



FINANCE COMMITTEE MEETING*
WEDNESDAY, APRIL 1, 2026
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=89369524764>

Meeting ID: 936 145 7125
Password: 20200513

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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.

*** THIS MEETING IS ALSO NOTICED AS A SPECIAL MEETING OF THE
BOARD OF TRUSTEES**

BOARD OF TRUSTEES MEMBERS

Alan E. Fox	Greg Garrett
Lilavati Indulkar, MD	Donna Linton
Nicholas Moss, MD	Nely Obligacion
Rachel Richman	David Sayen
Sblend A. Sblendorio	

**FINANCE COMMITTEE REGULAR MEETING AND
BOARD OF TRUSTEES SPECIAL 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 wish to address the Board or Committee regarding an item on the agenda or in their purview, please communicate your intent with the Clerk of the Board prior to or at the beginning of the meeting. Time limitations shall be at the discretion of the Chair. Signups for public comment will close 10 minutes after public comment begins.

OPEN SESSION / ROLL CALL

PUBLIC COMMENT

A. [ACTION: Approval of the Minutes of the March 4, 2026 Finance Committee Meeting](#)

B. INFORMATION / DISCUSSION

B1. [Chief Financial Officer Report](#)

Kimberly Miranda, Chief Financial Officer

B1a. AHS February 2026

B1b. St. Rose January 2026t

B2. [Chief Operating Officer Report](#)

Mark Fratzke, Chief Operating Officer

Alex Gallo, Vice President Financial Transformation

B2a. Long Range Financial Plan

C. ACTION / DISCUSSION

C1. DISCUSSION: FY 27 Preliminary Budget

Kimberly Miranda, Chief Financial Officer

Grace Mesina, Director Financial Planning & Analysis

John Minot-Schwartz, Director Reimbursement and Finance Strategy

C2. DISCUSSION: 2026 Finance Committee Agenda Topics and Format

Alan Fox, Chair

D. ACTION / DISCUSSION: Contracts

D1. Renewal agreement with Hyland Software, Inc. for provision of enterprise content management services. The term of this agreement is effective May 1, 2026 through April 30, 2029. The estimated impact of this agreement is \$2,599,491.

Christine Yang, Chief Information Officer

D2. Renewal agreement with Mission Linen Supply for provision of linen rental and laundry services. The term of this agreement is effective May 1, 2026 through April 30, 2029. The estimated impact of this agreement is \$13,325,000.

Mark Fratzke, Chief Operating Officer

E. DISCUSSION: Committee Planning, Issues Tracking

CLOSED SESSION

1. Conference with Labor Negotiators

[Government Code Section 54957.6]

AHS Designated Representatives: Jet Chapman, CHRO

Employee Organization: SEIU 1021, SEIU-UHW, BTC, ACMEA

2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Gov. Code § 54956.9)

Case name: Service Employees International Union, Local 1021 v. County of Alameda and Alameda Health System, Superior Court of California, County of Alameda, Case No. 26CV168243

(Reconvene to Open Session)

General Counsel Report on Action Taken in Closed Session

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.

**ACTION: Approval of the Minutes of the March 4, 2026
Finance Committee Meeting**



**FINANCE COMMITTEE MEETING
WEDNESDAY, MARCH 4, 2026
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:

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FINANCE COMMITTEE MEMBERS

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

THE MEETING WAS CALLED TO ORDER AT 5:28 pm

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

ABSENT: None

PUBLIC COMMENT: None

Trustee Fox announced that they would hear agenda items A, B, and C1. The remaining items would be deferred to a future meeting.

A. ACTION: Approval of the Minutes of the October 1, 2025 and November 5, 2025 Finance Committee Meeting

Trustee Sblendorio moved and Trustee Sayen seconded to approve agenda item A.

ACTION: A motion was made and seconded to approve agenda item A. A roll call was taken, and the motion passed.

AYES: Trustees Fox, Garrett, Sayen, Sblendorio

NAYS: 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.*

ABSTENTION: None

B. INFORMATION / DISCUSSION

B1. Chief Financial Officer Report

Kimberly Miranda, Chief Financial Officer

B1a. AHS December 2025/January 2026, Year to Date, and GRIT Update

B1b. St. Rose December YTD Financial Report

Trustee Fox asked about the labor variances. They'd had significant rate and utilization variances, altogether losing \$16M in December and January. In prior years they had favorable collection percentages that helped offset chronic unfavorable labor variances. This year they did not have that. They were ahead of budget on revenue, but that came from volume and was no longer enough to offset the big labor variances. Mr. Fratzke said they were putting together a two year plan starting in the next 30 days to understand what their benchmarking was. They hoped in the future to manage that piece of attrition better than they had been. Mr. Jackson said they were going to have to be very clear that they were not going back fill every position and that the decision making process was not arbitrary.

Trustee Fox asked how they benchmarked other organizations labor standards. Ms. Miranda said they had a consultant, FDI, that used a large database. They were developing labor standards for every department. They were also validating the unit of service. Once they had a good understanding they could work with leaders to determine why staffing levels in their area might be higher than other organizations.

Trustee Fox asked if these new standards would drive the budget for next year. Ms. Miranda said that was their plan. But she did not think they could adopt the changes that quickly. Mr. Jackson said they needed to engage the organization, the medical staff, and leaders to come to a common understanding of the criteria.

Trustee Garrett asked what they would be doing to involve labor in these discussions to ensure the rightsizing by attrition had buy-in. Their labor partners made it clear they felt uninvolved. Mr. Jackson said there would be an ad hoc committee with Supervisors Miley and Fortunato Bas that would be a good place for some of this work to take place. But this administration had the responsibility to make those decisions. Trustee Garrett encouraged administration to maintain their authority and responsibilities while involving labor to the highest degree possible.

Trustee Fox asked if the County had ever paid back the 20% they started withholding in 2023. Ms. Miranda said they had not. The County was trying to implement their SmartCare software and still did not have the ability to get the reports. So, they did not know what was being denied or how much was being paid.

B2. Chief Operating Officer Report

Mark Fratzke, Chief Operating Officer

Alex Gallo, Vice President Financial Transformation

John Minot-Schwartz, Director Reimbursement and Finance Strategy

B2a. Long Range Financial Plan

C. ACTION / DISCUSSION

C1.DISCUSSION: Managed Care Contract Update

Kimberly Miranda, Chief Financial Officer

Sandra Wellington, Manager Payor Contracting

Trustee Fox asked how interested the commercial plans were in sending patients to AHS assuming their patients could get in. Ms. Parsons said they had received very favorable feedback from the plans. They were concerned about outpatient clinic visits. That has been a focus they have been working on to gain capacity and see those patients on a repeat basis.

Trustee Fox said some of the plans, Cigna, Aetna, and such, have gone in and out of the Medicare product several times since it's been around. They don't see the rate increases they want from CMS so they drop out. Ms. Parsons said they drop out county by county when they were unable to manage the population.

Trustee Fox asked if a commercial patient was in the ED or had been admitted and needed follow up care – could AHS schedule that follow up with one of their physicians. Ms. Miranda said they were not able to at this point, but they were working on it.

Trustee Sayen said if someone came in through the ER, they would typically already have a relationship with physicians in their home plan.

Trustee Fox said some patients had not seen their primary care physician for years and might be willing to stay with a physician who was helping them.

C2.DISCUSSION: 2026 Finance Committee Agenda Topics and Format

Alan Fox, Chair

D. ACTION / DISCUSSION: Contracts

D1.New agreement with Fisher Scientific Company LLC dba Fisher Healthcare for provision of laboratory supplies. The term of this agreement is effective April 1, 2026 through March 31, 2029. The estimated impact of this agreement is \$6,600,000.

Mark Fratzke, Chief Operating Officer

D2.New agreement with Hill-Rom Company, Inc. for provision of a new nurse call system at our skilled nursing facilities. The term of this agreement is effective March 12, 2026 through March 11, 2027. The estimated impact of this agreement is \$1,430,000.

Mark Fratzke, Chief Operating Officer

E. DISCUSSION: Committee Planning, Issues Tracking

ADJOURNMENT 6:26pm

Chief Financial Officer Report

February 2026 Financial Report

Kimberly Miranda, Chief Financial Officer
Finance Committee
April 1, 2026

February 2026 Financial Report

Finance Dashboard

February-2026

Metric	FY2026 Goal YTD	Actual YTD	YTD	Trend Lines
Volume				
Total Adjusted Discharges	21,430	21,672	●	
Total Adjusted Patient Days	242,789	245,789	●	
Revenue Cycle				
Collection Ratio	19.5%	19.2%	●	
Cash as % of Net Revenue	100.0%	0.1%	●	
Gross Days in Patient Receivables	62.0	65.9	●	
Labor				
Productivity %	100.0%	102.5%	●	
Registry as % of Total FTEs	4.2%	3.7%	●	
Overtime % excl Company 30	4.6%	5.6%	●	
Total FTEs	5,138	5,150	●	
FTE per Adjusted Discharge	0.24	0.24	●	
*Labor Cost/FTE w/o GASB	\$210,942	\$247,113	●	
Profitability				
Total Cost per Adjusted Discharge	\$43,805	\$50,660	●	
Total Cost per Adjusted Patient Days	\$3,866	\$4,467	●	
Net Income	\$6,855	(\$8,836)	●	
EBIDA Margin	2.8%	1.2%	●	
NNB (Net Negative Balance)	<\$95M	-\$54,264	●	
Net Position	>\$0	-\$70,467	●	
Capital				
Capital Spent	\$19,514	\$13,219	●	
% of Capital Spent		66.5%		

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

February 2026 Financial Report

YTD Highlights

- Favorable YTD revenue variance of \$12.7M.
 - Net patient revenue above budget (\$1.2M), higher charges offset by collection percentage - 0.3% below budget.
 - Other government programs above budget (\$3.3M) from CY2024 Rate Range (\$4.2M) offset by CY2024 DP-NF Pass-through (\$1.3M).
 - Other operating income above budget (\$8.3M) from retail pharmacy (\$3.6M) and one-time items: SAC law settlement on older claims (\$3.1M) and Alameda Alliance P4P (\$1.5M).

- Unfavorable YTD expense variance of \$27.6M.
 - Labor costs unfavorable by \$24.3M from unfavorable staff wages and registry (\$16.6M), employee benefits (\$5.7M), retirement (\$1.6M), and provider wages/contracts (\$0.3M).
 - Non-labor cost unfavorable by \$3.3M from unfavorable variances in pharmaceuticals (\$3.3M), medical/surgical supplies (\$2.9M) offset by outside medical services (\$2.8M).
 - OMS budget overstated reflecting duplicate invoices.

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	\$ 134,618	\$ 131,060	\$ 3,558	2.7%	\$ 1,091,638	\$ 1,078,980	\$ 12,658	1.2%	\$ 1,061,310	2.9%
Operating expense	132,385	131,591	(794)	(0.6)%	1,097,908	1,070,334	(27,574)	(2.6)%	1,032,959	(6.3)%
Operating income (loss)	2,233	(531)	2,764	520.5%	(6,270)	8,646	(14,916)	(172.5)%	28,351	(122.1)%
Other non-operating activity	(291)	(126)	(165)	(131.0)%	(2,567)	(2,449)	(118)	(4.8)%	(3,018)	14.9%
Net Income (loss)	\$ 1,942	\$ (657)	\$ 2,599	395.6%	\$ (8,837)	\$ 6,197	\$ (15,034)	(242.6)%	\$ 25,333	(134.9)%
EBIDA adjustments	2,635	2,585	50		21,443	22,499	(1,056)		30,489	
EBIDA	\$ 4,577	\$ 1,928	\$ 2,649		\$ 12,606	\$ 28,696	\$ (16,090)		\$ 55,823	
Operating Margin	1.7%	(0.4)%	2.1%		(0.6)%	0.8%	(1.4)%		2.7%	
EBIDA Margin	3.4%	1.5%	1.9%		1.2%	2.7%	(1.5)%		5.3%	
Total FTEs	5,150	5,140	(10)	(0.2)%	5,204	5,138	(66)	(1.3)%	5,093	

February 2026 Financial Report

Net Patient Services Revenue Highlights

- Gross patient service revenue favorable driven by outpatient services.
 - General Acute inpatient days and discharges below budget; Length of Stay was up slightly and CMI increased above trend.
 - Trauma cases below budget 9.8% for month and above 0.2% YTD.
 - Inpatient surgery above budget 8.1% for month and below 5.6% YTD.
 - ED visits below budget 1.9%, however charges per visit increased. YTD above budget 3.5%
 - Outpatient surgery above budget 1.4% and 6.1% YTD.
 - Total Clinic visits above budget by 3.4% and 1.7% YTD.
 - SNF occupancy at 96%, exceeding budget.
 - JGP census below budget; PES visits above budget 7.9% and above 5.1% YTD.
- NSPR Collection ratio YTD was 19.3% and below target.
 - Rate increases for government and Managed Medi-Cal were included in budget evenly and start in January.
 - Mix of services changed from inpatient to outpatient with a lower collection percentage.

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	\$ 204,692	\$ 211,627	\$ (6,935)	(3.3)%	\$ 1,756,717	\$ 1,770,240	\$ (13,523)	(0.8)%	\$ 1,705,419	3.0%
Outpatient service revenue	147,636	142,133	5,503	3.9%	1,253,176	1,167,329	85,847	7.4%	1,137,644	10.2%
Professional service revenue	40,360	38,376	1,984	5.2%	333,693	335,043	(1,349)	(0.4)%	344,265	(3.1)%
Gross patient service revenue	392,688	392,137	552	0.1%	3,343,587	3,272,612	70,975	2.2%	3,187,328	4.9%
Deductions from revenue	(316,816)	(315,482)	(1,334)	(0.4)%	(2,702,626)	(2,632,883)	(69,744)	(2.6)%	(2,566,375)	5.3%
Net patient service revenue	75,873	76,655	(782)	(1.0)%	640,960	639,730	1,231	0.2%	620,954	(3.2)%
Collection % - NPSR	19.3%	19.5%	(0.2)%		19.2%	19.5%	(0.3)%		19.5%	
Capitation and HPAC	4,429	4,521	(92)	(2.0)%	35,733	35,872	(139)	(0.4)%	36,908	(3.2)%
Other government programs	48,950	45,415	3,535	7.8%	366,612	363,320	3,292	0.9%	363,377	0.9%
Other operating revenue	5,366	4,469	897	20.1%	48,333	40,059	8,274	20.7%	40,071	20.6%
Total operating revenue	\$ 134,618	\$ 131,060	\$ 3,558	2.7%/103	\$ 1,091,639	\$ 1,078,981	\$ 12,658	1.2%	\$ 1,061,310	2.9%

February 2026 Financial Report

Governmental and Other Revenue Highlights

- Other government programs favorable from Measure A Q2 adjustment (\$2.0M) and Medi-Cal Rate Range CY24 (\$1.8M). YTD, favorable from Rate Range CY24 (\$4.2M), Alameda Alliance P4P (\$1.2M), parcel tax (\$0.8M), FEMA (\$0.2M) offset by unfavorable variance for Prop56 (\$1.5M), DP-NF Pass-through (\$1.3M), and Measure A FY26 Q1-Q2 adjustment (\$0.5M). DP-NF Pass-through payment for CY24 was \$23.8 million which was \$2.0 million lower than the anticipated funding of \$25.8 million. This will be an on-going variance.
- Other operating revenue favorable from higher retail pharmacy (\$0.5M) and SRH management fee (\$0.3M). YTD, favorable driven by the settlement on low pay patient accounts (\$3.1M), SRH management fee excluded from the budget (\$2.3M), Alameda Alliance incentive (\$0.3M), higher retail pharmacy (\$2.8M) offset by unfavorable grant activity (\$1.4M).

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Net patient service revenue	75,873	76,655	(782)	(1.0)%	640,960	639,730	1,231	0.2%	620,954	(3.2)%
Capitation and HPAC	4,429	4,521	(92)	(2.0)%	35,733	35,872	(139)	(0.4)%	36,908	(3.2)%
Medi-Cal Waiver	8,554	8,474	80	0.9%	67,985	67,789	196	0.3%	75,053	(9.4)%
Measure A and parcel tax	14,728	12,760	1,968	15.4%	102,323	102,076	247	0.2%	102,540	(0.2)%
Supplemental Programs	25,668	24,182	1,486	6.1%	196,303	193,455	2,848	1.5%	185,784	5.7%
Other government programs	48,950	45,415	3,535	7.8%	366,611	363,320	3,291	0.9%	363,377	0.9%
Grant Revenue	1,023	1,284	(261)	(20.3)%	9,043	10,710	(1,667)	(15.6)%	10,043	(10.0)%
Other Operating Revenue	4,344	3,185	1,159	36.4%	39,290	29,349	9,941	33.9%	30,028	30.8%
Other operating revenue	5,366	4,469	897	20.1%	48,333	40,059	8,274	20.7%	40,071	20.6%
Total operating revenue	\$ 134,618	\$ 131,060	\$ 3,558	2.7%	\$ 1,091,638	\$ 1,078,981	\$ 12,657	1.2%	\$ 1,061,310	2.9%

February 2026 Financial Report

Expense Highlights excluding Labor (part 1)

- Purchased services favorable from budget timing for IT software fees (\$0.8M) offset by higher interpretative services (\$0.2M) and Coder Services (\$0.2M). YTD, favorable from outside medical services (\$2.8M), software licenses/hosting fees (\$2.7M), security services (\$0.3M), emergency food/shelter (\$0.2M) offset by unfavorable Coder Services (\$1.6M) management services (\$0.5M), and remaining \$0.1M spread across many cost centers.
 - The favorable variance in outside medical services is expected to continue for the remainder of the fiscal year. The budget was based on higher ambulance services which were the result of duplicate invoices between sister companies. A refund of \$1.2 million was received in June 2025.
 - The unfavorable variance for coders in Health Information Services is offset by a favorable variance under registry.
- Material and supplies approximate budget with offsetting variances in pharmaceuticals and supplies. YTD, unfavorable due to pharmaceuticals (\$3.3M), medical/surgical supplies (\$2.9M) offset by favorable non-medical supplies (\$0.6M).

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 102,462	\$ 101,617	\$ (845)	(0.8)%	\$ 848,422	\$ 824,162	\$ (24,260)	(2.9)%	\$ 786,137	(7.9)%
Purchased services	8,525	8,896	371	4.2%	69,206	72,983	3,777	5.2%	68,943	(0.4)%
Materials and supplies	12,389	12,464	75	0.6%	110,587	105,023	(5,564)	(5.3)%	102,182	(8.2)%
Facilities	4,125	3,110	(1,015)	(32.6)%	29,901	26,376	(3,525)	(13.4)%	25,123	(19.0)%
Depreciation and amortization	2,335	2,446	111	4.5%	18,870	19,946	1,076	5.4%	27,599	31.6%
General and administrative	2,549	3,058	509	16.6%	20,922	21,844	922	4.2%	22,975	8.9%
Total operating expense	\$ 132,385	\$ 131,591	\$ (794)	(0.6)%	\$ 1,097,908	\$ 1,070,334	\$ (27,574)	(2.6)%	\$ 1,032,959	(6.3)%

February 2026 Financial Report

Expense Highlights excluding Labor (part 2)

- Facilities unfavorable from facility repairs (\$1.1M), equipment rentals (\$0.2M) offset by favorable utilities (\$0.3M). YTD, unfavorable from facility repairs (\$5.0M), facility leases (\$0.3M) offset by favorable utilities (\$1.8M). Facility repairs occurred at Highland Hospital (\$2.9M), Alameda Hospital (\$1.6M), and San Leandro Hospital (\$0.4M).
- Depreciation and amortization favorable from lower equipment depreciation (\$0.4M) offset by higher lease and software amortization (\$0.3M). YTD, favorable from lower equipment depreciation (\$3.4M) offset by higher lease and software amortization (\$2.3M).
- General and administrative unfavorable from timing of insurance (\$0.3M), recruiting (\$0.1M), and AHSF subsidy (\$0.1M). YTD, favorable from recruitment expense (\$0.7M) and insurance (\$0.4M), offset by \$0.2M across many cost centers.

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Facilities	4,125	3,110	(1,015)	(32.6)%	29,901	26,376	(3,525)	(13.4)%	25,123	(19.0)%
Depreciation and amortization	2,335	2,446	111	4.5%	18,870	19,946	1,076	5.4%	27,599	31.6%
General and administrative	2,549	3,058	509	16.6%	20,922	21,844	922	4.2%	22,975	8.9%
Total operating expense	\$ 132,385	\$ 131,591	\$ (794)	(0.6)%	\$ 1,097,908	\$ 1,070,334	\$ (27,574)	(2.6)%	\$ 1,032,959	(6.3)%

February 2026 Financial Report

Expense Highlights – Labor

- Staff and registry unfavorable for month (\$1.5M) and YTD (\$16.6M).
 - Staff salaries and registry unfavorable driven higher rate (\$1.2M) and higher FTEs (25 FTEs/\$0.3M); although FTE are closer to budget. YTD, unfavorable due to higher rate (\$7.8M) and higher FTEs (84 FTEs/\$8.8M).
- Provider salaries and contracts favorable for month (\$0.3M) and unfavorable YTD (\$0.4M).
 - Provider salaries favorable due to unrealized recruitment (15 FTEs/\$0.4M) offset by higher rate (\$0.1M). YTD, favorable from unrealized recruitment (18 FTEs/\$4.7M) offset by higher rate (\$4.1M).
 - Physician contract services approximate budget for month and unfavorable YTD (\$0.9M).

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 57,975	\$ 55,313	\$ (2,662)	(4.8)%	\$ 487,455	\$ 463,888	\$ (23,567)	(5.1)%	\$ 440,622	(10.6)%
Salaries and wages (providers)	11,994	12,388	394	3.2%	103,553	104,108	555	0.5%	97,480	(6.2)%
Registry	2,734	3,898	1,164	29.9%	26,616	33,571	6,955	20.7%	34,948	23.8%
Physician contract services	3,856	3,796	(60)	(1.6)%	30,056	29,135	(921)	(3.2)%	28,325	(6.1)%
Employee benefits (taxes, insur	17,473	17,467	(6)	(0.0)%	134,936	129,219	(5,717)	(4.4)%	122,628	(10.0)%
Retirement	8,430	8,755	325	3.7%	65,806	64,241	(1,565)	(2.4)%	62,135	(5.9)%
Total labor costs	\$ 102,462	\$ 101,617	\$ (845)	(0.8)%	\$ 848,422	\$ 824,162	\$ (24,260)	(2.9)%	\$ 786,137	(7.9)%
Compensation ratio	76.1%	77.5%	1.4%		77.7%	76.4%	-1.3%		74.1%	
Paid FTEs - staff	4,592	4,520	(72)	(1.6)%	4,629	4,520	(109)	(2.4)%	4,615	(0.3)%
Paid FTEs - providers	387	402	15	3.7%	384	402	18	4.5%	289	(32.9)%
Paid FTEs - registry	171	218	47	21.6%	191	216	25	11.6%	229	16.6%
Total FTEs	5,150	5,140	(10)	(0.2)%	5,204	5,138	(66)	(1.3)%	5,133	(1.4)%

February 2026 Financial Report

Expense Highlights – Benefits (continued)

- Employee Benefits unfavorable from higher self-funded health (\$0.4M), FICA (\$0.4M), other benefits (\$0.2M) offset by lower Kaiser health plan (\$0.9M) and worker compensation (\$0.1M). YTD, unfavorable from higher self-funded health (\$10.1M), FICA (\$0.5 million) offset by lower Kaiser health plan (\$3.0M), other benefits (\$1.1M), and timing of resident housing allowance (\$0.8M).
- Retirement favorable from ACERA (\$0.4M) offset by union plans (\$0.1M). YTD, unfavorable from ACERA (\$0.8M) and union plans (\$0.8M).

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 57,975	\$ 55,313	\$ (2,662)	(4.8)%	\$ 487,455	\$ 463,888	\$ (23,567)	(5.1)%	\$ 440,622	(10.6)%
Salaries and wages (providers)	11,994	12,388	394	3.2%	103,553	104,108	555	0.5%	97,480	(6.2)%
Registry	2,734	3,898	1,164	29.9%	26,616	33,571	6,955	20.7%	34,948	23.8%
Physician contract services	3,856	3,796	(60)	(1.6)%	30,056	29,135	(921)	(3.2)%	28,325	(6.1)%
Employee benefits (taxes, insur	17,473	17,467	(6)	(0.0)%	134,936	129,219	(5,717)	(4.4)%	122,628	(10.0)%
Retirement	8,430	8,755	325	3.7%	65,806	64,241	(1,565)	(2.4)%	62,135	(5.9)%
Total labor costs	\$ 102,462	\$ 101,617	\$ (845)	(0.8)%	\$ 848,422	\$ 824,162	\$ (24,260)	(2.9)%	\$ 786,137	(7.9)%
Compensation ratio	76.1%	77.5%	1.4%		77.7%	76.4%	-1.3%		74.1%	
Paid FTEs - staff	4,592	4,520	(72)	(1.6)%	4,629	4,520	(109)	(2.4)%	4,615	(0.3)%
Paid FTEs - providers	387	402	15	3.7%	384	402	18	4.5%	289	(32.9)%
Paid FTEs - registry	171	218	47	21.6%	191	216	25	11.6%	229	16.6%
Total FTEs	5,150	5,140	(10)	(0.2)%	5,204	5,138	(66)	(1.3)%	5,133	(1.4)%

February 2026 Financial Report

Balance Sheet Key Metrics

- Days in Cash are 0.7 days and lower than year-end; typically, below 5.0 days.
- Gross AR Days increased 2.9 days and Net AR Days increased 12.7 days. See next slide for additional detail.
- Days in Accounts Payable increased 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 \$70.5M and increased \$18.7M from June 30, 2025 reflecting YTD Net Loss.
- Net Negative Balance is a payable of \$54.3M. NNB consists of the liquidity facility (loan) of \$82.6M offset by the restricted cash of \$28.3M; and is expected to be below the June 30, 2026 credit ceiling of \$95.0M at the end of the fiscal year.

	<u>Feb-26</u>	<u>Jan-26</u>	<u>FY 2025</u>
Days in cash	0.7	0.4	2.9
Gross days in patient receivable	65.9	68.8	62.4
Net days in patient receivable	41.1	53.8	43.8
Due from/(to) third-party payors	\$ 288,913	\$ 215,770	\$ 158,555
Due from/(to) County	\$ (34,106)	\$ 24,466	\$ 49,680
Days in accounts payable	33.7	31.6	38.3
% of AP over 60 days	3.9%	4.3%	4.0%
Net position - fund balance/(deficit)	\$ (70,467)	\$ (72,408)	\$ (61,798)
Net negative balance - receivable/(payable)	\$ (54,264)	\$ (62,935)	\$ 26,949

February 2026 Financial Report

Patient Accounts Receivable Trending

Trending Graph

AR Summary - Total AR - Days

Dec 14 2025 - Mar 13 2026
Min: 66.3 Max: 76.2 Most Recent: 68.6



Hospital Revenue Cycle Key Indicators

- HB AR Days (gross) decreased by 6.8 days to 66.9 days.
- February collections were \$77.4M. Higher than the average of the prior twelve months at \$59.2M.
- Coding work queue decreased 0.8 days.
- Inpatient CDI is under review to determine improvements for specific DRGs that may not capture all complication or comorbidity.

