



**FINANCE COMMITTEE MEETING  
WEDNESDAY, MAY 6, 2026  
5:00pm to 7:00pm**

**Conference Center Located at Highland Care Pavilion**  
1411 East 31<sup>st</sup> 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:<sup>1</sup>  
<https://alamedahealthsystem.zoom.us/j/9361457125?pwd=4JnAmhDnBaLqY4GWf4PQBwp3w0Puy2.1&omn=89252310038>

Meeting ID: 936 145 7125  
Password: 20200513

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Find your local number: <https://alamedahealthsystem.zoom.us/u/aeojyFgeyl>

**FINANCE COMMITTEE MEMBERS**

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

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

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

## **FINANCE COMMITTEE REGULAR MEETING**

**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 April 1, 2026 Finance Committee Meeting**

#### **B. INFORMATION / DISCUSSION**

##### **B1. Chief Financial Officer Report**

*Kimberly Miranda, Chief Financial Officer*

B1a. AHS March 2026

B1b. St. Rose February 2026

##### **B2. Chief Operating Officer Report**

*Mark Fratzke, Chief Operating Officer*

B2a. Alameda Hospital Seismic Financing Update

B2b. Contract Savings Initiative Report

#### **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*

#### **D. ACTION / DISCUSSION: Contracts**

**D1. Agreement with Contra Costa Pathology Associates for provision of anatomic pathology and histology laboratory services. The term of this agreement is effective May 20, 2026 through May 19, 2029. The estimated impact of this agreement is \$2,700,000.**

*Mark Fratzke, Chief Operating Officer*

**D2.Renewal agreement with Quest Diagnostics for provision of reference laboratory testing services. The term of this agreement is effective June 1, 2026 through May 31, 2033. The estimated impact of this agreement is \$25,619,650.**

*Mark Fratzke, Chief Operating Officer*

## **E. DISCUSSION: Committee Planning, Issues Tracking**

### **TRUSTEE COMMENTS**

#### **ADJOURNMENT**

##### **Our Mission**

Caring, Healing, Teaching, Serving All

##### **Strategic Vision**

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

##### **Values**

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

##### **Meeting Procedures**

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

The Board of Trustees is the Policy Body of the Alameda Health System. The Board has several standing Committees where Board matters are the subject of discussion at which members of the public are urged to testify. Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Board Members or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room. Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of the Board or to its members, 1411 East 31<sup>st</sup> 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 April 1, 2026  
Finance Committee Meeting**



**FINANCE COMMITTEE MEETING\***  
**WEDNESDAY, APRIL 1, 2026**  
**5:00pm to 7:00pm**

**Conference Center Located at Highland Care Pavilion**  
1411 East 31<sup>st</sup> Street Oakland, CA 94602  
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**FINANCE COMMITTEE MEMBERS**

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

**\* 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 MINUTES**

**THE MEETING WAS CALLED TO ORDER AT 5:02pm**

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

**ABSENT:** David Sayen

***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.***

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**THE FOLLOWING BOARD MEMBERS PRESENT:** Lilavati Indulkar, MD, Donna Linton, Nely Obligacion

**ABSENT:** Nicholas Moss, MD, Rachel Richman

**PUBLIC COMMENT:** None

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

Trustee Fox said that on item B1 at the end, when they discussed the County payback. There should be a clarifier that they were discussing John George. Ms. Jojola Gonsalves said she would revise the minutes as requested.

Trustee Garrett moved and Trustee Sblendorio 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, Sblendorio

**NAYS:** None

**ABSTENTION:** None

**B. INFORMATION / DISCUSSION**

**B1. Chief Financial Officer Report**

*Kimberly Miranda, Chief Financial Officer*

B1a. AHS February 2026

B1b. St. Rose January 2026t

Trustee Garrett asked if registry was more or less expensive than staff. Ms. Miranda said staff was more expensive than registry.

Trustee Fox said the unfavorable variance for expenses in February was only \$800k, which was less than typical. Ms. Miranda said if they could keep the labor costs down they would be much closer to budget. Labor has been the single item that has been substantially over budget for several years.

Trustee Linton asked if the administrative leave that 200 or so employees were on as part of the RIF was part of the labor cost. Ms. Miranda said it was.

Trustee Fox asked if any of the people on leave were replaced by temporary employees or registry. Ms. Miranda said they should not have been. Mr. Jackson said the practice was that if the position was deemed critical they would bring the employee back from leave.

Trustee Linton asked if the employees who asked to be cashed out those payments would be reflected in the March numbers. Ms. Chapman said they were cashed out with both their

severance and their PTO. Ms. Miranda said PTO came off the balance sheet. It was a cash impact only. But the severance was actually an expense, and it will show up in March.

Trustee Linton asked if the amended permanent agreement was included in the NNB slide. Mr. Jackson said they had not signed the agreement yet, so he agreed with the CFO's decision to not include it yet. Though the Supervisors did approve the agreement. Ms. Miranda added that they should remember that while this will help stabilize them, it is incurring debt that they would have to replay.

Trustee Linton asked how the debt financing would relate to a balanced budget. Ms. Miranda said a balanced budget meant they achieved a break even on the net income.

Trustee Fox said if they ended the year with an amount owed to the County, say \$50M as an example, and they had a balanced budget, then the following year they would end with that \$50M deficit.

Trustee Garrett summarized that in the past they've been able to use the line of credit and get to a zero balance. Then they flex up or down as needed. Now, they were taking on permanent debt. They borrowed money, and they had no way to pay it back. So, if they have a deficit in the budget. Now with the permanent debt in place, and their regular need for cash flow from the line of credit, it will peak up over the maximum allowable amount because they were starting from a place of debt.

Trustee Fox said they not expecting the NNB to be zero at the end of the fiscal year or in our favor anymore.

Trustee Fox asked for information on what the realignment was. Mr. Minot-Scwartz said it was a State tax revenue that goes to counties for their safety and healthcare systems. When Obamacare started, they had to work out a compromise because the State wanted to take most of it back, but counties didn't want to give it back. They worked out a formula that looked at costs and revenues in the safety net to determine the need for that money. The issue is that to be precise, it took two years after the end of the fiscal year to be able to review and audit everything, then they could close it out and pay if money was owed. They did sometimes get some money up front, then they might have to pay it back when they trued up down the road.

Trustee Garrett asked if outside donations could be used for the St. Rose IGT match. Mr. Azizi said they had to be very specific. The safest options were from government agencies. There could be options for non-profits, but it had to be closely scrutinized.

Trustee Obligation asked if they were still looking at other public agencies for contributions. Ms. Dong said they did reach out to the agencies who contributed previously. The City of Hayward is experiencing a significant deficit and having layoffs.

## **B2. Chief Operating Officer Report**

*Mark Fratzke, Chief Operating Officer*

*Alex Gallo, Vice President Financial Transformation,*

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## B2a. Long Range Financial Plan

Trustee Garrett said at the retreat they left with the idea that staff needed to come back to the Board to set the vision for the organization that would drive this exercise. The Board had to provide that guidance. He hoped the Board would do that, but it wouldn't be done in time for the budget this year. Mr. Gallo said in mid-April the leadership group would review a draft budget in preparation for the May Board meeting. There could be feedback, of course. From the COT's perspective they had the strategic initiatives and the transformational initiatives. They both fed from the strategic plan. The long-range financial plan needed to tie all of that together.

Trustee Linton wanted to know about the Trustees specifying a vision and how that drove the budget for the upcoming fiscal year. She asked what the date was for taking the budget to the Board of Supervisors. Staff did not know the exact date. The Health Committee met on Mondays as needed.

Trustee Garrett said the Trustees would have to meet multiple times and work with Finance. One month was not enough time to do that.

Trustee Fox said they would probably need a retreat to make that happen. They needed to devote some significant meeting time to the process.

Trustee Linton said they needed to make an effort.

Trustee Indulkar said it would be difficult to discuss everything. There were some top priority items they could likely agree on and move quickly on.

Trustee Obligation suggested the next full Board meeting be specifically focused on the budget.

Trustee Obligation asked if the required structural response that included a reduction of 1,000 employees over four years

Trustee Linton said they would have to consider things differently. Alameda County had a large array of services, richer than surrounding counties in terms of the safety net services. She asked if that would be discussed with the Board of Supervisors in terms of the services AHS provided or the population they served in order to get to an agreed upon understanding of where AHS was going to focus their efforts.

