt %	-3.74%	0.45%	-4.19%	-931.7%	-3.74%	0.45%	-4.19%	-931.7%	0.10%	-3.84%	-3727.0%
CMI Behavioral Health	1.384	1.325	0.06	4.5%	1.384	1.325	0.06	4.5%	1.323	0.062	4.6%

ALAMEDA HEALTH SYSTEMS Volume Reports

Month: July

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	Actual	Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	PY YTD Actual	Variance	% Var
Campus: SAN LEANDRO											
Total Patient Days	1,566	1,584	-18	-1.2%	1,566	1,584	-18	-1.2%	1,541	25	0.02
Total Discharges	308	274	34	12.3%	308	274	34	12.3%	311	-3	(0.01)
Total Adjusted Patient Days	3,249	3,314	-64	-1.9%	3,249	3,314	-64	-1.9%	3,250	-1	-
Total Adjusted Discharges	639	574	65	11.4%	639	574	65	11.4%	656	-17	(0.03)
GENERAL ACUTE											
GA Patient Days	893	885	8	0.9%	893	885	8	0.9%	857	36	0.04
GA Discharges	250	221	29	12.9%	250	221	29	12.9%	261	-11	(0.04)
Average Daily Census	28.8	28.6	0.3	0.9%	28.8	28.6	0.3	0.9%	27.6	1.2	0.04
Average Length of Stay	3.6	4	-0.4	-10.6%	3.6	4	-0.4	-10.6%	3.3	0.3	0.09
Adjusted Patient Days	2,134	2,169	-36	-1.6%	2,134	2,169	-36	-1.6%	2,118	16	0.01
Adjusted Discharges	597	543	55	10.1%	597	543	55	10.1%	645	-48	(0.07)
Occupancy %	46%	45%	0%	0.9%	46%	45%	0%	0.9%	44%	2%	0.04
Emergency Visits	2,834	2,822	12	0.4%	2,834	2,822	12	0.4%	2,969	-135	(0.05)
Left Without Being Seen (LWBS)	93	43	-50	-53.5%	93	43	-50	-53.5%	42	-51	(0.55)
Observation Equivalent Days	250	210	40	19.1%	250	210	40	19.1%	201	50	0.25
IP Surgeries	50	58	-8	-13.6%	50	58	-8	-13.6%	53	-3	(0.06)
OP Surgeries	147	187	-40	-21.6%	147	187	-40	-21.6%	188	-41	(0.22)
Total Surgeries	197	245	-48	-19.7%	197	245	-48	-19.7%	241	-44	(0.18)
REHAB											
Rehab Patient Days	673	699	-26	-3.7%	673	699	-26	-3.7%	684	-11	(0.02)
Rehab Discharges	58	53	5	9.7%	58	53	5	9.7%	50	8	0.16
Average Daily Census	21.7	22.5	-0.8	-3.7%	21.7	22.5	-0.8	-3.7%	22.1	-0.4	(0.02)
Average Length of Stay	11.6	13.2	-1.6	-12.2%	11.6	13.2	-1.6	-12.2%	13.7	-2.1	(0.15)
Adjusted Patient Days	673	699	-26	-3.7%	673	699	-26	-3.7%	684	-11	(0.02)
Adjusted Discharges	58	53	5	9.7%	58	53	5	9.7%	50	8	0.16
Occupancy %	78%	81%	0%	0.0%	78%	81%	0%	0.0%	79%	0%	-
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	492	457	-35	-7.7%	492	457	-35	-7.7%	463	-28	(0.06)
Total Productive FTE	422	384	-39	-10.1%	422	384	-39	-10.1%	400	-22	(0.06)
Total Paid FTE per AOB	4.69	4.27	-0.42	-9.8%	4.69	4.27	-0.42	-9.8%	4.42	-0.27	(0.06)
Worked Hours Per APD	23	20.5	-2.5	-12.3%	23	20.5	-2.5	-12.3%	21.8	-1.2	(0.06)
Worked Hours Per AD	117	118	1	1.1%	117	118	1	1.1%	108	-9	(0.08)
PAYOR MIX											
Insurance %	6.08%	6.30%	-0.23%	-3.6%	6.08%	6.30%	-0.23%	-3.6%	6.12%	-0.04%	(0.01)
Medi-Cal %	6.33%	8.89%	-2.56%	-28.8%	6.33%	8.89%	-2.56%	-28.8%	8.85%	-2.52%	(0.29)
Medi-Cal MC %	45.58%	49.04%	-3.46%	-7.1%	45.58%	49.04%	-3.46%	-7.1%	48.79%	-3.21%	(0.07)
Medicare %	28.97%	22.12%	6.85%	31.0%	28.97%	22.12%	6.85%	31.0%	22.70%	6.27%	0.28
Medicare MC %	8.76%	8.97%	-0.21%	-2.4%	8.76%	8.97%	-0.21%	-2.4%	9.14%	-0.39%	(0.04)
Other Govt %	2.01%	1.23%	0.78%	63.8%	2.01%	1.23%	0.78%	63.8%	1.30%	0.71%	0.55
Self-Pay %	2.29%	3.45%	-1.17%	-33.8%	2.29%	3.45%	-1.17%	-33.8%	3.11%	-0.82%	(0.27)
Total Payor Mix %	100.00%	100.00%	0.00%	0.0%	100.00%	100.00%	0.00%	0.0%	100.00%	0.00%	-
CMI San Leandro	1.541	1.521	0.019	1.3%	1.541	1.521	0.019	1.3%	1.518	0.023	0.02

ALAMEDA HEALTH SYSTEMS Volume Reports

Month: July

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	Actual	Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	PY YTD Actual	Variance	% Var
Campus: FAIRMONT											
Total Patient Days	3,342	3,255	87	2.7%	3,342	3,255	87	2.7%	3,293	49	1.5%
Total Discharges	9	12	-3	-24.2%	9	12	-3	-24.2%	13	-4	-30.8%
Total Adjusted Patient Days	4,357	4,502	-145	-3.2%	4,357	4,502	-145	-3.2%	4,443	-86	-1.9%
Total Adjusted Discharges	12	16	-5	-28.6%	12	16	-5	-28.6%	18	-6	-33.1%
SNF with Sub-Acute											
SNF Patient Days	3,342	3,255	87	2.7%	3,342	3,255	87	2.7%	3,293	49	1.5%
SNF Discharges	9	12	-3	-24.2%	9	12	-3	-24.2%	13	-4	-30.8%
Average Daily Census	107.8	105	2.8	2.7%	107.8	105	2.8	2.7%	106.2	1.6	1.5%
Average Length of Stay	371.3	274	97.3	35.5%	371.3	274	97.3	35.5%	253.3	118	46.6%
Adjusted Patient Days	3,606	3,261	345	10.6%	3,606	3,261	345	10.6%	3,529	77	2.2%
Adjusted Discharges	10	12	-2	-18.4%	10	12	-2	-18.4%	14	-4	-30.3%
Occupancy %	99%	96%	0%	0.0%	99%	96%	0%	0.0%	97%	0%	0.0%
Bed Holds	22	30	-8	-25.6%	22	30	-8	-25.6%	30	-8	-26.7%
Paid FTE	284	286	2	0.7%	284	286	2	0.7%	289	5	1.6%
Productive FTE	246	246	0	0.0%	246	246	0	0.0%	246	0	-0.1%
Paid FTE per AOB	2.44	2.72	0.28	10.2%	2.44	2.72	0.28	10.2%	2.54	0.09	3.7%
Worked Hours per APD	12.1	13.4	1.3	9.6%	12.1	13.4	1.3	9.6%	12.3	0.2	2.0%
Worked Hours per AD	4493	3667	-826	-22.5%	4493	3667	-826	-22.5%	3128	-1365	-43.7%
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	293	305	12	4.0%	293	305	12	4.0%	296	3	1.1%
Total Productive FTE	254	263	9	3.4%	254	263	9	3.4%	253	-1	-0.6%
Total Paid FTE per AOB	2.09	2.1	0.02	0.9%	2.09	2.1	0.02	0.9%	2.07	-0.02	-0.8%
Worked Hours Per APD	10.3	10.4	0	0.2%	10.3	10.4	0	0.2%	10.1	-0.3	-2.5%
Worked Hours Per AD	3839	2838	-1001	-35.3%	3839	2838	-1001	-35.3%	2554	-1285	-50.3%
CLINIC / TELEHEALTH											
Behavioral Health	1,743	2,499	-756	-30.3%	1,743	2,499	-756	-30.3%	2,173	-430	-19.8%
Rehab	14	6	8	150.8%	14	6	8	150.8%	13	1	7.7%
Clinic Visits	1,757	2,505	-748	-29.9%	1,757	2,505	-748	-29.9%	2,186	-429	-19.6%
Telehealth Behavioral Health	103	79	24	29.6%	103	79	24	29.6%	77	26	33.8%
Telehealth Visits	103	79	24	29.6%	103	79	24	29.6%	77	26	33.8%
TOTAL CLINIC VISITS	1,860	2,584	-724	-28.0%	1,860	2,584	-724	-28.0%	2,263	-403	-17.8%
PAYOR MIX											
Insurance %	2.73%	0.68%	2.05%	304.0%	2.73%	0.68%	2.05%	304.0%	0.97%	1.76%	180.8%
Medi-Cal %	1.65%	6.38%	-4.73%	-74.1%	1.65%	6.38%	-4.73%	-74.1%	5.78%	-4.13%	-71.4%
Medi-Cal MC %	79.94%	69.12%	10.82%	15.7%	79.94%	69.12%	10.82%	15.7%	70.84%	9.10%	12.8%
Medicare %	15.63%	20.05%	-4.42%	-22.0%	15.63%	20.05%	-4.42%	-22.0%	18.59%	-2.95%	-15.9%
Medicare MC %	0.39%	3.09%	-2.69%	-87.2%	0.39%	3.09%	-2.69%	-87.2%	2.86%	-2.47%	-86.2%
Other Govt %	0.02%	0.12%	-0.10%	-82.8%	0.02%	0.12%	-0.10%	-82.8%	0.19%	-0.17%	-89.6%
Self-Pay %	-0.37%	0.58%	-0.94%	-163.4%	-0.37%	0.58%	-0.94%	-163.4%	0.77%	-1.13%	-147.5%
Total Payor Mix %	100.00%	100.00%	0.00%	0.0%	100.00%	100.00%	0.00%	0.0%	100.00%	0.00%	0.0%

B2. Chief Operating Officer Report

ALAMEDA HEALTH SYSTEM

Center for Operational Transformation

Mark Fratzke, Chief Operations Officer
September 3, 2025

Board Finance Committee

What is the Center for Operational Transformation (COT)?

A unified “hub” that integrates essential functions across the organization. By eliminating silos, it enables cross-functional teams to collaborate in a matrix structure, allowing them to drive and support rapid operational changes effectively.

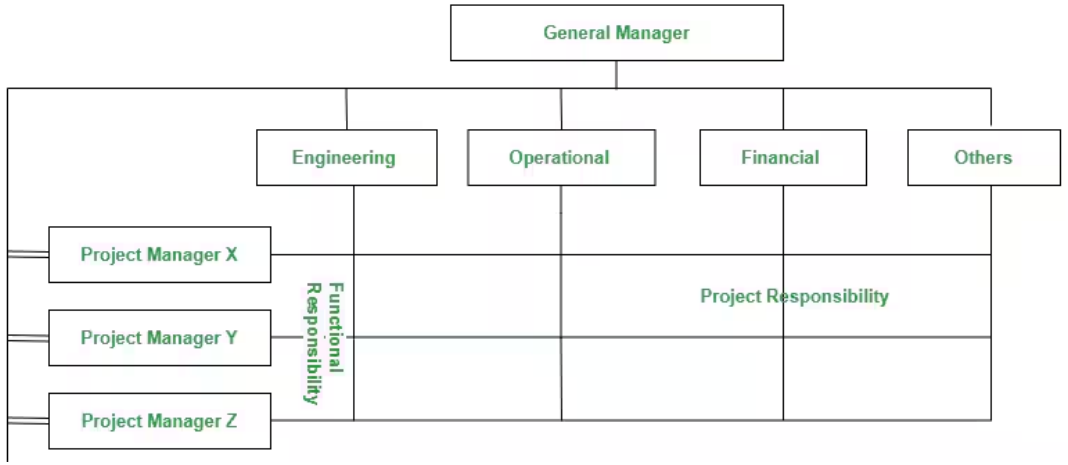
Rationale for Developing the Center for Operational Transformation

1. Provides centralized assistance to ensure the overall operational strategy is rolled out consistently and effectively
2. Aids the organization in adapting quickly to rapidly evolving reimbursement and enrollment regulations
3. Fosters collaboration among critical teams (e.g., finance, operations, HR, IS, and clinical) through well-outlined action plans
4. Eliminates departmental barriers, enabling seamless integration and cooperation, thus eliminating isolated workflow inefficiencies
5. Offers resources for managing organizational transitions, including the use of agile "Tiger Teams" to drive targeted improvements
6. Accelerates the pace of transformation while ensuring changes remain strategic and well-considered (balances speed with quality)
7. Establishes mechanisms for transparent, continuous updates to all stakeholders, helping to build buy-in, reduce resistance, and maintain momentum during periods of evolution