Trending Graph

Total Active AR - Days

Dec 14 2025 - Mar 13 2026
Min: 32.6 Max: 39.4 Most Recent: 34.9



Professional Revenue Cycle Key Indicators

- PB AR Days (gross) decreased by 3.7 days to 34.4 days and are at Epic's top 25% tier.
- February collections were \$12.8M. Higher than average of the prior twelve months at \$11.5M.
- Enterprise CI launched to address provider clinical documentation along with charge automation and usage of Epic tools.

February 2026 Financial Report

Patient Collections

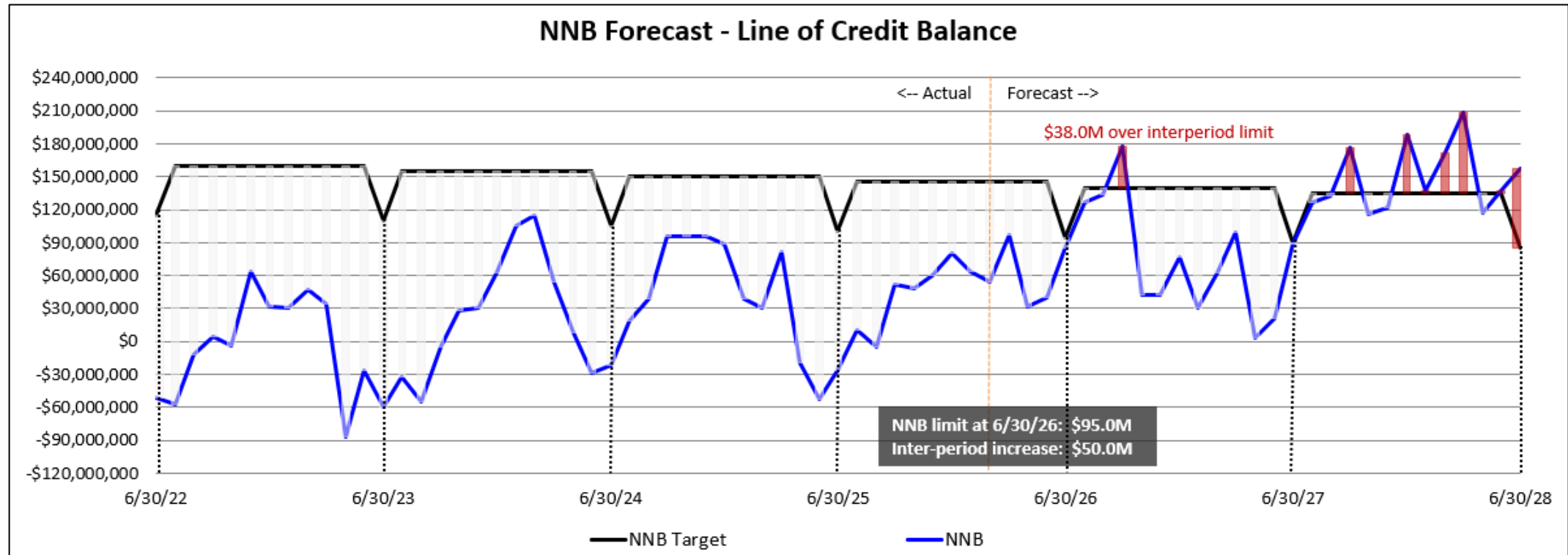
PATIENT COLLECTIONS (in thousands)							
	Behavioral Health	Epic	Total FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Jul	11,928	67,883	79,811	72,694	79,592	74,260	59,732
Aug	28,651	82,136	110,787	79,768	69,313	58,590	57,374
Sep	-	66,819	66,819	69,741	63,322	76,063	61,968
Oct	868	82,323	83,191	76,783	63,122	59,796	49,923
Nov	11,569	71,370	82,939	78,747	57,781	56,939	52,057
Dec	7,275	65,241	72,516	94,631	63,867	67,018	68,121
Jan	6,034	63,286	69,320	89,014	68,757	71,452	62,292
Feb	4,293	90,269	94,562	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	70,618	589,327	659,945	943,182	831,444	776,453	705,637
% change between fiscal years			4.8%	13.4%	7.1%	10.0%	

- Epic collections are higher from resolution of Medi-Cal delays.
- Payments received for JGP in February for the FY26 contract.
 - JGP FY26 contract was executed at \$81.2M. The maximum contract have been paid for prior years.
 - Since the conversion to SmartCare/CalAIM in July 2023, the County began withholding approximately 20% of AHS invoices for provided services.

February 2026 Financial Report

Line of Credit (NNB) and AHS Business Cycle

- The graph below shows the business cycle which is driven by timing of the supplemental funding. The graph has not materially changed this month.
- The NNB is projected to increase to \$183.0M during the first quarter of FY2027 and will continue to exceed the NNB in future fiscal years if interventions are not taken.
- Significant looming HR1 and other state impacts are not included in the forecast model.
- COT initiatives (labor and non-labor) are in process to mitigate future HR 1 impacts.



February 2026 Financial Report

Material Items Impacting NNB Forecast

Material Items Included in NNB Forecast (in thousands)

	Mar-26	FY26 Q4	FY27 Q1	FY27 Q2	FY27 Q3	FY27 Q4
GPP (quarterly)	\$ -	\$ 51,788	\$ 23,550	\$ 23,550	\$ 28,650	\$ 19,700
EPP (semi-annual)	-	31,800	-	75,350	-	39,500
QIP	-	36,658	-	50,000	-	50,000
Medi-Cal Rate Range	-	-	-	-	51,300	-
BHCS (JGP/Alameda County) - fy26	12,167	18,251	12,167	-	-	-
BHCS (JGP/Alameda County) - fy27	-	-	-	18,900	18,900	25,200
HPAC	-	10,800	-	21,600	10,800	10,800
AB85 Realignment	-	-	-	4,800	-	-
SNF DP-NF (final pmt Jan-27)	-	-	-	-	26,000	-
Waiver recoupment (fy11, fy12)	-	29,169	-	-	-	-
St. Rose Hospital LOC	3,800	(10,600)	-	-	7,500	(7,500)
Donation to St. Rose Hospital	-	9,508	-	-	10,507	-
	<u>\$ 15,967</u>	<u>\$ 177,374</u>	<u>\$ 35,717</u>	<u>\$ 194,200</u>	<u>\$ 153,657</u>	<u>\$ 137,700</u>

Prior Year Reimbursement Settlements

AB915 (fy14-fy20)	(17,000)	TBD
Medi-Cal FQHC recoupment (fy08 - fy13)	(40,000)	TBD
Physician SPA (fy08 - fy13)	(25,100)	TBD
	<u>\$ (82,100)</u>	

- Overall, activity consistent with prior month's forecast
- GPP CY2025 Q4 (\$18.6M) moved from February 2026 to May 2026.
- GPP CY2025 Q4 funding based on DHCS notification increased by \$7.0M.
- GPP CY2026 Q1 funding based on DHCS notification increased by \$1.6M.
- HPAC quarterly payment \$10.8M moved from March 2026 to May 2026 (FY26 Q4).
- St. Rose donation moved to from March 2026 to April 2026 pending notification from State.

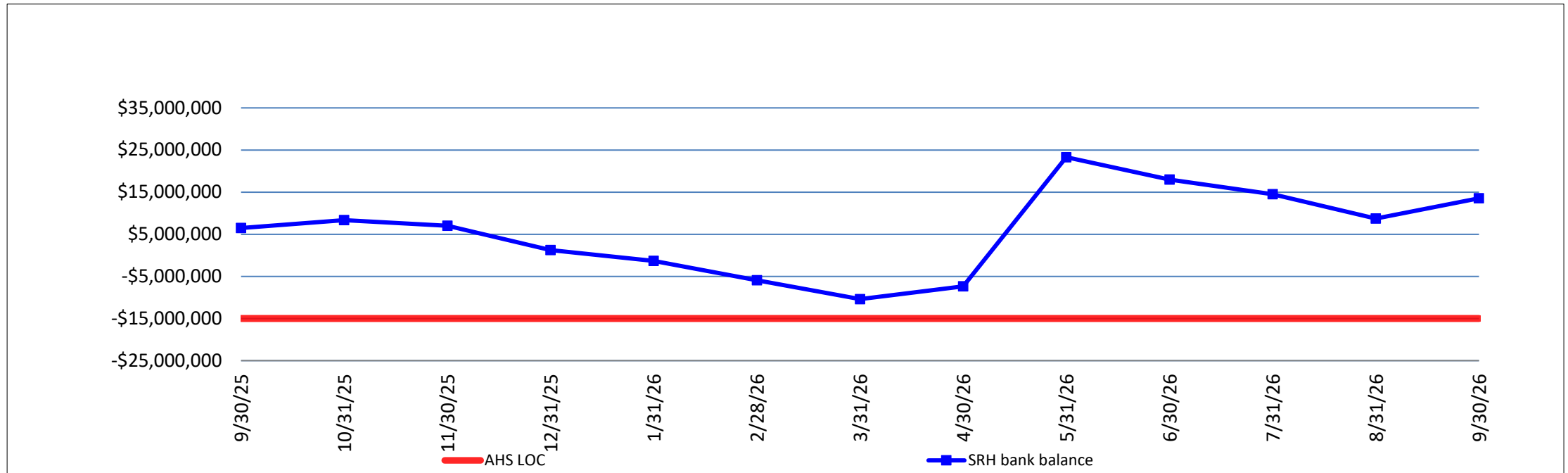
- SRH’s YTD net loss (\$10.7M), \$4.6M favorable to budget
 - Gross charges above budget due to higher-than-projected census, partially offset by unfavorable SNF volume.
 - Net patient service revenue variance, favorable 8.6% (\$3.7M), driven by higher gross patient revenue (\$5.2M). AR days increased by 2.
 - QAF continues to be recognized based on the contractor’s analysis and recommendation, while awaiting CMS approval of the new program.
 - Expenses approximate budget; with favorable variance across non-labor categories offsetting higher labor costs primarily due to registry utilization.

- MOB’s YTD net income (\$263K), \$46K favorable to budget.
 - Repairs and maintenance delay helps offset higher utility costs.

- Foundation’s YTD net income (\$21K), \$21K unfavorable due to lower investment income.

	February 28, 2026				FY2026 Year-To-Date				FY2025 Year-To-Date		
	Actual	Budget	Var (\$)	Var (%)	Actual	Budget	Var (\$)	Var (%)	FY2025	Var (\$)	Var (%)
Total Net Patient Service Revenue	\$7,607	\$7,993	(\$387)	-4.8%	\$46,720	\$43,026	\$3,694	8.6%	\$41,353	\$5,366	13.0%
Total Other Revenue	\$178	\$184	(\$6)	-3.3%	\$892	\$880	12	1.4%	\$9,168	(8,276)	-90.3%
TOTAL OPERATING REVENUE	\$7,785	\$8,178	(\$393)	-4.8%	\$47,612	\$43,905	\$3,706	8.4%	\$50,521	(\$2,910)	-5.8%
Less: Operating Expenses	\$10,735	\$10,887	\$152	1.4%	\$57,099	\$57,664	\$565	1.0%	\$58,732	\$1,633	2.8%
EBITDA	(\$2,950)	(\$2,709)	(\$241)	8.9%	(\$9,487)	(\$13,759)	\$4,272	-31.0%	(\$8,210)	(\$1,277)	15.6%
Total Non-Operating Exp/(Income)	\$362	\$452	(\$90)	-20.0%	\$937	\$1,242	(\$305)	-24.6%	\$2,249	(\$1,312)	-58.3%
NET INCOME/(LOSS)	(\$3,312)	(\$3,161)	(\$150)	4.8%	(\$10,424)	(\$15,001)	\$4,576.51	-30.5%	(\$10,459)	\$35.29	-0.3%

- Cash position declined during the month despite higher collections, primarily due to \$2.5M in QAF fee payments and routine vendor disbursements. As a result, an additional draw was required from the AHS LOC to maintain liquidity, \$4.3M (YTD total - \$6.8M).
- New QAF program for CY 2025 not reflected in the cash projection, normally receive in Q1 pending guidance from CMS. Budget revenue for 2026 was \$10.2M based on 2025 expert analysis by SCA. DCHS is in the midst of creating a model for 2026, expected to be completed late next month.
- Full IGT funding is projected for May receipt (\$36M) pending CMS approval; The local share will be provided by AHS (\$9.5M), Eden (\$500K), EV2036 c/o Sup Marquez (\$1M).



Appendix

Volume Highlights

February 2026 Financial Report

Volume Highlights – Part 1

	February 2026				FY2026 Year-To-Date				FY2025 Year-To-Date		
	Actual	Budget	Var	% Var	Actual	Budget	Var	% Var	Actual	Var	% Var
Campus: AHS ALL CAMPUS											
Total Adjusted Patient Days	29,146	28,912	234	0.8%	245,789	242,789	3,000	1.2%	241,653	4,136	1.7%
Total Adjusted Discharges	2,524	2,668	-144	-5.4%	21,672	21,430	242	1.1%	20,867	806	3.9%
Physician wRVU	129,510	103,674	25,835	24.9%	1,084,703	946,523	138,180	14.6%	1,163,679	-78,976	-6.8%
FQHC & Other Clinic Visits	35,014	33,849	1,165	3.4%	285,919	290,906	4,987	1.7%	273,534	11,046	4.0%
GENERAL ACUTE											
Patient Days	5,705	6,305	-600	-9.5%	48,129	51,403	-3,274	-6.4%	51,302	-3,173	-6.2%
Discharges	1,141	1,241	-100	-8.1%	9,853	9,966	-113	-1.1%	9,791	62	0.6%
Average Length of Stay	5.0	5.1	0.1	1.6%	4.9	5.2	0.3	5.3%	5.2	0.4	6.8%
Occupancy %	68.0%	76.0%	-7.0%		66.0%	71.0%	-5.0%		71.0%	-4.0%	
CMI	1.636	1.540	0.096	6.2%	1.619	1.562	0.056	3.6%	1.646	-0.027	-1.7%
Emergency Visits	9,007	9,180	-173	-1.9%	75,193	72,655	2,538	3.5%	72,914	2,279	3.1%
Trauma Cases	224	248	-24	-9.8%	2,432	2,428	4	0.2%	2,477	-45	-1.8%
Observation Equivalent Days	707	736	-30	-4.0%	5,947	5,330	617	11.6%	5,104	843	16.5%
Surgeries	570	547	23	4.2%	5,353	5,317	36	0.7%	5,823	-470	-8.1%
Deliveries	122	108	14	13.5%	1,068	1,112	-44	-3.9%	1,072	-4	-0.4%
PSYCH											
Psych Patient Days	1,814	1,849	-35	-1.9%	16,017	15,855	162	1.0%	15,546	471	3.0%
Psych Discharges	183	213	-30	-14.3%	1,660	1,769	-109	-6.2%	1,675	-15	-0.9%
Average Length of Stay	9.9	8.7	-1.3	-14.5%	9.6	9.0	-0.7	-7.7%	9.3	-0.4	-4.0%
PES Equivalent Days	594	551	43	7.9%	5,561	5,292	269	5.1%	5,328	233	4.4%

February 2026 Financial Report

Volume Highlights – Part 2

	February 2026				FY2026 Year-To-Date				FY2025 Year-To-Date		
	Actual	Budget	Var	% Var	Actual	Budget	Var	% Var	Actual	Var	% Var
Campus: AHS ALL CAMPUS											
REHAB											
Rehab Patient Days	656	708	-52	-7.4%	5,555	5,880	-325	-5.5%	5,595	-40	-0.7%
Rehab Discharges	42	54	-12	-21.6%	408	445	-37	-8.3%	416	-8	-1.9%
Average Length of Stay	15.6	13.2	-2.4	-18.1%	13.6	13.2	-0.4	-3.0%	13.4	-0.2	-1.2%
Occupancy %	84.0%	90.0%	0.0%		82.0%	86.0%	0.0%		82.0%	0.0%	
SNF WITH SUB-ACUTE											
SNF Patient Days	7,828	7,719	109	1.4%	67,323	66,987	336	0.5%	66,816	507	0.8%
Average Daily Census	279.6	275.7	3.9	1.4%	277.0	275.7	1.4	0.5%	275.0	2.1	0.8%
Occupancy %	96.0%	95.0%	0.0%		96.0%	95.0%	0.0%		95.0%	0.0%	
Bed Holds	70	93	-23	-24.6%	638	652	-14	-2.1%	704	-66	-9.4%
PAYOR MIX											
Insurance %	7.1%	7.3%	-0.2%		6.7%	7.2%	-0.5%		7.0%	-0.3%	
Medi-Cal %	59.5%	57.9%	1.6%		59.6%	60.4%	-0.8%		60.5%	-0.9%	
Medicare %	28.7%	30.1%	-1.5%		29.5%	27.6%	1.9%		28.3%	1.1%	
Other Govt %	2.1%	2.0%	0.1%		1.5%	1.8%	-0.4%		1.7%	-0.2%	
Self-Pay %	2.7%	2.7%	-0.1%		2.8%	3.0%	-0.2%		2.6%	0.3%	
Total Payor Mix %	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%		100.0%	0.0%	



MEMORANDUM

1411 East 31st Street
Oakland, CA 94602

TO: AHS Finance Committee
FROM: Kim Miranda, CFO
DATE: March 27, 2026
SUBJECT: February 2026 Financial Report

Financial Summary

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	\$ 134,618	\$ 131,060	\$ 3,558	2.7%	\$ 1,091,638	\$ 1,078,980	\$ 12,658	1.2%	\$ 1,061,310	2.9%
Operating expense	132,385	131,591	(794)	(0.6)%	1,097,908	1,070,334	(27,574)	(2.6)%	1,032,959	(6.3)%
Operating income (loss)	2,233	(531)	2,764	520.5%	(6,270)	8,646	(14,916)	(172.5)%	28,351	(122.1)%
Other non-operating activity	(291)	(126)	(165)	(131.0)%	(2,567)	(2,449)	(118)	(4.8)%	(3,018)	14.9%
Net Income (loss)	\$ 1,942	\$ (657)	\$ 2,599	395.6%	\$ (8,837)	\$ 6,197	\$ (15,034)	(242.6)%	\$ 25,333	(134.9)%
EBIDA adjustments	2,635	2,585	50		21,443	22,499	(1,056)		30,489	
EBIDA	\$ 4,577	\$ 1,928	\$ 2,649		\$ 12,606	\$ 28,696	\$ (16,090)		\$ 55,823	
Operating Margin	1.7%	(0.4)%	2.1%		(0.6)%	0.8%	(1.4)%		2.7%	
EBIDA Margin	3.4%	1.5%	1.9%		1.2%	2.7%	(1.5)%		5.3%	
Total FTEs	5,150	5,140	(10)	(0.2)%	5,204	5,138	(66)	(1.3)%	5,093	

Net Income for the month was \$1.9 million compared to a budget loss of \$0.7 million and favorable to budget by \$2.6 million and 395.6%. Operating Revenue was \$134.6 million and favorable to budget by \$3.6 million and 2.7%. Operating Expense was \$132.4 million and unfavorable to budget by \$0.8 million and 0.6%. Earnings before interest, depreciation, and amortization (EBIDA) was \$4.6 million and the EBIDA Margin was 3.4% compared to a budget EBIDA of \$1.9 million and a budget EBIDA Margin of 1.5%. For the month, EBIDA was favorable by \$2.6 million to budget.

Net Income year-to-date (YTD) was a loss of \$8.8 million compared to a budget of \$6.2 million and unfavorable to budget by \$15.0 million and 242.6%. Operating Revenue was \$1.1 billion and favorable to budget by \$12.7 million and 1.2%. Operating Expense was \$1.1 billion and unfavorable to budget by \$27.6 million and 2.6%. EBIDA was \$12.6 million and the EBIDA Margin was 1.2% compared to the budget EBIDA of \$28.7 million and a budget EBIDA Margin of 2.7%. For the year, EBIDA is unfavorable by \$16.1 million to budget.

Operating Revenue

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	\$ 204,692	\$ 211,627	\$ (6,935)	(3.3)%	\$ 1,756,717	\$ 1,770,240	\$ (13,523)	(0.8)%	\$ 1,705,419	3.0%
Outpatient service revenue	147,636	142,133	5,503	3.9%	1,253,176	1,167,329	85,847	7.4%	1,137,644	10.2%
Professional service revenue	40,360	38,376	1,984	5.2%	333,693	335,043	(1,349)	(0.4)%	344,265	(3.1)%
Gross patient service revenue	392,688	392,137	552	0.1%	3,343,587	3,272,612	70,975	2.2%	3,187,328	4.9%
Deductions from revenue	(316,816)	(315,482)	(1,334)	(0.4)%	(2,702,626)	(2,632,883)	(69,744)	(2.6)%	(2,566,375)	5.3%
Net patient service revenue	75,873	76,655	(782)	(1.0)%	640,960	639,730	1,231	0.2%	620,954	(3.2)%
Collection % - NPSR	19.3%	19.5%	(0.2)%		19.2%	19.5%	(0.3)%		19.5%	
Capitation and HPAC	4,429	4,521	(92)	(2.0)%	35,733	35,872	(139)	(0.4)%	36,908	(3.2)%
Other government programs	48,950	45,415	3,535	7.8%	366,612	363,320	3,292	0.9%	363,377	0.9%
Other operating revenue	5,366	4,469	897	20.1%	48,333	40,059	8,274	20.7%	40,071	20.6%
Total operating revenue	\$ 134,618	\$ 131,060	\$ 3,558	2.7%	\$ 1,091,639	\$ 1,078,981	\$ 12,658	1.2%	\$ 1,061,310	2.9%

Gross Patient Revenue

Gross Patient Service Revenue (patient charges) was \$392.7 million for the month and favorable to budget by \$0.6 million and 0.1%. Outpatient and Professional Fee charges were above budget by 3.9% and 5.2%, respectively. Inpatient charges were below budget by 3.3%. For the year, Gross Patient Service Revenue was \$3.3 billion and favorable to budget by \$71.0 million and 2.2%. Outpatient charges were above budget by 7.4%. Inpatient and Professional Fee charges were below budget by 0.8% and 0.4%, respectively. Inpatient charges were lower than budget for the month driven by lower patient days, discharges and trauma cases, although Inpatient surgeries were up. The Case Mix Index (CMI) is higher than budget for the month and trend; however, lower than prior year. CMI is an indicator of the overall complexity of inpatient illness and services being provided. General Acute Length of Stay (LOS) was 5.0 slightly higher than trend however, lower than prior year which indicates patients are staying fewer days over the expected LOS. Favorable Outpatient charge variance for the month was driven by high acuity patients generating a higher charge per visit in the Emergency Room. For the month, Emergency Room visits were below budget by 1.9% and above budget YTD by 3.5%. Outpatient surgeries exceeded budget for the month and YTD by 1.4% and 6.1%, respectively. Professional Fees were favorable for the month and unfavorable YTD. Clinic visits were above budget by 3.4% for the month and 1.7% YTD. Physician wRVU were above budget for the month and YTD; however, budget for physician wRVU is low. Physician wRVU are below prior year by 6.8%. Overall, adjusted patient days were higher than budget for the month and year. Adjusted discharges are below budget by 5.4% for the month and above budget by 1.1% for the year; positively impacted by lower LOS.

Net Patient Revenue

Net Patient Service Revenue (NPSR) was \$75.9 million and unfavorable to budget by \$0.8 million and 1.0%. YTD, NPSR was \$641.0 million favorable to budget by \$1.2 million and 0.2%. The favorable variance is being driven by volume. The collection ratio was 19.3% for the month and unfavorable to budget, and slightly above the YTD trend of 19.2%. Trauma cases tend to drive a higher commercial mix; however, both the trauma cases and commercial payer mix were below budget. The mix of services shift to more outpatient services also negatively impacts the collection rate. Rate increases for Government and Alliance contracts began in January, which should improve the collection rate as newer accounts are picked up in the net revenue model. As a reminder, the budget spread rate increases evenly for the year.

Other Government Program Revenue

Other Government Program Revenue for the month was \$49.0 million and favorable to budget by \$3.5 million and 7.8% based on the transactions below.

- Measure A FY2026 Q2 increased based on receipts by \$2.0 million.
- Medi-Cal Rate Range CY2024 increased based on receipts by \$1.8 million.
- DP-NF Pass-through CY2024 decreased based on receipt by \$0.2 million.
- Prop 56 was lower than budget by \$0.1 million.

For the year, the Other Government Program Revenue is \$366.6 million and favorable to budget by \$3.3 million and 0.9% based on the transactions below.

- Measure A FY2026 Q1-Q2 decreased based on receipts by \$0.5 million.
- Alameda Parcel Tax increased based on receipts by \$0.8 million.
- Pay-for-Performance (P4P) revenue increased from successfully meeting CY2024 Alameda Alliance quality metrics for additional payment of \$1.2 million.
- DP-NF Pass-through CY2024 payment was received for \$23.8 million which was \$2.0 million less than budget. As of February, the revenue was reduced by \$1.3 million, and remaining \$0.6 million variance will be recognized over the next four months.
- Medi-Cal Rate Range CY2024 revenue increased based on receipts by \$4.2 million.
- FEMA revenue received for successful filing of Covid-related expenditure was \$0.2 million. Total FEMA receipts, starting in FY2024, are \$7.1 million.
- Prop 56 was lower than budget by \$1.5 million. The budget was based on FY25 receipts that included an overpayment from Alameda Alliance. It is anticipated that this unfavorable variance will continue for the remainder of the fiscal year.
- The remaining variance, netting to a positive \$0.2 million, is spread across many programs.

Other Operating Revenue

Other Operating Revenue for the month was \$5.4 million and favorable to budget by \$0.9 million and 20.1% based on the transactions below.

- Retail pharmacy revenue was favorable by \$0.9 million.
- St. Rose Hospital management fee favorable by \$0.3 million, which was not included in the budget.
- Grant revenue was unfavorable from timing differences of \$0.3 million.

For the year, Other Operating Revenue was \$48.3 million and favorable by \$8.3 million and 20.7% based on the transactions below.

- Payor settlement received on older patient accounts of \$3.1 million.
- Retail pharmacy revenue favorable by \$3.6 million.
- St. Rose Hospital management fee \$2.5 million, which was not included in the budget.
- Alameda Alliance Equity and Practice Transformation CY2024 incentive payment of \$0.3 million.
- Grant revenue was unfavorable from timing differences of \$1.7 million.
- The remaining variance, netting to a positive \$0.5 million, was spread across many programs.