Trustee Fox said it had to be. Ultimately the Board of Supervisors had the legal responsibility to care for our patients. He said that perhaps some of these other services could provide money for AHS to take care of the patients rather than the patients having to go to them when AHS cut service lines. Mr. Jackson agreed. He assumed the expectation would be for AHS to talk to Alameda Health and it would have to go to the Supervisors.

Trustee Indulkar said it was difficult to be productive and maintain high quality at the same time without foundational building blocks. They needed to consider how quality and productivity was

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balanced. She asked that they had a clear understanding of this as they moved forward with these conversations.

## 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*

Trustee Sblendorio said that when they first started discussing the impacts of HR1 they discussed figuring out some way, industry wide, to keep as many patients as they could by working out a system to maintain compliance with some of the patients. He asked if that was still being considered. Ms. Johnson said they had a rigorous screening process for our patients. They search for Family PACT, HPAC, Medi-Cal and other funding. There was a lot of outreach for these members. Ms. Dong said they have collaborated with the County, and the Alliance on a unified message for Medi-Cal outreach. Each team has contributed to outreach and a media campaign particularly around critical deadlines.

Trustee Fox asked if they were taking that into account in our volume projections. Ms. Miranda said everyone was telling them utilization would drop. AHS was saying it will not drop because they are taking these actions. Dr. Laurent said they had to start adopting virtual AI platforms to support their teams. It can help will cancellations and no shows.

Trustee Indulkar said because of the FQ status they could only bill for one appointment a day. If a patient sees their pulmonologist, and the pulmonologist orders a pulmonary function test, and the patient walks down the hall to get the test done, they can only bill one of the appointments. She asked if there was an opportunity to review the FQ status. Ms. Miranda said the rate was set based on all the costs of all that you do, so it should cover the costs of both functions.

Trustee Fox said it looked like the biggest thing that was causing the loss next year was that they had contractually obligated CPI increases for employees. This also included health expenses. He asked if there were any options for decreasing the health expenses to reduce that hit. Mr. Fratzke said they were hoping to get some relief on the premiums by perhaps having them pay a little of it instead of none of it. They also discussed reducing, not eliminating, but reducing COLAs over the next two years.

Trustee Fox asked if the impact from 2027 to 2028 and 2028 to 2029 would look the same. Ms. Miranda said it would. The expenses were outpacing the revenue. Mr. Jackson said they also discussed attrition rather than reductions in the ad hoc committee.

Trustee Linton asked how discreet they could be in terms of translating the budget to specific programs. Ms. Miranda said they probably could probably do that through the HR system.

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Trustee Linton said it was challenging to understand some of the initiatives to close the budget gap. She asked what the median benchmarks were. Mr. Fratzke said the finance team were working with FTI consulting to determine where the best practices at 50% in the market or any given one of our departments for FTEs. They were trying to benchmark themselves with the market. That data would be available in the next couple of weeks. Then they would need to have conversations with leaders whose departments were over.

Trustee Garrett said they've heard about FTI for a year or so but have never seen anything from them. It was confusing that they were still two weeks away from providing this information. Mr. Fratzke said they gave them the benchmarks a year ago and AHS has been using them. Now they were doing a refresh of that data to make it more market accurate. Trustee Garrett said he wanted to see something from them. Mr. Fratzke said he'd be happy to share that data with the Trustees. Trustee Garrett said when we were discussing the allocation of staff the Board needed to be involved. They should set the priorities for what service lines they provide. FTI is talking about benchmarking, leadership was telling us how they were going to save money getting to the median, but the Board needed to have a say in that. Mr. Fratzke agreed. The other piece that was missing was the strategy piece of it. They had to consider if they wanted to reduce in priority service lines.

Trustee Fox said he understood this to mean the savings would come from slicing the organization horizontally rather than cutting programs. They will look at benchmarked FTEs adjusted by volume and that would inform them about where they could achieve savings. Mr. Fratzke said that was a starting point. They were going to look at how each department matched up against best practice.

Trustee Obligation asked if there should be a conversation with the HR committee before they looked at this initiative and if the physicians would be involved. Mr. Fratzke said the data has not come out yet. Once it comes out they'll have the venues to work with.

Trustee Linton asked if they would see this in place in time for the budget. Mr. Fratzke said that was a tight timeline. Trustee Linton said was important that they start as soon as possible to the beginning of the fiscal year in order to get a full year of savings. Mr. Fratzke said they would not get a full year of savings through attrition.

Trustee Linton said that at QPSC they had a lot of discussion around equipment needs. If they were targeting the preservation of the Level One Trauma designation, then they needed to discuss that. Ms. Miranda said they had a \$70-\$80M gap. Mr. Fratzke said if they only had \$15M to carry over for capital spending something would have to give.

Trustee Indulkar said the Board needed to prioritize their top five things that they absolutely could not do without. FTI will provide a guideline, but they needed ensure guiding principles were in place.

Trustee Garrett asked about the contracts. It seemed to be that they had numerous contracts and consultants fees. Mr. Fratzke said they had about 1500 contracts. They are culling through them. 375 were done so far. He thought they needed to restructure the contracts

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department and process. He and the General Counsel are in conversations about that. He said those savings would be substantial. Trustee Garrett said it was important for Trustees to be involved in that process.

Trustee Garrett spoke regarding the increase in payer mix by month. It was concerning that they were budgeting for neutral but already seeing increases.

Trustee Linton said the conversation needed to happen with the County. They've had a long standing policy to cover those with UIS (Unsatisfactory Immigration Status). If they were going to keep that policy they would need to backfill some of the loss of State dollars.

Trustee Fox asked what the reimbursement drop off has been from Medi-Cal to HealthPAC. Ms. Miranda said they had a block grant from the County that they've been able to keep them from reducing. They said they were not going to reduce it this year. They've agreed to continue these conversations.

Trustee Linton when they brought the budget to the Supervisors it was going to have to be a plea for money. She didn't see how the budget gap could be closed just on attrition. It was going to have to be chunks to get there. Then there were other pending factors they couldn't fully quantify now.

Trustee Garrett asked about the rapid review process and where it was on the schedule.

Trustee Fox said the visioning definitions impact would likely go beyond the fiscal year. Visioning was not one time work.

Trustee Indulkar said one problem was the \$75M which was the most. Another problem was identifying the vision so they could start working beginning the new fiscal year to realize that vision.

Trustee Garrett said they add that they can't do everything. They had a rich array of services. The possibility of reduction in service lines needed to be considered and discussed as a County to consider how these services would be delivered.

Trustee Fox said they had to go to the Board of Supervisors with the budget and some of these concerns. This should raise the urgency of having to start planning now where we are going to be in future years and what programs around the Bay, i.e. Summit, Eden, Kaiser, and Washington, could take over.

Trustee Fox said looking at the budget by location, they were not getting reimbursed for the costs at John George. They were losing \$21M next year on John George. They could not sustain that.

Trustee Sblendorio said he recognized they were trying to bridge \$73M to balance the budget. But the longer term view was they would need to get to \$300M and he'd rather start it now than delay it. He wanted to see what services they were statutorily required to provide and what

services were and were not provided by public health systems around them. They needed to reevaluate what services they were providing.

Trustee Garrett agreed. They needed to state that the Board made clear that service reductions were part of the discussions. It was on the table and needed to be added to the list. Additionally, he was trying to not overrepresent his role in the ad hoc committee, and he understood he did not represent the Board as a whole. But, he did say in the meeting that the Board was committed to first and foremost looking at revenue production and expense reduction separate from labor. Any labor reductions would be a last option.

Trustee Indulkar asked if they were asking to include the HPAC estimations as a line item on the budget. Trustee Fox asked if they could relook at the volume based on the trends that they've seen.

## **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*

Trustee Fox asked if this was part of EPIC. Mr. Ip said Hyland was the document storage management platform. It integrates with EPIC. EPIC was working on a platform to cover this, but it's not ready yet.

**D2.Renewal agreement with Mission Linen Supply for provision of linen rental and cleaning 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*

Trustee Garrett moved and Trustee Sblendorio seconded to recommend approval of agenda item D to the full Board.

**ACTION:** A motion was made and seconded to recommend approval of agenda item D to the full Board. A roll call was taken, and the motion passed.