Matrixed Reporting: Definition and Benefits

Definition

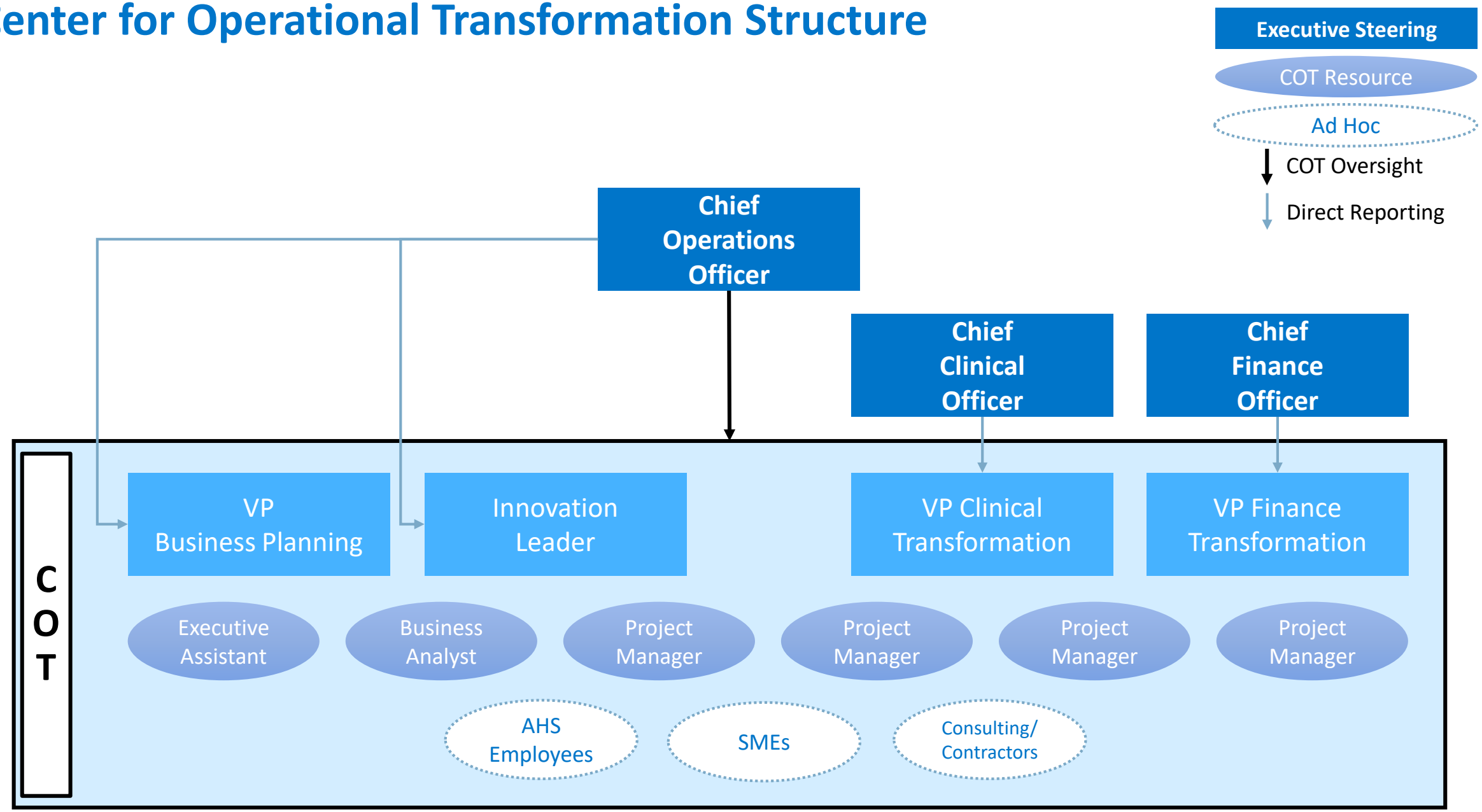
A hybrid structure where employees report to multiple managers (e.g., functional + project leads), forming a grid-like setup for dual accountability



Benefits

- **Flexibility.** Quick adaptation to changes and resource sharing
- **Resource Utilization Efficiency.** Employees' skills can be shared across multiple initiatives
- **Knowledge Transfer.** Information flows freely between departments, enabling mentorship and diverse perspectives on challenges
- **Employee Development and Retention:** Employees gain exposure to varied roles and leaders, accelerating professional growth and job satisfaction ➔ higher engagement and lower turnover in competitive healthcare market
- **Complexity:** Helps manage fragmented functions, systemwide projects, and diverse stakeholder needs

Center for Operational Transformation Structure

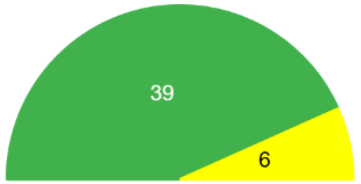


Transition of Current Committees

Committee	Purpose	Outcome
Executive Strategy Committee		
Executive Operations Committee	Discuss/inform on current operational issues	Maintain
Center for Operational Transformation	Organizational oversight to ensure approval and alignment between initiatives and resource allocations	Begin
SMART	Organizational oversight to ensure approval and alignment between initiatives and resource allocations	Discontinue
Patient Innovation Committee	SMART Subcommittee	
Business Systems Steering Committee	SMART Subcommittee	
Clinical Steering Committee	SMART Subcommittee	
Data Governance Committee	SMART Subcommittee	
Facilities, Infrastructure, Biomed, Business Continuity, Security Committee	SMART Subcommittee	
Revenue Cycle Steering Committee	SMART Subcommittee	

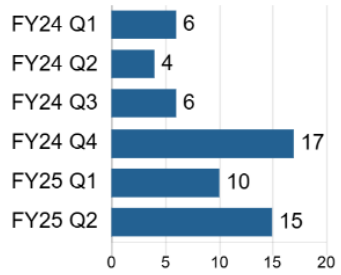
List of Current Projects – ePMO

Project Portfolio Health



On Track	At Risk	Critical	Not Started

Go Lives by Fiscal Quarter



Active Project Dashboards

Project Name	Project Link
ABN Phase 4 Remaining Orders (Excluding Lab)	20285
AHS Benefits Administration Platform	20239
AI Ambient Note Scribe- Pilot	20266
Alameda Hospital HVAC Replacement Project	20265
Enterprise Clinical Documentation Improvement	20250
Charge Reconciliation Compliance - Phase 3	20294
CHW Development and Expansion Project- Phase 2	20296
Cisco VOIP Migration - Phase 1	20031
Code Critical Transfer	20238
Contract Management Workflow Solution	20288
Decedent Management Project	20103
EastMont Wellness Dental & Ophthalmology Expansion (Suite 210)	20015
Enterprise Imaging - Fuji VNA (Archive)	20199
Enterprise Imaging Implementation - Image Migration (Dicomatics)	20344
Enterprise Imaging Implementation - Radiology PACS (Fuji Synapse)	20343
Enterprise Nurse Call Upgrade	20248
Epic Aura Interface	20258
Epic integration - EEG tele reading	20191
FindHelp Closed Loop Referral System	20257
HCP-3 Dental/OMFS expansion	20289
HGH Outpatient Pharmacy Relocation	20094
HR Service Now	20242
HRSA - Digital Wayfinding & Signage, Phase 1	20260
Identity Governance and Administration	20123
Invasive Vascular move to Cupid	20286
Lawson Grant Module Implementation Project	20310
Legacy Archive Program	1874
LMS Replacement	20127
MediTech Server Archiving	20121
Mobile Platform - Epic Rover Implementation - Phase 2	20228
MS Office 365 - Optimizations (Azure AD Implementations)	1501
MyChart Bedside Mobile Expansion	20319
MyChart Level Up & Scheduling Optimization	20318
Ocularis/Camera Upgrade and Repair	20322

Portfolio Reports

- Stars and Bars
- IS Project Portfolio Dashboard - Active
- Next 90 Days Activities
- Accomplishments - Past 30 Days
- Active Projects by Governance Committee
- Active Projects in Execution
- Active Projects in Discovery
- Intake Projects by Governance Committee
- Projects by Executive Sponsor
- Projects by Product Owner
- Projects by Owning Department
- Projects by Project Manager
- Active Projects by Overall Project Health
- Active Projects by Project Phase
- Go-Live Projects (Next 30 Days)
- Go-Live Current Month
- Team-Led Projects Dashboard

Quick Links

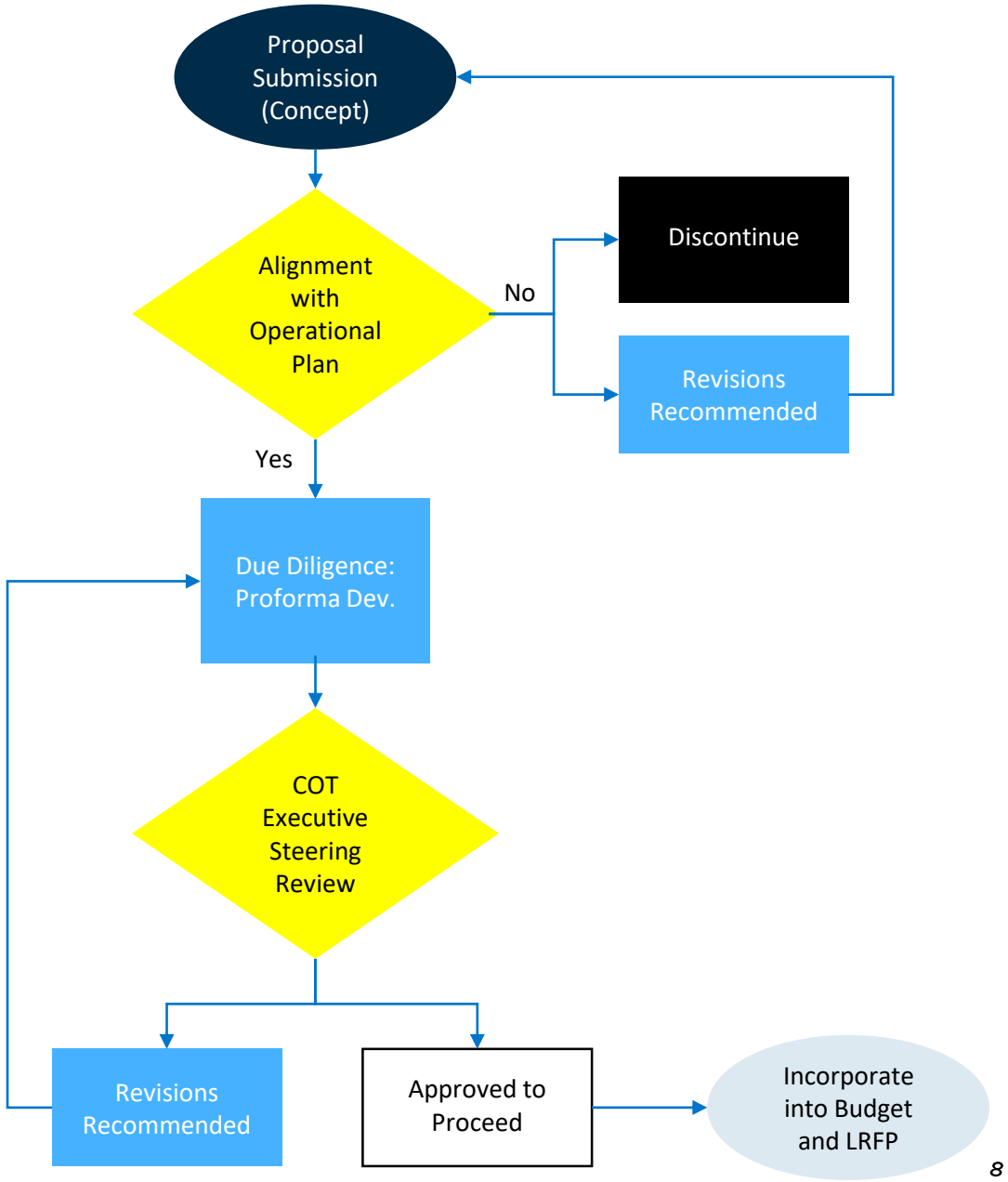
- Alameda Health System - Welcome Portal
- Project Intake Request Form
- AHS Strategic Actions
- SMART Governance
- AHS Resource Management
- Integrated Project Review Roadmap

Existing projects currently under review to determine:

- Focus
  - Operational
  - IS
- Alignment with Operational Plan
- Decision
  - Continue
  - Discontinue, or
  - Reprioritize

Initiative Planning and Review Process

- Step 1: Multidisciplinary team submits an initiative proposal. It is reviewed for alignment with the operational plan (First-Level Review).
- Step 2: If aligned, due diligence is conducted by the multidisciplinary team to develop a proforma.
- Step 3: The proforma is reviewed by the COT executive steering committee for final approval.
- Revision Loop: If not approved at any stage, the team revises and resubmits, restarting at the appropriate step.