Operating Expense

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 102,462	\$ 101,617	\$ (845)	(0.8)%	\$ 848,422	\$ 824,162	\$ (24,260)	(2.9)%	\$ 786,137	(7.9)%
Purchased services	8,525	8,896	371	4.2%	69,206	72,983	3,777	5.2%	68,943	(0.4)%
Materials and supplies	12,389	12,464	75	0.6%	110,587	105,023	(5,564)	(5.3)%	102,182	(8.2)%
Facilities	4,125	3,110	(1,015)	(32.6)%	29,901	26,376	(3,525)	(13.4)%	25,123	(19.0)%
Depreciation and amortization	2,335	2,446	111	4.5%	18,870	19,946	1,076	5.4%	27,599	31.6%
General and administrative	2,549	3,058	509	16.6%	20,922	21,844	922	4.2%	22,975	8.9%
Total operating expense	\$ 132,385	\$ 131,591	\$ (794)	(0.6)%	\$ 1,097,908	\$ 1,070,334	\$ (27,574)	(2.6)%	\$ 1,032,959	(6.3)%

Operating Expense was \$132.4 million for the month and unfavorable to budget \$0.8 million and 0.6%. Non-labor expense variances were at budget for the month as follows and labor costs are discussed in a subsequent section.

- Purchased services were favorable to budget by \$0.4 million and 4.2% driven by favorable variance in IT software fees (\$0.8 million) from budget timing offset by unfavorable variances in interpretive services (\$0.2 million) and Health Information Services (\$0.2 million).
- Materials and supplies were favorable to budget by \$0.1 million and 0.6% driven by favorable variances in pharmaceutical (\$0.2 million), medical supplies (\$0.2 million), non-medical supplies (\$0.1 million) offset by unfavorable variance in surgical supplies (\$0.4 million).
- Facilities were unfavorable to budget by \$1.0 million and 32.6% driven by unfavorable variance in building repairs (\$1.1 million), equipment rentals (\$0.2 million) offset by favorable variance in utilities (\$0.3 million). Most of the facility variance was Highland Hospital (\$0.9 million) and San Leandro Hospital (\$0.2 million).
- Depreciation and amortization were favorable to budget by \$0.1 million and 4.5% driven by a favorable variance for equipment depreciation (\$0.4 million) offset by higher lease/software amortization (\$0.3 million).
- General and administrative costs were favorable to budget by \$0.5 million and 16.6% driven by a timing variance for insurance (\$0.3 million), recruiting (\$0.1 million) and AHSF subsidy (\$0.1 million).

For the year, Operating Expense was \$1.1 billion and unfavorable to budget by \$27.6 million and 2.6%. Non-labor expense variances net to an unfavorable variance of \$3.3 million as follows and labor costs are discussed in a subsequent section.

- Purchased services were favorable to budget by \$3.8 million and 5.2% driven by favorable variances in outside medical services (\$2.8 million), software licensing (\$2.7 million), security (\$0.3 million), emergency food/shelter (\$0.2 million) offset by unfavorable variance in Health Information Services (\$1.6 million), management consultants/services (\$0.5 million), and remaining \$0.1 million variance is spread across many cost centers. The favorable variance in outside medical services is expected to continue for the remainder of the fiscal year. The budget was based on higher ambulance services which were the result of duplicate invoices between sister companies. A refund of \$1.2 million was received in June 2025. The unfavorable variance in Health Information Services is related to coders and offset by a positive variance in registry (\$1.9 million).
- Materials and supplies were unfavorable to budget by \$5.6 million and 5.3% driven by unfavorable variance in pharmaceuticals (\$3.3 million), surgical supplies (\$1.5 million), medical supplies (\$1.4 million) offset by favorable variance in computer equipment (\$0.6 million).

- Facilities were unfavorable to budget by \$3.5 million and 13.4% driven by unfavorable variance in facility repairs (\$5.0 million), facility leases (\$0.3 million) offset by a favorable variance for utilities (\$1.8 million). The facility repairs occurred at Highland Hospital (\$2.9 million), Alameda Hospital (\$1.6 million), and San Leandro Hospital (\$0.4 million).
- Depreciation and amortization were favorable to budget by \$1.1 million and 5.4% driven by favorable variance from timing of equipment depreciation (\$3.4 million) and offset by higher than anticipated amortization of leases and software agreements (\$2.3 million).
- General and administrative costs were favorable to budget by \$0.9 million and 4.2% driven by favorable variance for recruitment (\$0.7 million), and insurance (\$0.4 million), offset by unfavorable variances across many cost centers.

Labor Costs

	February 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 57,975	\$ 55,313	\$ (2,662)	(4.8)%	\$ 487,455	\$ 463,888	\$ (23,567)	(5.1)%	\$ 440,622	(10.6)%
Salaries and wages (providers)	11,994	12,388	394	3.2%	103,553	104,108	555	0.5%	97,480	(6.2)%
Registry	2,734	3,898	1,164	29.9%	26,616	33,571	6,955	20.7%	34,948	23.8%
Physician contract services	3,856	3,796	(60)	(1.6)%	30,056	29,135	(921)	(3.2)%	28,325	(6.1)%
Employee benefits (taxes, insur)	17,473	17,467	(6)	(0.0)%	134,936	129,219	(5,717)	(4.4)%	122,628	(10.0)%
Retirement	8,430	8,755	325	3.7%	65,806	64,241	(1,565)	(2.4)%	62,135	(5.9)%
Total labor costs	\$ 102,462	\$ 101,617	\$ (845)	(0.8)%	\$ 848,422	\$ 824,162	\$ (24,260)	(2.9)%	\$ 786,137	(7.9)%
Compensation ratio	76.1%	77.5%	1.4%		77.7%	76.4%	-1.3%		74.1%	
Paid FTEs - staff	4,592	4,520	(72)	(1.6)%	4,629	4,520	(109)	(2.4)%	4,615	(0.3)%
Paid FTEs - providers	387	402	15	3.7%	384	402	18	4.5%	289	(32.9)%
Paid FTEs - registry	171	218	47	21.6%	191	216	25	11.6%	229	16.6%
Total FTEs	5,150	5,140	(10)	(0.2)%	5,204	5,138	(66)	(1.3)%	5,133	(1.4)%

Labor costs for the month were \$102.5 million and unfavorable to budget by \$0.8 million and 0.8%. YTD, labor costs were \$848.4 million and unfavorable to budget by \$24.3 million and 2.9%. Starting in September 2025, physician contract services were moved to the labor cost section to show a complete picture of staffing.

Total staff salaries and registry costs for the month were \$60.7 million and unfavorable to budget by \$1.5 million and 2.5% from higher rates (\$1.2 million) and higher FTEs (25 FTEs/\$0.3 million). FTEs are running closer to budget reflecting administrative actions to address growth. YTD, this category was \$514.1 million and unfavorable by \$16.6 million driven by higher rates (\$7.8 million) and higher FTEs (84 FTEs/\$8.8 million). Additional detail as follows.

FTEs below budget:

- Departments outperforming labor standards - 144 FTEs month, 85 FTEs YTD
- Medical Records staff in purchased service, not registry – 17 FTEs month, 17 FTEs YTD

Offset by FTEs over budget:

- Departments not achieving labor standards – 93 FTEs month, 68 FTEs YTD
- GRIT initiative not realized – 45 FTEs month, 60 FTEs YTD
- Volume related increases – 15 FTEs month, 30 FTEs YTD
- Higher sitter utilization for SNF care – 8 FTEs month, 14 FTEs YTD
- Higher sitter utilization for acute care at HGH – 17 FTEs month, 9 FTEs YTD

- New FTEs, not included in the budget - 8 FTEs month, 5 FTEs YTD

Total provider salaries and physician contract services for the month were \$15.9 million and favorable to budget by \$0.3 million and 2.1%. YTD, this category was \$133.6 million and unfavorable to budget by \$0.4 million and 0.3%. Unrealized recruitment that was included in the budget continues but is offset by the paternity benefit payout (\$1.6 million) in January 2026. Contract physician was driven by locum usage. As a reminder, contract providers do not provide hours to calculate an FTE.

Employee benefits approximate budget for the month driven by higher self-funded health insurance (\$0.4 million), FICA (\$0.4 million), other benefits (\$0.2 million) offset by positive variance in Kaiser insurance plan (\$0.9 million) and workers compensation (\$0.1 million). YTD, employee benefits were unfavorable to budget by \$5.7 million and 4.4% driven by higher self-funded health (\$10.1 million), FICA (\$0.5 million) offset by positive variances for Kaiser insurance plan (\$3.0 million), other benefits (\$1.1 million), and residents/interns housing allowance adjustment (\$0.8 million).

Retirement expense favorable for the month by \$0.3 million and 3.7% driven by lower employer contributions for ACERA (\$0.4 million) offset by higher union retirement plan (\$0.1 million). YTD, retirement expense was unfavorable \$1.6 million and 2.4% from ACERA (\$0.8 million) and union plans (\$0.8 million).

Balance Sheet and Financial Condition

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

	<u>Feb-26</u>	<u>Jan-26</u>	<u>FY 2025</u>
Days in cash	0.7	0.4	2.9
Gross days in patient receivable	65.9	68.8	62.4
Net days in patient receivable	41.1	53.8	43.8
Due from/(to) third-party payors	\$ 288,913	\$ 215,770	\$ 158,555
Due from/(to) County	\$ (34,106)	\$ 24,466	\$ 49,680
Days in accounts payable	33.7	31.6	38.3
% of AP over 60 days	3.9%	4.3%	4.0%
Net position - fund balance/(deficit)	\$ (70,467)	\$ (72,408)	\$ (61,798)
Net negative balance - receivable/(payable)	\$ (54,264)	\$ (62,935)	\$ 26,949

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 65.9 days and 2.9 days lower than last month and Net Days in AR were 41.1 and 12.7 days lower than last month. 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. Cash collections for the month with higher than trend reducing AR Days. In addition, the coding work queue was reduced in February for a decrease of 0.8 days.

Key updates on work in progress within Revenue Cycle are noted below:

- Settlements through arbitration using Sac Law continue to support GRIT. In August, a settlement of \$3.1 million was received and recorded as other operating income due to the age of the patient accounts.
- Enterprise CDI continues to address providers’ clinical documentation along with charge automation and usage of Epic tools. Inpatient CDI is under review to determine improvements for specific DRGs that may not be coded to include complication or comorbidity.
- Inpatient charge reconciliation is in process for women’s services, bedside procedures, implants, and Code Blue.
- Working to improve ambulatory patient access.
- An AR Reduction Task Force was launched on February 3, 2026 to bring in more cash quickly.

Patient collections are reflected in the table and improved in February as delays in processing were resolved and payments released. Behavioral Health represents the County receipts under contract for JGP services which total \$70.6 million. The FY2026 interim contract was signed for \$81.2 million on October 13, 2025. Payments on the FY2026 contract total \$29.2 million through February 2026. AHS has not received information on how the maximum contract amount was determined and the County is unable to provide reports from their new billing system, SmartCare. AHS is unable to trend, research or follow up on payment denials or other discrepancies leading to underpayment. The County continues to withhold approximately 20 percent of the amount due on the invoices submitted for payment.

PATIENT COLLECTIONS							
(in thousands)							
	Behavioral Health	Epic	Total	FY 2025	FY 2024	FY 2023	FY 2022
			FY 2026				
Jul	11,928	67,883	79,811	72,694	79,592	74,260	59,732
Aug	28,651	82,136	110,787	79,768	69,313	58,590	57,374
Sep	-	66,819	66,819	69,741	63,322	76,063	61,968
Oct	868	82,323	83,191	76,783	63,122	59,796	49,923
Nov	11,569	71,370	82,939	78,747	57,781	56,939	52,057
Dec	7,275	65,241	72,516	94,631	63,867	67,018	68,121
Jan	6,034	63,286	69,320	89,014	68,757	71,452	62,292
Feb	4,293	90,269	94,562	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	70,618	589,327	659,945	943,182	831,444	776,453	705,637
% change between fiscal years			4.8%	13.4%	7.1%	10.0%	

Accounts Payable

Days in Accounts Payable are 33.7 at the end of the month and were 2.1 days higher than 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 3.9% and is below the 5.0% target. Purchasing and Accounts Payable teams are making positive progress resolving older invoices held in work queues.

Supplemental Program Revenue Receivable/Payable

Net Reimbursement Supplemental Programs as of 2/28/2026					
Programs	FY97-20	FY21-25	FY26	Net Balance	Comments
Medicare Cost Report	(1,617)	(2,742)	(443)	(4,802)	Older years pending disputed SSI ratio and outlier holds for both OPPS/IPPS services from CMS.
Medi-Cal P14 Waiver	4,225	(1,780)	(5,907)	(3,461)	P14 audits are in various stages of completion. Currently DHCS has finalized up to FY19.
Current Waiver (GPP & CalAIM)	-	7,864	27,207	35,071	Global Payment Program (GPP) subsidizing remaining uninsured. GPP extended to 2026 as CalAIM.
AB85 Realignment	0	(48,869)	-	(48,869)	Realignment reserves for HPAC amendment passing through the County for physical health for Medi-Cal and Indigent populations.
Physician SPA	(6,000)	1,160	7,560	2,720	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)	(3,334)	(26,661)	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 FQ billing in March 2022.
Medi-Cal Managed Care EPP	0	118,664	43,838	162,502	EPP (Enhanced Payment Program). New supplemental program for services provided to Medi-Cal Managed Care.
Medi-Cal Managed Care QIP	0	93,294	53,134	146,428	QIP (Quality Incentive Program). New supplemental program for services provided to Medi-Cal Managed Care.
Medi-Cal Managed Care Rate Range	(0)	24,917	33,551	58,468	Subsidize rates for Medi-Cal Managed Care members in Alameda County.
Medi-Cal Managed Care GME	0	3,635	6,605	10,241	CMS approved in March 2020. GME is paying concurrently with fiscal year.
Medi-Cal Managed Care DP-NF Pass-Through	-	(7,925)	-	(7,925)	New payment program assisting AHS with LTC carve-in from FFS to managed care, time-limited CY2023 through CY2025. Full CY2024 amount paid Dec. when only 6 mos. had been accrued, resulting in negative balance.
Medi-Cal SNF Cost Settlement	0	717	490	1,206	The State began their reconciliation.
AB915	-	2,353	5,872	8,225	The State began their reconciliation.
Old Waiver (FY11 & FY12)	29,169	0	0	29,169	FY11 & FY12 will be finalized by June 2026.
All Other Supplemental Programs	0	3,682	4,921	8,602	The State began their reconciliation.
Subtotal	\$ 17,856	\$ 179,565	\$ 173,492	\$ 370,913	
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 and HGH K-6 clinic.
Subtotal	\$ (34,975)	\$ 183,247	\$ 178,413	\$ (82,000)	
Grand Total	\$ (17,119)	\$ 362,812	\$ 351,905	\$ 288,913	

The information presented in the table provides subsidiary information for Supplemental Program receivables and payables on the Balance Sheet. The net receivable balance for Supplemental Programs is \$288.9 million, which increased by \$73.1 million over last month. Key items are noted below.

- Payment received for Voluntary Rate Range CY2024 (\$1.8 million).

- Payment received for Medi-Cal Waiver FY2011 (\$2.0 million).
- IGT funded for EPP CY2024 (\$25.2 million).
- IGT funded for QIP CY2024 (\$20.5 million).
- Minor cost report adjustments and monthly accruals (\$31.2 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. AHS has significant liability estimates dating back more than 5 years as reflected at the bottom of the schedule, which includes AB915, Physician SPA and Highland FQHC. The total estimated amount due is \$82.0 million.

Net County Receivable and Payable

Due To/From County of Alameda			
	<u>Feb-26</u>	<u>Jan-26</u>	<u>FY 2025</u>
Due from County of Alameda	\$ 23,135	\$ 29,414	\$ 54,713
Capital designation receivable	-	7,000	7,000
Due from County of Alameda	<u>23,135</u>	<u>36,414</u>	<u>61,713</u>
Due to County of Alameda	(1,550)	(1,942)	(1,153)
County IGT funding	(49,095)	(3,409)	-
Capital cost payable	(6,596)	(6,597)	(10,880)
Due to County of Alameda	<u>(57,241)</u>	<u>(11,948)</u>	<u>(12,033)</u>
Net due from/(to) County	<u>\$ (34,106)</u>	<u>\$ 24,466</u>	<u>\$ 49,680</u>

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 paid by the County in February 2026.
- Inter-government transfers (IGT) are ongoing to draw down federal supplemental funding and once they have received the funds are returned to the County. The EPP CY2024 IGT (\$25.2 million) and QIP CY2024 IGT (\$20.5 million) were funded in February, which increased the payable by \$45.7 million and still outstanding is the GME FY2024 Q3 (\$3.4 million).
- The Capital Cost Transfer reflects a payable based on the balance remaining on open cost report settlements associated with County owned buildings (\$6.6 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. AHS paid 90% for the FY2023 filing (\$4.3

million) in September 2025. In May 2024, the County spent \$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 timely for future cost reimbursement. AHS is not aware of any additional expenditures made by the County.

Net Position

The Net Position or Fund Balance of AHS as of February 28, 2026, is negative \$70.5 million, which increased \$8.8 million over last fiscal year on June 30, 2025 reflecting the YTD net loss.

Net Negative Balance

The Net Negative Balance (NNB) or Line of Credit with the County is \$54.3 million payable on February 28, 2026, 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 (\$82.6 million payable) decreased by the County Restricted Cash Fund (\$28.3 million) which is included in Cash.

Contingencies

John George Pavilion (JGP)

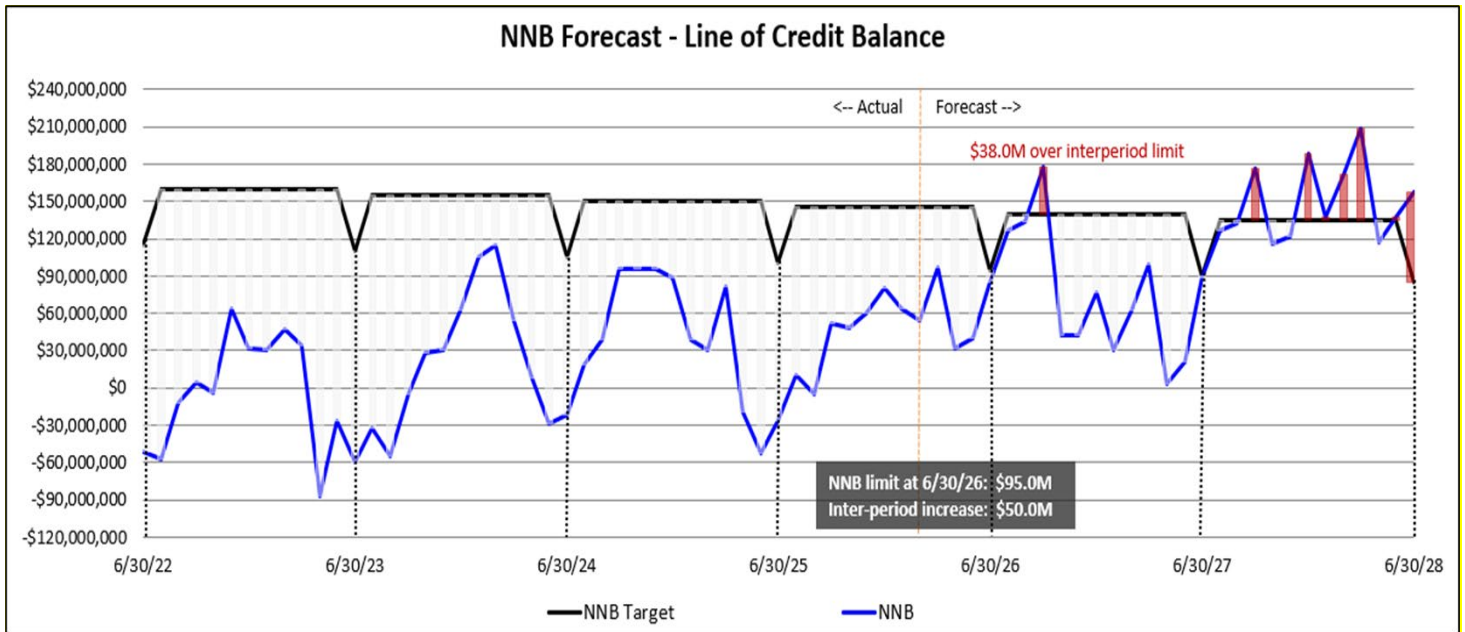
The County continues to struggle with the implementation of new software, SmartCare, for claims beginning in July, 2023 under Cal Aim. JGP technical and professional services have been input into SmartCare to be billed and paid for by the State although AHS has not received any information from the County on denials or payments they have received. There is a twelve-month timely filing requirement to submit claims and the County struggled to meet this billing window, primarily for professional fees. The County has indicated it will ensure claims are paid even if the timely filing deadline means they cannot be federally matched. The County is paying claims up to the annual maximum contract amount; however, they are withholding approximately 20% pending resolution with the State. AHS has no information on how the maximum contract amounts were determined or the status of claims or if more adequate funding will happen.

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, 2028 for planning purposes. AHS is currently forecasting that the NNB will be compliant with the terms of the debt agreement with the County which limits the NNB to \$95.0 million on June 30, 2026 and to \$90.0 million on June 30, 2027. The forecast indicates AHS will exceed the inter-period limit of \$145.0 million by \$38.0 million during the first quarter of fiscal year 2027 if actions are not taken to improve performance. The graph also shows that AHS will not be compliant with the debt agreement on June 30, 2028 if actions are not taken to improve financial performance.



The FY2026 forecast slightly improved over last month’s projection, in part from the positive net income, additional Rate Range, notifications for GPP and patient receipts exceeding the forecast. This improvement was partially offset by moving a portion of the funding for the payroll paid on July 2, 2026 (in fiscal year 2027) to June 30, 2026 (in fiscal year 2026) to match timing of payroll processing.

The forecast updates as actual activity is reflected in the cashflow model and does not include projections such as impacts from HR1 or performance improvement initiatives. The approved FY2026 budget required cashflow in excess of operations causing the organization to project approximately \$100 million of new debt by year-end. As a reminder, the BOT approved the FY2026 budget with the understanding that administration would take immediate action to prevent AHS from maximizing the NNB as projected and to work with the County to modify the Permanent agreement and NNB arrangement.

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.

- GPP CY2025 Q4 (\$18.6M) moved from February 2026 to May 2026.
- GPP CY2025 Q4 funding based on DHCS notification increased by \$7.0M.
- GPP CY2026 Q1 funding based on DHCS notification increased by \$1.6M.
- HPAC quarterly payment \$10.8M moved from March 2026 to May 2026 (FY26 Q4).
- St. Rose donation moved to from March 2026 to April 2026 pending notification from State.

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. 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.

HR1 and other State changes are expected to have a material and significant impact on AHS and Medi-Cal funding beginning this calendar year. Models are too fluid to project at this time. AHS is developing the FY2027 budget and Long Range Strategic Financial Plan which will require alignment on assumptions and development of strategies to address the financial imbalance of AHS.