**AYES:** Trustees Fox, Garrett, Sblendorio

**NAYS:** None

**ABSTENTION:** None

### **E. DISCUSSION: Committee Planning, Issues Tracking**

**Mr. Azizi announced the Board would not meet in closed session.**

**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 7:40pm**

# Chief Financial Officer Report

# March 2026 Financial Report

## Finance Committee

Kimberly Miranda, Chief Financial Officer  
May 6, 2026

# March 2026 Financial Report

## Finance Dashboard

### March-2026

Metric	FY2026 Goal YTD	Actual YTD	YTD	Trend Lines
<b>Volume</b>				
Total Adjusted Discharges	24,194	24,409	●	
Total Adjusted Patient Days	273,712	278,458	●	
<b>Revenue Cycle</b>				
Collection Ratio	19.5%	19.2%	●	
Cash as % of Net Revenue	100.0%	102.6%	●	
Gross Days in Patient Receivables	62.0	62.7	●	
<b>Labor</b>				
Productivity %	100.0%	108.5%	●	
Registry as % of Total FTEs	4.2%	3.6%	●	
Overtime % excl Company 30	4.5%	5.7%	●	
Total FTEs	5,132	5,183	●	
FTE per Adjusted Discharge	0.21	0.21	●	
*Labor Cost/FTE w/o GASB	\$242,076	\$246,379	●	
<b>Profitability</b>				
Total Cost per Adjusted Discharge	\$49,943	\$50,733	●	
Total Cost per Adjusted Patient Days	\$4,415	\$4,447	●	
Net Income	\$6,241	(\$9,163)	●	
EBIDA Margin	2.6%	1.2%	●	
NNB (Net Negative Balance)	<\$95M	-\$65,963	●	
Net Position	>\$0	-\$70,793	●	
<b>Capital</b>				
Capital Spent	\$22,368	\$13,272	●	
% of Capital Spent		59.3%		

# March 2026 Financial Report

## Volume Highlights – Part 1

	March 2026				FY2026 Year-To-Date				FY2025 Year-To-Date		
	Actual	Budget	Var	% Var	Actual	Budget	Var	% Var	Actual	Var	% Var
<b>Campus: AHS ALL CAMPUS</b>											
Total Adjusted Patient Days	32,668	30,928	1,740	5.6%	278,458	273,712	4,746	1.7%	273,068	5,390	2.0%
Total Adjusted Discharges	2,738	2,764	-26	-0.9%	24,409	24,194	215	0.9%	23,462	947	4.0%
Physician wRVU	150,911	119,322	31,590	26.5%	1,235,615	1,065,845	169,769	15.9%	1,300,439	-64,824	-5.0%
FQHC & Other Clinic Visits	40,181	36,770	3,411	9.3%	326,137	327,675	-1,538	-0.5%	308,523	17,614	5.7%
<b>GENERAL ACUTE</b>											
Patient Days	6,733	6,689	44	0.7%	54,862	58,093	-3,231	-5.6%	58,178	-3,316	-5.7%
Discharges	1,244	1,305	-61	-4.6%	11,096	11,271	-175	-1.5%	11,039	57	0.5%
Average Length of Stay	5.4	5.1	-0.3	-5.6%	4.9	5.2	0.2	4.1%	5.3	0.3	6.2%
Occupancy %	73.0%	72.0%	0.0%		67.0%	71.0%	-4.0%		71.0%	-4.0%	
CMI	1.6530	1.5970	0.0560	3.5%	1.6220	1.5660	0.0550	3.5%	1.6390	-0.0170	-1.0%
Emergency Visits	9,986	9,576	410	4.3%	85,179	82,231	2,948	3.6%	82,175	3,004	3.7%
Trauma Cases	353	273	80	29.3%	2,785	2,701	84	3.1%	2,747	38	1.4%
Observation Equivalent Days	830	651	179	27.5%	6,776	5,980	796	13.3%	5,746	1,031	17.9%
Surgeries	714	694	20	2.8%	6,067	6,011	56	0.9%	6,514	-447	-6.9%
Deliveries	132	149	-17	-11.2%	1,200	1,260	-60	-4.8%	1,206	-6	-0.5%
<b>PSYCH</b>											
Psych Patient Days	2,037	1,992	45	2.3%	18,054	17,847	207	1.2%	17,603	451	2.6%
Psych Discharges	204	221	-17	-7.8%	1,864	1,990	-126	-6.3%	1,859	5	0.3%
Average Length of Stay	10.0	9.0	-1.0	-10.9%	9.7	9.0	-0.7	-8.0%	9.5	-0.2	-2.3%
PES Equivalent Days	629	636	-7	-1.1%	6,190	5,928	263	4.4%	6,045	145	2.4%

# March 2026 Financial Report

## Volume Highlights – Part 2

	March 2026				FY2026 Year-To-Date				FY2025 Year-To-Date		
	Actual	Budget	Var	% Var	Actual	Budget	Var	% Var	Actual	Var	% Var
<b>Campus: AHS ALL CAMPUS</b>											
<b>REHAB</b>											
Rehab Patient Days	762	747	15	2.0%	6,317	6,628	-311	-4.7%	6,308	9	0.1%
Rehab Discharges	56	57	-1	-0.9%	464	501	-37	-7.4%	465	-1	-0.2%
Average Length of Stay	13.6	13.2	-0.4	-2.9%	13.6	13.2	-0.4	-3.0%	13.6	0	-0.4%
Occupancy %	88.0%	86.0%	0.0%		82.0%	86.0%	0.0%		82.0%	0.0%	
<b>SNF WITH SUB-ACUTE</b>											
SNF Patient Days	8,650	8,546	104	1.2%	75,973	75,533	440	0.6%	75,340	633	0.8%
Average Daily Census	279	275.7	3.4	1.2%	277.3	275.7	1.6	0.6%	275	2.3	0.8%
Occupancy %	96.0%	95.0%	0%		96.0%	95.0%	0.0%		95.0%	0.0%	
Bed Holds	132	72	60	83.3%	770	724	46	6.4%	791	-21	-2.7%
<b>PAYOR MIX</b>											
Insurance %	7.4%	6.7%	0.8%		6.8%	7.1%	-0.3%		7.0%	-0.2%	
Medi-Cal %	59.9%	60.7%	-0.9%		59.6%	60.4%	-0.8%		60.5%	-0.9%	
Medicare %	28.1%	27.9%	0.2%		29.3%	27.6%	1.7%		28.3%	1.0%	
Other Govt %	2.6%	1.5%	1.0%		1.6%	1.8%	-0.2%		1.7%	-0.1%	
Self-Pay %	2.1%	3.2%	-1.1%		2.7%	3.1%	-0.3%		2.7%	0.1%	
Total Payor Mix %	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%		100.0%	0.0%	

# March 2026 Financial Report

## YTD Highlights

- Favorable YTD revenue variance of \$14.8M.
  - Net patient revenue above budget (\$5.3M), higher charges/volumes partially offset by collection percentage - 0.3% below budget
  - Other government programs above budget (\$0.5M) with offsetting supplemental revenue impacts.
  - Other operating income above budget by (\$9.2M) driven from retail pharmacy (\$4.4M) and one-time items of SAC law settlement on older claims (\$3.1M).
  
- Unfavorable YTD expense variance of \$30.0M.
  - Labor costs unfavorable by \$26.0M due to higher FTE and wage rates (\$17.1M), employee benefits (\$6.9M), retirement (\$1.9M).
  - Non-labor cost unfavorable by \$4.0M from unfavorable variances in pharmaceuticals (\$4.2M), medical/surgical supplies (\$2.1M), facilities (\$3.7M) offset by favorable outside medical services (\$2.5M) and software licenses (\$3.5M).
    - OMS budget overstated reflecting duplicate invoices.