Integrated Strategic and Financial Planning

Planning, Budget, and Capital Integration Workstreams

Month	Initiative Planning	Capital Planning	Budgeting
Q1: Execution			
Jul	(Prior plan in action) Launch fiscal year, execute goals	Capital deployment begins (e.g., purchasing equipment, projects start)	Operational and capital funds allocated and spent in accordance with project timelines
Aug	(Prior plan) Monitor early progress, support teams	Monitor initial capital spend, ensure alignment with goals	Track budget adherence, report early variances
Sep	(Prior plan) Q1 review, assess progress, refine tactics	Review capital project progress, make minor adjustments if needed	Assess spending vs. plan, adjustments made accordingly
Q2: Planning			
Oct	Review past fiscal year, conduct environmental scan	Initial capital assessment: identify past successes/gaps	Maintain focus on current fiscal year
Nov	Gather stakeholder input, draft objectives, set OKRs	Identify capital needs for new initiatives (e.g., rough estimates)	Assess current year and potential carryover/ adjustments impacting next fiscal year
Dec	Finalize strategic plan: approve goals, action plans	Forecast capital requirements, align with strategic priorities	Pre-budget prep: informally review prior year budget outcomes
Q3: Budgeting			
Jan	Communicate new plan to teams, prep for execution	Detailed capital planning: refining costs, timelines, ROI projections	Budgeting begins
Feb	Train teams, align resources for next fiscal year	Finalize capital budget for July 1 implementation	Gather input, detail operational and capital costs
Mar	Final prep for fiscal year start, monitor current progress	Pre-launch prep: secure funds, issue orders for July execution	Draft initial budget based on strategic plan; align with revenue forecasts
Q4: Approval and Transition			
Apr	Execute current year goals, push toward year-end targets	Monitor ongoing capital projects, adjust if critical	Refine budget: detail line items for ops and capital spend
May	Continue execution, gather mid-year feedback	Mid-year capital review: assessment of spending and ROI	Final budget prep: incorporate feedback, prepare for board review
Jun	Close out current fiscal year, celebrate wins	Finalize mid-year capital assessment, note changes for next cycle	Board approval: finalize and approve budget; operational and capital allocations locked in

C1. Planning for Reduced Medi-Cal Reimbursement Resulting from Federal Budget Cuts

AHS Impact from Big Bill

(Ests. as of 8/5/2025)

John Minot-Schwartz

Director, Reimbursement & Finance Strategy

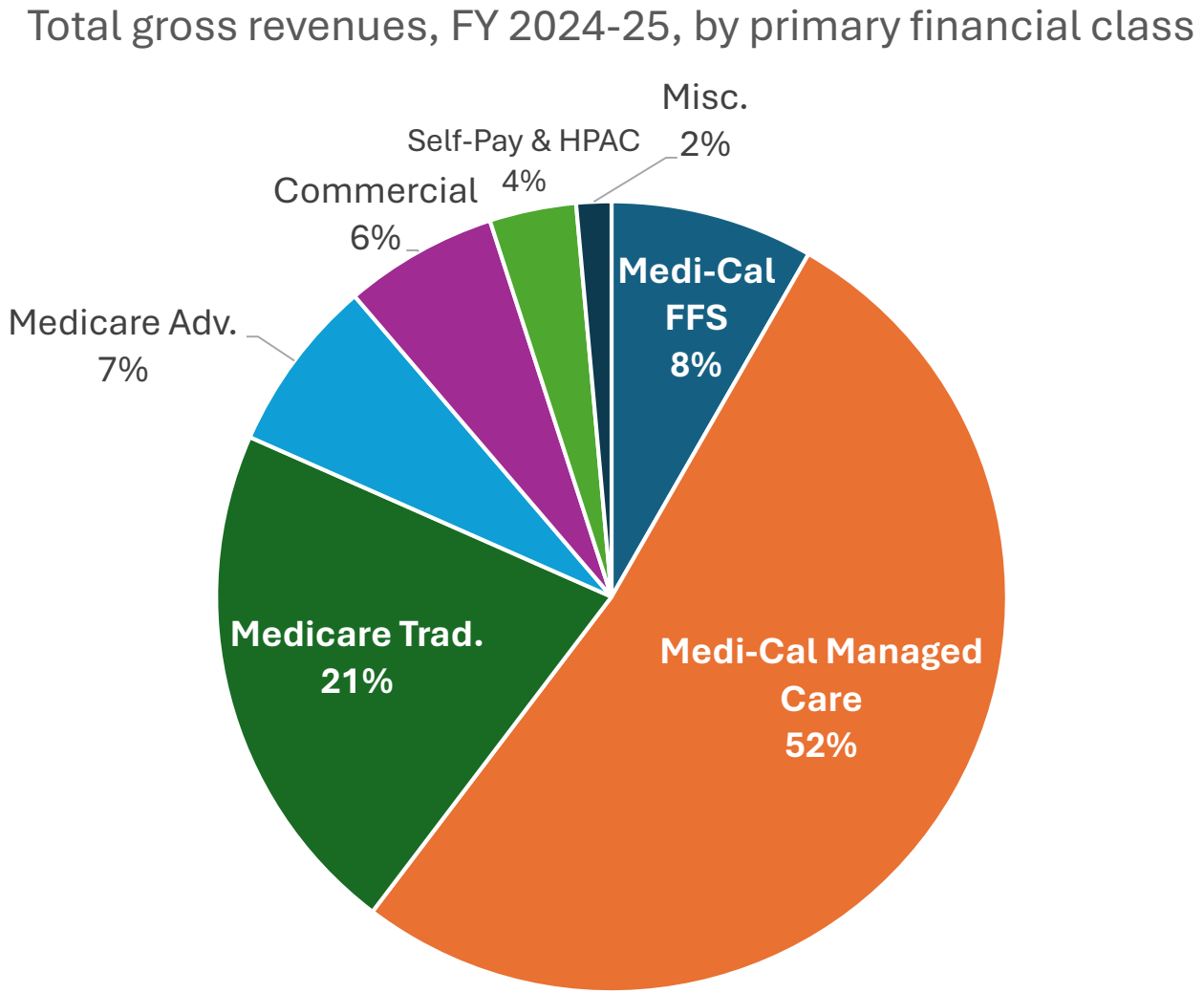
H.R. 1, the "Big Bill," slashes Medicaid at a massive scale that will impact both AHS and the state as a whole

- $1 trillion nationwide cuts just to Medicaid—an unprecedented level
- Congressional Budget Office estimates bill will lead to 10 million more Americans uninsured by 2034
- Its biggest impacts from AHS perspective:
  - Imposing work requirements on most Medi-Cal enrollees (from 2027)
  - Direct cuts to key supplemental payment programs (from 2028)
  - Impacts to State budget (could be more immediate)

In this presentation

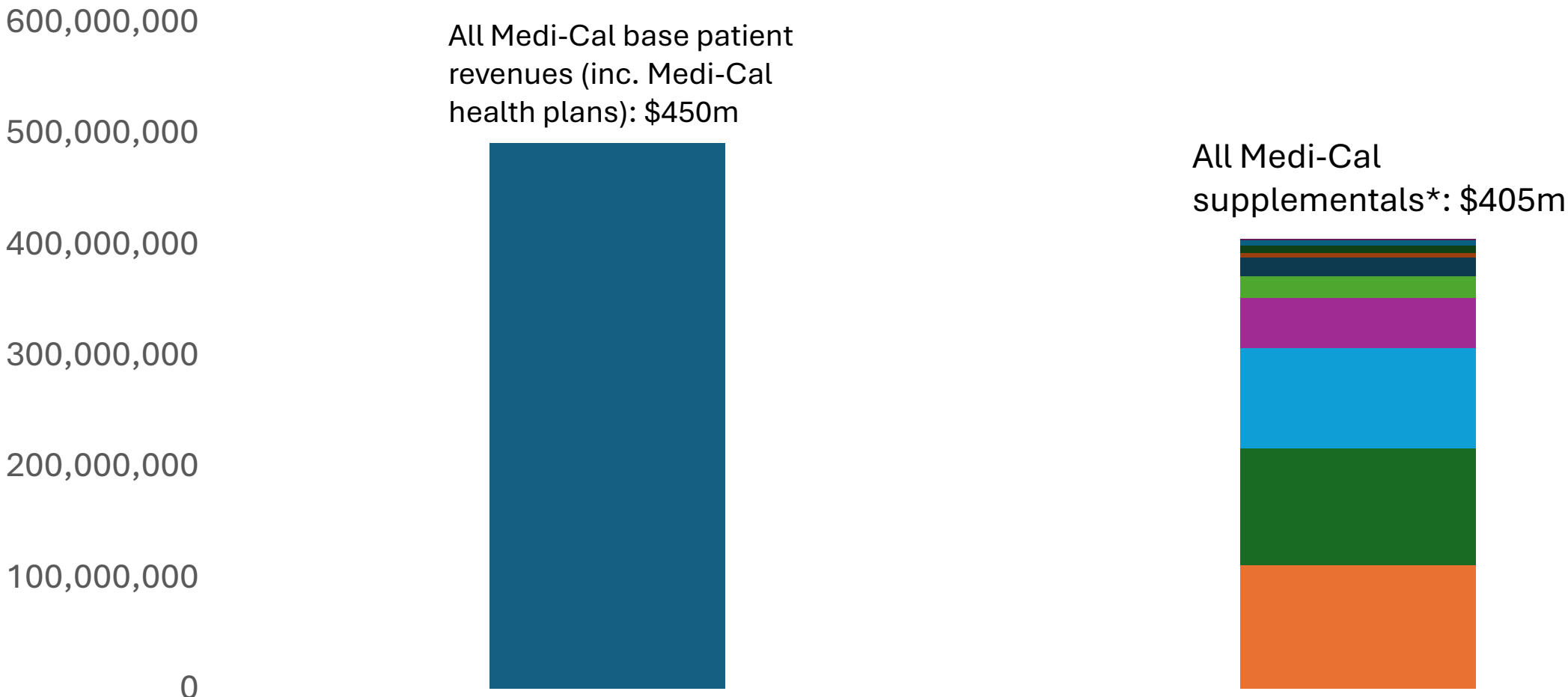
- Background on AHS financing
- Major kinds of cuts to be expected when
  - Levels of uncertainty
  - Levels of delay or phase-in
- AHS resilience and advocacy strategy, & how you can help

AHS is highly reliant on Medi-Cal business…



…and within Medi-Cal, by supplemental revenues that make it less inadequate

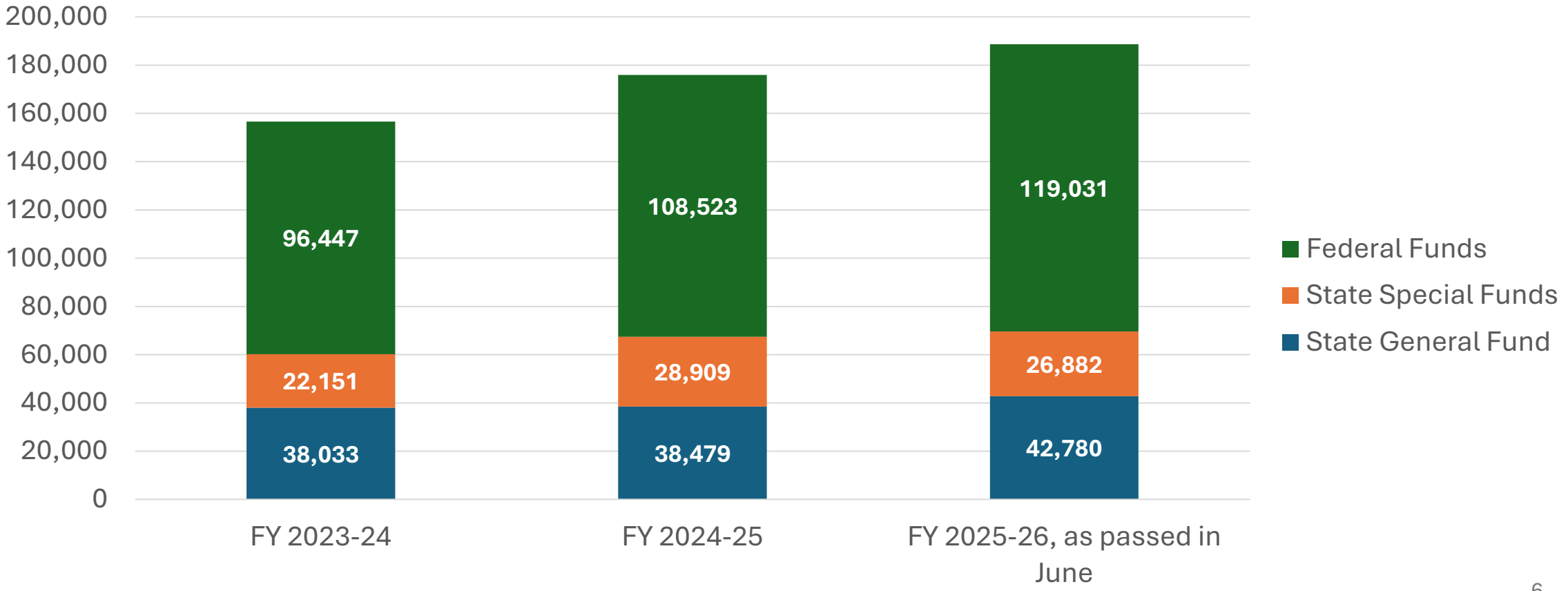
AHS net Medi-Cal revenues, FY 2024-25 proj.