Material Items Included in NNB Forecast						
(in thousands)						
	Mar-26	FY26 Q4	FY27 Q1	FY27 Q2	FY27 Q3	FY27 Q4
GPP (quarterly)	\$ -	\$ 51,788	\$ 23,550	\$ 23,550	\$ 28,650	\$ 19,700
EPP (semi-annual)	-	31,800	-	75,350	-	39,500
QIP	-	36,658	-	50,000	-	50,000
Medi-Cal Rate Range	-	-	-	-	51,300	-
BHCS (JGP/Alameda County) - fy26	12,167	18,251	12,167	-	-	-
BHCS (JGP/Alameda County) - fy27	-	-	-	18,900	18,900	25,200
HPAC	-	10,800	-	21,600	10,800	10,800
AB85 Realignment	-	-	-	4,800	-	-
SNF DP-NF (final pmt Jan-27)	-	-	-	-	26,000	-
Waiver recoupment (fy11, fy12)	-	29,169	-	-	-	-
St. Rose Hospital LOC	3,800	(10,600)	-	-	7,500	(7,500)
Donation to St. Rose Hospital	-	9,508	-	-	10,507	-
	<u>\$ 15,967</u>	<u>\$ 177,374</u>	<u>\$ 35,717</u>	<u>\$ 194,200</u>	<u>\$ 153,657</u>	<u>\$ 137,700</u>

Prior Year Reimbursement Settlements		
AB915 (fy14-fy20)	(17,000)	TBD
Medi-Cal FQHC recoupment (fy08 - fy13)	(40,000)	TBD
Physician SPA (fy08 - fy13)	(25,100)	TBD
	<u>\$ (82,100)</u>	

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For the Period Ended February 28, 2026
(In Thousands)

	February 2026				Year-To-Date				FY 2025		
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	Variance	% Variance
Operating revenue											
Net patient service revenue	\$ 75,873	\$ 76,655	\$ (782)	(1.0)%	\$ 640,960	\$ 639,729	\$ 1,231	0.2%	\$ 620,954	\$ 20,006	3.2%
Capitation revenue	4,429	4,521	(92)	(2.0)%	35,733	35,872	(139)	(0.4)%	36,908	(1,175)	(3.2)%
Other government programs	48,950	45,415	3,535	7.8%	366,612	363,320	3,292	0.9%	363,377	3,235	0.9%
Other operating revenue	5,366	4,469	897	20.1%	48,333	40,059	8,274	20.7%	40,071	8,262	20.6%
Total operating revenue	134,618	131,060	3,558	2.7%	1,091,638	1,078,980	12,658	1.2%	1,061,310	30,328	2.9%
Operating expense											
Labor costs	102,462	101,617	(845)	(0.8)%	848,422	824,162	(24,260)	(2.9)%	786,137	(62,285)	(7.9)%
Purchased services	8,525	8,896	371	4.2%	69,206	72,983	3,777	5.2%	68,943	(263)	(0.4)%
Materials and supplies	12,389	12,464	75	0.6%	110,587	105,023	(5,564)	(5.3)%	102,182	(8,405)	(8.2)%
Facilities	4,125	3,110	(1,015)	(32.6)%	29,901	26,376	(3,525)	(13.4)%	25,123	(4,778)	(19.0)%
Depreciation and amortization	2,335	2,446	111	4.5%	18,870	19,946	1,076	5.4%	27,599	8,729	31.6%
General and administrative	2,549	3,058	509	16.6%	20,922	21,844	922	4.2%	22,975	2,053	8.9%
Total operating expense	132,385	131,591	(794)	(0.6)%	1,097,908	1,070,334	(27,574)	(2.6)%	1,032,959	(64,949)	(6.3)%
Operating income (loss)	2,233	(531)	2,764	520.5%	(6,270)	8,646	(14,916)	(172.5)%	28,351	(34,621)	(122.1)%
Non-operating activity											
Interest income (expense)	(300)	(139)	(161)	(115.8)%	(2,573)	(2,553)	(20)	(0.8)%	(2,890)	317	11.0%
Other nonoperating revenue	9	13	(4)	(30.8)%	6	104	(98)	(94.2)%	(127)	133	104.7%
Total non-operating activity	(291)	(126)	(165)	(131.0)%	(2,567)	(2,449)	(118)	(4.8)%	(3,018)	451	14.9%
Net income (loss)	\$ 1,942	\$ (657)	\$ 2,599	395.6%	\$ (8,837)	\$ 6,197	\$ (15,034)	(242.6)%	\$ 25,333	\$ (34,170)	(134.9)%
EBIDA adjustments											
Interest income (expense)	300	139	161		2,573	2,553	20		2,890	(317)	
Depreciation and amortization	2,335	2,446	(111)		18,870	19,946	(1,076)		27,599	(8,729)	
Total EBIDA adjustments	2,635	2,585	50		21,443	22,499	(1,056)		30,489	(9,046)	
EBIDA	\$ 4,577	\$ 1,928	\$ 2,649		\$ 12,606	\$ 28,696	\$ (16,090)		\$ 55,823	\$ (43,217)	

ALAMEDA HEALTH SYSTEM (consolidated)

Balance Sheet

As of February 28, 2026

(In Thousands)

	Current Month	Prior Month	FYE 2025
ASSETS			
Cash & cash equivalents	\$ 3,203	\$ 1,936	\$ 14,556
Patient account receivables, net	106,238	126,539	101,401
Due from third-party payors	462,632	389,298	338,189
Due from County of Alameda	23,135	36,414	61,713
Due from State of California	24,394	24,810	25,635
Inventories	11,488	11,644	12,267
Other current assets	30,467	25,788	20,054
TOTAL CURRENT ASSETS	661,557	616,429	573,815
Restricted cash equivalents	28,342	28,342	27,781
Right-to-use lease assets, net	26,786	27,396	31,604
Right-of-use subscription assets, net	10,553	10,966	8,190
Capital assets - nondepreciable	9,021	9,021	9,021
Capital assets - depreciable, net	130,645	131,090	129,675
TOTAL NONCURRENT ASSETS	205,347	206,815	206,271
DEFERRED OUTFLOWS OF RESOURCES	105,570	105,570	105,570
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 972,474	\$ 928,814	\$ 885,656
LIABILITIES & NET ASSETS			
Accounts payable and accrued expenses	\$ 91,532	\$ 80,882	\$ 89,527
Accrued compensation	36,519	43,785	65,654
Due to third-party payors	173,719	173,528	179,634
Due to County of Alameda	57,241	11,948	12,033
Other Payables	53,032	50,879	43,509
TOTAL CURRENT LIABILITIES	412,043	361,022	390,357
Liquidity facility - County of Alameda	82,606	91,277	832
Net pension obligation	369,632	369,632	370,400
Post employment benefit asset	43,255	43,255	43,255
Accrued compensated absences, net of current portion	22,604	22,604	26,667
Self-insurance liabilities, net of current portion	41,231	41,231	41,231
Lease obligations, net of current portion	25,995	26,550	29,739
Subscription obligations, net of current portion	4,373	4,449	3,771
Other long-term liabilities	0	0	0
TOTAL LONG TERM LIABILITIES	589,696	598,998	515,895
DEFERRED INFLOWS OF RESOURCES	41,202	41,202	41,202
Fund balance - capital contribution	86,653	86,653	86,484
Fund balance - prior years	(148,283)	(148,283)	(166,072)
Current year income/(loss)	(8,837)	(10,778)	17,790
FUND BALANCE	(70,467)	(72,408)	(61,798)
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCE	\$ 972,474	\$ 928,814	\$ 885,656

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Cash Flows
For the Period Ended February 28, 2026
(in thousands)

	Current Month	Year-to Date	FYE 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 2,233	\$ (6,270)	\$ 20,942
Depreciation and amortization	2,335	18,870	37,542
Net changes in operating assets and liabilities:			
Patient account receivables, net	20,301	(4,837)	4,695
Due from/to third-party payors	(73,143)	(130,358)	(13,222)
Due from/to County	58,572	83,786	(24,880)
Due from State	416	1,241	(1,371)
Inventory	156	779	(280)
Other current assets	(4,679)	(10,413)	(2,432)
Accounts payable and accrued expenses	10,647	2,004	4,040
Accrued compensation	(7,264)	(29,135)	9,387
Other current payables	2,153	9,523	10,867
Net pension liability	-	(768)	(55,607)
Other postemployment benefits obligations	-	-	4,881
Other long-term liabilities	-	(4,063)	7,347
Deferred outflows/inflows	-	-	50,894
Net cash provided by (used in) operating activities	11,727	(69,641)	52,803
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Change in liquidity facility	(8,671)	81,774	(4,269)
Interest payments on working capital loan	370	2,925	3,604
Proceeds from grants for COVID-19 pandemic	-	-	-
Receipts of rental income	9	6	(253)
Net cash provided by (used in) noncapital financing activities	(8,292)	84,705	(918)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES			
Purchase and construction of capital assets	(867)	(11,782)	(19,936)
Proceeds from disposals of capital assets	0	0	0
Repayment of other long-term liabilities	0	0	(2,783)
Payments of lease liabilities	(555)	(3,863)	(6,730)
Interest payments on lease liabilities	84	713	1,232
Payments of subscription obligations	(76)	(4,882)	(6,587)
Interest payments on subscription obligations	9	106	131
Capital contributions and transfers	-	169	1,033
Net cash provided by (used in) capital and financing activities	(1,405)	(19,539)	(33,640)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and investment income	(763)	(6,317)	(7,866)
Net cash provided by (used in) investing activities	(763)	(6,317)	(7,866)
CHANGES IN CASH AND CASH EQUIVALENTS	1,267	(10,792)	10,379
CASH AND CASH EQUIVALENTS, beginning of period	30,278	42,337	31,958
CASH AND CASH EQUIVALENTS, end of period	\$ 31,545	\$ 31,545	\$ 42,337

Month: February

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE			
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var	
Campus: AHS ALL CAMPUS												
Total Adjusted Patient Days	29,146	28,912	234	0.8% ●	245,789	242,789	3,000	1.2% ●	241,653	4,136	1.7% ●	
Total Adjusted Discharges	2,524	2,668	-144	-5.4% ●	21,672	21,430	242	1.1% ●	20,867	806	3.9% ●	
GENERAL ACUTE												
Patient Days	5,705	6,305	-600	-9.5% ●	48,129	51,403	-3,274	-6.4% ●	51,302	-3,173	-6.2% ●	
Discharges	1,141	1,241	-100	-8.1% ●	9,853	9,966	-113	-1.1% ●	9,791	62	0.6% ●	
Average Daily Census	203.8	225.2	-21.4	-9.5% ●	198.1	211.5	-13.5	-6.4% ●	211.1	-13.1	-6.2% ●	
Average Length of Stay	5	5.1	0.1	1.6% ●	4.9	5.2	0.3	5.3% ●	5.2	0.4	6.8% ●	
Adjusted Patient Days	10,840	11,604	-764	-6.6% ●	91,374	93,926	-2,551	-2.7% ●	94,064	-2,690	-2.9% ●	
Adjusted Discharges	2,168	2,284	-116	-5.1% ●	18,706	18,210	496	2.7% ●	17,952	754	4.2% ●	
Occupancy %	68%	76%	-7%	-9.5% ●	66%	71%	-5%	-6.4% ●	71%	-4%	-6.2% ●	
Emergency Visits	9,007	9,180	-173	-1.9% ●	75,193	72,655	2,538	3.5% ●	72,914	2,279	3.1% ●	
Left Without Being Seen (LWBS)	459	524	65	14.2% ●	3,824	4,133	309	8.1% ●	4,864	1,040	27.2% ●	
Trauma Cases	224	248	-24	-9.8% ●	2,432	2,428	4	0.2% ●	2,477	-45	-1.8% ●	
Observation Equivalent Days	707	736	-30	-4.0% ●	5,947	5,330	617	11.6% ●	5,104	843	16.5% ●	
IP Surgeries	240	222	18	8.1% ●	2,323	2,461	-138	-5.6% ●	2,436	-113	-4.6% ●	
OP Surgeries	330	325	5	1.4% ●	3,030	2,856	174	6.1% ●	3,387	-357	-10.5% ●	
Total Surgeries	570	547	23	4.2% ●	5,353	5,317	36	0.7% ●	5,823	-470	-8.1% ●	
Deliveries	122	108	14	13.5% ●	1,068	1,112	-44	-3.9% ●	1,072	-4	-0.4% ●	
PSYCH												
Psych Patient Days	1,814	1,849	-35	-1.9% ●	16,017	15,855	162	1.0% ●	15,546	471	3.0% ●	
Psych Discharges	183	213	-30	-14.3% ●	1,660	1,769	-109	-6.2% ●	1,675	-15	-0.9% ●	
Psych OP Factor	1.2365	1.2368	0.0003	0.0%	1.2278	1.2214	-0.0064	-0.5% ●	1.2337	0.0059	0.5% ●	
Average Daily Census	64.8	66	-1.2	-1.9% ●	65.9	65.2	0.7	1.0% ●	64	1.9	3.0% ●	
Average Length of Stay	9.9	8.7	-1.3	-14.5% ●	9.6	9	-0.7	-7.7% ●	9.3	-0.4	-4.0% ●	
Adjusted Patient Days	2,243	2,286	-43	-1.9% ●	19,665	19,365	300	1.5% ●	19,178	487	2.5% ●	
Adjusted Discharges	226	264	-38	-14.3% ●	2,038	2,161	-123	-5.7% ●	2,066	-28	-1.4% ●	
PES Equivalent Days	594	551	43	7.9% ●	5,561	5,292	269	5.1% ●	5,328	233	4.4% ●	
PES Visits	789	836	-47	-5.6% ●	6,420	6,518	-98	-1.5% ●	6,267	153	2.4% ●	
PES Hours	14,260	16,453	-2,193	-13.3% ●	133,468	127,111	6,357	5.0% ●	127,877	5,591	4.4% ●	
PES Hours per Visit	18	20	2	8.2% ●	21	20	-1	-6.6% ●	20	0	-1.9% ●	
REHAB												
Rehab Patient Days	656	708	-52	-7.4% ●	5,555	5,880	-325	-5.5% ●	5,595	-40	-0.7% ●	
Rehab Discharges	42	54	-12	-21.6% ●	408	445	-37	-8.3% ●	416	-8	-1.9% ●	
Rehab OP Factor	1	1	0	0.0%	1	1	0	0.0%	1	0	0.0%	
Average Daily Census	23.4	25.3	-1.9	-7.4% ●	22.9	24.2	-1.3	-5.5% ●	23	-0.2	-0.7% ●	
Average Length of Stay	15.6	13.2	-2.4	-18.1% ●	13.6	13.2	-0.4	-3.0% ●	13.4	-0.2	-1.2% ●	
Adjusted Patient Days	656	708	-52	-7.4% ●	5,555	5,880	-325	-5.5% ●	5,595	-40	-0.7% ●	
Adjusted Discharges	42	54	-12	-21.6% ●	408	445	-37	-8.3% ●	416	-8	-1.9% ●	
Occupancy %	84%	90%	0%	0.0%	82%	86%	0%	0.0%	82%	0%	0.0%	
Bed Holds	0	0	0	0.0%	3	1	2	177.8% ●	0	3	0.0%	
Paid FTE	71	69	-2	-2.5% ●	71	75	5	6.0% ●	71	0	0.3% ●	
Productive FTE	59	61	1	2.0% ●	60	64	4	6.6% ●	61	1	1.0% ●	
Paid FTE per AOB	3.02	2.73	-0.29	-10.6% ●	3.09	3.11	0.02	0.5% ●	3.08	-0.01	-0.5% ●	
Worked Hours per APD	14.5	13.7	-0.8	-5.8% ●	15	15.2	0.2	1.1% ●	15.1	0	0.3% ●	
Worked Hours per AD	227	181	-45	-25.0% ●	204	201	-4	-1.8% ●	203	-2	-0.9% ●	

ALAMEDA HEALTH SYSTEMS Volume Reports



Month: February

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var
Campus: AHS ALL CAMPUS											
SNF WITH SUB-ACUTE											
SNF Patient Days	7,828	7,719	109	1.4% ●	67,323	66,987	336	0.5% ●	66,816	507	0.8% ●
SNF Discharges	20	22	-2	-8.4% ●	161	189	-28	-14.7% ●	143	18	12.6% ●
SNF OP Factor	1.0017	1.0014	-0.0002	0.0%	1.0225	1.0016	-0.0209	-2.1% ●	1.0302	0.0077	0.7% ●
Average Daily Census	279.6	275.7	3.9	1.4% ●	277	275.7	1.4	0.5% ●	275	2.1	0.8% ●
Average Length of Stay	391.4	353.6	-37.8	-10.7% ●	418.2	354.8	-63.4	-17.9% ●	467.2	49.1	10.5% ●
Adjusted Patient Days	7,841	7,730	111	1.4% ●	68,838	67,093	1,746	2.6% ●	68,834	4	0.0%
Adjusted Discharges	20	22	-2	-8.4% ●	165	189	-24	-13.0% ●	147	17	11.7% ●
Occupancy %	96%	95%	0%	0.0%	96%	95%	0%	0.0%	95%	0%	0.0%
Bed Holds	70	93	-23	-24.6% ●	638	652	-14	-2.1% ●	704	-66	-9.4% ●
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	5,150	5,140	-11	-0.2% ●	5,204	5,138	-66	-1.3% ●	5,133	-71	-1.4% ●
Total Productive FTE	4,243	4,604	362	7.9% ●	4,421	4,454	32	0.7% ●	4,394	-27	-0.6% ●
Total Paid FTE per AOB	4.95	4.98	0.03	0.6% ●	5.14	5.14	0	0.0% ●	5.16	0.02	0.3% ●
Worked Hours Per APD	23.3	25.5	2.2	8.6% ●	25	25.5	0.5	1.9% ●	25.3	0.3	1.1% ●
Worked Hours Per AD	269	276	7	2.6% ●	283	289	5	1.8% ●	292	9	3.1% ●
Physician wRVU	129,510	103,674	25,835	24.9% ●	1,084,703	946,523	138,180	14.6% ●	1,163,679	-78,976	-6.8% ●
TOTAL CLINIC VISITS											
FQHC Visits	35,014	33,849	1,165	3.4% ●	285,919	290,906	-4,987	-1.7% ●	273,534	11,046	4.0% ●
Non-FQHC Visits	30,384	28,821	1,563	5.4% ●	241,353	246,584	-5,231	-2.1% ●	229,279	10,735	4.7% ●
	4,630	5,028	-398	-7.9% ●	44,566	44,322	244	0.6% ●	44,255	311	0.7% ●
PAYOR MIX											
Insurance %	7.07%	7.26%	-0.18%	●	6.70%	7.15%	-0.45%	●	6.99%	-0.28%	●
Medi-Cal %	59.50%	57.88%	1.61%	●	59.56%	60.38%	-0.82%	●	60.45%	-0.89%	●
Medicare %	28.66%	30.13%	-1.46%	●	29.45%	27.58%	1.87%	●	28.33%	1.13%	●
Other Govt %	2.10%	2.00%	0.10%	●	1.46%	1.84%	-0.38%	●	1.67%	-0.21%	●
Self-Pay %	2.67%	2.73%	-0.07%	●	2.83%	3.04%	-0.22%	●	2.56%	0.26%	●
Total Payor Mix %	100.00%	100.00%	0.00%		100.00%	100.00%	0.00%		100.00%	0.00%	
CAMPUS CMI											
CMI Alameda	1.459	1.361	0.099	7.3% ●	1.42	1.389	0.031	2.3% ●	1.463	-0.043	-3.0% ●
CMI Highland	1.731	1.619	0.113	7.0% ●	1.709	1.653	0.056	3.4% ●	1.733	-0.024	-1.4% ●
CMI San Leandro	1.454	1.467	-0.013	-0.9% ●	1.458	1.433	0.025	1.8% ●	1.505	-0.047	-3.1% ●
CMI Behavioral Health	1.344	1.326	0.018	1.4% ●	1.362	1.272	0.09	7.1% ●	1.348	0.014	1.0% ●

ALAMEDA HEALTH SYSTEMS Volume Reports



Month: February

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE			
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var	
Campus: HIGHLAND												
Total Patient Days	3,746	4,118	-372	-9.0%	33,132	34,933	-1,801	-5.20%	34,877	-1,745	-5.0%	
Total Discharges	686	715	-29	-4.0%	6,087	6,062	25	0.40%	5,908	179	3.0%	
Total Adjusted Patient Days	6,827	7,446	-619	-8.3%	59,521	61,244	-1,723	-2.80%	60,927	-1,405	-2.3%	
Total Adjusted Discharges	1,250	1,292	-42	-3.2%	10,935	10,628	307	2.90%	10,321	615	6.0%	
GENERAL ACUTE												
Patient Days	3,746	4,118	-372	-9.0%	33,132	34,933	-1,801	-5.20%	34,877	-1,745	-5.0%	
Discharges	686	715	-29	-4.0%	6,087	6,062	25	0.40%	5,908	179	3.0%	
OP Factor	1.8277	1.8157	-0.0121	-0.7%	1.8021	1.7595	-0.0426	-2.40%	1.7528	-0.0493	-2.8%	
Average Daily Census	133.8	147.1	-13.3	-9.0%	136.3	143.8	-7.4	-5.20%	143.5	-7.2	-5.0%	
Average Length of Stay	5.5	5.8	0.3	5.2%	5.4	5.8	0.3	5.50%	5.9	0.5	7.8%	
Adjusted Patient Days	6,847	7,477	-630	-8.4%	59,706	61,465	-1,759	-2.90%	61,132	-1,426	-2.3%	
Adjusted Discharges	1,254	1,298	-44	-3.4%	10,969	10,666	303	2.80%	10,355	614	5.9%	
Occupancy %	79%	87%	-8%	-9.0%	81%	85%	-4%	-5.20%	85%	-4%	-5.0%	
Emergency Visits	4,593	4,465	128	2.9%	38,489	36,076	2,413	6.70%	36,284	2,205	6.1%	
Left Without Being Seen (LWBS)	299	496	197	66.0%	2,439	3,830	1,391	57.00%	3,641	1,202	49.3%	
Trauma Cases	224	248	-24	-9.8%	2,432	2,428	4	0.20%	2,477	-45	-1.8%	
Observation Equivalent Days	275	251	24	9.5%	2,200	2,246	-46	-2.10%	1,944	256	13.2%	
IP Surgeries	199	176	23	12.8%	1,900	1,917	-17	-0.90%	1,920	-20	-1.0%	
OP Surgeries	208	165	43	26.4%	1,770	1,442	328	22.70%	1,545	225	14.6%	
Total Surgeries	407	341	66	19.4%	3,670	3,359	311	9.30%	3,465	205	5.9%	
Deliveries	122	108	14	13.5%	1,068	1,112	-44	-3.90%	1,072	-4	-0.4%	
TOTAL FTE, HOURS, WRVU												
Total Paid FTE	2,023	1,789	-234	-13.1%	1,957	1,814	-144	-7.90%	1,810	-147	-8.1%	
Total Productive FTE	1,670	1,601	-69	-4.3%	1,666	1,562	-104	-6.70%	1,540	-126	-8.2%	
Total Paid FTE per AOB	8.3	6.73	-1.57	-23.3%	7.99	7.2	-0.79	-11.00%	7.22	-0.77	-10.7%	
Worked Hours Per APD	39.1	34.4	-4.7	-13.8%	38.9	35.4	-3.4	-9.70%	35.1	-3.8	-10.7%	
Worked Hours Per AD	214	198	-15	-7.8%	212	204	-7	-3.70%	207	-4	-2.1%	
Physician wRVU	42,645	4	42,641	1019926.5%	130,737	43	130,694	304164.10%	47	130,690	277472.8%	
OTHER STATS												
GI Procedures	359	353	6	1.7%	3,026	2,603	423	16.30%	2,591	435	16.8%	
Cardiac Procedures	80	65	15	23.1%	919	455	464	102.00%	534	385	72.1%	
HGH Cath Lab and IR Procedures	497	488	9	1.9%	5,480	3,963	1,517	38.30%	5,079	401	7.9%	
TOTAL CLINIC VISITS												
Specialty	141	521	-380	-72.9%	5,107	4,143	964	23.30%	4,877	230	4.7%	
Behavioral Health	720	672	48	7.1%	5,329	6,179	-850	-13.80%	5,660	-331	-5.8%	
PAYOR MIX												
Insurance %	7.48%	7.48%	0.00%		7.28%	8.32%	-1.04%		8.08%	-0.79%		
Medi-Cal %	58.35%	57.97%	0.37%		58.19%	60.14%	-1.95%		60.25%	-2.06%		
Medicare %	28.25%	29.16%	-0.91%		29.43%	26.02%	3.41%		26.86%	2.57%		
Other Govt %	2.66%	2.09%	0.57%		1.74%	2.08%	-0.33%		1.93%	-0.18%		
Self-Pay %	3.26%	3.29%	-0.03%		3.35%	3.44%	-0.10%		2.88%	0.46%		
Total Payor Mix %	100.00%	100.00%	0.00%		100.00%	100.00%	0.00%		100.00%	0.00%		
CAMPUS CMI												
CMI Highland	1.731	1.619	0.113	7.0%	1.709	1.653	0.056	3.40%	1.733	-0.024	-1.4%	

ALAMEDA HEALTH SYSTEMS Volume Reports



Month: February

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE			
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var	
Campus: ALAMEDA												
Total Patient Days	5,858	5,900	-42	-0.7%	49,102	49,627	-525	-1.1%	49,235	-133	-0.3%	
Total Discharges	227	260	-33	-12.8%	1,895	1,909	-14	-0.7%	1,886	9	0.5%	
Total Adjusted Patient Days	8,653	8,425	228	2.7%	74,410	72,013	2,397	3.3%	73,147	1,264	1.7%	
Total Adjusted Discharges	335	372	-36	-9.8%	2,872	2,770	101	3.7%	2,802	70	2.5%	
GENERAL ACUTE												
Patient Days	1,048	1,121	-73	-6.6%	7,779	8,157	-378	-4.6%	8,258	-479	-5.8%	
Discharges	215	249	-34	-13.8%	1,798	1,813	-15	-0.9%	1,807	-9	-0.5%	
OP Factor	1.746	1.6551	-0.0909	-5.5%	1.8487	1.7439	-0.1049	-6.0%	1.7973	-0.0514	-2.9%	
Average Daily Census	37.4	40.1	-2.6	-6.6%	32	33.6	-1.6	-4.6%	34	-2	-5.8%	
Average Length of Stay	4.9	4.5	-0.4	-8.4%	4.3	4.5	0.2	3.8%	4.6	0.2	5.3%	
Adjusted Patient Days	1,830	1,856	-26	-1.4%	14,381	14,224	157	1.1%	14,842	-461	-3.1%	
Adjusted Discharges	375	413	-37	-9.0%	3,324	3,162	162	5.1%	3,248	76	2.3%	
Occupancy %	57%	61%	-4%	-6.6%	49%	51%	-2%	-4.6%	51%	-3%	-5.8%	
Emergency Visits	1,665	1,716	-51	-3.0%	13,681	13,163	518	3.9%	13,283	398	3.0%	
Left Without Being Seen (LWBS)	42	0	-42	-100.0%	457	0	-457	-100.0%	408	-49	-10.7%	
Observation Equivalent Days	196	255	-59	-23.1%	1,966	1,631	336	20.6%	1,726	241	13.9%	
IP Surgeries	18	20	-2	-11.6%	113	142	-29	-20.6%	120	-7	-5.8%	
OP Surgeries	4	0	4	0.0%	46	0	46	0.0%	444	-398	-89.6%	
Total Surgeries	22	20	2	8.0%	159	142	17	11.7%	564	-405	-71.8%	
SNF with Sub-Acute												
SNF Patient Days	4,810	4,778	32	0.7%	41,323	41,470	-147	-0.4%	40,977	346	0.8%	
SNF Discharges	12	11	1	8.9%	97	96	1	1.4%	79	18	22.8%	
SNF OP Factor	1.0023	1.0014	-0.0008	-0.1%	1.0061	1.0015	-0.0046	-0.5%	1.0048	-0.0013	-0.1%	
Average Daily Census	171.8	170.7	1.1	0.7%	170.1	170.7	-0.6	-0.4%	168.6	1.4	0.8%	
Average Length of Stay	400.8	433.6	32.8	7.6%	426	433.4	7.4	1.7%	518.7	92.7	17.9%	
Adjusted Patient Days	4,821	4,785	35	0.7%	41,575	41,534	41	0.1%	41,175	400	1.0%	
Adjusted Discharges	12	11	1	9.0%	98	96	2	1.8%	79	18	22.9%	
Occupancy %	95%	94%	0%	0.0%	94%	94%	0%	0.0%	93%	0%	0.0%	
Bed Holds	56	63	-7	-11.4%	388	391	-2	-0.6%	417	-29	-7.0%	
TOTAL FTE, HOURS, WRVU												
Total Paid FTE	638	652	14	2.2%	640	625	-15	-2.5%	621	-19	-3.1%	
Total Productive FTE	543	588	44	7.6%	553	544	-8	-1.5%	541	-12	-2.2%	
Total Paid FTE per AOB	2.06	2.17	0.1	4.8%	2.09	2.11	0.02	0.8%	2.06	-0.03	-1.4%	
Worked Hours Per APD	10	11.2	1.1	10.0%	10.3	10.5	0.2	1.7%	10.3	-0.1	-0.5%	
Worked Hours Per AD	259	253	-6	-2.5%	267	273	6	2.1%	268	1	0.2%	
Physician wRVU	10,140	0	10,140	0.0%	28,929	0	28,929	0.0%	0	28,929	0.0%	
TOTAL CLINIC VISITS												
Specialty	1185	1,198	-13	-1.1%	10,639	9,758	881	9.0%	10,247	392	3.8%	
PAYOR MIX												
Insurance %	7.64%	6.60%	1.04%		7.08%	6.88%	0.21%	3.0%	7.05%	0.03%		
Medi-Cal %	56.21%	51.39%	4.82%		57.60%	55.45%	2.15%	3.9%	55.94%	1.66%		
Medicare %	34.56%	39.18%	-4.61%		32.90%	34.32%	-1.42%	-4.1%	34.72%	-1.82%		
Other Govt %	0.59%	1.40%	-0.81%		1.04%	1.48%	-0.44%	-29.9%	1.29%	-0.25%		
Self-Pay %	1.00%	1.44%	-0.44%		1.37%	1.87%	-0.49%	-26.4%	1.00%	0.37%		
Total Payor Mix %	100.00%	100.00%	0.00%		100.00%	100.00%	0.00%	0.0%	100.00%	0.00%		
CAMPUS CMI												
CMI Alameda	1.459	1.361	0.099		1.42	1.389	0.031	2.3%	1.463	-0.043		