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	\$ 140,341	\$ 138,162	\$ 2,179	1.6%	\$ 1,231,981	\$ 1,217,142	\$ 14,839	1.2%	\$ 1,199,858	2.7%
Operating expense	140,427	137,991	(2,436)	(1.8)%	1,238,335	1,208,325	(30,010)	(2.5)%	1,181,731	(4.8)%
<b>Operating income (loss)</b>	<b>(86)</b>	<b>171</b>	<b>(257)</b>	<b>(150.3)%</b>	<b>(6,354)</b>	<b>8,817</b>	<b>(15,171)</b>	<b>(172.1)%</b>	<b>18,127</b>	<b>(135.1)%</b>
Other non-operating activity	(242)	(127)	(115)	(90.6)%	(2,809)	(2,576)	(233)	(9.0)%	(3,468)	19.0%
<b>Net Income (loss)</b>	<b>\$ (328)</b>	<b>\$ 44</b>	<b>\$ (372)</b>	<b>(845.5)%</b>	<b>\$ (9,163)</b>	<b>\$ 6,241</b>	<b>\$ (15,404)</b>	<b>(246.8)%</b>	<b>\$ 14,659</b>	<b>(162.5)%</b>
EBIDA adjustments	2,663	2,558	105		24,106	25,058	(952)		33,003	
<b>EBIDA</b>	<b>\$ 2,335</b>	<b>\$ 2,602</b>	<b>\$ (267)</b>		<b>\$ 14,943</b>	<b>\$ 31,299</b>	<b>\$ (16,356)</b>		<b>\$ 47,662</b>	
Operating Margin	(0.1)%	0.1%	(0.2)%		(0.5)%	0.7%	(1.2)%		1.5%	
EBIDA Margin	1.7%	1.9%	(0.2)%		1.2%	2.6%	(1.4)%		4.0%	
Total FTEs	5,019	5,086	67	1.3%	5,183	5,132	(51)	(1.0)%	5,093	

# March 2026 Financial Report

## Net Patient Services Revenue Highlights

- Gross patient service revenue favorable driven by outpatient services.
  - General Acute inpatient days above budget; Length of Stay was higher and CMI increased above trend.
  - Trauma cases higher than budget by 29.3% for month and 3.1% YTD.
  - Inpatient surgery below budget 7.8% for month and 5.8% YTD.
  - ED visits above budget by 4.3%,for the month and 3.6% YTD.
  - Outpatient surgery above budget 11.5% and 6.7% YTD.
  - Clinic visits above budget 9.3% and lower than budget by 0.5% YTD.
  - SNF census at 96%, exceeding budget.
  - JGP census above budget; PES visits above budget 5.5% and below budget 0.9% YTD.
- NSPR Collection ratio consistent with YTD at 19.2% and below target.
  - Medicare cost report adjustment in the month (\$2.4M).
  - Mix of services changed from inpatient to outpatient with a lower collection percentage.

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	\$ 239,830	\$ 232,916	\$ 6,914	3.0%	\$ 1,996,547	\$ 2,003,157	\$ (6,609)	(0.3)%	\$ 1,927,199	3.6%
Outpatient service revenue	169,838	151,470	18,367	12.1%	1,423,014	1,318,799	104,215	7.9%	1,284,162	10.8%
Professional service revenue	46,064	42,410	3,654	8.6%	379,757	377,452	2,305	0.6%	386,056	(1.6)%
Gross patient service revenue	455,732	426,796	28,935	6.8%	3,799,319	3,699,408	99,910	2.7%	3,597,417	5.6%
Deductions from revenue	(368,196)	(343,366)	(24,830)	(7.2)%	(3,070,823)	(2,976,249)	(94,574)	(3.2)%	(2,896,905)	6.0%
<b>Net patient service revenue</b>	<b>87,535</b>	<b>83,430</b>	<b>4,105</b>	<b>4.9%</b>	<b>728,496</b>	<b>723,160</b>	<b>5,336</b>	<b>0.7%</b>	<b>700,512</b>	<b>(4.0)%</b>
Collection % - NPSR	19.2%	19.5%	(0.3)%		19.2%	19.5%	(0.3)%		19.5%	
Capitation and HPAC	4,420	4,520	(101)	(2.2)%	40,153	40,392	(240)	(0.6)%	41,537	(3.3)%
Other government programs	42,672	45,415	(2,743)	(6.0)%	409,283	408,735	548	0.1%	411,460	(0.5)%
Other operating revenue	5,714	4,797	917	19.1%	54,048	44,856	9,191	20.5%	46,349	16.6%
<b>Total operating revenue</b>	<b>\$ 140,341</b>	<b>\$ 138,162</b>	<b>\$ 2,179</b>	<b>1.6%</b>	<b>\$ 1,231,979</b>	<b>\$ 1,217,143</b>	<b>\$ 14,836</b>	<b>1.2%</b>	<b>\$ 1,199,858</b>	<b>2.7%</b>

# March 2026 Financial Report

## Governmental and Other Revenue Highlights

- Other government programs unfavorable from SNF Medi-Cal FY21 final reconciliation (\$2.4M), DP-NF Pass-through (\$0.2M), and Prop56 (\$0.1M). YTD, favorable from Rate Range CY2024 (\$4.2M), Alameda Alliance P4P (\$1.2M), parcel tax (\$0.8M), FEMA (\$0.2M) offset by unfavorable variance for SNF Medi-Cal FY21 final reconciliation payment (\$2.4M), Prop56 (\$1.6M), Measure A (\$0.5M). DP-NF Pass-through payment for CY2024 was \$23.8 million which was \$1.5M lower than the anticipated funding of \$25.8M and will be an on-going variance.
- Other operating revenue favorable from higher retail pharmacy (\$0.8M), SRH management fee (\$0.3M) offset by unfavorable Grant Revenue (\$0.2M). YTD, favorable driven by the settlement on low pay patient accounts (\$3.1M), SRH management fee excluded from the budget (\$2.8M), Alameda Alliance incentive (\$0.3M), higher retail pharmacy (\$4.7M) offset by unfavorable grant activity (\$1.2M).

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Net patient service revenue	87,535	83,430	4,105	4.9%	728,496	723,160	5,336	0.7%	700,512	(4.0)%
Capitation and HPAC	4,420	4,520	(101)	(2.2)%	40,153	40,392	(240)	(0.6)%	41,537	(3.3)%
Medi-Cal Waiver	8,418	8,474	(55)	(0.7)%	76,403	76,262	141	0.2%	84,063	(9.1)%
Measure A and parcel tax	12,760	12,760	0	0.0%	115,082	114,836	247	0.2%	115,325	(0.2)%
Supplemental Programs	21,494	24,182	(2,688)	(11.1)%	217,797	217,637	160	0.1%	212,071	2.7%
<b>Other government programs</b>	<b>42,672</b>	<b>45,415</b>	<b>(2,743)</b>	<b>(6.0)%</b>	<b>409,283</b>	<b>408,735</b>	<b>548</b>	<b>0.1%</b>	<b>411,460</b>	<b>(0.5)%</b>
Grant Revenue	1,293	1,422	(129)	(9.1)%	10,336	12,132	(1,796)	(14.8)%	12,378	(16.5)%
Other Operating Revenue	4,422	3,375	1,046	31.0%	43,712	32,725	10,987	33.6%	33,971	28.7%
<b>Other operating revenue</b>	<b>5,714</b>	<b>4,797</b>	<b>917</b>	<b>19.1%</b>	<b>54,048</b>	<b>44,856</b>	<b>9,191</b>	<b>20.5%</b>	<b>46,349</b>	<b>16.6%</b>
<b>Total operating revenue</b>	<b>\$ 140,341</b>	<b>\$ 138,162</b>	<b>\$ 2,179</b>	<b>1.6%</b>	<b>\$ 1,231,979</b>	<b>\$ 1,217,143</b>	<b>\$ 14,836</b>	<b>1.2%</b>	<b>\$ 1,199,858</b>	<b>2.7%</b>

# March 2026 Financial Report

## Expense Highlights excluding Labor (part 1)

- Purchased services unfavorable from budget due to management services/consultants (\$0.3M), coders (\$0.2M), outside medical services (\$0.2M), budget timing for other purchased services (\$0.4M) offset by favorable timing for IT software fees (\$0.7M). YTD, favorable from software licensing (\$3.5M), outside medical services (\$2.5M) offset by unfavorable variances in HIM coders (\$1.8M) and management services/consultants (\$0.8M).
  - 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 for coders is offset by a favorable variance under registry for the month and YTD.
  
- Material and supplies unfavorable to budget primarily from pharmaceuticals (\$0.8M) offset by supplies (\$0.4M). YTD, unfavorable due to pharmaceuticals (\$4.2M), surgical supplies (\$1.5M), medical supplies (\$1.5M) offset by favorable computer equipment (\$1.2M).