* excluding Measure A, county funding, etc.

State of California also relies heavily on federal funds to maintain & expand Medi-Cal

California Department of Health Care Services (Medi-Cal) expenditures, state & federal, by source, $ millions
Source: ebudget.ca.gov



Work requirements could throw millions off Medi-Cal

- Law requires those aged 19-64 to work or study at least 80 hours per month, or lose Medi-Cal
  - Work programs & community service do count to the requirement
  - Exemptions include: those with disabilities, pregnant or in postpartum, parents with children under 14 years, other groups
- **Main group losing coverage would be people who are working but can't handle all the new red tape**
- Center for Budget and Policy Priorities estimate* based on final Senate bill:
  - Between 2.3 million and 3.5 million Californians at risk of losing coverage, or between 19% and 29% of enrollees
- Arkansas version in 2018-19 disenrolled 25% of those subject to work requirement

* https://www.cbpp.org/research/health/senate-bill-expands-medicaid-work-requirements-to-include-some-parents-would-take

Other notable impacts to coverage & our patients

- Many Medi-Cal enrollees must re-verify their eligibility every six months instead of 12 (from 2027)
- Retroactive Medi-Cal coverage dropping from 3 mos. prior to application to 1-2 mos. (from 2027)
- Other

How work requirements translate to AHS financial impact remains highly uncertain

- How well will California implement the work requirements system?
  - How easy will it be to navigate?
  - Will the state help by confirming work status from other sources like tax information?
  - Which community programs will be allowable alternatives?
- Will people who fall off coverage be healthier on average, meaning fewer of our services are impacted?
- How good will we at AHS be at helping patients get back onto coverage if they lost it while not using our services?
- How much will people reduce or delay care if they lose coverage, vs. keep coming as uninsured?

	5% less Medi-Cal revenue would be…	15% less Medi-Cal revenue would be…
$M impact on base & some supplemental Medi-Cal payments, AHS	$30M	$90M
Equivalent for SRH	$1M	$4M

State directed payment cap

- State directed payments (SDPs) are extra payments for public hospital Medi-Cal activity, on top of what health plans pay
  - For AHS, these are the Enhanced Payment Program (EPP) and the Quality Incentive Program (QIP)
  - These two programs, combined, are over $180M in FY 2025-26 AHS budget
- Big Bill bans SDPs from bringing total payments to above Medicare levels, which was previously allowed
- New requirement could eventually cut both EPP and QIP in half or worse – but to be phased in, 10% cut per year starting 2028
  - So $20M cut in 2028, $40M in 2029, $60M in 2030, etc.

The most immediate cut to track: Provider taxes (HQAF for hospitals, MCO tax for health plans)

- "Provider taxes": programs where providers are taxed and the money gets federal match to create more money for Medi-Cal overall
- AHS gets relatively little money directly from either, but the State budget assumes those programs exist & help balance budget
  - St. Rose Hospital does receive more HQAF – $9M est. in 2024, and would otherwise have likely risen in 2025
- Bill's changes to federal standards for these principles take effect immediately, but impact depends on CMS decision-making
- **Cuts to either program could mean more State budget cuts this year, which based on experience could easily flow through at least partially to AHS**
  - When State made limited Medi-Cal cuts this past June, they were not yet assuming this situation – now that it is the case, special budget session very likely
- If HQAF is not cut immediately, cuts certainly come in 2028

Timeline / scale of bill impacts

Est. as of 8/5/2025, in continual refinement

Scale of potential cuts (AHS + SRH)	($5-15M)	($40-70M)	($70-120M)

Other executive/administrative actions?

Our Situation

- Big Bill adds significant federal cuts, growing over time
- Significant recent expense growth: +$120M from FY 2023-24 to FY 2024-25 (prelim.)
  - Labor is $100M of that growth while other expenses account for $20M, reflecting FTE growth as well as high-inflationary period
  - Our expenses have continued to outpace fee schedules
- Net negative balance with county is already projected to worsen, reducing resilience
- Starting January 2026, to be ready for federal cuts, AHS will need to find annual efficiencies, rising over time

We Need Your Help – Internal Resilience

- Over the next 30 days AHS will be educating and communicating with all stakeholders
- AHS is collaborating with partners on advocacy to limit reach of cuts on patients / AHS's mission
- AHS is looking for everyone's feedback on options to help weather the cuts

➔ Please send your ideas to myideas@alamedahealthsystem.org

We Need Your Help – Organizational and Community Advocacy

- AHS will continue to relentlessly and strategically advocate at local, state, and federal levels to protect essential safety-net funding
- We will compel our congressional delegation to stand up for our patients and fight for the health care they deserve
- You can also help – if desired – by:
  - Using sample letter on Intranet to contact your Congressional delegate
  - Sharing patient stories, key to our advocacy efforts, to PACE@alamedahealthsystem.org
  - Continuing to educate yourself with future AHS sessions as more is learned

C2. Alameda Hospital Seismic Upgrade

City of Alameda
Health Care District

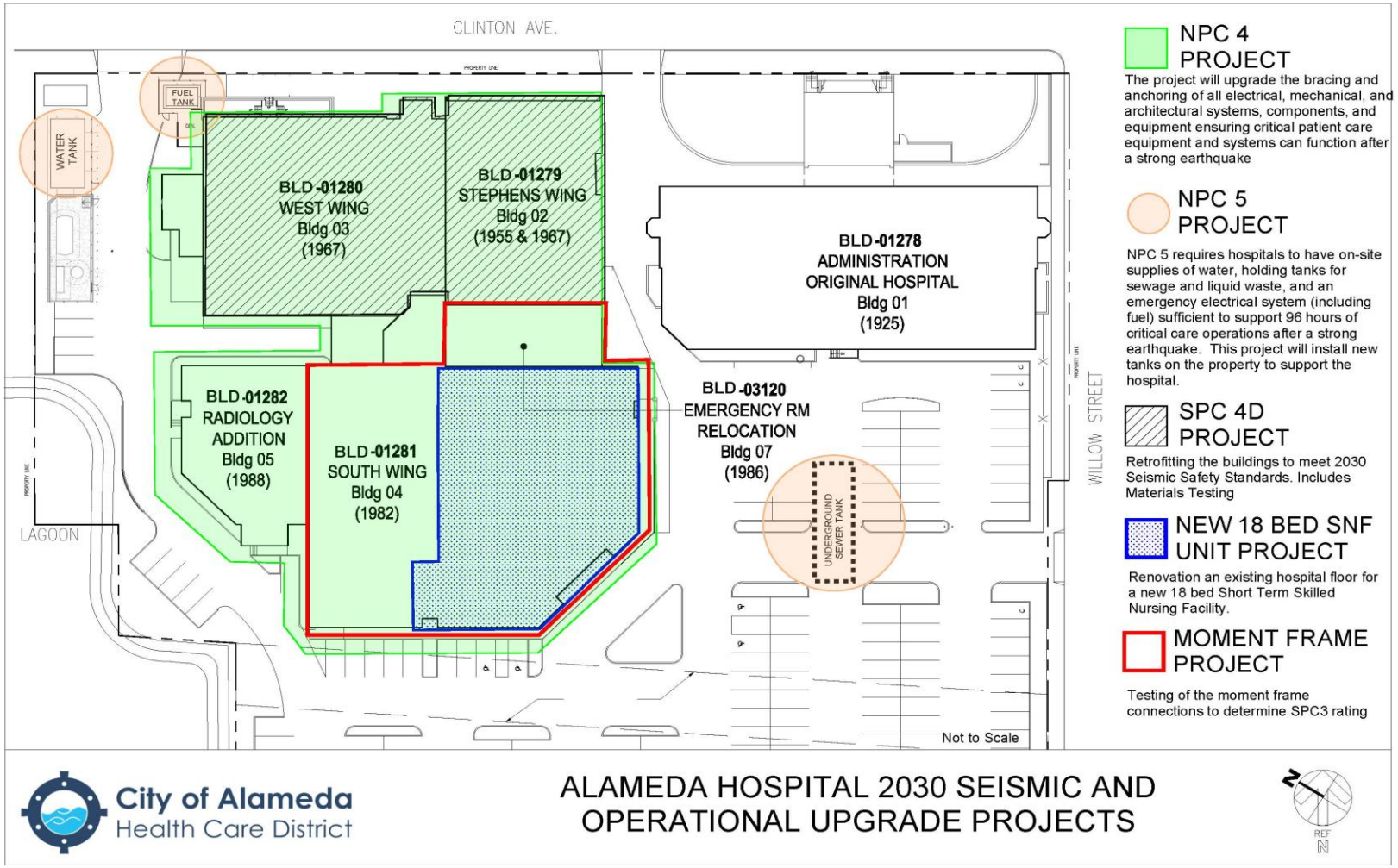
Alameda Hospital Seismic and Operational Upgrade Projects

September 3, 2025

Alameda Health System | Board of Directors | Finance Committee

The Projects

- Seismic Upgrade Projects
  - NPC 4
  - NPC 5
  - SPC4D & Materials Testing
  - Moment Frame (SMRF)
- Operational Upgrade Projects
  - 2 South 18 Bed Short Term SNF
  - Make Ready Projects
    - Relocation of departments 2 South to make room for new unit requiring construction under HCAI
  - AHS Internal Moves



SNF Renderings

Progress

- Seismic
  - Geotech Report, SPC4D Evaluation, and Materials Testing Programs in HCAI review
    - All precursors for overall compliance plan and seismic work.
  - NPC 5 Eval and Water Rationing Plan resubmitted and in HCAI review
  - NPC 4 Evaluation remarks received, working on responses
  - NPC 4 and NPC 5 construction documents in progress
  - Moment Frame Testing
    - Program approved, project in HCAI review
- Operational
  - 18 Bed SNF Project
    - Design nearing completion for HCAI Submittal Sept-25
  - Make Ready Projects
    - In HCAI Review

City of Alameda Health Care District

Risks and Issues

Item	Risk/Issue	Operational or Seismic	Est. Cost	Background/Assessment/Plan
Unanticipated Scope • Make Ready Projects • AHS Internal Moves • Moment Frame Testing	Issue	Operational and Seismic	$3,907,701 $445,288 $2,370,200 $6,723,189	Relocation of departments on 2 South was not anticipated in the original Seismic and Operational Upgrade plan. This scope is now included in Make Ready and Internal Moves, with funding allocated from the Operational Upgrade. Moment Frame testing was required by HCAI to confirm the South Building's SPC rating. Testing will verify whether past seismic events (e.g., 1989 Loma Prieta) caused damage to frame joints.
Water Intrusion	Risk	Operational	TBD	Existing water intrusion may require additional exterior work or window replacement for the SNF unit. The District is investigating the source and evaluating repair options.
Parking	Issue	Operational and Seismic	TBD	Seismic, Operational, and HVAC projects will significantly reduce parking, especially during NPC 5. Off-site parking solutions are being developed for staff and contractors to ensure patient/visitor access. The District and AHS will share operational costs, and implementation planning is in progress.
HVAC Project Coordination	Risk	Seismic	TBD	Coordination of HVAC Infrastructure work is critical. Any delay or change will affect seismic compliance and hospital operations, impacting cost and schedule.
Impact to patient care and operations and surrounding community	Risk	Operational and Seismic	TBD	Major interior and exterior construction will disrupt patient care and operations. Mitigation measures are being planned, but close coordination with AHS will be essential to minimize impact and maintain continuity of care.
Schedule / Cost Escalation	Risk	Seismic	TBD	Compliance is currently scheduled for April 2029. The District recognizes the risk of not meeting the 2030 deadline and is proactively evaluating extension options with HCAI, while continuing to drive projects forward to complete as early as possible.

*The District and AHS review and assess risks and issues on a regular basis to mitigate impact to cost, schedule and operations. Escalation Process has been implemented to ensure communication and concurrence on resolution.