ALAMEDA HEALTH SYSTEMS Volume Reports

Month: February

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var
Campus: SAN LEANDRO											
Total Patient Days	1,567	1,774	-207	-11.7%	12,773	14,194	-1,421	-10.0%	13,762	-989	-7.2%
Total Discharges	282	331	-49	-14.7%	2,376	2,535	-159	-6.3%	2,492	-116	-4.7%
Total Adjusted Patient Days	3,298	3,371	-73	-2.2%	27,002	27,636	-634	-2.3%	27,204	-202	-0.7%
Total Adjusted Discharges	593	629	-35	-5.6%	5,023	4,936	87	1.8%	4,926	97	2.0%
GENERAL ACUTE											
Patient Days	911	1,066	-155	-14.5%	7,218	8,314	-1,096	-13.2%	8,167	-949	-11.6%
Discharges	240	277	-37	-13.4%	1,968	2,090	-122	-5.9%	2,076	-108	-5.2%
OP Factor	2.4289	2.1419	-0.287	-13.4%	2.4582	2.2299	-0.2284	-10.2%	2.2611	-0.1972	-8.7%
Average Daily Census	32.5	38.1	-5.5	-14.5%	29.7	34.2	-4.5	-13.2%	33.6	-3.9	-11.6%
Average Length of Stay	3.8	3.8	0	1.3%	3.7	4	0.3	7.8%	3.9	0.3	6.8%
Adjusted Patient Days	2,213	2,282	-70	-3.1%	17,744	18,538	-795	-4.3%	18,466	-723	-3.9%
Adjusted Discharges	583	594	-11	-1.8%	4,838	4,661	176	3.8%	4,694	144	3.1%
Occupancy %	52%	60%	-9%	-14.5%	47%	54%	-7%	-13.2%	53%	-6%	-11.6%
Emergency Visits	2,749	2,999	-250	-8.3%	23,023	23,416	-393	-1.7%	23,347	-324	-1.4%
Left Without Being Seen (LWBS)	118	28	-90	-76.4%	928	303	-625	-67.4%	815	-113	-12.2%
Observation Equivalent Days	236	230	5	2.3%	1,781	1,453	328	22.6%	1,434	346	24.1%
IP Surgeries	23	25	-2	-8.5%	310	402	-92	-22.8%	396	-86	-21.7%
OP Surgeries	118	161	-43	-26.6%	1,214	1,414	-200	-14.1%	1,398	-184	-13.2%
Total Surgeries	141	186	-45	-24.2%	1,524	1,816	-292	-16.1%	1,794	-270	-15.1%
REHAB											
Rehab Patient Days	656	708	-52	-7.4%	5,555	5,880	-325	-5.5%	5,595	-40	-0.7%
Rehab Discharges	42	54	-12	-21.6%	408	445	-37	-8.3%	416	-8	-1.9%
Rehab OP Factor	1	1	0	0.0%	1	1	0	0.0%	1	0	0.0%
Average Daily Census	23.4	25.3	-1.9	-7.4%	22.9	24.2	-1.3	-5.5%	23	-0.2	-0.7%
Average Length of Stay	15.6	13.2	-2.4	-18.1%	13.6	13.2	-0.4	-3.0%	13.4	-0.2	-1.2%
Adjusted Patient Days	656	708	-52	-7.4%	5,555	5,880	-325	-5.5%	5,595	-40	-0.7%
Adjusted Discharges	42	54	-12	-21.6%	408	445	-37	-8.3%	416	-8	-1.9%
Occupancy %	84%	90%	0%	0.0%	82%	86%	0%	0.0%	82%	0%	0.0%
Bed Holds	0	0	0	0.0%	3	1	2	177.8%	0	3	0.0%
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	507	479	-28	-5.8%	497	476	-21	-4.5%	476	-21	-4.3%
Total Productive FTE	429	424	-5	-1.1%	421	408	-14	-3.4%	406	-15	-3.7%
Total Paid FTE per AOB	4.31	3.98	-0.32	-8.1%	4.47	4.18	-0.29	-6.9%	4.26	-0.22	-5.1%
Worked Hours Per APD	20.8	20.1	-0.7	-3.4%	21.7	20.5	-1.2	-5.8%	20.7	-0.9	-4.4%
Worked Hours Per AD	116	108	-8	-7.1%	116	115	-2	-1.6%	115	-2	-1.7%
Physician wRVU	16,269	0	16,269	0.0%	49,507	0	49,507	0.0%	0	49,507	0.0%
PAYOR MIX											
Insurance %	7.82%	7.99%	-0.17%		6.40%	6.28%	0.12%		5.97%	0.43%	
Medi-Cal %	54.26%	53.46%	0.80%		54.96%	56.32%	-1.37%		56.20%	-1.24%	
Medicare %	31.82%	33.94%	-2.12%		33.97%	33.12%	0.85%		33.89%	0.08%	
Other Govt %	3.09%	0.98%	2.10%		1.74%	1.29%	0.45%		1.31%	0.43%	
Self-Pay %	3.01%	3.63%	-0.62%		2.94%	2.98%	-0.04%		2.64%	0.29%	
Total Payor Mix %	100.00%	100.00%	0.00%		100.00%	100.00%	0.00%		100.00%	0.00%	
CAMPUS CMI											
CMI San Leandro	1.454	1.467	-0.013	-0.9%	1.458	1.433	0.025	1.8%	1.505	-0.047	-3.1%

ALAMEDA HEALTH SYSTEMS Volume Reports



Month: February

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE			
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var	
Campus: JOHN GEORGE												
Total Patient Days	1814	1849	-35	-1.9%	16017	15855	162	1.0%	15546	471	3.0%	
Total Discharges	183	213	-30	-14.3%	1660	1769	-109	-6.2%	1675	-15	-0.9%	
Total Adjusted Patient Days	2178	2222	-44	-2.0%	19074	18863	211	1.1%	18616	458	2.5%	
Total Adjusted Discharges	220	257	-37	-14.4%	1977	2105	-128	-6.1%	2006	-29	-1.4%	
PSYCH												
Psych Patient Days	1814	1849	-35	-1.9%	16017	15855	162	1.0%	15546	471	3.0%	
Psych Discharges	183	213	-30	-14.3%	1660	1769	-109	-6.2%	1675	-15	-0.9%	
Psych OP Factor	1.2365	1.2368	0.0003	0.0%	1.2278	1.2214	-0.0064	-0.5%	1.2337	0.0059	0.5%	
Average Daily Census	64.8	66	-1.2	-1.9%	65.9	65.2	0.7	1.0%	64	1.9	3.0%	
Average Length of Stay	9.9	8.7	-1.3	-14.5%	9.6	9	-0.7	-7.7%	9.3	-0.4	-4.0%	
Adjusted Patient Days	2243	2286	-43	-1.9%	19665	19365	300	1.5%	19178	487	2.5%	
Adjusted Discharges	226	264	-38	-14.3%	2038	2161	-123	-5.7%	2066	-28	-1.4%	
PES Equivalent Days	594	551	43	7.9%	5561	5292	269	5.1%	5328	233	4.4%	
PES Visits	789	836	-47	-5.6%	6420	6518	-98	-1.5%	6267	153	2.4%	
PES Hours	14260	16453	-2193	-13.3%	133468	127111	6357	5.0%	127877	5591	4.4%	
PES Hours per Visit	18	20	2	8.2%	21	20	-1	-6.6%	20	0	-1.9%	
TOTAL FTE, HOURS, WRVU												
Total Paid FTE	391	378	-13	-3.5%	396	370	-26	-7.0%	387	-9	-2.4%	
Total Productive FTE	325	338	13	3.9%	336	317	-19	-6.0%	332	-4	-1.2%	
Total Paid FTE per AOB	5.03	4.76	-0.26	-5.5%	5.04	4.76	-0.28	-5.8%	5.05	0.01	0.1%	
Worked Hours Per APD	23.9	24.4	0.5	2.0%	24.5	23.3	-1.1	-4.9%	24.8	0.3	1.3%	
Worked Hours Per AD	237	211	-26	-12.2%	236	209	-27	-12.9%	230	-6	-2.6%	
Physician wRVU	2232	4602	-2370	-51.5%	47138	59116	-11978	-20.3%	167112	-119975	-71.8%	
PAYOR MIX												
Insurance %	5.5%	9.8%	-4.2%		5.2%	5.9%	-0.7%		5.3%	-0.1%		
Medi-Cal %	70.5%	62.0%	8.5%		66.8%	64.2%	2.6%		64.5%	2.3%		
Medicare %	21.3%	22.5%	-1.2%		26.0%	23.9%	2.1%		25.1%	0.8%		
Other Govt %	-0.4%	6.0%	-6.4%		-0.4%	2.6%	-3.0%		1.5%	-1.8%		
Self-Pay %	3.1%	-0.3%	3.4%		2.4%	3.5%	-1.1%		3.6%	-1.2%		
Total Payor Mix %	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%		100.0%	0.0%		
CAMPUS CMI												
CMI Behavioral Health	1.344	1.326	0.018	1.4%	1.362	1.272	0.09	7.1%	1.348	0.014	1.0%	

Month: February

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE			
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var	
Campus: FAIRMONT												
Total Patient Days	3018	2940	78	0.026	26000	25517	483	0.019	25839	161	0.006	
Total Discharges	8	11	-3	-0.26	64	93	-29	-0.313	64	0	0	
Total Adjusted Patient Days	4172	3938	234	0.06	34298	34492	-193	-0.006	34708	-409	-0.012	
Total Adjusted Discharges	11	14	-3	-0.236	84	126	-41	-0.329	86	-2	-0.018	
SNF WITH SUB-ACUTE												
SNF Patient Days	3018	2940	78	0.026	26000	25517	483	0.019	25839	161	0.006	
SNF Discharges	8	11	-3	-0.26	64	93	-29	-0.313	64	0	0	
SNF OP Factor	1.0006	1.0014	0.0008	0.001	1.0498	1.0016	-0.0482	-0.048	1.0725	0.0226	0.021	
Average Daily Census	107.8	105	2.8	0.026	107	105	2	0.019	106.3	0.7	0.006	
Average Length of Stay	377.3	272	-105.3	-0.387	406.3	274	-132.3	-0.483	403.7	-2.5	-0.006	
Adjusted Patient Days	3020	2944	76	0.026	27296	25559	1737	0.068	27712	-416	-0.015	
Adjusted Discharges	8	11	-3	-0.261	67	93	-26	-0.28	69	-1	-0.021	
Occupancy %	0.99	0.96	0.0%	0	0.98	0.96	0.0%	0	0.98	0.0%	0	
Bed Holds	14	30	-16	-0.527	250	261	-11	-0.043	287	-37	-0.129	
TOTAL FTE, HOURS, WRVU												
Total Paid FTE	284	288	4	0.014	299	293	-6	-0.02	297	-2	-0.008	
Total Productive FTE	241	259	19	0.072	254	253	-1	-0.002	254	0	0.002	
Total Paid FTE per AOB	1.91	2.05	0.14	0.07	2.12	2.07	-0.05	-0.026	2.08	-0.04	-0.02	
Worked Hours Per APD	9.2	10.5	1.3	0.124	10.3	10.2	-0.1	-0.008	10.2	-0.1	-0.01	
Worked Hours Per AD	3483	2867	-616	-0.215	4175	2794	-1382	-0.495	4107	-68	-0.017	
Physician wRVU	1136	0	1136	0	3020	0	3020	0	0	3020	0	
CLINIC / TELEHEALTH VISITS												
Behavioral Health	2029	1779	250	0.14	14598	16954	-2356	-0.139	16334	-1736	-0.106	
Rehab	15	11	4	0.353	93	78	15	0.188	93	0	0	
Clinic Visits	2044	1790	254	0.142	14691	17032	-2341	-0.137	16427	-1736	-0.106	
Telehealth Behavioral Health	98	49	49	1.014	778	483	295	0.612	475	303	0.638	
Telehealth Visits	98	49	49	1.014	778	483	295	0.612	475	303	0.638	
TOTAL CLINIC VISITS	2142	1839	303	0.165	15469	17515	-2046	-0.117	16902	-1433	-0.085	
PAYOR MIX												
Insurance %	2.2%	2.1%	0.1%		1.7%	1.0%	0.7%		1.2%	0.5%		
Medi-Cal %	74.0%	75.9%	-2.0%		78.0%	76.5%	1.5%		77.5%	0.5%		
Medicare %	24.3%	19.9%	4.4%		19.8%	21.7%	-1.9%		21.1%	-1.3%		
Other Govt %	0.3%	1.0%	-0.8%		0.2%	0.3%	0.0%		0.2%	0.0%		
Self-Pay %	-0.7%	1.1%	-1.8%		0.4%	0.6%	-0.3%		0.0%	0.3%		
Total Payor Mix %	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%		100.0%	0.0%		

Month: February

	MONTH				YEAR-TO-DATE				PRIOR YEAR-TO-DATE		
	MTD Actual	MTD Budget	Var	% Var	YTD Actual	YTD Budget	Var	% Var	YTD PY Actual	Var	% Var
Campus: FQ CLINIC											
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	508	489	-20	-4.0%	497	499	2	0.5%	463	-34	-7.3%
Total Productive FTE	406	431	25	5.8%	409	420	11	2.7%	383	-26	-6.7%
Physician wRVU	56579	36444	20136	55.3%	384852	319150	65703	20.6%	332393	52459	15.8%
OTHER STATS											
Covid Immunization	648	696	-48	-6.9%	4114	7401	-3287	-44.4%	7401	-3287	-44.4%
CLINIC / TELEHEALTH											
Primary Care	13684	13332	352	2.6%	112498	113567	-1069	-0.9%	114245	-1747	-1.5%
Specialty	11753	10824	929	8.6%	89071	93800	-4729	-5.0%	77433	10299	13.3%
Behavioral Health	15	0	15	0.0%	134	0	134	0.0%	21	113	538.1%
Clinic Visits	25452	24156	1296	5.4%	201703	207367	-5664	-2.7%	191699	8665	4.5%
Telehealth Primary Care	2640	2704	-64	-2.4%	21241	22537	-1296	-5.8%	20519	722	3.5%
Telehealth Specialty	2249	1934	315	16.3%	18145	16464	1681	10.2%	16919	1226	7.2%
Telehealth Behavioral Health	43	27	16	59.3%	264	216	48	22.2%	142	122	85.9%
Telehealth Visits	4932	4665	267	5.7%	39650	39217	433	1.1%	37580	2070	5.5%
TOTAL CLINIC VISITS	30384	28821	1563	5.4%	241353	246584	-5231	-2.1%	229279	10735	4.7%
FQHC Visits	30384	28821	1563	5.4%	241353	246584	-5231	-2.1%	229279	10735	4.7%
PAYOR MIX											
Insurance %	3.3%	2.4%	0.8%	33.4%	3.2%	2.5%	0.7%	29.3%	2.6%	0.6%	21.3%
Medi-Cal %	76.8%	80.2%	-3.4%	-4.2%	76.6%	80.1%	-3.4%	-4.3%	78.6%	-2.0%	-2.6%
Medicare %	14.7%	12.9%	1.8%	14.3%	15.1%	12.8%	2.3%	17.9%	14.0%	1.2%	8.3%
Other Govt %	2.0%	1.7%	0.4%	20.6%	1.8%	1.7%	0.1%	4.3%	1.8%	0.0%	-2.1%
Self-Pay %	3.2%	2.8%	0.4%	13.1%	3.3%	2.9%	0.3%	11.8%	2.9%	0.3%	11.4%
Total Payor Mix %	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%

Chief Operating Officer Report

Financial Planning

Long Range Financial Plan

Alex Gallo
04.01.26
Finance Committee

Presentation Objectives



Shared Understanding and Alignment



The Long Range Plan will be a living tool.
Presentation is for discussion purposes only
and information is subject to change.



Presentation is to set the stage for
discussion and longer term thinking, not an
approval of five-year forecast.

Income Statement With No Action

- Additional impact assumptions:
 - COLA/Step annual increases avg. of 2.3%.
 - Net Patient Service Revenue Increases of 1%/yr after HRI/COT adjustments.
 - Rent/Utilities annual increases of 2%
- Baseline shows structural imbalance where expense growth outpaces revenue under current reimbursement assumptions.
- Operating losses compound over time, reducing flexibility and increasing reliance on financing solutions.
- Key Takeaways:
 - With half of operating revenue sourced patient service revenue, the path to closing future years Net Income gaps is primarily around efficiency gains.
 - Baseline Status quo is not sustainable.

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For Fiscal Years Ending June 30th
 (In Thousands)

	Projected FY2028	Projected FY2029	Projected FY2030
Operating revenue			
Net patient service revenue	\$ 882,553	\$ 830,443	\$ 777,812
Capitation revenue	53,640	53,640	53,640
Other government programs	533,115	514,667	500,709
Other operating revenue	59,353	59,353	59,353
Total operating revenue	1,528,661	1,458,103	1,391,514
Operating expense			
Labor costs	1,247,941	1,258,901	1,270,081
Physician contract services	43,639	43,639	43,639
Purchased services	105,518	105,518	105,518
Materials and supplies	158,391	158,391	158,391
Facilities	39,810	40,606	41,418
amort - ROU leases	4,242	4,242	4,242
amort - RTU software	1,187	1,187	1,187
depr - capital	20,983	20,983	20,983
Depreciation and amortization	26,412	26,412	26,412
General and administrative	33,166	33,166	33,166
Total operating expense	1,654,876	1,666,633	1,678,625
Operating income (loss)	(126,215)	(208,530)	(287,111)
Non-operating activity			
Interest income (expense)	(3,900)	(3,900)	(3,900)
Other nonoperating revenue	156	156	156
Covid-19 revenue	-	-	-
Total non-operating activity	(3,744)	(3,744)	(3,744)
Net income (loss)	\$ (129,959)	\$ (212,274)	\$ (290,855)
EBIDA adjustments			
Interest income (expense)	3,900	3,900	3,900
Depreciation and amortization	26,412	26,412	26,412
Retirement (deferred)	-	-	-
Total EBIDA adjustments	30,312	30,312	30,312
EBIDA	\$ (99,647)	\$ (181,962)	\$ (260,543)

NNB Impact With No Action

- NNB timing is the forcing function for urgency, it defines when corrective actions must be realized not just planned
- This slide clarifies the minimum level of execution needed to protect cash and maintain operational stability

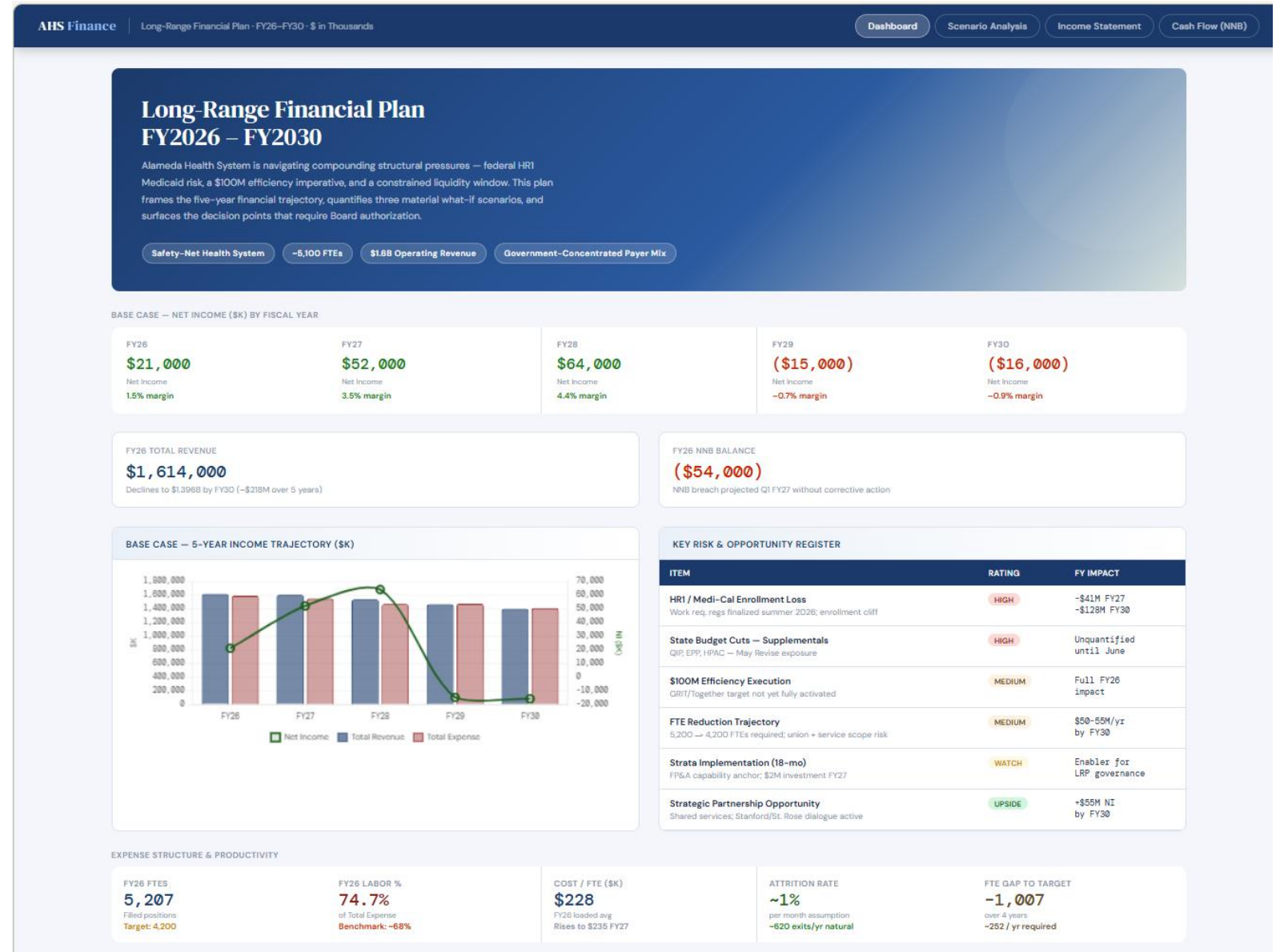
Net Negative Balance (NNB) Projection

(In thousands)

	ACTUAL 2024	PROJECTED 2028	PROJECTED 2029	PROJECTED 2030
Earning Before Interest, Depreciation and Amortization (EBIDA)	\$ 36,228	\$ (99,647)	\$ (181,962)	\$ (260,543)
<i>Supplemental Program Timing</i>				
<i>HPAC Amendment & AB85 Realignment</i>	(22,984)	(45,600)	-	-
<i>EPP</i>	(3,836)	55	11,258	13,679
<i>QIP (including DP-NF PT)</i>	(2,828)	441	16,233	11,849
<i>Other programs</i>	(42,422)	4,023	(2,844)	(6,980)
<i>Other Balance Sheet Timing</i>	41,361	7,756	7,756	7,756
Cash From Operations	5,519	(132,972)	(149,559)	(234,239)
<i>EPIC Financing Payment</i>	(3,977)	-	-	-
<i>Other arrangements (leases, software)</i>	(7,018)	(3,988)	(3,692)	(3,692)
Committed Debt	(10,995)	(3,988)	(3,692)	(3,692)
<i>Capital Projects</i>	(20,601)	(31,851)	(21,585)	(22,000)
Capital Outlay	(20,601)	(31,851)	(21,585)	(22,000)
<i>AHSF Support</i>	221	-	-	-
<i>Jaber</i>	164	-	-	-
Other Activity	(1,668)	(4,056)	(4,056)	(4,056)
<i>Capital Cost Transfer (pmt to County)</i>	(9,202)	(7,600)	(7,600)	(7,600)
Total County Transactions	(9,202)	(7,600)	(7,600)	(7,600)
Cash Surplus/(Deficit)	(36,947)	(180,467)	(186,492)	(271,587)
<i>NNB, Beginning Balance</i>	58,174	(110,098)	(290,565)	(477,057)
NNB, Ending Balance	21,227	(290,565)	(477,057)	(748,644)
NNB Limit at June 30th	105,000	85,000	80,000	75,000
Under (Over) NNB Limit	126,227	(205,565)	(397,057)	(673,644)

Demo

- Clear, intuitive visualization for leadership alignment
- Dynamic scenario analysis in real time
- Improved agility vs. static materials
- Bridge to future-state planning capabilities (Strata)



Risk Imperative: Efficiency Gains are High Risk

Structural Revenue Reality

- Approximately half of operating revenue is Net Patient Service Revenue and the remainder is supplemental funding subject to policy and regulatory volatility.
- New service lines require 12-24+ months to ramp, while costs are incurred immediately, resulting in near-term operating losses, not margin improvement
- Supplemental payments often take years to convert to cash and are subject to policy timing and risk, limiting impact on near-term liquidity
- There is no credible near term service creation or expansion strategy that can close the projected gap within required liquidity timelines.

Required Strategic Response

- Revenue optimization across existing infrastructure is the most significant near term lever to offset revenue compression → Enhance patient access, documentation, and care coordination to capture earned revenue and reduce leakage
- Productivity improvement across existing infrastructure to improve throughput without incremental cost
- Pursue strategic partnerships (e.g., Stanford) to expand access to specialty care and generate \$5M+ incremental revenue within 12 months, leveraging existing infrastructure
- The efficiency trajectory models a reduction from 5,200 to 4,200 FTEs over four years, a decrease that is unlikely to be achieved through incremental improvement alone and would necessitate structural review of programs and service offerings.

Initiative	FY27	FY28	FY29	FY30
Efficiency Savings	120,000	30,000	10,000	80,000

Highest Material Risk

Productivity gains at the magnitude required are highly uncertain and execution dependent. Failure to achieve targeted efficiency levels will materially impact stability, and long term sustainability.

THANK YOU

APPENDIX

Why a Long Range Financial Plan Is Essential

A safety net system faces multi year structural pressures that cannot be managed through annual budgets alone, including reimbursement risk, labor cost growth, and capital needs.

A long range financial plan ensures these pressures are addressed in a way that protects patient care, advances health equity, and sustains our ability to serve as the safety net of the community.



Provides early visibility into sustainability risks, allowing leadership and the Board of Trustees to take proactive action over long term activities.



Creates a disciplined framework to prioritize initiatives and investments that protect access, quality, and the mission over time.