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 109,316	\$ 107,587	\$ (1,729)	(1.6)%	\$ 957,738	\$ 931,750	\$ (25,988)	(2.8)%	\$ 892,119	(7.4)%
Purchased services	8,525	8,146	(379)	(4.7)%	77,731	81,129	3,398	4.2%	77,720	(0.0)%
Materials and supplies	14,133	13,766	(367)	(2.7)%	124,720	118,789	(5,931)	(5.0)%	115,085	(8.4)%
Facilities	3,552	3,366	(186)	(5.5)%	33,453	29,742	(3,711)	(12.5)%	29,109	(14.9)%
Depreciation and amortization	2,412	2,418	6	0.2%	21,281	22,365	1,084	4.8%	29,819	28.6%
General and administrative	2,489	2,708	219	8.1%	23,412	24,550	1,138	4.6%	37,879	38.2%
<b>Total operating expense</b>	<b>\$ 140,427</b>	<b>\$ 137,991</b>	<b>\$ (2,436)</b>	<b>(1.8)%</b>	<b>\$ 1,238,335</b>	<b>\$ 1,208,325</b>	<b>\$ (30,010)</b>	<b>(2.5)%</b>	<b>\$ 1,181,731</b>	<b>(4.8)%</b>

# March 2026 Financial Report

## Expense Highlights excluding Labor (part 2)

- Facilities unfavorable from facility repairs (\$0.4M) offset by favorable utilities (\$0.2M). YTD, unfavorable from facility repairs (\$5.3M), leases (\$0.3M) offset by favorable utilities (\$1.9M). 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 (\$0.4M). YTD, favorable from lower equipment depreciation (\$3.8M) offset by higher lease and software amortization (\$2.7M).
- General and administrative favorable from timing of insurance (\$0.2M). YTD, favorable from recruitment expense (\$0.7M), insurance (\$0.7M) offset by unfavorable variance (\$0.3M) across many cost centers.

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 109,316	\$ 107,587	\$ (1,729)	(1.6)%	\$ 957,738	\$ 931,750	\$ (25,988)	(2.8)%	\$ 892,119	(7.4)%
Purchased services	8,525	8,146	(379)	(4.7)%	77,731	81,129	3,398	4.2%	77,720	(0.0)%
Materials and supplies	14,133	13,766	(367)	(2.7)%	124,720	118,789	(5,931)	(5.0)%	115,085	(8.4)%
Facilities	3,552	3,366	(186)	(5.5)%	33,453	29,742	(3,711)	(12.5)%	29,109	(14.9)%
Depreciation and amortization	2,412	2,418	6	0.2%	21,281	22,365	1,084	4.8%	29,819	28.6%
General and administrative	2,489	2,708	219	8.1%	23,412	24,550	1,138	4.6%	37,879	38.2%
<b>Total operating expense</b>	<b>\$ 140,427</b>	<b>\$ 137,991</b>	<b>\$ (2,436)</b>	<b>(1.8)%</b>	<b>\$ 1,238,335</b>	<b>\$ 1,208,325</b>	<b>\$ (30,010)</b>	<b>(2.5)%</b>	<b>\$ 1,181,731</b>	<b>(4.8)%</b>

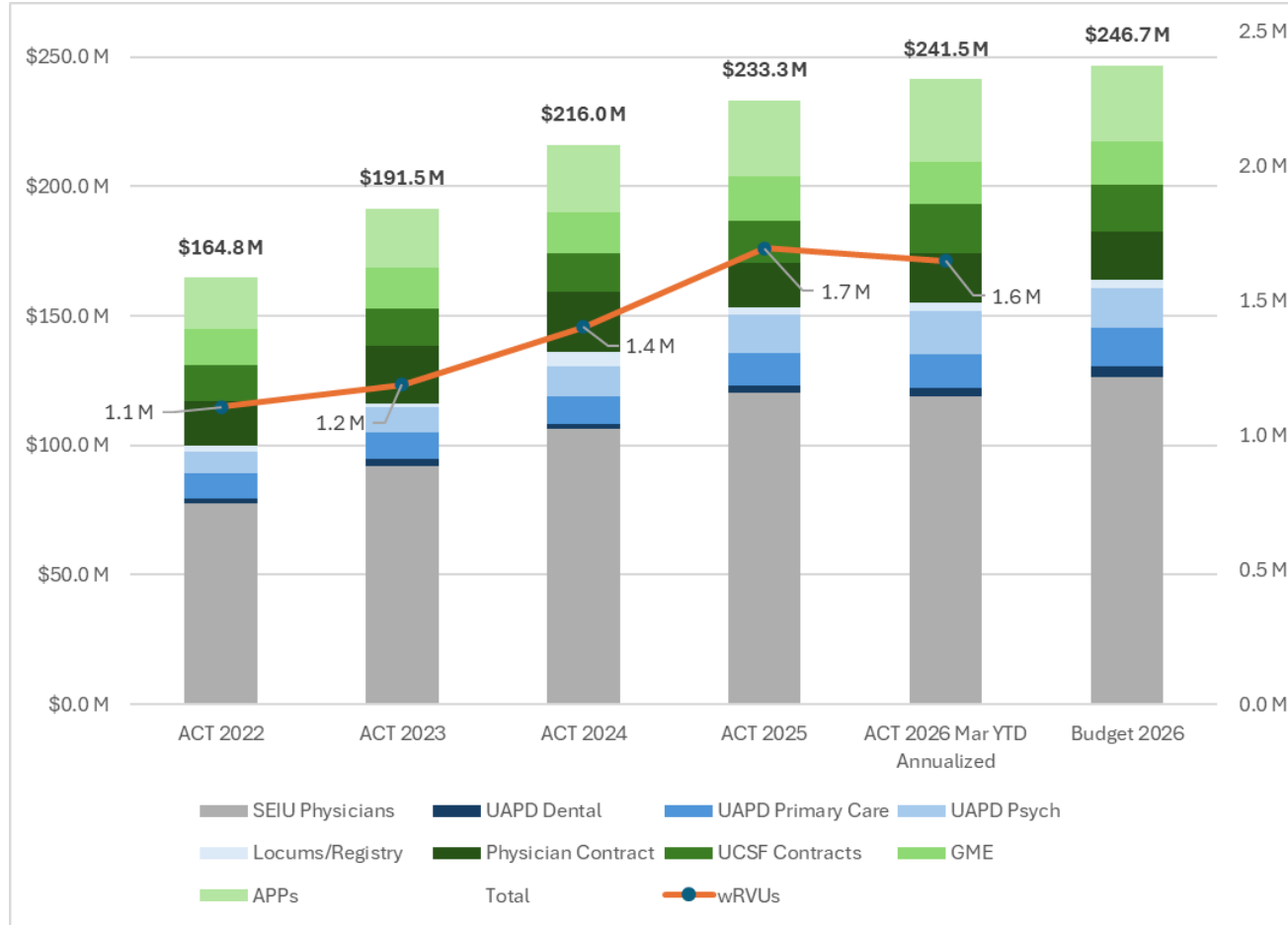
# March 2026 Financial Report

## Expense Highlights – Labor

- Staff and registry unfavorable for month (\$0.5M) and YTD (\$17.0M).
  - Staff salaries and registry unfavorable driven higher rate (\$1.5M) and lower FTEs (47 FTEs/\$1.0M). YTD, unfavorable due to higher rate (\$10.6M) and higher FTEs (70 FTEs/\$6.4M).
- Provider salaries and contracts favorable for month (\$0.2M) and unfavorable YTD (\$0.1M).
  - Provider salaries favorable from lower FTEs (20 FTEs/\$0.7M) offset by higher rate (\$0.3M). YTD, favorable from lower FTEs (20 FTEs/\$5.7M) offset by higher rate (\$4.8M) includes paternity payout last month (\$1.6M). FY26 recruitment unrealized.
  - Physician contract services approximate budget for month and unfavorable YTD (\$1.0M) due to locum expense.

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 61,831	\$ 59,768	\$ (2,063)	(3.5)%	\$ 549,286	\$ 523,656	\$ (25,630)	(4.9)%	\$ 498,639	(10.2)%
Salaries and wages (providers)	12,933	13,263	330	2.5%	116,486	117,371	885	0.8%	111,559	(4.4)%
Registry	2,739	4,338	1,599	36.9%	29,355	37,909	8,554	22.6%	39,141	25.0%
Physician contract services	3,790	3,699	(91)	(2.5)%	33,846	32,835	(1,011)	(3.1)%	32,035	(5.7)%
Employee benefits (taxes, insur	18,936	17,788	(1,148)	(6.5)%	153,871	147,008	(6,863)	(4.7)%	139,889	(10.0)%
Retirement	9,087	8,731	(356)	(4.1)%	74,894	72,971	(1,923)	(2.6)%	70,855	(5.7)%
<b>Total labor costs</b>	<b>\$ 109,316</b>	<b>\$ 107,587</b>	<b>\$ (1,729)</b>	<b>(1.6)%</b>	<b>\$ 957,738</b>	<b>\$ 931,750</b>	<b>\$ (25,988)</b>	<b>(2.8)%</b>	<b>\$ 892,119</b>	<b>(7.4)%</b>
Compensation ratio	77.9%	77.9%	0.0%		77.7%	76.6%	-1.1%		74.4%	
Paid FTEs - staff	4,476	4,467	(9)	(0.2)%	4,613	4,513	(100)	(2.2)%	4,618	0.1%
Paid FTEs - providers	381	401	20	5.0%	383	403	20	5.0%	289	(32.5)%
Paid FTEs - registry	162	218	56	25.7%	187	216	29	13.4%	235	20.4%
Total FTEs	5,019	5,086	67	1.3%	5,183	5,132	(51)	(1.0)%	5,142	(0.8)%