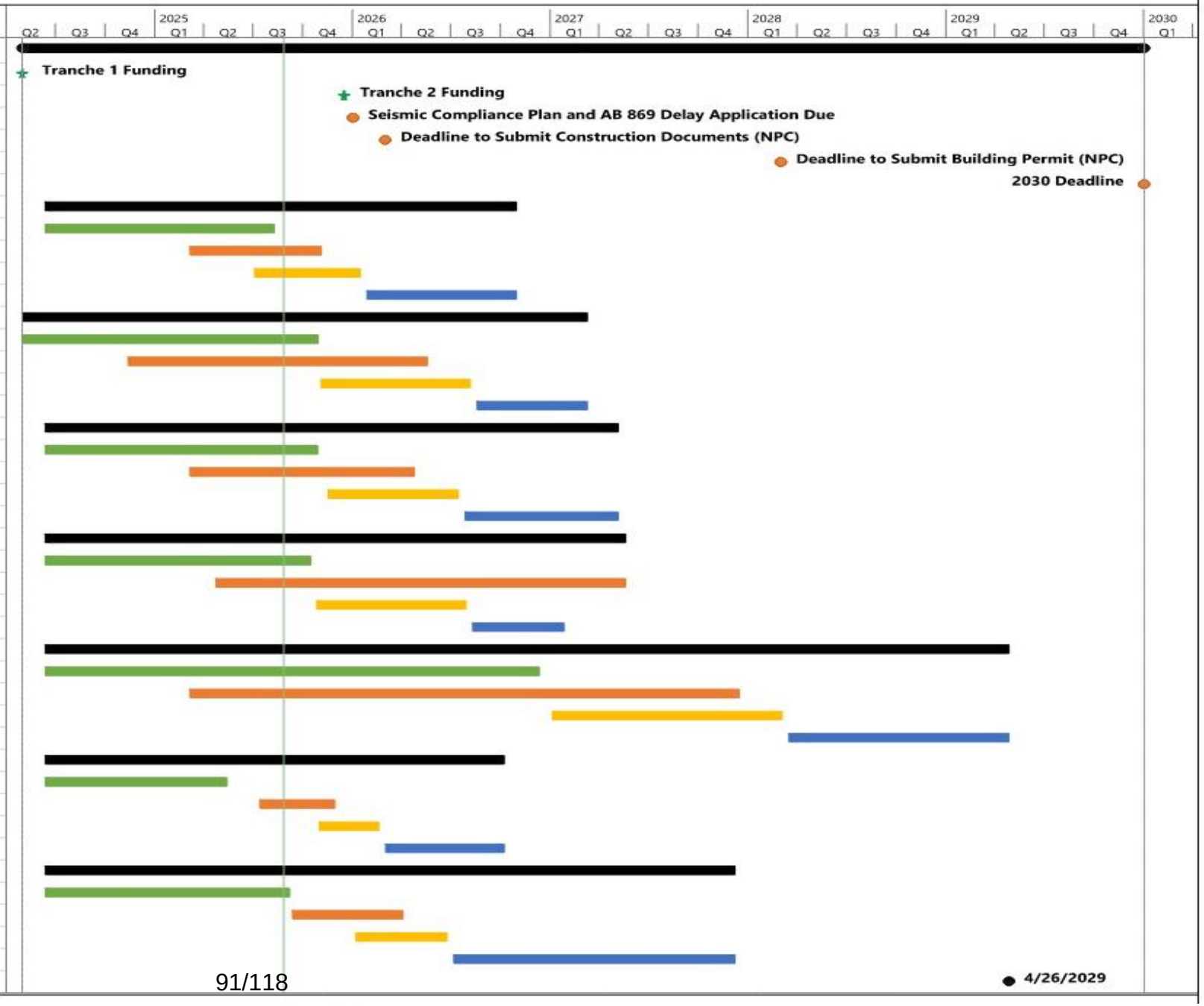
SCHEDULE

City of Alameda Health Care District

Alameda Hospital 2030 Seismic and Operational Upgrades (August 2025 Update)

print: Wed 8/27/25 (2:43 PM)

ID	Name
1	**Seismic and Operational Upgrade Projects**
2	Tranche 1 Funding
3	Tranche 2 Funding
4	Seismic Compliance Plan and AB 869 Delay Application Due
5	Deadline to Submit Construction Documents (NPC)
6	Deadline to Submit Building Permit (NPC)
7	2030 Deadline
8	**MOMENT FRAME**
9	**Moment Frame Design - Structural Program**
18	**Moment Frame - Structural Program + Plan Permitting**
31	**Moment Frame Bid / Contract / Owner Procurement**
43	**Moment Frame Construction Milestones**
56	**NPC 4 - MEP and EQUIPMENT**
57	**NPC 4 Design**
69	**NPC 4 Permitting**
79	**NPC 4 Bid / Contract / Owner Procurement**
91	**NPC 4 Construction Milestones**
105	**NPC 5 - TANKS**
106	**NPC 5 Design**
118	**NPC 5 Permitting**
134	**NPC 5 Bid / Contract / Owner Procurement**
147	**NPC 5 Construction Milestones**
162	**SPC MATERIAL TESTING**
163	**SPC Material Testing Design**
171	**SPC Material Testing Program + Plan Permitting**
184	**SPC Material Testing Bid / Contract / Owner Procurement**
196	**SPC Material Testing Construction Milestones**
209	**SPC 4D**
210	**SPC 4D Design**
224	**SPC 4D Permitting**
240	**SPC 4D Bid / Contract / Owner Procurement**
252	**SPC 4D Construction Milestones**
265	**SNF MAKE READY**
266	**SNF Make Ready Design**
278	**SNF Make Ready Permitting**
285	**SNF Make Ready Bid / Contract / Owner Procurement**
297	**SNF Make Ready Construction Milestones**
315	**SNF - SKILLED NURSING FACILITY**
316	**SNF Design**
327	**SNF Permitting**
334	**SNF Bid / Contract / Owner Procurement**
346	**SNF Construction Milestones**
367	***Project Completion***



Financials

Summary

Project	Budget	Committed	(Over)/Under	Invoiced	Paid
Cost of Issuance Costs associated with financing the COP's	$1,000,000.00	$1,000,000.00	$-	$570,586.00	$570,586.00
District Project 1 - NPC Upgrades NPC 4 and NPC 5 (Seismic Upgrade)	$14,879,277.00	$2,256,732.00	$12,622,545.00	$787,640.00	$787,640.00
District Project 2 - Stephens Wing (SPC) SPC 4D Projects - Stephens and West (Seismic Upgrade)	$8,883,383.00	$1,226,496.00	$7,656,887.00	$487,066.00	$487,066.00
District Project 3 - West Wing (SPC) SPC4D Upgrades to West Wing at Alameda Hospital	$5,905,241.00	$600,749.00	$5,304,493.00	$297,149.00	$297,149.00
District Project 4 - 2S SNF Unit (Operational Upgrad... Renovation of existing space on 2 South for an 18 Bed Skilled Nursing Unit	$25,751,840.00	$2,604,315.00	$23,147,525.00	$1,049,277.00	$1,049,277.00
Total	$56,419,742.00	$7,688,293.00	$48,731,449.00	$3,191,718.00	$3,191,718.00

Notes:

- Project #2 Stephens Wing SPC
  - Includes unanticipated expenses for Moment Frame Project to advance work.
- Project #4 2S SNF Unit
  - Includes unanticipated expenses associated with Make Ready and AHS Internal moves
- Ongoing discussions occurring with District/AHS on need for additional funding and timing to cover unanticipated known and unknown

Sub Project Tracking

Budget Tag	Committed	Actuals
Cost of Issuance (COP) - Series A	$ 542,102.00	$ 542,102.00
Cost of Issuance (COP) - Series B	$ 457,898.00	$ 28,484.00
Internal Moves	$ 33,345.00	$ 33,345.00
Moment Frame	$ 440,658.00	$ 139,459.00
Make Ready	$ 789,375.00	$ 290,990.00
NPC 2 & SPC Verification	$ 216,415.00	$ 63,553.00
NPC 4	$ 962,113.00	$ 338,971.00
NPC 5	$ 1,078,205.00	$ 385,117.00
2S SNF Unit	$ 1,781,595.00	$ 724,942.00
SPC	$ 1,382,824.00	$ 640,992.00
Permits & Fees (all)	$ 3,763.00	$ 3,763.00
Total	**$ 7,688,293.00**	**$ 3,191,718.00**

City of Alameda Health Care District

Questions?

Contract Approvals
September 2025

1. New agreement with Entisys Solutions, Inc. dba E360 for provision of the Citrix virtual access platform supporting remote and mobile network access. The term of this agreement is effective September 29, 2025 through September 28, 2028. The estimated impact of this agreement is $1,499,410.
Christine Yang, Chief Information Officer

2. Renewal agreement with GuidePoint Security LLC for provision of Arctic Wolf cybersecurity monitoring and recovery services. The term of this agreement is effective September 30, 2025 through June 30, 2028. The estimated impact of this agreement is $1,457,310.
Christine Yang, Chief Information Officer

3. Renewal agreement with Xerox, Inc. for provision of printer equipment and services. The term of this agreement is effective November 1, 2025 through October 31, 2030. The estimated impact of this agreement is $3,983,160.
Christine Yang, Chief Information Officer

Contract Approvals
September 2025

4. New agreement with Anthem Blue Cross Life and Health Insurance Company for the provision of third-party administration services for the Alameda Health System employee health insurance plan. The initial term of this agreement is effective January 1, 2025 through December 31, 2027. The estimated impact of this agreement is $5,930,739.

Arleen Gomez, Chief Human Resources Officer

5. Renewal agreement with Cardea Health for provision of respite housing services. The term of this agreement is effective October 1, 2025 through September 30, 2028. The estimated impact of this agreement is $6,394,800.

Romoanetia Lofton, Chief Clinical Officer

6. Amendment with Lifepoint Rehabilitation of California, LLC to renew terms for provision of management services for the Alameda Health System inpatient rehabilitation facility. The term of this amendment is effective October 1, 2025 through September 30, 2028. The estimated impact of this amendment is $4,211,233.

Mark Fratzke, Chief Operating Officer

Contract Approvals
September 2025

7. Renewal agreement with McKesson Corporation for provision of wholesale pharmaceutical supply services. The term of this agreement is effective April 1, 2026 through March 31, 2031. The estimated impact of this agreement is $447,180,000.

Romoanetia Lofton, Chief Clinical Officer

8. Amendment with Quest Diagnostics to increase funding for provision of reference laboratory test services. The term of this amendment is March 1, 2022 through February 28, 2026. The estimated impact of this amendment is $13,280,743.

Romoanetia Lofton, Chief Clinical Officer

Recommendation: Motion to Recommend Approval for the above contracts to the Board of Trustees

Board of Trustees Contract Summary 2025

Contractor/Vendor Name:	Entisys Solutions, Inc., dba E360 (“E360”)
Description:	E360 is a highly regarded information systems consultancy provider established in 1988. The company delivers a wide range of IT solutions and services, including security, cloud, automation, digital workplace transformation, modern infrastructure, Microsoft platform expertise, and enterprise managed services. Over the years, E360 has developed a strong reputation for providing tailored technology solutions to healthcare and other complex environments, including business and clinical virtualization platforms supporting remote and mobile access (“Virtual Access”). In light of the above and Alameda Health System’s (“AHS”) ongoing need to maintain reliable Virtual Access to mission critical applications, AHS leadership has determined E360 is best positioned to ensure uninterrupted access to the Citrix Virtual Access Platform. Citrix provides AHS’ current Virtual Access platform and has demonstrated the ability to securely and reliably provide Virtual Access to the full spectrum of AHS applications relied upon by clinical and administrative staff systemwide. This capability is vital to maintaining operational continuity, supporting patient care, and enabling flexibility in service delivery. Given this, AHS leadership is requesting Board approval to enter a 3-year licensing agreement (“Agreement”) with E360 under which AHS would maintain access to the Citrix Virtual Access platform (“Platform”) on the terms described below. The proposed Agreement encompasses comprehensive platform licensing, ongoing technical support, and hardware coverage, all of which are essential to minimizing downtime and ensuring overall system stability. In addition, it provides access to technical workshops and executive briefings, which will help optimize performance, align our systems with industry best practices, and ensure that AHS stays ahead of evolving technology requirements. AHS has had a positive and productive working relationship with E360 in prior engagements and wishes to continue that partnership. Their deep technical expertise, healthcare IT experience, and familiarity with our existing environment make them the optimal choice for this agreement. Furthermore, the fixed 3-year pricing structure under the proposed Agreement ensures cost predictability, compliance, and stability, while avoiding any service disruptions that could significantly impact clinical operations and the end-user experience. Under the proposed terms, AHS will retain our license to use the Citrix Virtual Access Platform, technical support, and related professional services. Total cost for the proposed 3-year term is $1,499,410.
Contract Type and Term:	New Agreement 9/29/2025 through 9/28/2028
Termination Clause:	AHS may terminate for cause provided E360 is unable or unwilling to cure the breach within 30 days of notice.
Total Spend with Vendor:	**Description** / **Board Approval** / **Total** **Citrix Platform Licensing Agreement** / **Approval Requested** / **$1,499,410**