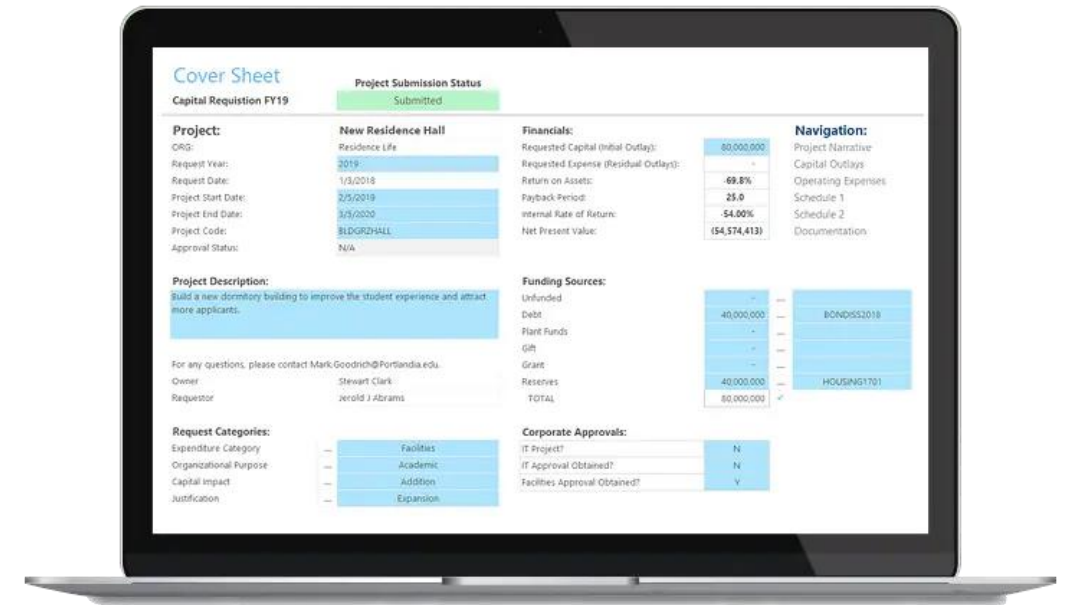


Aligns operating decisions, capital planning, and transformation efforts to ensure the system can continue serving the community through economic and policy cycles.

Decision Analysis Features

- Make quick adjustments by initiative to assess financial impact by year
- Multiple scenario evaluation – Expected, Optimistic, Conservative
- Multiple Roll Up Views – Dashboard summary vs. full financial statements

Takeaway: The tool allows leadership to actively shape the long range financial narrative by testing strategic tradeoffs and understanding their downstream impact.



Feature Representative Image. Not actual Data.

LR Plan Goals & Guiding Principles

Establish Baseline

- **Zero Net Negative Balance at year end.**
- **Ensure a *positive bottom line sufficient to cover capital needs without increasing debt.***
- Take a multi-year view to ensure strategic investment and the long-term sustainability of the organization.

Dynamic Adjustments

- Incorporate **factors** that may not be reflected in the baseline but likely impact the plan, such as new, or changing services.
- Incorporate full-year staffing as needed, including physician services and approved programs.
- Align resources and funding decisions to drive optimal clinical outcomes and advance HEDI goals

External Factors

- Monitor regulatory shifts, state and federal budgetary/ policy decisions, reimbursement changes, and evolving payer models.
- Structural limits on revenue growth shift the burden of deficit reduction to productivity gains and disciplined cost management.
- Maintain ***fiscal discipline to control expenses necessary to stabilize operations from fluctuations in funding.***

Sustainable Continuous Improvement

- Embed operational and digital efficiencies to drive cost reductions and revenue optimization.
- Develop an achievable budget that includes performance improvement with stretch goals.
- **Support Strategic Plan** including emphasis on driving productivity to address projected revenue declines.
- Support a multi year strategic services roadmap.

Our Mission

Caring, Healing, Teaching, Serving All

Our Vision

Alameda Health System 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.

Strategic Pillars

STEWARDSHIP

Optimize asset utilization and resources to deliver high-quality care to our patients

Objective: Grow and optimize resources for the patient care continuum to meet the community need

STAFF & PHYSICIAN EXPERIENCE

AHS values its physicians, clinicians and staff and seeks to grow, engage, retain, and empower them to serve all

Objective: Empowered people and teams delivering exceptional care

QUALITY CARE

AHS provides Safe, Timely, Effective, Efficient, Equitable and Patient-Centered care that is accessible to all

Objective: Safe place to receive exceptional and compassionate care

COMMUNITY CONNECTION

AHS partners with our community to improve health

Objective: Earn the mutual trust of and partner with our community to strive for optimal health for All

Strategic Initiatives

1

Workforce Optimization & Labor Cost Management

Transform workforce planning and deployment to achieve benchmark staffing ratios while optimizing compensation structures, reducing premium labor costs, and implementing sustainable hiring practices that balance cost efficiency with quality care delivery.

STEWARDSHIP STAFF & PHYSICIAN EXP

2

Revenue Cycle Excellence

Maximize revenue capture and accelerate cash flow through enhanced charge capture processes, strategic accounts receivable management, denial reduction, and patient access optimization across ambulatory and acute care settings.

STEWARDSHIP STAFF & PHYSICIAN EXP QUALITY CARE

3

Operational Efficiency & Clinical Excellence

Optimize clinical operations through evidence-based staffing models, improved patient flow, and standardized care delivery processes that enhance quality outcomes while reducing operational costs.

STEWARDSHIP STAFF & PHYSICIAN EXP QUALITY CARE

4

Technology & Digital Transformation

Modernize technology infrastructure and optimize digital investments to reduce costs, improve user experience, and enable data-driven decision-making across the enterprise.

STEWARDSHIP QUALITY CARE

5

Supply Chain & Procurement Excellence

Optimize supply chain operations and strategic sourcing to reduce costs, improve inventory management, and ensure reliable access to quality supplies and equipment.

STEWARDSHIP STAFF & PHYSICIAN EXP

6

Capital Investment & Real Estate Optimization

Strategically manage capital investments and real estate assets to support clinical operations while minimizing costs through consolidation, energy efficiency, and data-driven project prioritization.

STEWARDSHIP

7

Regulatory Related Major Capital Projects

Execute infrastructure investments to ensure regulatory compliance, patient safety, and long-term operational sustainability while leveraging external funding sources.

STEWARDSHIP COMMUNITY CONNECTION

8

Strategic Collaborations/Partnerships

Develop strategic collaborations/partnerships to expand access, improve financial performance, and position AHS as a regional leader in community-based care.

STEWARDSHIP STAFF & PHYSICIAN EXP QUALITY CARE COMMUNITY CONNECTION

Ongoing Oversight

Alignment Cadence

- Long Range Financial Plan is linked to the Integrated Strategic Framework including budgeting, initiative intake reviews and capital planning.

Criteria for LR Initiatives

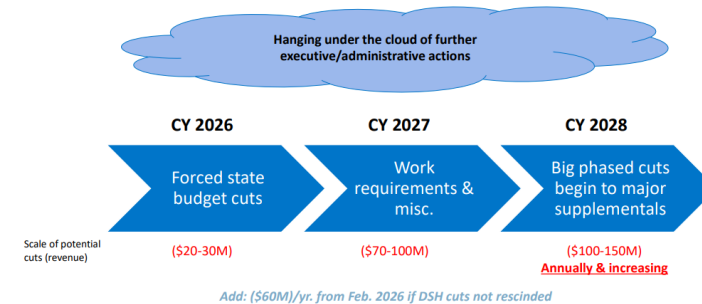
- \$3m+/year annual impact (items not covered in typical annual budget)
- 5 year planning horizon

Review Type	Audience	Timing	Fiscal Quarter	Key Month	Core Focus
Annual Plan Finalization	Board of Trustees, MEC, Key Stakeholders	End of fiscal year	Q4	June	Final LRFP aligned to approved budget and strategic plan priorities
Mid Year Update	Board of Trustees, MEC, Key Stakeholders	Mid fiscal year	Q2	December	Refresh LRFP based on YTD performance, updated forecasts, and strategic shifts
Quarterly Strategic Review	Executive Strategy Team (EST)	Quarterly	Q1 Q2 Q3 Q4	Sep Dec Mar Jun	Review LRFP performance, initiative progress, and alignment with strategic plan
Intake (Key Initiatives, Capex)	All Reviews	Embedded in each cadence	All quarters	All months	Review inputs in prioritization context to LR Plan

18 Month Priorities – Long Range Planning

- Mature project execution disciplines to ensure delivery of one hundred million dollars in **net savings by the end of FY26**.
- Support organizational planning around FY27-30 to address funding gaps, including HR-1.
- Strengthen **linkage between strategy**, the long range financial plan, the annual budget, and resource/capital planning to ensure alignment of resources and timing.
- Support transition to Strata system for more robust capability.

Overall Est. of HR 1 Impacts to AHS to Prepare For



\$100M Together



Efficiency Program

5 Year Income Statement With Action

- Approved initiatives materially improve the trajectory relative to baseline, demonstrating the value of the transformation portfolio.
- Results still indicate remaining structural risk, so the plan is a platform for continued initiative development.
- Statement useful to assess whether the system is moving toward sustainable operating performance and cash generation.
- This is the scorecard for whether actions translate into financial statement improvement.

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For Fiscal Years Ending June 30th
(In Thousands)

	Projected FY2028	Projected FY2029	Projected FY2030
Operating revenue			
Net patient service revenue	\$ 927,763	\$ 876,106	\$ 823,931
Capitation revenue	53,640	53,640	53,640
Other government programs	533,115	514,667	500,709
Other operating revenue	59,353	59,353	59,353
Total operating revenue	1,573,871	1,503,766	1,437,633
Operating expense			
Labor costs	1,098,300	1,098,018	1,047,480
Physician contract services	43,639	43,639	43,639
Purchased services	105,518	105,518	105,518
Materials and supplies	168,241	156,391	139,641
Facilities	39,810	40,606	41,418
amort - ROU leases	4,242	4,242	4,242
amort - RTU software	1,187	1,187	1,187
depr - capital	20,983	20,983	20,983
Depreciation and amortization	26,412	26,412	26,412
General and administrative	33,166	33,166	33,166
Total operating expense	1,515,086	1,503,750	1,437,274
Operating income (loss)	58,785	16	359
Non-operating activity			
Interest income (expense)	(3,900)	(3,900)	(3,900)
Other nonoperating revenue	156	156	156
Covid-19 revenue	-	-	-
Total non-operating activity	(3,744)	(3,744)	(3,744)
Net income (loss)	\$ 55,041	\$ (3,728)	\$ (3,385)
EBIDA adjustments			
Interest income (expense)	3,900	3,900	3,900
Depreciation and amortization	26,412	26,412	26,412
Retirement (deferred)	-	-	-
Total EBIDA adjustments	30,312	30,312	30,312
EBIDA	\$ 85,353	\$ 26,584	\$ 26,927

NNB Impact With Action

This reconciliation reflects only initiatives that are fully committed and approved, excluding conceptual or unvetted actions. As a result, it provides a conservative view of near and mid term liquidity risk.

The analysis highlights a key pressure point in the middle years, with an approximately ninety-one million of debt emerging as early initiatives plateau and external pressures increase. AHS is projecting to exceed the NNB in the first quarter of FY27. Strategic initiatives materially improve the trajectory, but they are not currently sufficient on their own to fully offset the \$100m gap.

Management faces two critical requirements. To avoid maximizing NNB in FY26, the system must achieve one hundred million in savings within that fiscal year. To remain viable and bridge to anticipated external funding relief, cumulative and recurring savings of one hundred million must be achieved by the end of FY27.

Net Negative Balance (NNB) Projection

(In thousands)

	PROJECTED 2028	PROJECTED 2029	PROJECTED 2030
Earning Before Interest, Depreciation and Amortization (EBIDA)	\$ 85,353	\$ 26,584	\$ 26,927
<i>Supplemental Program Timing</i>			
HPAC Amendment & AB85 Realignment	(45,600)	-	-
EPP	55	11,258	13,679
QIP (including DP-NF PT)	441	16,233	11,849
Other programs	4,023	(2,844)	(6,980)
Other Balance Sheet Timing	7,756	7,756	7,756
Cash From Operations	52,028	58,987	53,231
EPIC Financing Payment	-	-	-
Other arrangements (leases, software)	(3,988)	(3,692)	(3,692)
Committed Debt	(3,988)	(3,692)	(3,692)
Capital Projects	(42,601)	(27,585)	(25,000)
Capital Outlay	(42,601)	(27,585)	(25,000)
Interest income(expense)	(3,900)	(3,900)	(3,900)
Non-operating income	(156)	(156)	(156)
AHSF Support	-	-	-
Jaber	-	-	-
Other Activity	(4,056)	(4,056)	(4,056)
Capital Cost Transfer (pmt to County)	(7,600)	(7,600)	(7,600)
Capital Cost Transfer (pmt from County)	-	-	-
Capital Reserve Fund (pmt to County)	(7,000)	(7,000)	(7,000)
Capital Reserve Fund (pmt from County)	7,000	7,000	7,000
Total County Transactions	(7,600)	(7,600)	(7,600)
Cash Surplus/(Deficit)	(6,217)	16,054	12,883
NNB, Beginning Balance	38,580	32,363	48,417
NNB, Ending Balance	32,363	48,417	61,300
NNB Limit at June 30th	85,000	80,000	75,000
Under (Over) NNB Limit	117,363	128,417	136,300

Financial Threats – Incremental Income Statement Impact

- Projected incremental reduction to operating revenue ranges from \$41M in FY27 to \$128M by FY30, reflecting escalating exposure to federal and state actions.
- Incremental operating losses grow from \$33M in FY27 to approximately \$114M by FY30 under current assumptions.
- Expense offsets shown are limited relative to revenue impact, highlighting the magnitude of top line exposure.
- Figures reflect point in time assumptions for directional planning; updated scenarios and sensitivities will be reviewed at a future Board retreat.

	FY2027 Big Bill	FY2028 Big Bill	FY2029 Big Bill	FY2030 Big Bill
Operating revenue				
Net patient service revenue	\$ (34,113)	\$ (60,935)	\$ (60,935)	\$ (60,935)
Capitation revenue				
Other government programs	(6,996)	(20,780)	(43,464)	(66,951)
Other operating revenue				
Total operating revenue	(41,109)	(81,715)	(104,399)	(127,886)
Operating expense				
Labor costs	(7,772)	(13,998)	(13,998)	(13,998)
Physician contract services				
Purchased services				
Materials and supplies				
Facilities				
Depreciation and amortization				
General and administrative				
Total operating expense	(7,772)	(13,998)	(13,998)	(13,998)
Operating income (loss)	(33,337)	(67,717)	(90,401)	(113,888)
Non-operating activity				
Interest income (expense)				
Other nonoperating revenue				
Total non-operating activity	-	-	-	-
Net income (loss)	\$ (33,337)	\$ (67,717)	\$ (90,401)	\$ (113,888)

Other Financing Threats

State Budget Cuts

- State budget cuts include, for certain adult immigrant populations:
 - Enrollment freeze & PPS rate cut Jan. 2026
 - Elimination of non-emergency dental benefits from Jul. 2026
 - \$30/mo. premiums from Jul. 2027
- If state tax revenue is down in May, further cuts are possible, not known until end of June
- Alliance saw enrollment drop by almost 7,000 in January 2026 alone, first month of freeze
 - Alliance projected at least 40,000 fewer enrollees by June 2026
 - At least \$350M medical expenses for population – impact to AHS via HPAC OMS being monitored

Federal Lapses

- Enhanced subsidies for ACA exchange plans lapsed as of January 2026
 - Average Covered CA premium doubled, participation sharply down
 - Could send more people back to us as uncompensated care (monitoring)

Programmatic Financial Risks

- Federal cuts passed July 2025 (HR 1 / "Big Bill") significantly reduces Medi-Cal enrollment expected from January 2027, combined with State budget cuts passed June 2025 that are already reducing Medi-Cal enrollment for immigrant categories & will also reduce benefits of those remaining during FY27
 - AHS has had estimates of both federal and state impacts since August 2026 but significant uncertainty remains, will present Board with assumptions and possible approaches for feedback at Board Retreat.
 - Federal regulations for HR 1 work requirements not expected until summer; true impact will be hazy up to the day it takes effect
- Supplemental revenue was based on information available through May 31, 2024.
 - DP-NF Pass-Through, a 3-year time-limited program assisting with transition of SNF services to Managed Care, must end 12/31/2025 under federal rules; revenues not yet received have been earmarked for capital investment.
 - Interim HPAC Amendment (1991 Realignment) funds not advanced during year, based on updated state estimates of “need” under statutory AB85 formula due to significant projected increases in EPP & QIP.
- CalAIM reform to behavioral health service including County’s conversion to a new billing system has impacted AHS’ ability to get reimbursed for all the services provided. Budget 2026 assumes \$72.1M for JGP reimbursement based on FY23 contract. It should be noted that this level of reimbursement is insufficient to cover costs.

Financial Risks (Same as FY26 Budget)

- Multi-year planning necessary to solve projected NNB deficits for long-term sustainability of the organization.
- Threat and perception of tariff increases may impede supplies and other components for capital projects.
- Global provider expense budget at \$233.5M includes new FTE as AHS employs providers, requiring reduction in overtime, locums and SAN from current run rate spending.
 - New doctors' productivity may not reach median as planned.
- Achieve GRIT \$26.8M necessary to close budget gap and fund the capital plan.
 - Adopting tighter labor standards aligned with external benchmarks for safety net organizations to ensure long term financial sustainability. WORC and Budget Oversight Committees are tasked with achieving GRIT staffing efficiencies (\$8.8M).

Big Bill Impact

		As of June 30 of each fiscal year				
		BUDGET 2026	PROJECTED 2027	PROJECTED 2028	PROJECTED 2029	PROJECTED 2030
As of September 1, 2025						
Big Bill impacts - federal actions	Medicaid Work Requirements					
	...Work requirements increasing uncompensated care	0	(7,929)	(23,787)	(23,787)	(23,787)
	...Work requirements decreasing patient utilization	0	(3,398)	(10,195)	(10,195)	(10,195)
	...Direct cost savings from decreased utilization	0	3,113	9,339	9,339	9,339
	...Work requirements reducing GME	0	(394)	(793)	(935)	(1,079)
	...reducing Rate-Range	0	0	0	(4,029)	(4,110)
	...reducing AB915, PNPP	0	0	(787)	(1,602)	(5,635)
	Subtotal Federal	0	(8,609)	(26,222)	(31,209)	(35,467)
	State Directed Payments caps					
	...EPP to Medicare equivalency (10% cut 2028, then 20%, etc.)	0	0	0	0	(9,772)
...QIP to Medicare equivalency (same)	0	0	0	0	(12,198)	
Subtotal Directed	0	0	0	0	(21,970)	
	Reduction to Emergency Medicaid FMAP (Immigration-Related)	0	(5,833)	(10,000)	(10,000)	(10,000)
Big Bill impacts - state actions	State reductions to coverage & rates	(4,098)	(12,294)	(12,294)	(12,294)	(12,294)
	Reduction to AHS share of HQAF (Direct Grant)	(3,664)	(3,622)	(3,622)	(3,622)	(3,622)
	Subtotal State	(7,762)	(15,916)	(15,916)	(15,916)	(15,916)
Total Big Bill impact		(7,762)	(30,358)	(52,138)	(57,125)	(83,353)

FY 27 Budget and HR 1 Fiscal Impacts

Finance Committee

Kimberly Miranda
Grace Mesina
John Minot-Schwartz
April 1, 2026

Budget Goals & Guiding Principles

Preliminary Budget Framework

- Use Run Rate actuals from CY2025 for volume, revenue and cost assumptions as Budget starting point.
- Scrub for known changes/differences:
 - Correct for any material one-time items that impacted the baseline.
 - Update supplemental program revenue to reflect latest available information
- Incorporate factors that may not be reflected in the baseline but likely impact the budget, such as dental services, Union COLAs and contracts.
- Incorporated full year staffing, as needed, including physician services.

External and Financial Drivers

- Address HR 1 and other state and federal budgetary changes that will likely increase the uninsured, reduce utilization and lead to delayed care and worsening health outcomes.
 - Utilization decreases/no volume growth
 - Outreach to fill provider schedules
 - Assignment of Medi-Cal members
 - Partner with county on HPAC growth
 - Uncompensated care
- Maintain fiscal discipline to control expenses necessary to stabilize operations from fluctuations in funding.

Sustainable Continuous Improvement

- Ensure compliance with the County Permanent Agreement including NNB requirements
- Prioritize revenue capture over volume growth.
- Prioritize funding toward initiatives that demonstrate near-term financial impact or risk mitigation, while limiting or deferring investments that do not meet defined return or strategic thresholds.
- Execute GRIT and other key initiatives to reduce costs and strengthen financial performance

Focus on mitigations now to offset potential utilization drops driven by HR 1

Restart Alliance assignment & increase utilization of existing and new capacity with improved care coordination

- Call center
 - Hire or realign panel management supervisor
 - Call patients when cancellations occur to secure appointment for Alliance members
- Patient panel digital communications
 - “Hello World” - send initial welcome packet, along with tracking & following up on new patient appointments
 - MyChart enrollment of new members
- Patient onboarding – initial clinical intake
 - Establish patient care for new members through FQ qualified telehealth video visits conducted by a Nurse Practitioner or Physician Assistant

Preliminary Budget

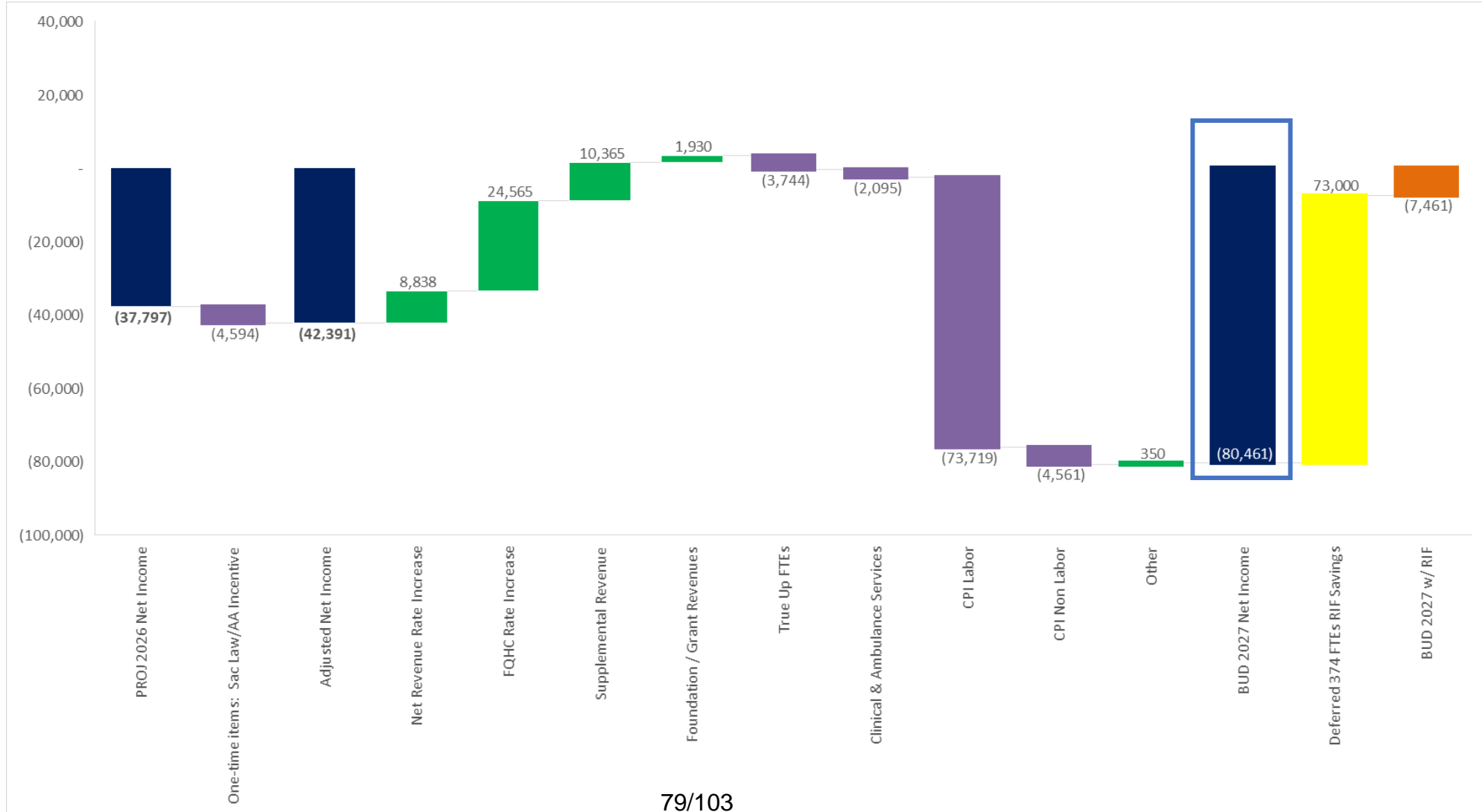
(in thousands)	Actual 2025	Projection 2026	Budget 2027	Variance Proj2026 vs Budget 2027	% Variance (Proj 2026 vs. Budget2027)
<i>Operating Revenue -----</i>					
Net Patient Revenue	\$ 942,426	\$ 970,539	\$ 1,003,942	\$ 33,403	3.4%
Capitation Revenue	55,600	53,599	53,601	2	0.0%
Other Government Programs	563,927	530,716	541,080	10,365	2.0%
Other Revenues	63,966	72,500	70,264	(2,236)	-3.1%
Total Revenue - All Sources	\$ 1,625,920	\$ 1,627,353	\$ 1,668,887	\$ 41,534	2.6%
Collection %	19.6%	18.5%	19.4%	-1.0%	5.0%
<i>Operating Expenses -----</i>					
Salaries & Wages	\$ 675,936	\$ 732,135	\$ 772,013	39,878	5.4%
Salaries & Wages (Providers)	150,009	155,329	163,540	8,211	5.3%
Registry	52,211	39,924	37,931	(1,993)	-5.0%
Physician Contract Services	41,338	45,084	43,266	(1,819)	-4.0%
Employee Benefits (Taxes, Ins)	196,870	202,404	224,922	22,518	11.1%
Retirement	96,797	98,709	107,266	8,557	8.7%
Total Labor Expenses	\$ 1,213,161	\$ 1,273,586	\$ 1,348,937	\$ 75,352	5.9%
Purchased Services	\$ 105,279	\$ 105,072	\$ 108,986	3,914	3.7%
Materials and Supplies	154,414	167,472	170,348	2,875	1.7%
Facilities	41,248	44,851	46,058	1,207	2.7%
Depreciation & Amortization	37,542	28,304	28,153	(151)	-0.5%
General and Administration	53,335	42,013	43,014	1,000	2.4%
Total Non-Labor Expenses	\$ 391,817	\$ 387,713	\$ 396,558	\$ 8,846	2.3%
Total Operating Expenses	\$ 1,604,978	\$ 1,661,298	\$ 1,745,496	\$ 84,197	5.1%
Operating Income (Loss)	\$ 20,941	\$ (33,945)	\$ (76,609)	\$ (42,664)	125.7%

Preliminary Budget

(in thousands)	Actual 2025	Projection 2026	Budget 2027	Variance Proj2026 vs Budget 2027	% Variance (Proj 2026 vs. Budget2027)
Non-Operating Activity -----					
Interest Income (Expense)	\$ 2,899	\$ (3,860)	\$ (3,860)	(0)	0.0%
Other nonoperating Revenue	(253)	8	8	(0)	0.0%
Total Non Operating Activity	\$ 3,152	\$ (3,869)	\$ (3,852)	\$ (0)	-0.4%
Net Income (Loss)	\$ 17,790	\$ (30,077)	\$ (80,461)	\$ (42,664)	167.5%
EBIDA Adjustments					
Interest Income (Expense)	\$ 2,899	\$ 3,860	\$ 3,860	0	0.0%
Depreciation & Amortization	37,542	28,304	28,153	(151)	-0.5%
Amortization (GASB-68, GASB-75)*	160	-	-	-	
Total EBIDA Adjustments	\$ 40,601	\$ 32,164	\$ 32,013	\$ (151)	-0.5%
EBIDA	\$ 58,390	\$ 2,088	\$ (48,448)	\$ (42,815)	-2420.7%
<i>Operating Margin</i>	1.3%	-2.1%	-4.6%	-2.4%	
EBIDA %	3.6%	0.1%	-2.9%	-2.0%	
FTEs	5,166	5,204	5,216	12	0.2%
Salaries per FTE (incl Registry)	\$ 169,975	\$ 178,207	\$ 186,634	\$ 8,427	4.7%
Adjusted Patient Days	364,454	368,736	367,922	(814)	-0.2%

Net Income Roll Forward

- Expenses continue to outpace revenues. The deferred RIF has introduced uncertainty, and a significant gap remains to achieve a balanced budget.