# Total Provider Expenses



Paid FTEs	ACT 2026				ACT 2026 Mar YTD	
	ACT 2022	ACT 2023	ACT 2024	ACT 2025	Annualized	Budget 2026
SEIU Physicians	180.0	197.1	213.2	223.1	223.1	243.1
UAPD Dental	8.7	9.8	8.3	9.0	9.4	11.4
UAPD Primary Care	27.8	28.4	30.7	32.7	30.8	34.8
UAPD Psych	17.1	17.4	19.2	23.9	26.4	23.5
GME	134.6	136.8	137.4	139.1	139.4	138.2
APPs	76.8	81.6	84.6	90.8	93.6	91.3
<b>Subtotal Physicians</b>	<b>445.0</b>	<b>471.1</b>	<b>493.3</b>	<b>518.6</b>	<b>522.7</b>	<b>542.3</b>
% Change		6%	5%	5%	1%	
Change Paid FTE		26.1	22.2	25.2	4.1	

Service Type	ACT 2026				ACT 2026 Mar YTD	
	ACT 2022	ACT 2023	ACT 2024	ACT 2025	Annualized	Budget 2026
SEIU Physicians	\$77.3 M	\$91.8 M	\$106.3 M	\$120.2 M	\$118.9 M	\$126.4 M
UAPD Dental	\$2.3 M	\$2.7 M	\$1.7 M	\$2.8 M	\$3.2 M	\$4.1 M
UAPD Primary Care	\$9.4 M	\$10.3 M	\$10.9 M	\$12.6 M	\$13.0 M	\$14.7 M
UAPD Psych	\$8.7 M	\$9.6 M	\$11.7 M	\$14.7 M	\$16.5 M	\$15.7 M
Locums/Registry	\$2.2 M	\$1.7 M	\$5.3 M	\$3.0 M	\$3.6 M	\$3.2 M
Physician Contract	\$17.0 M	\$22.4 M	\$23.3 M	\$17.1 M	\$18.8 M	\$18.6 M
UCSF Contracts	\$14.0 M	\$14.0 M	\$15.1 M	\$16.2 M	\$19.1 M	\$18.1 M
GME	\$13.9 M	\$16.1 M	\$15.6 M	\$17.3 M	\$16.2 M	\$16.6 M
APPs	\$20.0 M	\$22.9 M	\$26.1 M	\$29.3 M	\$32.2 M	\$29.3 M
<b>Subtotal Physicians</b>	<b>\$164.8 M</b>	<b>\$191.5 M</b>	<b>\$216.0 M</b>	<b>\$233.3 M</b>	<b>\$241.5 M</b>	<b>\$246.7 M</b>

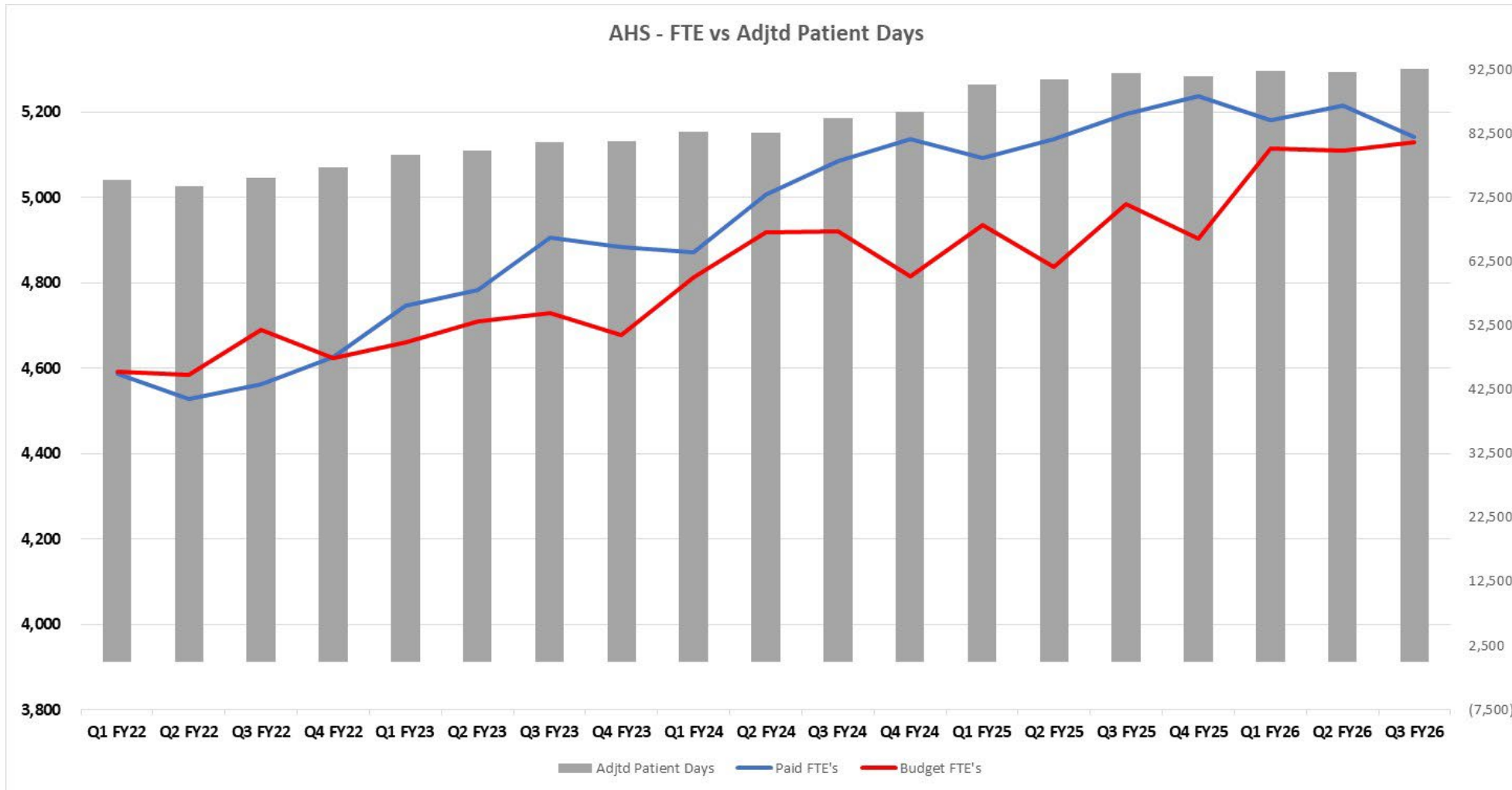
	Act 2026 Mar YTD					
	ACT 2022	ACT 2023	ACT 2024	ACT 2025	Annualized	Budget 2026
Clinic Visits		332,403	357,741	378,682	402,833	403,957
% Change			7.6%	5.9%	6.4%	0.3%

## Notes:

1. FY26 SEIU excludes President and admin staff dollars.
2. Dignity Health GME moved to UCSF in FY26.
3. Locums: FY2024-2026 for John George-Psych, General Surgery & Eastmont Wellness center.

# March 2026 Financial Report

## Labor Expense – FTE Trending



Volumes or adjusted patient days have increased since FY2022.

FTEs increased, in part due to volume, but have outpaced the budget since FY2023.

# March 2026 Financial Report

## Expense Highlights – Benefits

- Employee Benefits unfavorable from higher self-funded health (\$0.9M), FICA (\$0.8M) offset by lower Kaiser health plan (\$0.5M) and other benefits (\$0.1M). YTD, unfavorable from higher self-funded health (\$11.0M), FICA (\$1.3 million) offset by lower Kaiser health plan (\$3.0M), other benefits (\$0.6M), and timing of resident housing allowance (\$0.8M).
- Retirement unfavorable from ACERA (\$0.2M) and other plans (\$0.2M). YTD, unfavorable from ACERA (\$0.9M) and union plans (\$1.0M).