<table>
<tr><td>Estimated Cost Savings:</td><td>AHS leadership negotiated a $6,000 annual discount and vendor agreement to fixed pricing over the proposed 3-year agreement. The foregoing help to minimize the impact of significant pricing increases instituted market-wide over the past several years for the Citrix Platform. In light of the material impact of these increases, AHS leadership evaluated alternatives but determined that switching would incur significant operational and capital expenditures as well as operational disruptions that outweigh the impact of the increased costs by incumbent.</td></tr>
<tr><td>Fiscal Implications:</td><td>Cost has been included in FY 26 budget.</td></tr>
<tr><td>Reasons for Recommendation:</td><td>AHS recommends awarding this agreement to E360 due to their proven track record with AHS, specialized healthcare IT expertise, and ability to ensure secure, reliable access to critical applications. Their services provide comprehensive support, operational stability, and cost predictability through a fixed 3-year pricing structure, making them the optimal choice to meet AHS’s virtualization and infrastructure needs.</td></tr>
<tr><td>Impacted Facilities:</td><td>
<table>
<tr><th>JGPH</th><th>Highland</th><th>Fairmont</th><th>San Leandro</th><th>Alameda</th><th>Clinic(s)</th></tr>
<tr><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
</table>
</td></tr>
<tr><td>Administrative Review:</td><td>Chief Technology Officer</td></tr>
<tr><td>Prior BOT Review/Action:</td><td>N/A</td></tr>
<tr><td>Executive Sponsor</td><td>Chief Information Officer</td></tr>
</table>

Contractor/Vendor Name:	Arctic Wolf Network via GuidePoint Security LLC
Description:	Arctic Wolf ("AW") is a cybersecurity company that provides security operations solutions. AHS leadership is requesting Board approval to enter a renewal agreement ("Renewal") under which AHS will continue receiving Managed Detection and Response services ("MDR") from AW. Per terms of the proposed Renewal, AHS will receive 24x7 monitoring of AHS networks, endpoints, and cloud environments for cybersecurity risks and/or attacks ("Events"). Upon detection of an Event, AW will assess, respond, and remediate using the resources and processes described below. The MDR solution is delivered by the AW security team ("Security Team") comprised of (1) the Concierge Security Team ("CST" – dedicated resources monitoring AHS networks during normal business hours) and (2) the Security Operations Center ("SOC" – around the clock resource who monitor and ensure timely response after hours). The Security Team will coordinate and provide the below services under the proposed Renewal: 1. Collect AHS data, including AHS system logs, from AHS systems using equipment set up by AHS. 2. Analyze equipment and log data through the correlation of customer data with threat and vulnerability information. 3. Escalate security incidents in need of attention by the AHS Information Security team. • AW will notify and escalate to AHS any non-critical security incidents discovered by AW within 2 hours through a ticket to AHS. Notifications will include a description of the security incident, level of exposure, and a suggested remediation strategy. AHS is responsible for implementing – at its sole discretion – any remediation strategies but may request validation from AW that the strategy is working as expected. • Emergencies –AW will escalate emergencies to AHS within 30 minutes of AW's discovery of the emergency. Any emergency discovered by AHS can be escalated to AW by calling a phone number and AW will respond within 5 minutes. • The CST supporting AHS is available 8:00 to 5:00 PT. • The SOC is staffed 24 hours a day, 7 days a week, including holidays. 4. Conduct monthly external vulnerability scans and deliver a summary security report that includes security incident and emergency notifications.

<table>
<tr><td></td><td>AHS will obtain the AW solution via an arrangement with GuidePoint LLC which serves as an authorized partner (“Partner”) with AW. In its capacity as Partner, GuidePoint LLC serves as an intermediary between AHS and AW facilitating terms of the proposed Renewal and serving as a transaction clearinghouse.</td></tr>
<tr><td>Contract Type and Term:</td><td>Contract Renewal
Term: September 30, 2025 – June 30, 2028</td></tr>
<tr><td>Termination Clause:</td><td>Either party may terminate this Agreement for cause if the other party commits a material breach of this Agreement, provided that such terminating party has given the other party ten (10) days advance notice to try and remediate the breach.</td></tr>
<tr><td>Total Spend with Vendor:</td><td>
<table>
<tr><th>Description</th><th>Board Approval</th><th>Total</th></tr>
<tr><td>Estimated Spend for the Contract Period
September 30, 2025-June 30, 2028</td><td>Approval Requested</td><td>$1,457,310</td></tr>
</table>
</td></tr>
<tr><td>Estimated Cost Savings:</td><td>Providing the same in-house cybersecurity staffing would require 3.5 additional FTEs at a cost of $700K/year coupled with the acquisition and maintenance of additional tools currently provided by AW on our behalf the additional cost of which would equate to an additional $600K/year in operating cost. Over the course of the proposed 3-year Renewal term, the total costs of providing these mission critical services in-house would be $3.9M. Contracting with AW on the terms in the proposed Renewal result in effective cost savings of $2.4M over the 3-year term.</td></tr>
<tr><td>Fiscal Implications:</td><td>Included in the FY 26 budget.</td></tr>
<tr><td>Reasons for Recommendation:</td><td>Arctic Wolf delivers real-time monitoring, threat detection, and incident response to help safeguard AHS’ systems and data around the clock, combining expert analysis with advanced technology without requiring large in-house cybersecurity staffing. Service in the preceding 3-year agreement was deemed excellent by the AHS Chief Information Security Officer. Among other things, Arctic Wolf helped AHS to cut off access to a workforce member who fell for a phishing scam and stopped an attack from a foreign country by determining a user access was deviating from its baseline behavior.</td></tr>
<tr><td>Impacted Facilities:</td><td>
<table>
<tr><th>JGPH</th><th>Highland</th><th>Fairmont</th><th>San Leandro</th><th>Alameda</th><th>Clinic(s)</th></tr>
<tr><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
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</td></tr>
<tr><td>Coordination with Medical Staff:</td><td>N/A</td></tr>
</table>

Administrative Review:	Chief Information Security Officer
Executive Sponsor:	Chief Information Officer
Prior BOT Review/Action:	None

<table>
<tr><td>Contractor/Vendor Name:</td><td>Xerox, Inc. (“Xerox”)</td></tr>
<tr><td>Description:</td><td>Xerox is a leading manufacturer of print and digital document business products and services with a long history of innovation and successfully meeting client needs.

Alameda Health System (“AHS” or “System”) entered into a Master Agreement for Services (“Current Agreement”) with Xerox effective December 08, 2014 under the terms of which AHS was able to obtain a range of print document products and managed print services. The Current Agreement allows AHS to procure hardware, software, supplies, technical services, on-site labor, and customer support phone line services, in support of 197 print document devices critical to AHS patient care and operational activities. All devices are leased and deployed throughout the System.

To retain access to these critical services, AHS leadership has negotiated a renewal agreement (“Renewal”) on the following terms:

1. 193 new devices with all maintenance, repairs, and automated toner delivery covered.
2. Costs are locked in with set monthly minimums for black & white and color prints
3. Service and Maintenance:
4. Xerox provides 2 on-site Xerox Associates assigned to AHS full-time who oversee the service, maintenance, and supplies inventory. Xerox also provides two vehicles for the Associates to respond to all AHS campuses for maintenance, service, and supplies
5. Software/Security: Pcounter Software is included which provides security and authentication at every device. The Pcounter also removes unfulfilled print requests within 48 hours.
6. The monthly cost is $58,886.
7. New software is included that will enable the tracking and trending of device usage, further reducing unnecessary copying, reducing supplies used, and landfill avoidance. AHS will be able to continue “right-sizing” its printing footprint to provide the right number with the right capabilities, while supporting savings initiatives.
8. Continued support of Epic. The devices supporting clinical operations are designed to work with Epic. No other manufacturer has the same capabilities to support AHS’s electronic record.</td></tr>
<tr><td>Contract Type and Term:</td><td>Renewal Agreement
5-year term (November 01, 2025 – October 31, 2030)</td></tr>
<tr><td>Termination Clause:</td><td>Either party may terminate this agreement by providing 30 days’ notice.</td></tr>
<tr><td>Total Spend with Vendor:</td><td>
<table>
<tr><th>Description</th><th>Board Approval</th><th>Total</th></tr>
<tr><td>Renewal Agreement
November 01, 2025 – October 31, 2030</td><td>Approval Requested</td><td>$3,983,160</td></tr>
</table>
</td></tr>
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<table>
<tr><td>Estimated Cost Savings:</td><td>AHS leadership negotiated a rate reduction over the Current Agreement. Based on current utilization, AHS will realize ~ $200,000 in savings over the proposed 5-year term. As AHS increases its efforts to reduce paper copies and increase the number of digital copies, savings will increase.</td></tr>
<tr><td>Fiscal Implications:</td><td>Budgeted for FY26.</td></tr>
<tr><td>Reasons for Recommendation:</td><td>Xerox has been a valued partner to AHS since 2014. Maintaining this relationship will enable AHS to continue standardizing equipment and leverage system-wide volumes to reduce ongoing overhead and support costs. Xerox will also help to manage the day-to-day print operations which is their core competency, allowing AHS IS Staff to focus on supporting their physicians, nurses and staff in ensuring the best possible Information Technology infrastructure in support of quality care for AHS patients and the community.</td></tr>
<tr><td>Impacted Facilities:</td><td>
<table>
<tr><th>JGPH</th><th>Highland</th><th>Fairmont</th><th>San Leandro</th><th>Alameda</th><th>Clinic(s)</th></tr>
<tr><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
</table>
</td></tr>
<tr><td>Coordination with Medical Staff:</td><td>N/A</td></tr>
<tr><td>Epic Coordination:</td><td>The devices that AHS uses in clinical operations were specifically chosen for their support of Epic.</td></tr>
<tr><td>Administrative Review:</td><td>Primary: IT End User Support Manager
Secondary: Chief Technology Officer</td></tr>
<tr><td>Prior BOT Review/Action:</td><td>Approved October 14, 2020</td></tr>
<tr><td>Executive Sponsor</td><td>Chief Information Officer</td></tr>
</table>

<table>
<tr><td>Contractor/Vendor Name:</td><td>Anthem Blue Cross Life and Health Insurance Company (“Anthem”)</td></tr>
<tr><td>Description:</td><td>Anthem is a third-party administrator organization providing ASO administrative services to Alameda Health System (“AHS”) and offers the following products to AHS employees - a Preferred Provider Option (PPO) plan, Freedom of Choice Plan and the Independence High Deductible Health Plan. Administrative services only (“ASO”) refers to an agreement for employer sponsored insurance plans when the employer funds their employee benefit plan but engages an outside vendor to administer it. In this case, AHS has engaged Anthem Blue Cross to provide ASO services (“Services”).

Anthem is also a major health insurance network provider in the United States. It offers a range of programs including both provider networks as well as Services. Anthem serves approximately 47 million members, making it one of the largest Blue Cross Blue Shield companies nationwide.

AHS has been challenged with managing medical insurance costs and ensuring access to care for our employees. Engaging directly with Anthem Blue Cross to provide Services enables AHS to address gaps in support, coverage and process, as well as provide a direct link to the Anthem network to assure understanding and status of network providers.

AHS has offered and provided self-insured medical benefits to benefit eligible employees for many years. When the prior provider of TPA services (“Incumbent”) was acquired, AHS evaluated vendor options and determined Anthem was best positioned to provide Services going forward. In addition to the enhanced quality of Services being provided, AHS has also negotiated rates that will result in material cost savings compared to rates charged by the prior Incumbent. In sum, this transition will assure increased transparency to plan information, increased responsiveness from our new ASO partner and provide the opportunity for administrative cost reduction due to efficiencies from the Network-ASO relationship.

In light of the above considerations, AHS Leadership is requesting Board approval to enter an agreement under which Anthem would provide Services for an initial term (“Initial Term”) of 3 years with subsequent 1-year term auto-renewal terms subject to approval by AHS leadership.</td></tr>
<tr><td>Contract Type and Term:</td><td>ASO Services Agreement
Term: 01/1/2025 through 12/31/2027. *Annual renewal with rate increases capped during Years 2 and 3. Anthem may continue providing services upon conclusion of the initial 3-year term provided AHS accepts terms.</td></tr>
<tr><td>Termination Clause:</td><td>Employer may terminate this Agreement at any time other than at the end of an Agreement Period by giving Anthem 60 days written notice of its intent to terminate.</td></tr>
<tr><td>Total Spend with Vendor:</td><td>
<table>
<tr><th>Description</th><th>Bd Approval</th><th>Total</th></tr>
<tr><td>Total Requested Amount (January 1, 2025 – December 31, 2027)</td><td>Approval Requested</td><td>$5,930,739</td></tr>
</table>
</td></tr>
<tr><td>Estimated Cost Savings:</td><td>Rate reduction compared to agreement with prior Incumbent will result in estimated annual savings in the amount of $500,000. Over the initial 3-year term, this offset will result in a total off-set in the amount of $1,500,000 and a net cost to AHS of Services in the amount of $4,430,739.