Budget Entity Financials

In Thousands	ALAMEDA	FAIRMONT	FQ CLINIC	HIGHLAND	JOHN GEORGE	SAN LEANDRO	SYSTEM OVERHEAD	Grand Total
<i>Operating Revenue -----</i>								
Net Patient Revenue	130,482	33,510	132,157	476,469	96,909	134,414	-	1,003,942
Capitation Revenue	2,219	388	17,352	26,021	-	7,621	-	53,601
Other Government Programs	33,941	9,681	105	119,297	-	25,051	-	188,075
Other Revenues	1,091	763	1,605	64,717	754	1,334	-	70,264
Total Revenue - All Sources	167,733	44,342	151,220	686,505	97,663	168,419	-	1,315,882
Collection %	16.2%	19.5%	59.9%	17.0%	29.9%	16.0%		19.4%
<i>Operating Expenses -----</i>								
Salaries & Benefits	131,132	53,576	93,128	465,034	92,130	120,565	186,607	1,142,172
Purchased Services	7,528	2,489	1,595	35,288	3,845	6,314	51,927	108,986
Contracted and Provider	6,790	2,223	45,889	108,131	18,898	23,938	897	206,766
Materials and Supplies	11,986	4,325	7,309	126,481	1,923	16,520	1,803	170,348
Facilities	7,108	3,092	2,001	17,743	2,183	4,167	9,763	46,058
Depreciation	4,721	449	3,789	4,522	323	3,234	11,114	28,153
General & Administration	474	106	213	1,915	45	325	39,936	43,014
Total Operating Expenses	169,739	66,260	153,925	759,114	119,348	175,062	302,048	1,745,496
Contribution Margin	(2,006)	(21,918)	(2,705)	(72,609)	(21,685)	(6,643)	(302,048)	(429,614)
Total Non Operating Activity	(448)	(188)	(376)	(2,037)	(332)	(472)	0	(3,852)
Non-Op Activity, Measure A, GPP, QIP & System OH Allocation	311	2,823	10,523	39,118	(10,262)	8,445	302,048	353,005
Net Income (Loss)	(2,143)	(19,283)	7,442	(35,528)	(32,280)	1,331	0	(80,461)
Total FTEs	634	299	501	2,014	392	523	853	5,216

GRIT Initiatives to Close FY27 Budget Gap

Accountable	Program	Initiative Description	Budget Category	Revenue/Expense (Net) FY27
Shari Johnson	Revenue Integrity	Charge Capture/DRG Assurance	Revenue	5,500
Dr. Laurent	Length of Stay Optimization	Leverage EPIC modules and nursing control tower.	Labor Expense	(5,000)
Mark Fratzke	Contract Management	Identify savings during negotiations of expiring contracts.	Labor Expense	(7,500)
Mark Fratzke	Median Benchmark	Get to Median Benchmark for Operations	Labor Expense	(23,250)
Dr. Laurent	Median Benchmark	Get to Median Benchmark for Physician Team	Labor Expense	(15,000)
Terrance Fitzgerald	Median Benchmark	Get to Median Benchmark for Nursing	Labor Expense	(18,300)
Kim, Jet	Median Benchmark	Get to Median Benchmark for HR, Finance	Labor Expense	(7,230)
Mark Fratzke	Non Labor Budget Cuts	Bottom up submission/review of annual spend.	Non Labor Expense	(10,000)
			Total Revenue Impact	5,500
			Total Labor Expense	(76,280)
			Total Non-Labor Expense	(10,000)
			Net Impact	91,780

- Ongoing refinement and governance: Initiatives will continue to evolve through Ad Hoc Committee discussions, including key decisions such as the scale and timing of RIF actions, which remain under evaluation and introduce uncertainty to the current estimates.
- Initial gap coverage identified: Current initiatives represent a partial solution to the FY27 budget shortfall, reflecting early-stage opportunities across revenue, labor, and non-labor levers.
- First-pass estimates: Figures reflect preliminary submissions and require validation and refinement by accountable owners; amounts are expected to evolve through iterative budget cycles.

Key Budget Assumptions

Baseline is based on CY2025

Volumes

- Based on CY2025; Assumed unchanged utilization from CY 2025 due to HR 1 impact (equivalent to small decline from YTD utilization)

Revenues

- Increase in pricing (chargemaster) 3%
- Net revenue rate increases
 - Commercial based on contracts \$2.2M
 - Government Payors \$6.3M
- Behavioral Health Contract at current rate of \$81.2M
- FQHC rate increases at HGH (\$453) and EWC (\$479 Rate) of \$24.6M

Labor Expenses

- Budgeted FTEs based on:
 - Variable FTEs: determined by current labor standard based on CY2025 volumes
 - Fixed FTEs: hired as of February 1, 2026; excludes vacancies
 - SEIU Physicians FTEs: hired as of February 1, 2026
 - Registry FTEs: at run rate adjusted for hired employees
- Labor COLA - Consistent with union contracts, includes registry and UNREP at \$42.5M

Key Budget Assumptions

- Employee Benefits
 - FICA is based on same percentage of salary as FY25
 - FICA HI is based on 1.45% of salary
 - Health Self Funded is based on Amount per FTE with CPI at 9.5% effective January 2027
 - Health (Kaiser) is based on Amount per FTE with CPI at 9.1% effective January 2027
 - Dental is based on Jan 2026 annualized expense with 5.0% CPI effective January 2027
- Retirement at same percentage of salary as FY25.

Contracted Physicians

- Physician Contracts based on CY25 run rate

Non-Labor

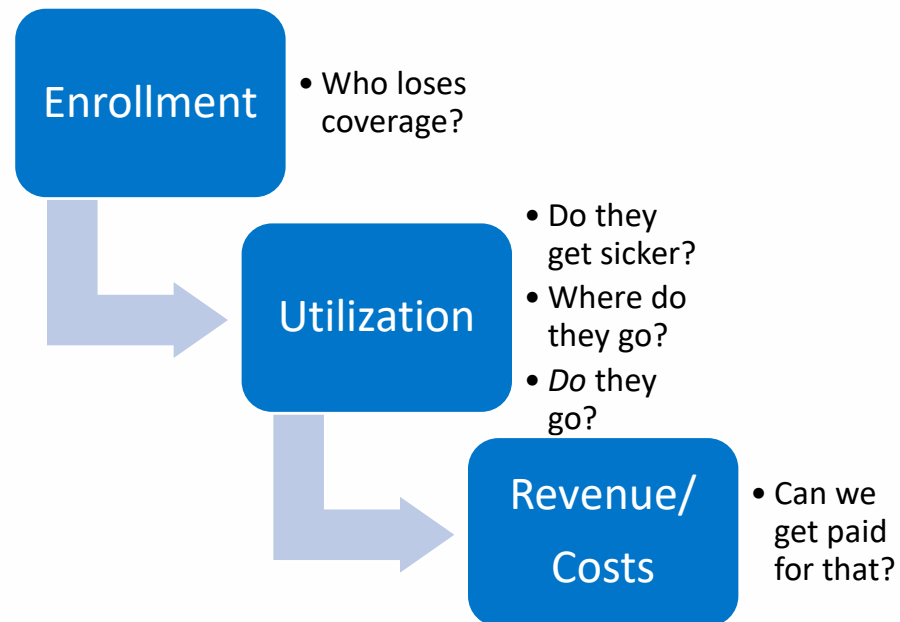
- Non labor overall increase is 2.3%
 - Utilities CPI: Electricity 3%; Gas 9%; Water 7%
 - Supplies: 2.4% effective 1/1/27
 - Drugs CPI: 3.6 to 3.9% effective 1/1/27
 - Purchased Services, IT, Repairs & Maintenance at CY2025
- Donation to St. Rose at \$9.5M per agreement

Capital

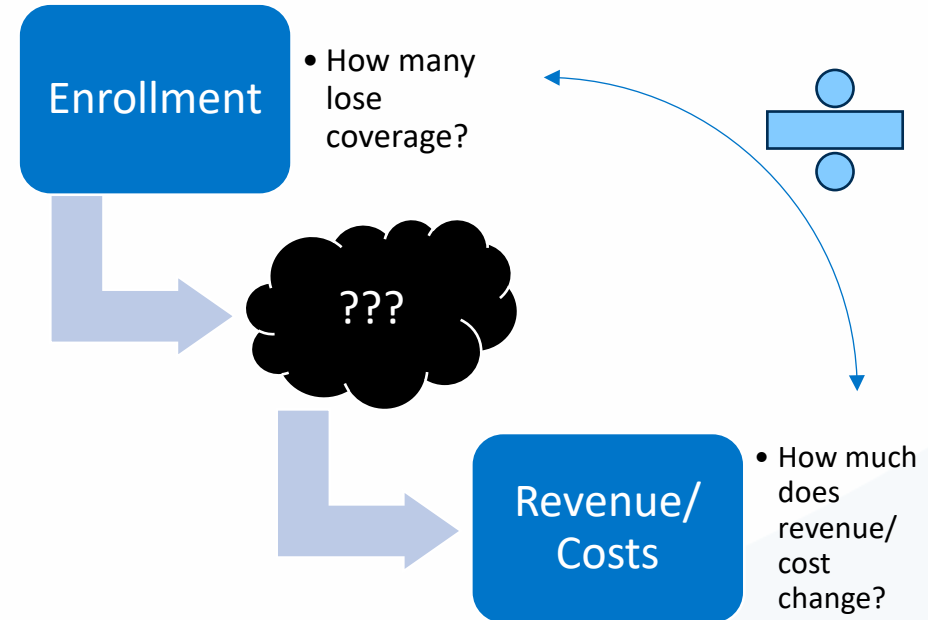
- Historically, AHS spent an average of \$20.6M per year on capital

Two Styles of Model to Plan Through Uncertainty

1. Patient-Level Simulation – Every Step of the Way

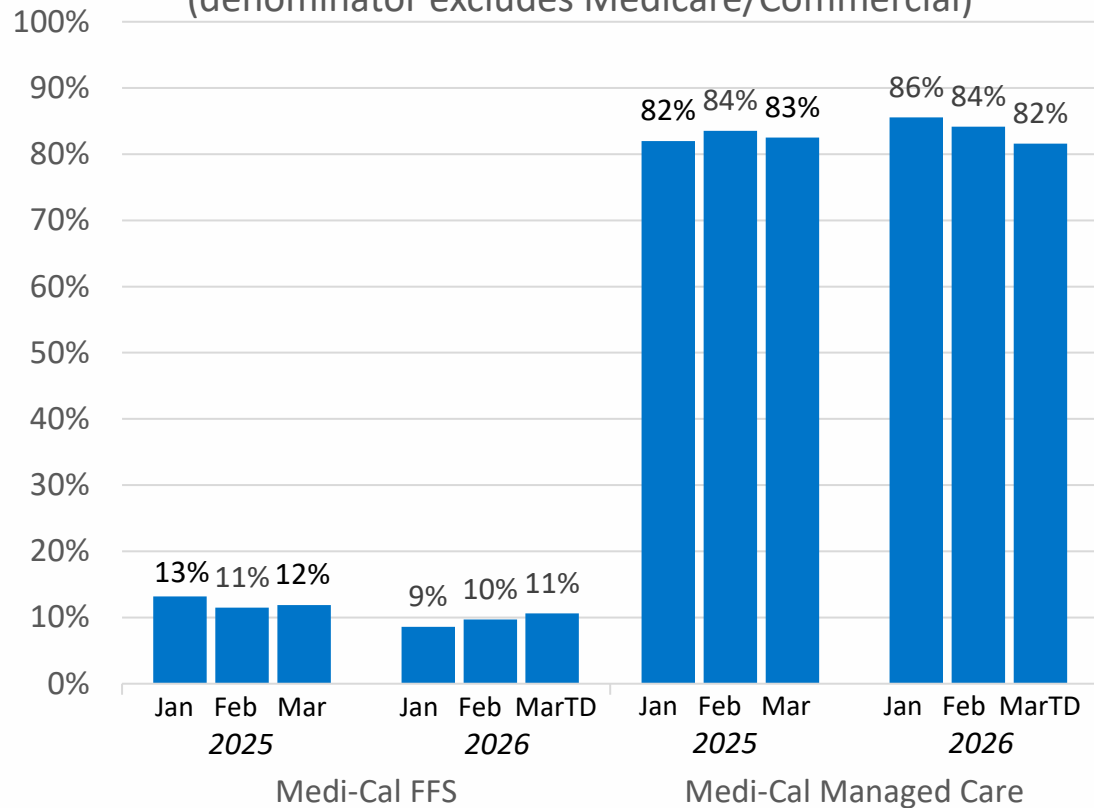


2. Empirical Observation – Outputs and Inputs, Black Box in the Middle

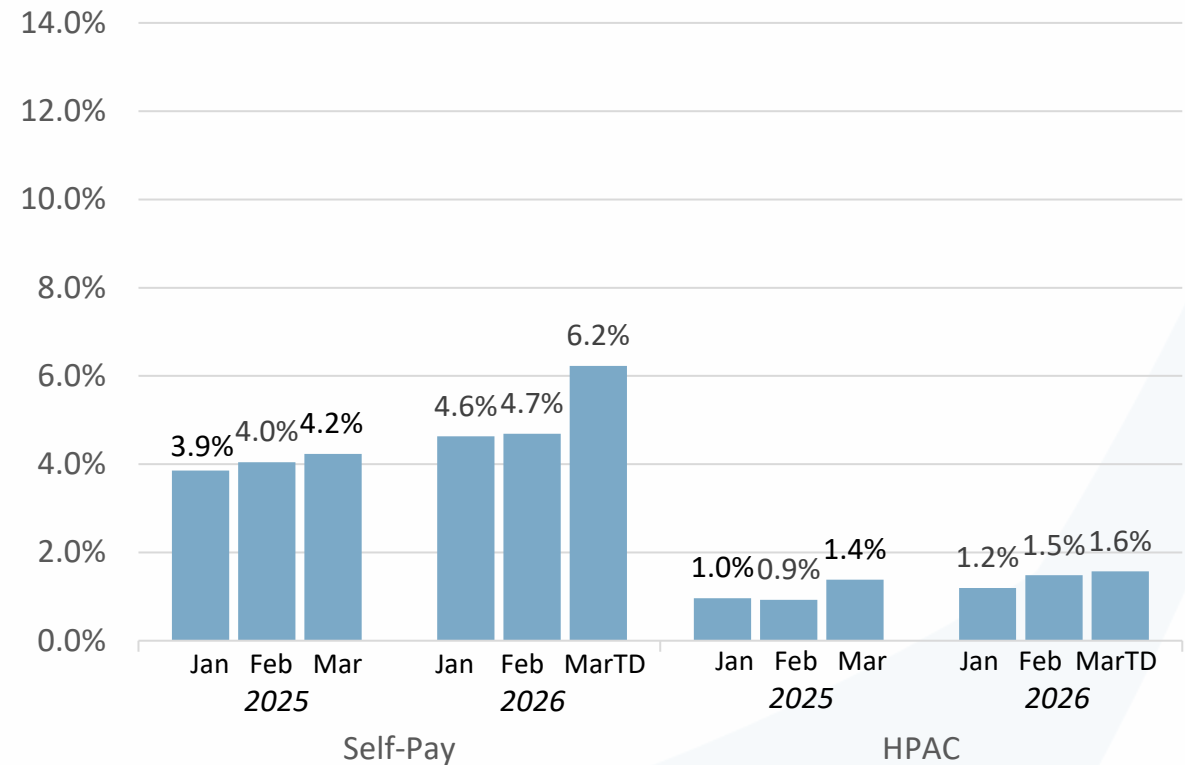


State reduction (freeze) to UIS coverage, effective Jan 2026, has potential as basis of estimates—but data in YTD paints no clear picture as yet

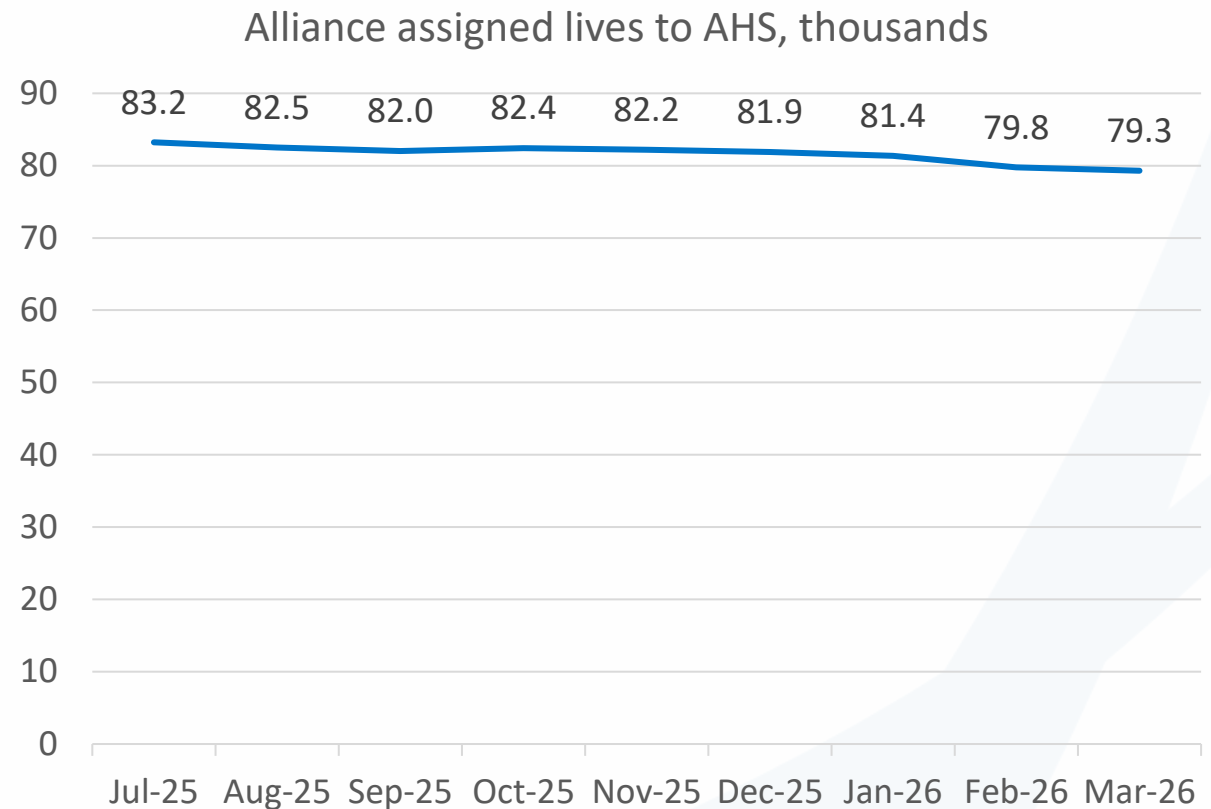
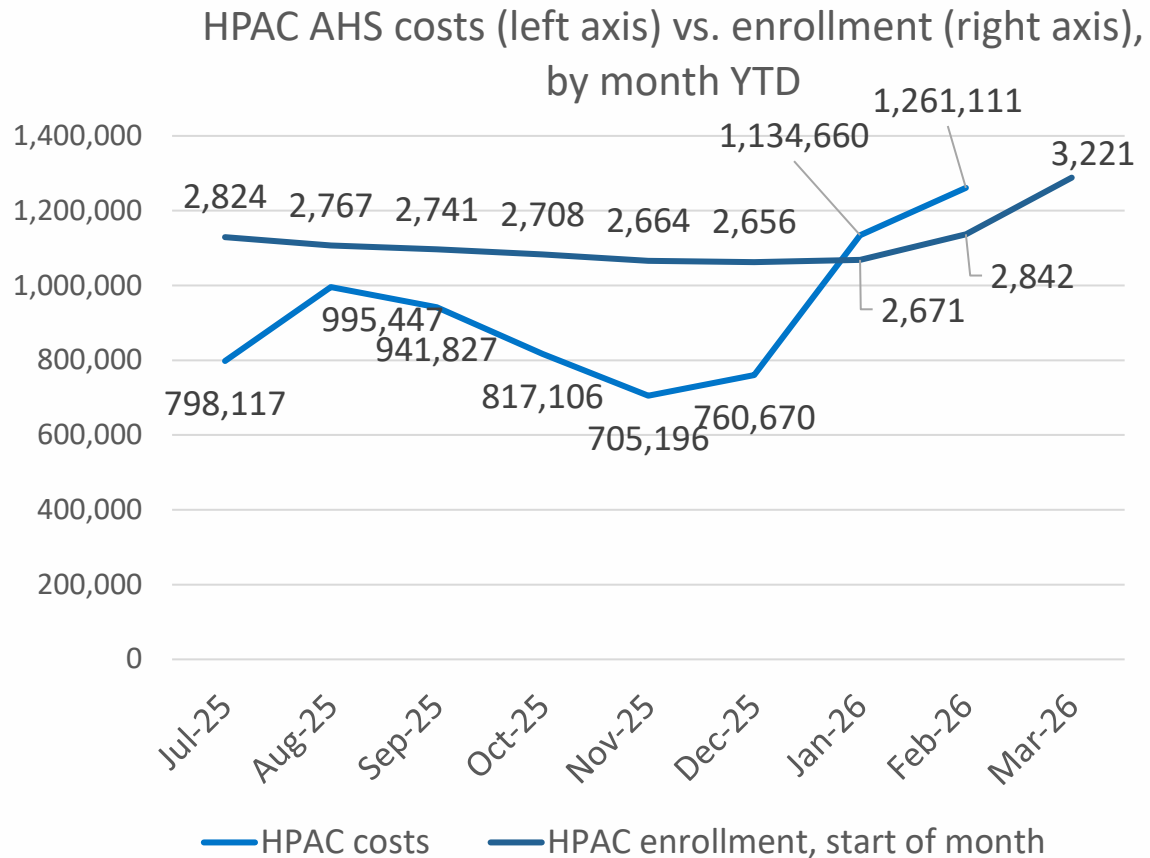
AHS Medi-Cal payer mix within safety net, by month (denominator excludes Medicare/Commercial)



AHS HPAC/self-pay payer mix within safety net, by month (denominator excludes Medicare/Commercial)



Enrollment: HPAC increase and Medi-Cal decrease



→ Approx. 52% of our Alliance assignees receive **no care** (at AHS or elsewhere) in a given year!