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 61,831	\$ 59,768	\$ (2,063)	(3.5)%	\$ 549,286	\$ 523,656	\$ (25,630)	(4.9)%	\$ 498,639	(10.2)%
Salaries and wages (providers)	12,933	13,263	330	2.5%	116,486	117,371	885	0.8%	111,559	(4.4)%
Registry	2,739	4,338	1,599	36.9%	29,355	37,909	8,554	22.6%	39,141	25.0%
Physician contract services	3,790	3,699	(91)	(2.5)%	33,846	32,835	(1,011)	(3.1)%	32,035	(5.7)%
Employee benefits (taxes, insur	18,936	17,788	(1,148)	(6.5)%	153,871	147,008	(6,863)	(4.7)%	139,889	(10.0)%
Retirement	9,087	8,731	(356)	(4.1)%	74,894	72,971	(1,923)	(2.6)%	70,855	(5.7)%
<b>Total labor costs</b>	<b>\$ 109,316</b>	<b>\$ 107,587</b>	<b>\$ (1,729)</b>	<b>(1.6)%</b>	<b>\$ 957,738</b>	<b>\$ 931,750</b>	<b>\$ (25,988)</b>	<b>(2.8)%</b>	<b>\$ 892,119</b>	<b>(7.4)%</b>
Compensation ratio	77.9%	77.9%	0.0%		77.7%	76.6%	-1.1%		74.4%	
Paid FTEs - staff	4,476	4,467	(9)	(0.2)%	4,613	4,513	(100)	(2.2)%	4,618	0.1%
Paid FTEs - providers	381	401	20	5.0%	383	403	20	5.0%	289	(32.5)%
Paid FTEs - registry	162	218	56	25.7%	187	216	29	13.4%	235	20.4%
Total FTEs	5,019	5,086	67	1.3%	5,183	5,132	(51)	(1.0)%	5,142	(0.8)%

# March 2026 Financial Report

## Balance Sheet Key Metrics

- Days in Cash are 0.6 days and lower than year-end; typically, below 5.0 days.
- Gross AR Days decreased 3.2 days and Net AR Days decreased by 0.4 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 \$70.8M and increased \$8.9M from June 30, 2025 reflecting YTD Net Loss.
- Net Negative Balance is a payable of \$66.0M. NNB consists of the liquidity facility (loan) of \$94.3M 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>Mar-26</u>	<u>Feb-26</u>	<u>FY 2025</u>
Days in cash	0.6	0.7	2.9
Gross days in patient receivable	62.7	65.9	62.4
Net days in patient receivable	40.7	41.1	43.8
Due from/(to) third-party payors	\$ 387,608	\$ 288,913	\$ 158,555
Due from/(to) County	\$ (117,719)	\$ (34,106)	\$ 49,680
Days in accounts payable	38.7	33.7	38.3
% of AP over 60 days	3.7%	3.9%	4.0%
Net position - fund balance/(deficit)	\$ (70,793)	\$ (70,467)	\$ (61,798)
Net negative balance - receivable/(payable)	\$ (65,963)	\$ (54,264)	\$ 26,949

# March 2026 Financial Report

## Patient Accounts Receivable Trending

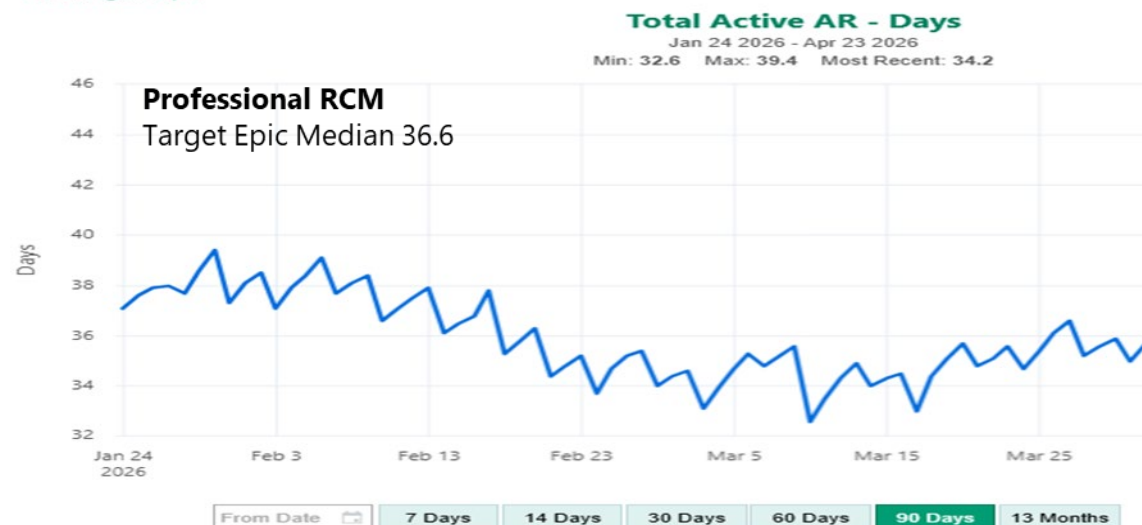
Trending Graph



### Hospital Revenue Cycle Key Indicators

- HB AR Days decreased by 1.1 days compared to prior month. February AR Days were 66.9 days, and March AR Days ended at 65.8 days.
- March collections were higher at \$64.1M compared to monthly trend of approximately \$59.6M.
- The coding work queue has stabilized and is 2.3 days

Trending Graph

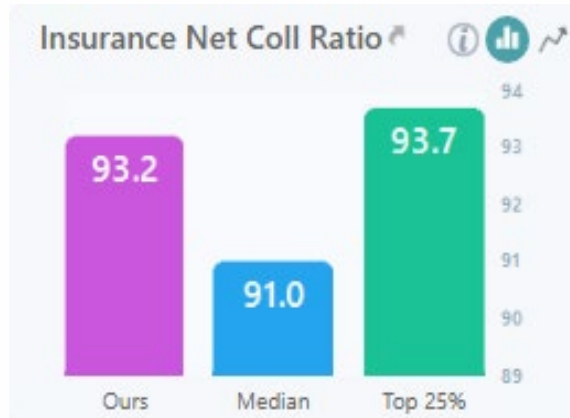


### Professional Revenue Cycle Key Indicators

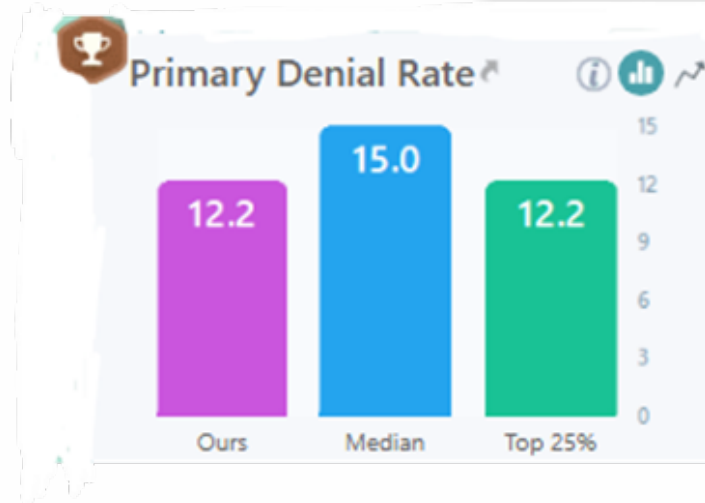
- PB AR Days increased by 1.3 days compared to prior month. February AR Days were 34.4 days, and March AR Days ended at 35.7
- March collections reported was \$14.2M. This is above the monthly trend of approximately \$8.4M.
- Enterprise CDI launched to address provider clinical documentation along with charge automation, and usage of Epic tools. Pilot project in progress with Inpt. Critical Care, Obstetrics & Gynecology. Outpatient continues with Neurology, Optometry, Pediatrics, Critical Care, and Nephrology. Orthopedics, OMG, and ENT closed.

# March 2026 Financial Report

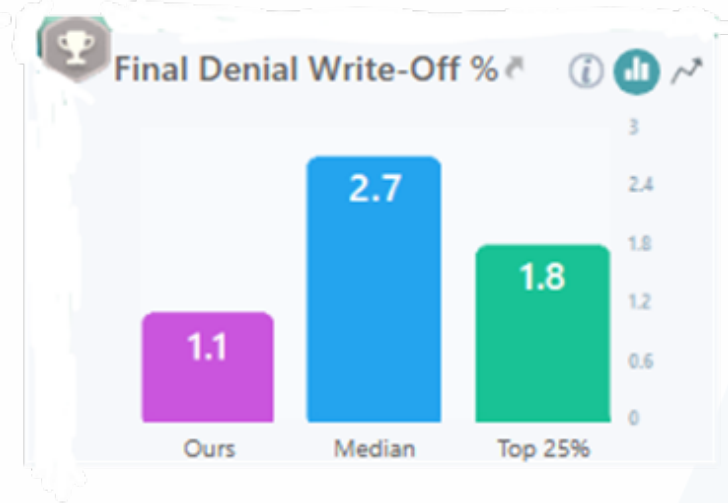
## Net Collection/Denials Comparison to Epic Customer Database



- AHS is currently collecting 93.2% of expected payments which is better than the median. We are typically, at or near the top 25<sup>th</sup> percentile of all safety net hospitals
- Net collection ratio metric shows the ratio of payments collected (less any refunds) to expected reimbursement for hospital accounts that were fully resolved within the past 91 days.