Annual rate increases in Years 2 and 3 are limited to a maximum of 4% in each year.</td></tr>
<tr><td>Fiscal Implications:</td><td>Included in FY 26 budget.</td></tr>
<tr><td>Reasons for Recommendation:</td><td>AHS has offered and provided self-insured medical benefits to benefit-eligible employees. Anthem is an experienced provider of Services with a proven-track record. Their ability to effectively and</td></tr>
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<table>
<tr><td></td><td>efficiently provide Services while reducing costs to AHS justifies was the basis for selection of this vendor.</td></tr>
<tr><td>Impacted Facilities:</td><td>
<table>
<tr><th>AHS</th><th>Highland</th><th>Fairmont</th><th>San Leandro</th><th>Alameda</th><th>Clinic(s)</th></tr>
<tr><td>All locations</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>Coordination with Medical Staff:</td><td>N/A</td></tr>
<tr><td>Administrative Review:</td><td>Primary: Director, Total Rewards. Secondary: Chief HR Officer</td></tr>
<tr><td>Prior BOT Review/Action:</td><td>N/A</td></tr>
</table>

Contractor/Vendor Name:	Cardea Health, a non-profit healthcare organization ("Cardea")
Description:	As an integrated public healthcare system, Alameda Health System ("AHS") is a leading provider of emergency and inpatient services to the residents of Alameda County. A number of our patients receive treatment in one of our acute care hospitals. Due to our position as the public safety net provider in conjunction with the unfortunately high rate of homelessness in our service area, AHS annually provides inpatient acute care treatment for approximately 3,012 of the individuals on our Homeless Registry whose rolls currently number 11,495 registered individuals. Our management of the homeless inpatient population described above is governed by Section 1262.5 of the California Health and Safety Code which mandates that acute care hospitals create a discharge planning policy for patients experiencing homelessness. This legislation requires hospitals to identify homeless patients and assess their needs comprehensively, ensuring that their discharge plans address necessary medical, psychiatric, and substance abuse treatments. Hospitals must coordinate with health and social service agencies to ensure continuity of care and provide patients with information on available healthcare services and shelter options upon discharge. The discharge of homeless inpatients presents a series of logistical challenges that significantly affect patient access, resource utilization, financial viability, and legal compliance. The issues ("Issues") we face include: 1. **Prolonged Hospital Stay for Medically Cleared Inpatients:** Patients who are medically ready for discharge remain in the acute care setting due to delays in transitioning to the appropriate next level of care or rehabilitation facilities. This delay impacts our ability to provide timely care to other patients. 2. **Resource Diversion:** The extended stay of these inpatients diverts critical resources, including limited bed availability, thereby delaying the admission and treatment of other patients in need of acute care services. 3. **Financial Impact:** There is a direct financial impact due to sub-optimal resource utilization, leading to reduced professional and facility revenues. 4. **Exceeding Facility Capacity:** The volume of inpatients awaiting discharge often surpasses the capacity of our contracted short-term residential care facilities, hindering efficient patient flow and management. 5. **Facility Limitations:** Many facilities operate in group settings which are not suitable for patients requiring isolation or specific levels of acute care, further complicating the placement process. 6. **Cost Implications of Extended Stays:** Individuals placed in these facilities typically experience longer than average stays, incurring significant costs to AHS. 7. **Emergency Department Backlogs:** Homeless patients frequently occupy the Highland emergency department for extended periods. This leads to backlogs,

throughput issues, and in some cases, unnecessary admissions to inpatient care, where they may not meet the usual criteria for inpatient treatment.

In light of the need to continue addressing the above considerations coupled with our successful engagement with Cardea over the past 2 years, AHS leadership is requesting Board approval to enter a 3-year renewal agreement ("Renewal") expanding services to incorporate an additional 5 beds.

Renewal terms will maintain a 2-tiered rate structure in which the maximum per diem rate is paid for patients meeting length of stay ("LOS") targets. AHS will pay a lower per diem rate for patients exceeding the LOS target to ensure full alignment between Cardea and AHS on this key metric.

Cardea operates an integrated services model under which they can address many of the often unmet needs AHS-discharged homeless patients face through provision of the below program services ("Program" or "Services") using hotel rooms or other residential rooms reserved for use by AHS participants.

Key provisions of the Renewal are as follows:

1. Housing – Cardea will provide a total of 20 Program beds per month via the hotel for individuals discharged from AHS hospitals and acute rehabilitation centers. The per diem rate, inclusive of all services, is $292.00. After 30 days' stay, the per diem rate reduces to $275.00.
2. Direct Care – Clients will receive the following direct care services:
    a. Nursing assessment at the time of admission.
    b. On-site nursing care including direct service, care coordination, and wellness checks.
    c. Three (3) meals a day.
    d. Transportation from the AHS point of discharge to Cardea and for medical appointments during admission.
    e. Housing placement assistance.
3. Discharge Assessment – Cardea will develop a Program discharge plan for each client that addresses both medical and social needs. In conjunction, Cardea & AHS will evaluate client cases that exceed 14 days length of stay to review LOS, necessity of care, disposition plans and the number of patients transitioned to the reduced rate.
4. Designated Medical Personnel – Cardea will offer registered nurses, personal care providers, a housing navigator, and a Medical Director for the program.
5. Discharge From the Program – Patients admitted to the program from an ER will be discharged no later than 7 days from admission. Patients admitted to the program

<table>
<tr><td></td><td>from a hospital or rehabilitation center will be discharged no later than 30 days from admission.

Program effectiveness will be assessed by the following measures:

1. Data Collection – Cardea will collect data that may be required by AHS to generate a complete data set for AHS patients served including ED and inpatient utilization among patients admitted to the Program, disposition at time of discharge from Program and number of unduplicated patients served.
2. Reporting – Cardea will generate a monthly Program Impact Report

Because AHS is fully funding this program, patients' lack of medical insurance coverage has no bearing on whether they will be admitted to the program.</td></tr>
<tr><td>Contract Type and Term:</td><td>Contract Renewal
Term: October 1, 2025-September 30, 2028 (3-years)</td></tr>
<tr><td>Termination Clause:</td><td>Without Cause: Either party may terminate with 30 days' prior written notice.</td></tr>
<tr><td>Total Spend with Vendor:</td><td><table>
<tr><th>Description</th><th>Board Approval</th><th>Total</th></tr>
<tr><td>Estimated Spend for the Contract Period
October 1, 2025-September 30, 2028</td><td>Approval Requested</td><td>$6,394,800</td></tr>
</table></td></tr>
<tr><td>Estimated Cost Savings:</td><td>AHS leadership has negotiated a 23% reduction in the initial daily (days 1-30) rate compared to the Current Agreement. Cardea also agreed to reduce the long-term daily rate (days +31) by 6% over the Current Agreement. Based on the 265 patients served in the past year and the average length of stay of 15 days, with the additional 5 beds and the new pricing, AHS projects realizing net savings of $25,123,691 during the 3-year term.</td></tr>
<tr><td>Fiscal Implications:</td><td>The proposed Agreement will be included in the FY 26 budget.</td></tr>
<tr><td>Reasons for Recommendation:</td><td>As a home health agency, Cardea Health is a reputable provider in the community for unhoused individuals. Many AHS patients are unhoused and require post-acute care. Although AHS contracts with other providers for post-acute care, a sizeable number of our patients still require care. Unlike our current providers, Cardea can care for patients that require isolation, care for patients with a higher level of acuity, and will decrease the average length of stay both in acute hospital setting and in our shelters. This will result in decreased discharge times, decreased new patient wait times.</td></tr>
</table>

Impacted Facilities:	<table><tr><th>JGPH</th><th>HGH</th><th>FMT</th><th>SLH</th><th>ALH</th><th>Clinic(s)</th></tr><tr><td></td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr></table>
Coordination with Medical Staff:	N/A
Executive Sponsor:	Chief Clinical Officer
Prior BOT Review/Action:	1-Year Renewal of $2,075,025 was approved by the July 2024 Board.

Contractor/ Vendor Name:	Lifepoint Rehabilitation of California, LLC ("Lifepoint")
Description:	The Alameda Health System ("AHS") Inpatient Rehabilitation Facility ("IRF") is a 28-bed program located on the San Leandro Hospital Campus ("SLH"). The AHS IRF is 1 of only 2 such programs in the East Bay. Since December 2014, AHS has managed the IRF in partnership with Lifepoint (previously known as RehabCare), a nationwide leading contract therapy services provider with over 40 years of experience providing rapid program assessment and transformation, performance improvement, marketing, program accreditation, back-office support (i.e. admissions, medical record auditing, denials management, etc.), and facilities planning and business intelligence services. Lifepoint is a division of Lifepoint Health, a national, diversified healthcare delivery network with facilities from coast to coast and capabilities and services that span the healthcare continuum. Our arrangement with Lifepoint has afforded AHS the expertise and resources to enable our progress in the achievement of AHS IRF patient care goals as well as of targeted increases in market share, patient census and profitability. Lifepoint manages the AHS IRF program ("Program") under the current agreement ("Current Agreement") as described below. Lifepoint provides the following personnel and services: 1. Provision of 6 FTEs ("Staff") as described below: a. 1 Program Director – Lifepoint's on-site representative responsible for day-to-day management and operational oversight of the services. b. 2 Clinical Liaisons – Help develop and implement educational programs directed at AHS' medical staff, employees and members of the community in general. Clinical Liaisons are responsible for working with the AHS medical director and various AHS staff to ensure that patients referred and admitted to the program are screened for appropriate admission criteria and receiving care consistent with their condition and prognosis c. 1 Program Secretary – Responsible for providing clerical support and carrying out activities as directed by the Program Director. d. 1 Inpatient Rehabilitation Facility-PAI ("Patient Assessment Instrument") Coordinator – Responsible for monitoring, completing and submitting the CMS Assessments. e. 1 Admissions Coordinator - Responsible for working with the Hospital Medical Director and various Hospital staff to ensure that patients that are referred and admitted to the Program are screened for appropriate admission and receiving care consistent with their condition and prognosis. 2. Development & Oversight of AHS IRF program ("Program"): a. Development and execution of annual Program plan, including volume, financial, regulatory and quality outcomes targets. b. Optimization of admissions criteria and referral flows, compliance oversight, and denials management. c. Staff training and development and provision of appropriate tools, expertise, market analytics, and business intelligence. d. Supported the IRF transition from Fairmont Hospital to San Leandro Hospital ("SLH") and ongoing development of the Program in the new location.

e. Leads and successfully secured Commission on Accreditation of Rehabilitation Facilities ("CARF") accreditation with Stroke Specialty in 2017, maintaining conformance to all standards to achieve reaccreditations in 2020 and 2023 including Stroke Specialty.
f. Expanded access to inpatient rehabilitation services and improved AHS internal throughput, the program increased patients served in FY 2025 over prior FY from 584 to 612 (4.8%); with patients within AHS increasing from 250 to 365 (46%) over prior FY.
g. Implementation and achievement of quality metrics ("Metrics").
h. Risk-sharing incentive plan ("Plan") that ties compensation to achievement of Metrics. As designed, the Plan ensures both Program growth and patient quality outcomes goals are met to achieve between $60,000 to $80,000 of potential incentive compensation per year.

Over the course of our engagement with Lifepoint, the AHS IRF Program has met or exceeded its objectives. In light of this positive track-record, Lifepoint's position as the leading provider of rehabilitation management services, and AHS' need for expert support to deliver the highest quality rehabilitation services to the community, AHS leadership is requesting Board approval to enter an amendment ("Amendment") to extend the Current Agreement on its current terms with the below modifications:

1. The term is being extended through September 30, 2028.

2. Fixed monthly fee is adjusted to $106,645, along with increased labor costs and the cost of replacing the non-clinical Admissions Coordinator position with a licensed Clinical Liaison to address increased CMS focus on the preadmission screening clinical criteria and AHS' goals to continue growing patient access.