Budgeting in uncertainty – known impacts first

HR 1 or state budget change known	Reflected in current budget	Range in previous presentations
Patient care revenue / cost impacts	Volumes reduced by 2%. Will strive to backfill utilization drop. Building dashboards to actively track coverage change impacts	\$0 - \$33.0M in FY 2026-27
Reduction to fed. matching rate for certain Emergency Medi-Cal patients (HR 1)	\$9.0M	Same
Certain known impacts to supplementals from HR 1	\$7.5M, as most supplementals see more delayed impact	\$7.0-12.0M in CY 2027
Reduction in dental coverage, some FQHC rates (state budget change for UIS)	Continue monitoring; work to fill schedules with outreach	N/A
Increasing Access to Quality Care Fund	Raise support through AHS Foundation	N/A

Budget Calendar

Tasks	Responsibility	Target Due Date
Presentation of Preliminary Budget to Finance Committee	Chief Financial Officer	4/1/2026
Review COT/GRIT Initiatives; Finalize to close the gap	Budget Oversight Committee	4/7/2026
Department Leaders to Review Budget for errors	Department Leaders	4/6 - 4/17/2026
Adjust Budget for identified Errors, COT/GRIT Initiatives Incorporate Capital Budget Preparation of Budget Packet for presentation	Finance Department	4/6 - 4/27/2026
Present Proposed Budget Packet at Executive Operations Team	Chief Financial Officer	4/28/2026
Post presentation slides at Finance Committee	Finance Department	5/1/2026
Presentation to the Finance Committee	Chief Financial Officer	5/6/2026
Presentation to the Co-Applicant Board (CAB)	Chief Financial Officer	5/12/2026
Presentation to the Board of Trustees	Chief Financial Officer	5/13/2026
Presentation to Board of Supervisors/Health Committee	Chief Financial Officer	TBD
Post presentation slides	Finance Department	5/29/2026
Finance Committee Approval	Chief Financial Officer & Finance Committee	6/3/2026
Board of Trustees Approval	Chief Financial Officer & Board of Trustees	6/10/2026

APPENDIX

Volumes

- **Note: Budget 2027 is based on CY2025 (same store) due to HR 1 impact**

	ACTUAL2025	ACTUAL2026 Ann Feb 2026	BUDGET 2027	Var to Act Annl Feb 2026	% to Act Annl Feb 2026 Orig
GENERAL ACUTE					
Patient Days	76,737	72,194	74,429	2,236	3.1%
Observation Days	7,768	8,911	8,319	(592)	-6.6%
Discharges	14,554	14,780	14,681	(99)	-0.7%
<i>Average Daily Census</i>	<i>209.7</i>	<i>197.8</i>	<i>203.9</i>	<i>6.1</i>	<i>3.1%</i>
<i>ALOS: Average Length of Stay</i>	<i>5.3</i>	<i>4.9</i>	<i>5.1</i>	<i>0.2</i>	<i>3.8%</i>
Adjusted Patient Days	141,078	136,685	139,413	2,728	2.0%
Adjusted Discharges	26,757	27,982	27,499	(483)	-1.7%
Emergency Visits	109,570	112,790	111,797	(993)	-0.9%
Surgeries	8,480	8,030	7,979	(50)	-0.6%
IP Surgeries	3,577	3,485	3,464	(21)	-0.6%
OP Surgeries	4,903	4,545	4,515	(30)	-0.7%
Deliveries	1,541	1,602	1,555	(47)	-2.9%
PSYCH					
Patient Days	23,788	24,026	24,093	68	0.3%
Discharges	2,473	2,490	2,420	(70)	-2.8%
<i>Average Daily Census</i>	<i>65.2</i>	<i>65.8</i>	<i>66.0</i>	<i>0.2</i>	<i>0.3%</i>
<i>ALOS: Average Length of Stay</i>	<i>9.6</i>	<i>9.6</i>	<i>10.0</i>	<i>0.3</i>	<i>3.2%</i>
Adjusted Patient Days	28,400	28,611	28,755	144	0.5%
Adjusted Discharges	2,952	2,965	2,888	(77)	-2.6%
REHAB					
Patient Days	8,360	8,333	8,402	69	0.8%
Discharges	615	612	633	21	3.4%
<i>Average Daily Census</i>	<i>22.9</i>	<i>22.8</i>	<i>23.0</i>	<i>0.2</i>	<i>0.8%</i>
<i>ALOS: Average Length of Stay</i>	<i>13.6</i>	<i>13.6</i>	<i>13.3</i>	<i>(0.3)</i>	<i>-2.5%</i>
Adjusted Patient Days	8,360	8,333	8,402	69	0.8%
Adjusted Discharges	615	612	633	21	3.4%
SNF					
SNF Patient Days	100,381	100,985	100,957	(27)	0.0%
SNF Discharges	209	242	205	(37)	-15.1%
CLINIC VISITS					
	411,554	428,879	426,906	(1,973)	-0.5%
Total Adjusted Discharges	90,108	32,513	31,750	(763)	-2.3%
Total Adjusted Patient Days	364,454	368,736	367,922	(814)	-0.2%

Other Government Revenue

(\$ in thousands)

Programs	Actual FY25	Projected FY26	Budget FY27	Cash Flow					Comments
				FY27	FY28	FY29	FY30	FY31	
Global Payment Program (GPP)	\$ 139,537	\$ 103,437	\$ 91,320	\$ 91,426	\$ 78,419	\$ 78,230	\$ 79,013	\$ 79,803	GPP reduction reflects loss of SNCP portion due to expiration of federal waiver 12/31/2026 (renewal submission has presupposed loss of that portion). Most likely remainder amount will revert to being Medicaid DSH, which is available under federal statute without requiring federal approvals, but does require traditional cost-based claiming excluding non-hospital facilities.
Old Waiver	1,000	(1,961)	-	-	-	-	-	-	Adjustment from \$31.1M on books to \$29.2M to be received as cash by 5/26/2026
Medi-Cal Waiver	\$ 140,537	\$ 101,476	\$ 91,320	\$ 91,426	\$ 78,419	\$ 78,230	\$ 79,013	\$ 79,803	
Measure A	\$ 146,177	\$ 148,245	\$ 148,000	\$ 148,000	\$ 148,000	\$ 148,000	\$ 148,000	\$ 148,000	Based on sales tax increment approved by county voters (one-half cent).
AHD Parcel Tax	4,049	4,049	4,049	4,049	4,049	4,049	4,049	4,049	Tax per property parcel in City of Alameda.
Measure A & Parcel Tax	\$ 150,226	\$ 152,294	\$ 152,049	\$ 152,049	\$ 152,049	\$ 152,049	\$ 152,049	\$ 152,049	
FEMA FUNDING	5,830	223	-	-	-	-	-	-	Approved claims from FEMA for COVID relief.
Covid Funding	\$ 5,830	\$ 223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Other Government Revenue

(\$ in thousands)

Programs	Actual FY25	Projected FY26	Budget FY27	Cash Flow					Comments
				FY27	FY28	FY29	FY30	FY31	
HPAC Amendment	\$ 50,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0 revenue expected in FY27 due to increase in supp. revenues which flow through a model to project zero "gain". Will update in May Revise if any potential Amendment money is projected at that near-final point.
AB85 Redirection Reserve	(42,093)	-	-	4,789	(45,600)	-	-	-	True-up of FY24 received during FY27 estimating a small amount regained (we received no HPAC Amendment during FY24); then true-up of FY25 during FY28 estimating almost all received will be paid back (we received full HPAC Amendment during FY25); thereafter zero amendment, zero true-up
Medi-Cal SNF Cost Settlement	382	420	462	(1,659)	462	478	531	586	Decreases started Jan 2023 and deepened as virtually all Medi-Cal FFS SNF service moved to Medi-Cal Managed Care where this supplemental is unavailable; HR1 results in small cuts FY27; payback in FY27 reflects FY22 final reconciliation hitting FY27 cash (not yet calculated but likely similar to FY21)
PNPP (Physician SPA)	3,450	1,707	1,778	1,778	1,839	1,876	1,951	4,141	Reflects adjustment to closer to what is being actually received in cash, since CMS has never started paying the ACA portion and the audits that would allow this payout have no schedule to restart, so even if we are technically owed it we do not have any immediate prospect of getting it
Rate-Range IGT (RR)	42,592	51,953	38,775	45,831	44,081	41,187	40,735	41,550	Actual 2024 amounts trended forward, with HR1 reduction est.; higher cash in FY27 reflects payout of CY2025 with less reduction, but 5% reserve added
Enhanced Payment Program (EPP)	68,131	83,085	84,833	114,733	84,833	84,833	76,281	67,728	Like last year, budget incorporates 25% increase 2024 (seen in payment cycle Spring 2026) followed by 48% increase 2025, plus reduction reflecting some of the new new money being tied to Cost, Efficiency, Productivity, and Access Program (CEPA) which we may not earn 100%; reduction from FY26 budget reflects slightly lower utilization than projected; cash is higher only because EPP payment acceleration will pay us for 18 months during the year on a one-time basis, whereas budget amount is the lower amount earned for services in the year. HR1 cuts will not kick in until 1/1/2028, & will not be seen in cash until fall 2029, FY30.
Quality Incentive Program (QIP)	82,504	80,964	113,685	113,685	113,685	113,685	102,317	90,948	CMS approved 70% increase to overall program starting CY2025, grandfathered thereafter; 100% of CY2024 assumed earned, 90% of CY2025 and onward; constant distribution. Settlement typically 2 years after year earned. This increase was not reflected in FY26 budget as it would not be in cash for some time, but CY 2025 is expected to be paid out in full during FY 2027 so the full increase is assumed. Under HR1, like EPP, cuts will kick in from 1/1/2028 and cash will be affected starting fall 2029 (FY30)

Other Government Revenue

(\$ in thousands)

Programs	Actual FY25	Projected FY26	Budget FY27	Cash Flow					Comments
				FY27	FY28	FY29	FY30	FY31	
Hospital Fee	7,129	3,720	3,670	3,670	3,670	3,670	3,670	3,670	Direct grant portion only. 50% reduction for FY26, FY27, and onward reflects that under new HR1-related constraints, entire HQAF for CY 2025 may significantly reduce, and related to that, hospital community may reduce public hospital portion of it.
Medi-Cal Graduate Medical Education (GME)	18,191	14,199	14,153	14,232	13,732	13,492	13,334	3,748	Some HR1 cuts assumed due to lower Medi-Cal utilization, otherwise has relatively stabilized
AB915	6,535	8,740	8,759	8,812	8,759	8,041	8,310	8,588	Trending based on 3% cost trend, 1% revenue trend, known FMAP changes, and some drop for state-only transition out of FFS, and small HR1 cuts due to lower Medi-Cal utilization.
DPNF Pass Through	19,281	23,775	23,447	23,447	-	-	-	-	3-year limited-time program, calendar 2023-2025. Little transparency on amounts paid before they are actually paid. Amount received for CY2024 in Dec 2025 was about \$2M less than expected in budget. FY27 amount is final year of program to be paid during FY27.
Prop 56	(830)	240	240	240	240	240	240	240	State tobacco tax revenue spent on Medi-Cal enhancements. Amount is subject to change. Alliance overpaid us the past two years, new # reflects expected payment.
County EMS	395	395	395	395	395	395	395	395	Same amount each year.
County Trauma	5,266	5,266	5,266	5,266	5,266	5,266	5,266	5,266	Funded through Measure C (parcel tax for trauma services approved 1997). Same amount each year.
CaIAim ECM (Enhanced Care Mgmt)	1,383	1,048	1,048	1,048	1,048	1,048	1,048	1,048	Patient care funding for Enhanced Care Management services, a Medi-Cal managed care benefit created under CaIAim for patients approved as eligible by Alameda Alliance. Reimbursement is only provided if Medi-Cal managed care member is eligible for services in a month, received ECM services from AHS in that month and AHS submits appropriate documentation and billing.
Other (P4P, BHCS)	4,892	1,209	1,200	1,200	1,200	1,200	1,200	1,200	P4P
Supplemental Programs	\$ 267,333	\$ 276,722	\$ 297,711	\$ 337,467	\$ 233,610	\$ 275,411	\$ 255,278	\$ 229,108	
Total Other Government Programs	\$ 563,927	\$ 530,715	\$ 541,080	\$ 580,942	\$ 464,078	\$ 505,690	\$ 486,340	\$ 460,960	

ACTION / DICUSSION: Contracts

Contract Approvals April 2026

1) Renewal agreement with Hyland Software, Inc. for provision of enterprise content management services. The term of this agreement is effective May 1, 2026 through April 30, 2029. The estimated impact of this agreement is \$2,599,491.

Christine Yang, Chief Information Officer

2) Renewal agreement with Mission Linen Supply for provision of linen rental and laundry services. The term of this agreement is effective May 1, 2026 through April 30, 2029. The estimated impact of this agreement is \$13,325,000.

Mark Fratzke, Chief Operating Officer

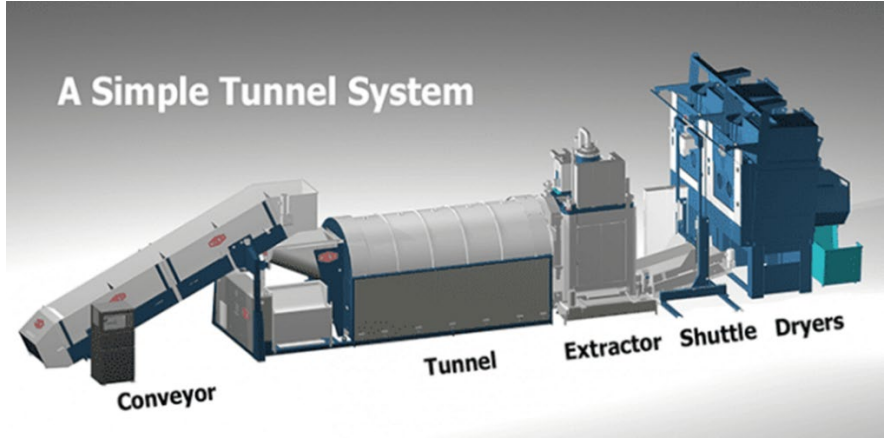
Recommendation: Motion to Recommend Approval for the above contract to the Board of Trustees

<p>Contractor/Vendor Name:</p>	<p>Hyland Software, Inc. (“Hyland”)</p>
<p>Description:</p>	<p>In April 2023, Alameda Health System (“AHS”) renewed a Master Agreement with Hyland, an enterprise content management (“ECM”) vendor whose OnBase platform integrates with Epic Systems, AHS’ electronic health record (“EHR” or “Epic”) system. The OnBase platform provides document and content management functionality that allows AHS to capture, store, and manage clinical and administrative documents and make those documents accessible within Epic workflows.</p> <p>Among other functions, OnBase integrates with Epic to support document scanning and retrieval during patient registration and enables Health Information Management (“HIM”) staff to manage document-related workflows directly within Epic. These services serve as a critical component of AHS’ broader EHR design by ensuring clinical and administrative documentation can be efficiently captured, stored, and accessed within the patient record.</p> <p>The 2023 agreement also expanded AHS’ use of OnBase to support a digitized invoice processing system for Accounts Payable (“AP”). This system improves the efficiency, accuracy, and traceability of invoice processing for the more than 100,000 invoices received annually by AHS.</p> <p>Given the operational importance of uninterrupted document management and Epic integration services, and the efficiency of the AP invoice management system, AHS leadership has evaluated the current provider and determined that Hyland continues to provide the most reliable and cost-effective solution. Accordingly, AHS is requesting Board approval of the proposed renewal agreement.</p> <p>The proposed renewal (“Renewal”) includes a 3-year Software-as-a-Service (“SaaS”) subscription for the OnBase platform supporting AP and HIM workflows integrated with Epic, including one Epic Community Connect client. The Renewal also accounts for expected audited enterprise user fees during the contract term and a required platform upgrade necessary to maintain vendor-supported versions of the software.</p> <p>Services and costs under the proposed agreement include:</p> <ol style="list-style-type: none"> 1. SaaS Subscription (3-year term) – Access to the OnBase AP invoice management and document management system suite integrated with Epic. 2. Audited Enterprise User Fees – Periodic vendor audits of enterprise full-time equivalent (“FTE”) users, estimated at approximately 10% of SaaS subscription fees and expected to occur twice during the 3-year term.

Board of Trustees Contract Summary | 2026

	<p>3. Platform Upgrade & Optimization Services – Upgrades will no longer be required for each individual instance. Rather, they will be incorporated into a new annual Open Access subscription, which will also include any necessary optimization work.</p>						
Contract Type and Term:	Renewal Agreement May 1, 2026 through April 30, 2029						
Termination Clause:	Early termination in case of breach with 30 days’ written notice.						
Total Spend with Vendor:	Description		Board Approval		Total		
	Hyland Software		\$2,599,491		\$2,599,491		
	Total Requested Amount:		Approval Requested		\$2,599,491		
Cost Savings:	No rate increase in Renewal Year 1 over Current Agreement. Annual escalators in Years 2 and 3 reduced to 1.5% compared to 3% escalators in Current Agreement. Total savings to AHS = \$228K.						
Fiscal Implications:	Included in FY 26 budget.						
Reasons for Recommendation:	We recommend Hyland due to its demonstrated performance, seamless integration with Epic Systems, and the efficiency realized through the OnBase platform. Transitioning to an alternative solution would require significant changes which include system redesign, retraining, and implementation costs.						
Impacted Facilities:	JGPH	Highland	Fairmont	San Leandro	Alameda	Clinic(s)	All other Campuses
	X	X	X	X	X	X	X
Administrative Review:	Vice President, Applications						
Prior BOT Review/Action:	The Board approved two previous agreements with Hyland regarding the same upgrades in 2018 and 2023						
Executive Sponsor	Chief Information Officer						

<p>Contractor/Vendor Name:</p>	<p>Mission Linen Supply (“Mission”)</p>
<p>Description:</p>	<p>Alameda Health System’s (“AHS”) commitment to deliver the highest quality, affordable, and regulatorily compliant health care to the community includes providing reliable laundry and linen services system-wide (“Services”). The incumbent provider (“Mission”) has been our service provider since 2020 from its award of an initial agreement. Mission’s current agreement (“Current Agreement”) served as a renewal of the initial agreement with services expanded to include the following:</p> <ol style="list-style-type: none"> 1. Linen rental program (hospital bed sheets and spreads, towels, scrubs, etc.). 2. Cleaning and laundry services for all linen types. 3. Pick-up of soiled linen and scrubs / Drop-off of clean linen and scrubs. 4. Provide IT software/hardware to order clean linen from plant. 5. Provide in-service training (linen loss prevention, linen utilization, etc.). 6. Generate and submit quarterly reports of services rendered for all items provided (e.g. rejected linen, fill rates and lost linen). 7. Adhere to formal quality assurance and process improvement standards. <p>The Current Agreement specifically provides for the inclusion of critical performance thresholds, targets and metrics (collectively, “Key Performance Indicators” or “KPI(s)”) to enable transparent and regular assessment of Services delivery. KPIs of note are “pounds of linen per adjusted patient day” and “scrub usage and loss”. The Current Agreement links KPI threshold performance parameters to financial penalties should those parameters be breached.</p> <p>AHS has added microfiber cleaning products to its list of items rented under the proposed renewal agreement (“Renewal”). These products are designed for cleaning high-touch, hard-to-reach areas removing > 99% of dirt and microbes. They were previously processed in-house, but internal processing was determined to be insufficient to clean these items to our preferred standard. Outsourcing properly cleaned microfiber products will add an additional \$1,000,000 to the cost of services.</p> <p>Mission is a Vizient vendor and pays fees based upon AHS’s spend. Of the fees paid by Mission to Vizient, 68% is returned to AHS as a rebate. This represents a \$90,000 annual rebate to AHS.</p> <p>In light of the proven ability to deliver high quality Services even in the most difficult of circumstances, at a highly competitive rate, Mission has distinguished itself as a reliable provider of essential services and has proven a valued partner in our mission of providing trusted and affordable care to the community. To ensure uninterrupted provision of reliable and affordable Services, AHS leadership is requesting Board approval to enter into a Renewal with Mission on the terms described above and below.</p>
<p>Contract Type and Term:</p>	<p>Renewal Contract Term: 5/01/2026 – 4/30/2029</p>
<p>Termination Clause:</p>	<p>Without Cause Termination: At any time after the one-year anniversary of the effective date, either party may terminate this Agreement without cause and without further liability by providing One Hundred and Eighty (180) days’ notice, in writing, to the other party.</p>

<p>Total Spend with Vendor:</p>	<table border="1"> <thead> <tr> <th data-bbox="428 254 873 296">Description</th> <th data-bbox="878 254 1255 296">Board Approval</th> <th data-bbox="1260 254 1541 296">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="428 302 873 380">Additional Funding (Current Agreement)</td> <td data-bbox="878 302 1255 380"></td> <td data-bbox="1260 302 1541 380">\$490,000</td> </tr> <tr> <td data-bbox="428 386 873 453">Renewal Agreement (5/01/2026 – 4/30/2029)</td> <td data-bbox="878 386 1255 453"></td> <td data-bbox="1260 386 1541 453">\$12,201,000</td> </tr> <tr> <td data-bbox="428 459 873 489">5% Contingency</td> <td data-bbox="878 459 1255 489"></td> <td data-bbox="1260 459 1541 489">\$634,000</td> </tr> <tr> <td data-bbox="428 495 873 548">Total</td> <td data-bbox="878 495 1255 548">Approval Requested</td> <td data-bbox="1260 495 1541 548">\$13,325,000</td> </tr> </tbody> </table>	Description	Board Approval	Total	Additional Funding (Current Agreement)		\$490,000	Renewal Agreement (5/01/2026 – 4/30/2029)		\$12,201,000	5% Contingency		\$634,000	Total	Approval Requested	\$13,325,000
Description	Board Approval	Total														
Additional Funding (Current Agreement)		\$490,000														
Renewal Agreement (5/01/2026 – 4/30/2029)		\$12,201,000														
5% Contingency		\$634,000														
Total	Approval Requested	\$13,325,000														
<p>Estimated Cost Savings:</p>	<p>Renewal Agreement rates will remain flat in the first year and increase at the Consumer Price Index (“CPI”), not to exceed 3.5%. In addition, AHS leadership anticipates that with the assistance of Mission’s productivity tracking tools we will be able to realize reductions in the KPIs and have targeted savings in total spend of up to \$400,000 annually.</p> <p>Alternatively, if AHS were to bring linen processing in-house, it would require the acquisition of a tunnel washing system (illustration below), a building to house the system and staff to process the laundry. AHS uses an average of 6000 pounds of clean linen daily. These systems range in costs from \$3M - \$10M. Additional required equipment would include sorters, linen folding machine, conveyor systems, ironing systems, tables, carts, scales, and box vans for transportation. A commercial facility to house the system is estimated to be 40,000 sq ft in size. Total startup costs are estimated to be between \$12.5M and \$29.2M, not including the cost of acquiring real estate. Although AHS leadership is careful to consider all opportunities to bring key services in-house wherever possible, the financial realities in this case are clear and support continued partnership with a trusted vendor with the resources and ability to reliably meet our needs.</p>  <p>A Simple Tunnel System</p> <p>The illustration shows a 3D perspective of a tunnel washing system. It consists of several interconnected components: a conveyor belt on the left leading into a long cylindrical tunnel, followed by an extractor unit, a shuttle unit, and finally a set of dryers on the right. The components are rendered in shades of blue and grey.</p>															
<p>Fiscal Implications:</p>	<p>Anticipated FY 26 spend under the Replacement Agreement has been included in the FY 26 budget request.</p>															
<p>Quotes Received</p>	<p>AHS did not consider any other vendors because there are not any other large linen companies in the area.</p>															

<p>Reasons for Recommendation:</p>	<p>Upon careful analysis, including performance of Mission under the Current Agreement, evaluation of the costs incurred were AHS to change vendors or bring Services in-house, AHS leadership has concluded that maintaining our relationship with Mission under terms of the proposed Renewal Agreement offers the best value for AHS in obtaining this critical service.</p>																	
<p>Impacted Facilities:</p>	<table border="1"> <thead> <tr> <th data-bbox="435 407 586 449">JGPH</th> <th data-bbox="586 407 764 449">Highland</th> <th data-bbox="764 407 943 449">Fairmont</th> <th data-bbox="943 407 1190 449">San Leandro</th> <th data-bbox="1190 407 1360 449">Alameda</th> <th data-bbox="1360 407 1511 449">Clinic(s)</th> </tr> </thead> <tbody> <tr> <td data-bbox="435 449 586 506">X</td> <td data-bbox="586 449 764 506">X</td> <td data-bbox="764 449 943 506">X</td> <td data-bbox="943 449 1190 506">X</td> <td data-bbox="1190 449 1360 506">X</td> <td data-bbox="1360 449 1511 506">X</td> </tr> </tbody> </table>						JGPH	Highland	Fairmont	San Leandro	Alameda	Clinic(s)	X	X	X	X	X	X
JGPH	Highland	Fairmont	San Leandro	Alameda	Clinic(s)													
X	X	X	X	X	X													
<p>Coordination with Medical Staff:</p>	<p>Included on monthly reporting to Quality Steering Committee for medical staff review.</p>																	
<p>Administrative Review:</p>	<p>Primary: System Director of Environmental Services Secondary: V.P., Support Services</p>																	
<p>Prior BOT Review/Action:</p>	<p>Current Agreement approved April 2023</p>																	
<p>Executive Sponsor:</p>	<p>Chief Operating Officer</p>																	

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
5	Entisys Solutions, Inc. dba E360	\$1,499,410	9/29/2025	9/28/2028	FC - 9-3-25 BOT Approved 9-17-25	Citrix virtual access platform		Chief Information Officer
6	GuidePoint Security LLC	\$1,457,310	9/30/2025	6/30/2028	FC - 9-3-25 BOT Approved 9-17-25	Arctic Wolf cybersecurity monitoring and recovery services		Chief Information Officer
7	Xerox, Inc.	\$3,983,160	11/1/2025	10/31/1930	FC - 9-3-25 BOT Approved 9-17-25	Printer equipment and services.		Chief Information Officer
8	Anthem Blue Cross Life and Health Insurance Company	\$5,930,739	1/1/2025	12/31/2027	FC - 9-3-25 BOT Approved 9-17-25	Third-party administrator services for AHS employee health insurance plan.		Chief Human Resources Officer
9	Cardea Health	\$6,394,800	10/1/2025	9/30/2028	FC - 9-3-25 BOT Approved 9-17-25	Respite housing services.		Chief Clinical Officer
10	Lifepoint Rehabilitation of California, LLC	\$4,211,233	10/1/2025	9/30/2028	FC - 9-3-25 BOT Approved 9-17-25	Inpatient rehabilitation management services.		Chief Operating Officer

11	McKesson Corporation	\$447,180,000	4/1/2026	3/31/1931	FC - 9-3-25 BOT Approved 9-17-25	Wholesale pharmaceutical supply services.		Chief Clinical Officer
12	Quest Diagnostics	\$13,280,743	3/1/2022	2/28/2026	FC - 9-3-25 BOT Approved 9-17-25	Reference laboratory services.		Chief Clinical Officer
13	Nelson T. Lewis Construction Co., Inc.	\$3,197,080	10/15/2025	6/15/2026	FC - 10-1-25 BOT Approved 10-8-25	St. Rose Hospital cath lab upgrade.		St. Rose Chief Administrative Officer
14	ePlus Technology, Inc.	\$1,800,000	11/1/2025	10/31/2028	FC - 10-1-25 BOT Approved 10-8-25	Data loss protection services.		Chief Information Officer
15	Switch, Ltd.	\$1,509,294	2/16/2026	2/15/1931	FC - 10-1-25 BOT Approved 10-8-25	Data center services.		Chief Information Officer
16	Lescure Company, Inc.	\$1,668,200	11/1/2025	3/31/2027	FC - 10-1-25 BOT Approved 10-8-25	Architectural and structural work for Alameda Hospital HVAC replacement project.		Chief Operating Officer
17	Matrix HG, Inc.	\$1,214,436	11/1/2025	10/31/2026	FC - 10-1-25 BOT Approved 10-8-25	Installation of COVID prevention HVAC upgrades at JGPH.		Chief Operating Officer
18	Symplr Care Management LLC	\$1,112,847	1/1/2026	12/31/2028	FC - 11-5-25 BOT Approved 11-12-25	Patient safety and quality reporting software.		Chief Information Officer
19	LAZ Parking California, LLC	\$6,937,194	1/1/2026	12/31/2028	FC - 11-5-25 BOT Approved 11-12-25	Parking services.		Chief Operating Officer
20	Agiliti Health, Inc.	\$9,138,690	2/1/2026	1/31/2029	FC - 1-7-26 BOT Approved 1-14-26	Equipment rental services.		Chief Operating Officer
21	Smith-Karn Architecture	\$1,492,525	1/15/2026	1/15/2029	FC - 1-7-26 BOT Approved 1-14-26	Architectural services for remodel of SLH medical detoxification clinic.		Chief Operating Officer
22	VTP Holdings, LLC dba VIC the PICC	\$1,620,000	2/1/2026	1/31/2029	FC - 1-7-26 BOT Approved 1-14-26	PICC line placement services.		Chief Clinical Officer
23	Roelz Enterprises, LLC dba ELS Prestige Home Care	\$2,200,000	10/15/2025	10/14/2027	FC - 2-4-26 BOT Approved 2-11-26	SNF sitter services.		Chief Operating Officer

24	Fisher Scientific Company LLC dba Fisher Healthcare	\$6,600,000	4/1/2026	3/31/2029	FC - 3-4-26 BOT Approved 3-11-26	Laboratory supplies		Chief Operating Officer
25	Hill-Rom Company, Inc.	\$1,430,000	3/12/2026	3/11/2027	FC - 3-4-26 BOT Approved 3-11-26	Replacement nurse call system for SNFs		Chief Operating Officer
Total Amount for FY 26 year to date		\$543,584,676						