3. Updated the Annual Quality Performance Plan measures and targets as described in the table below:

Performance Measures	
Unplanned Return to Acute	
Target	**Performance Score**
> 6%	0
5% - 6%	1
< 5%	2
Patient Satisfaction	
Target	**Performance Score**
< 90%	0
90% - 92%	1
> 92%	2
ADC*	
Target	**Performance Score**
< 23.5	0
23.5 – 25.0	1
> 25.0	2

	<table><tr><th colspan="2">Fall Rate (Per 1,000 Patient Days)</th></tr><tr><th>Target</th><th>Performance Score</th></tr><tr><td>> 4.0</td><td>0</td></tr><tr><td>4.0 – 3.5</td><td>1</td></tr><tr><td>< 3.5</td><td>2</td></tr><tr><th colspan="2">Discharge to Community</th></tr><tr><th>Target</th><th>Performance Score</th></tr><tr><td>< 76.0%</td><td>0</td></tr><tr><td>76.1 – 80.0%</td><td>1</td></tr><tr><td>> 80%</td><td>2</td></tr><tr><th>Performance Score</th><th>Annual Bonus</th></tr><tr><td>0.00 – 0.99</td><td>$0.00</td></tr><tr><td>1.00 – 1.49</td><td>$60,000.00</td></tr><tr><td>1.50 – 2.00</td><td>$80,000.00</td></tr></table> ** If staffing of therapy or nursing are limited, default to a 1 score on ADC.* Performance Measure Definitions/Sources: a. Unplanned Return to Acute: Measures the percentage of patients discharged from the Inpatient Rehabilitation setting back to acute care during Inpatient Rehabilitation stay. (Data Source: UDS) b. Patient Satisfaction: Average Mean percentage score of the Acute Rehabilitation Center survey question "patient overall satisfaction rating." (Data Source: Press Ganey) c. ADC (Average Daily Census): Measures the total patient days divided by total days in the month. (Data Source: UDS) d. Fall Rate per 1000 patient days: Measures the number of all patient falls occurring in the Inpatient Rehabilitation setting calculated by the # falls/patient days x 1000. (Data Source: Entered in Midas) e. Discharge to Community: Measures the percentage of patients discharged from the Inpatient Rehabilitation setting back to a community setting defined as home, board and care, or assisted living. (Data Source: UDS). 4. Fees payable and any bonus amounts are adjusted annually based upon the Medical Care expenditure category of the Consumer Price Index by the same percentage such index has changed, which averages around 2.5% each year.
Contract Type and Term:	9th Amendment of the Master Rehabilitation Agreement Contract Term: October 1, 2025, through September 30, 2028
Termination Clause:	Agreement may be terminated without cause by either party by providing 180 days' notice.

Total Spend with Vendor:	<table><tr><th>Description</th><th>Board Approval</th><th>Total</th></tr><tr><td>**Management Fee 10/1/2025 – 9/30/2028**</td><td></td><td>**$3,971,233**</td></tr><tr><td>**Annual Quality Performance Bonus NTE**</td><td></td><td>**$240,000**</td></tr><tr><td>**Total Estimated Spend:**</td><td>**Approval Requested**</td><td>**$4,211,233**</td></tr></table>
Estimated Cost Savings:	N/A
Fiscal Implications:	The proposed renewal is in budget for FY26 and will be accounted for in future budget requests.
Reasons for Recommendation:	Approval will allow for full funding of this key services agreement, ensuring uninterrupted provision of services throughout the term of the agreement. This program provides patients with access to acute rehabilitation care as well as traditional hospital services in one location.
Coordination with Medical Staff:	Reviewed by Chief of Division of Physical Medicine & Rehabilitation
Administrative Review:	Primary: Chief Administration Officer, Post-Acute Services Secondary: Chief Operating Officer
Prior BOT Review/Action:	November 2019, Board Approval of the 4th Amendment of the Master Rehabilitation Agreement
Executive Sponsor:	Chief Operating Officer

Contractor/Vendor Name:	McKesson Corporation ("McKesson")
Description:	Alameda Health System ("AHS") currently holds a Pharmacy Distribution agreement ("Current Agreement") with McKesson Corporation under which AHS acquires 90% or more of all pharmaceuticals and related products used and distributed systemwide. The Current Agreement is scheduled to expire on March 31, 2026. AHS is a member of the Vizient West Coast Purchasing Coalition Pharmacy Aggregation Group ("Group"), a collaborative of healthcare providers leveraging group spend on pharmaceuticals to realize deeper discounts and better service levels than those available solely under the Group Purchasing Organization ("Vizient"). As a Group member, AHS has opted to enter into an early renewal for full line and medical plasma and biologics ("MPB") distribution services with McKesson. Vizient, representing AHS as a Group member, has negotiated a 5-year renewal agreement ("Renewal") with McKesson. This Renewal encompasses full line and MPB distribution services across multiple AHS locations. As pharmacy distribution services represent the bulk of AHS' pharmaceutical spend, this Renewal secures improved financial terms and service quality, providing greater value compared to the Current Agreement. In light of these advantages, AHS leadership seeks Board approval to proceed with this 5-year Renewal with McKesson.
Contract Type and Term:	Renewal Agreement April 1, 2026 – March 31, 2031
Termination Clause:	a. Termination for Cause. Vizient or McKesson may affect an early termination of this Renewal upon the occurrence of a material breach, as determined in good faith by the non-breaching Party, by the other Party. b. Termination for Adjusted Fill Rate. If Group members, in the aggregate, experience a Facility-wide Adjusted Fill Rate at 94.99% or lower for 2 months, even if McKesson is paying liquidated damages to Group members for such Facility-wide Adjusted Fill Rate performance, Vizient will have the unilateral right to terminate this Renewal with 30 days' written notice. c. McKesson Loss of Vizient Contract. d. McKesson or Vizient Insolvency. e. McKesson Change of Control Event: f. Mutual Consent: If McKesson and Vizient mutually agree to terminate this Renewal, then such termination will be without penalty to McKesson, Vizient, or Group members (including AHS) and will be effective after 60 days' written notice.

<table>
<tr><td>Total Spend with Vendor:</td><td>
<table>
<tr><th>Description</th><th>Board Approval</th><th>Total</th></tr>
<tr><td>Total Requested Amount:</td><td>Approval Requested</td><td>$447,180,000</td></tr>
</table>
</td></tr>
<tr><td>Estimated Cost Savings:</td><td>Execution of this agreement on 4/1/2026 will result in cost savings of approximately 0.84% of total pharmacy spend for AHS, representing average annual savings of approximately $752K, resulting in an estimated $3,760,000 in total savings over the 5-year term.</td></tr>
<tr><td>Fiscal Implications:</td><td>Included in FY26 budget.</td></tr>
<tr><td>Quotes Received</td><td>AHS partnered with our Group Purchasing Organization (“Vizient”) to identify the pharmacy wholesaler best positioned to meet AHS’s needs. Metrics considered included pricing, reliability of supply, and support. Vizient confirmed that the incumbent provider (“McKesson”) was the leading provider and the best placed to continue providing these critical services and supplies to AHS. As part of the proposed renewal agreement, McKesson offered the best terms over a multi-year term.
Although the decision to proceed with McKesson was made based on the value of their offer, it is important to note that AHS would also have incurred substantial costs if we transitioned to a different provider. Ordering and distribution of pharmaceuticals is logistically complex and a transition to a new provider would entail substantial operational disruption, imposing a significant workload burden across the AHS enterprise. Given the scale and complexity of such a shift coupled with the value of McKesson’s renewal offer, continuing the relationship with McKesson represents the most practical, efficient, and fiscally responsible decision.</td></tr>
<tr><td>Reasons for Recommendation:</td><td>McKesson offers the demonstrated industry experience, cost-effectiveness, and service capabilities required to meet the operational and clinical needs of AHS.</td></tr>
<tr><td>Impacted Facilities:</td><td>
<table>
<tr><th>JGPH</th><th>Highland</th><th>Fairmont</th><th>San Leandro</th><th>Alameda</th><th>Clinic(s)</th></tr>
<tr><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
</table>
</td></tr>
<tr><td>Coordination with Medical Staff:</td><td>Reviewed by Chair Pharmacy and Therapeutics</td></tr>
<tr><td>Administrative Review:</td><td>Primary: System Director, Pharmacy Operations
Secondary: Manager, System Manager, Clinical Pharmacy</td></tr>
<tr><td>Prior BOT Review/Action:</td><td>Current Agreement approved by Board June 2022.</td></tr>
<tr><td>Executive Sponsor</td><td>Chief Clinical Officer</td></tr>
</table>

Contractor/Vendor Name:	Quest Diagnostics ("Quest")
Description	In 2019, Alameda Health System ("AHS") entered into a system-wide agreement ("Current Agreement") with Quest for esoteric laboratory testing—low-volume, highly specialized assays such as genetic, molecular, oncology, immunology, and specialty infectious disease testing. These diagnostics are essential to patient care but are not feasible to perform in-house due to the significant capital investment, facility modifications, and specialized personnel required. Partnering with Quest ensures continued access to these essential advanced services while avoiding substantial startup and ongoing operational costs, making outsourcing the most cost-effective and operationally sound approach. Services commenced March 2019 under the Current Agreement with an initial 3-year term ("Initial Term") followed by 2 optional 2-year automatic renewal periods ("Auto-Renewal Terms"). Board approval was granted November 2018. Upon conclusion of the Initial Term, services continued under the Auto-Renewal Terms contemplated under the Current Agreement in light of Quest's reliable performance on the metrics described below. • Proven Quality and Compliance – Quest maintains several regulatory accreditations, delivering high-quality, accurate, and defensible results necessary to care for AHS patients. • Cost Savings and Price Stability – Quest maintains Vizient GPO supplier status, qualifying all AHS spend for an annual share-back, and provides AHS with reduced locked-in pricing for the seven-year term. • Established Logistics – Quest has courier routes in place across AHS Labs (WCHHC, SLH, ALH) for timely, efficient specimen transport. • Seamless Data Integration – Quest has an existing bi-directional interface with AHS through Epic for orders and results, ensuring accurate, secure, streamlined data exchange. In light of the above and based on past and projected utilization, AHS leadership is requesting Board approval to commit additional funding in the amount of $13,280,742 to fully cover all expenses incurred for the duration of the Current Agreement. This additional funding will ensure uninterrupted delivery of critical services from a reliable vendor while AHS leadership begins negotiations on a renewal agreement to secure long-term access to these services going forward.
Contract Type and Term:	Amendment to Reference Lab Testing Agreement with Quest March 1, 2022 – February 28, 2026
Termination Clause:	For Cause: The agreement may be terminated by either party for cause upon 30 days' written notice identifying the breach. If the breaching party fails to cure the breach within the 30-day cure period, the non-breaching party may terminate the End User Agreement immediately upon written notice to the breaching party.

<table>
<tr><td>Total Spend with Vendor:</td><td>
<table>
<tr><th>Description</th><th>Board Approval</th><th>Total</th></tr>
<tr><td>Funding Increase</td><td>Approval Requested</td><td>$13,280,743</td></tr>
</table>
</td></tr>
<tr><td>Estimated Cost Savings:</td><td>AHS realizes two categories of cost savings under the Current Agreement: 1) direct contractual savings, and 2) share back (AHS portion of GPO-negotiated vendor discount). Total cost savings over the 4-year term is $1,663,484.</td></tr>
<tr><td>Fiscal Implications:</td><td>Included in FY 26 budget.</td></tr>
<tr><td>Reasons for Recommendation:</td><td>Allows for full funding of a key services agreement ensuring uninterrupted provision of services through the term of the agreement.</td></tr>
<tr><td>Impacted Facilities:</td><td>
<table>
<tr><th>AHS</th><th>JGPH</th><th>Highland</th><th>Fairmont</th><th>San Leandro</th><th>Alameda</th><th>SNFs</th></tr>
<tr><td>X</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>Coordination with Medical Staff:</td><td>The Current Agreement was reviewed and approved by the Department Chair of Laboratory Medicine & Pathology.</td></tr>
<tr><td>Administrative Review:</td><td>System Director, Clinical Laboratory Services</td></tr>
<tr><td>Prior BOT Review/Action:</td><td>The Board of Trustees approved the Current Agreement on November 29, 2018.</td></tr>
<tr><td>Executive Sponsor:</td><td>Chief Clinical Officer</td></tr>
</table>

ALAMEDA HEALTH SYSTEM

BOT Previously Approved Contracts - FY26 (July 1, 2025 - June 30, 2026)

#	Vendor	Amount Requiring BOT Approval	Start Date	Ending Date	BOT approved Date	Agenda Summary	Expectation	Executive Sponsor
1	Alliance HealthCare Services, Inc. dba Alliance HealthCare Radiology	$3,333,044	4/23/2025	4/22/2028	FC - 7-2-25 BOT Approved 7-9-25	Provision of mobile imaging services.		Chief Operating Officer
2	CareFusion Solutions, LLC	$7,206,000	8/19/2025	8/18/1930	FC - 7-2-25 BOT Approved 7-9-25	Provision of infusion pumps and supplies.		Chief Clinical Officer
3	East Oakland Community Project	$1,593,600	8/1/2025	7/31/2028	FC - 7-2-25 BOT Approved 7-9-25	Provision of respite care services.		Chief Clinical Officer
4	The Regents of the University of California on behalf of the University of California, San Francisco, Department of Neurological Surgery	$7,594,371	8/1/2025	7/31/2027	FC - 7-2-25 BOT Approved 7-9-25	Provision of neurological surgery professional services.		Chief Medical Officer
	Total Amount for FY 25 year to date	$19,727,015						