- Primary denial rate is 12.2% of net collections and is at top 25% percentile of safety net hospitals and represents all claim that payers have adjudicated. Less work rework and steady cash flows.
- Final denial write-off rate is 1.1% of net collections and approximates the top 25<sup>th</sup> percentile of safety net hospitals and represents all claims with a final denial and closed accounts.



# March 2026 Financial Report

## Patient collections are growing year over year

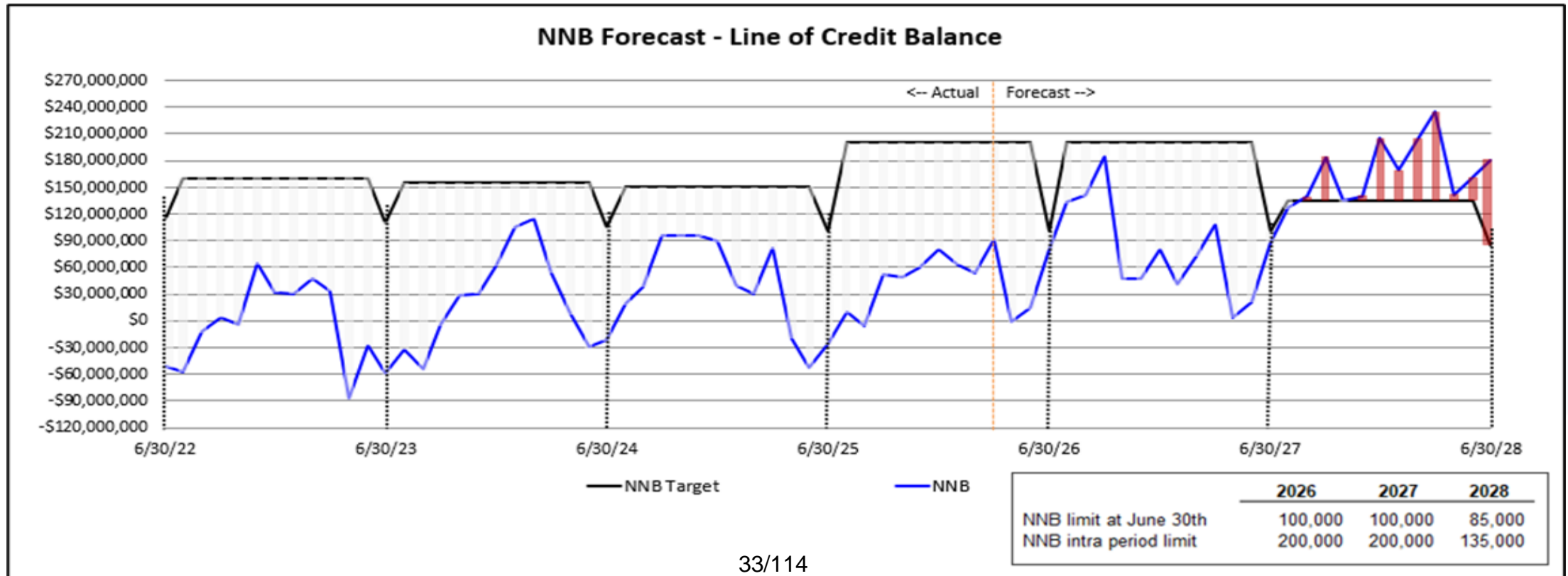
PATIENT COLLECTIONS (in thousands)							
	Behavioral Health	Epic	Total FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Jul	11,928	67,883	79,811	72,694	79,592	74,260	59,732
Aug	28,651	82,136	110,787	79,768	69,313	58,590	57,374
Sep	-	66,819	66,819	69,741	63,322	76,063	61,968
Oct	868	82,323	83,191	76,783	63,122	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	9,323	78,320	87,643	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
<b>Total</b>	<b>79,941</b>	<b>667,647</b>	<b>747,588</b>	<b>943,182</b>	<b>831,444</b>	<b>776,453</b>	<b>705,637</b>
<b>% change between fiscal years</b>			<b>3.6%</b>	<b>13.4%</b>	<b>7.1%</b>	<b>10.0%</b>	

- Behavioral Health representing payments from Alameda County for JGP. The 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 has withheld approximately 20% of AHS invoices. The County has agreed to reduce the withhold to 10% for the current fiscal year. The maximum contract amount has not been changed. Previous year withholds have not been adjusted.

# March 2026 Financial Report

## Line of Credit (NNB) and AHS Business Cycle

- The graph shows the business cycle driven by timing of the supplemental funding. The graph reflects the recent change in the NNB Permanent Agreement for FY2026 and FY2027 to increase NNB limit on June 30<sup>th</sup> to \$100.0M and the intra year maximum to \$200.0M.
- The NNB is projected to exceed the NNB in future fiscal years if interventions are not taken.
- The forecast does not include the FY2027 budget which has a significant gap, looming HR1 and other state impacts, performance improved initiatives, or actions from the BOS Ad hoc meetings.



# March 2026 Financial Report

## Impact on NNB from the Preliminary FY2027 Budget

	(in thousands)
NNB forecast 6/30/26	\$ 80,794
FY2027 budget loss	67,677
NNB forecast 6/30/27	148,471
NNB limit at 6/30/27	100,000
<b>Over NNB limit</b>	<b>\$ 48,471</b>

- The FY2027 preliminary budget currently reflects a significant gap with a net loss of \$67.7 million.
  - Work is in play to balance the budget. The gap is fluid and not part of NNB line of credit forecast.
  - The forecast projects using current revenue and expense activity.
- If AHS is unable to correct the budget imbalance and utilizes the NNB to fund operations, the revisions to the Permanent Agreement/NNB will not be sufficient.
  - AHS would exceed the revised NNB limit at 6/30/27.
  - AHS would also exceed the revised intra-period maximum of \$200.0 million.

# March 2026 Financial Report

## Material Items Impacting NNB Forecast

<b>Material Items Included in NNB Forecast</b>							
<b>(in thousands)</b>							
	<b>Apr-26</b>	<b>May-26</b>	<b>Jun-26</b>	<b>FY27 Q1</b>	<b>FY27 Q2</b>	<b>FY27 Q3</b>	<b>FY27 Q4</b>
GPP (quarterly)	\$ 51,788	\$ -	\$ -	\$ 22,352	\$ 22,352	\$ 27,394	\$ 19,325
EPP (semi-annual)	31,166	-	-	-	72,317	-	42,417
QIP	40,527	-	-	-	56,842	-	56,842
Medi-Cal Rate Range	-	-	-	-	-	45,831	-
BHCS (JGP/Alameda County) - fy26	12,103	6,084	6,084	12,167	-	-	-
BHCS (JGP/Alameda County) - fy27	-	-	-	-	18,900	18,900	25,200
HPAC	10,313	-	-	-	21,600	10,800	10,800
AB85 Realignment	-	-	-	-	4,789	-	-
SNF DP-NF (final pmt Jan-27)	-	-	-	-	-	26,000	-
Waiver recoupment (fy11, fy12)	-	19,815	9,354	-	-	-	-
Donation to St. Rose Hospital	-	-	-	10,507	-	10,507	-
	<u>\$ 145,897</u>	<u>\$ 25,899</u>	<u>\$ 15,438</u>	<u>\$ 45,026</u>	<u>\$ 196,800</u>	<u>\$ 139,432</u>	<u>\$ 154,584</u>
<b>Prior Year Reimbursement Settlements</b>							
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 CY2026 Q1 funding based on DHCS notification increased by \$3.8M.
- BHCS FY26 funding (July-December 2025) increased based on receipts by \$5.8M.
- St. Rose LOC currently at \$10.6M and no projected activity in forecast.
- St. Rose donation for IGT moved from April 2026 to July 2026 pending notification from State.

# March 2026 Financial Report

## Growing Responsibly Through Innovation & Teamwork GRIT

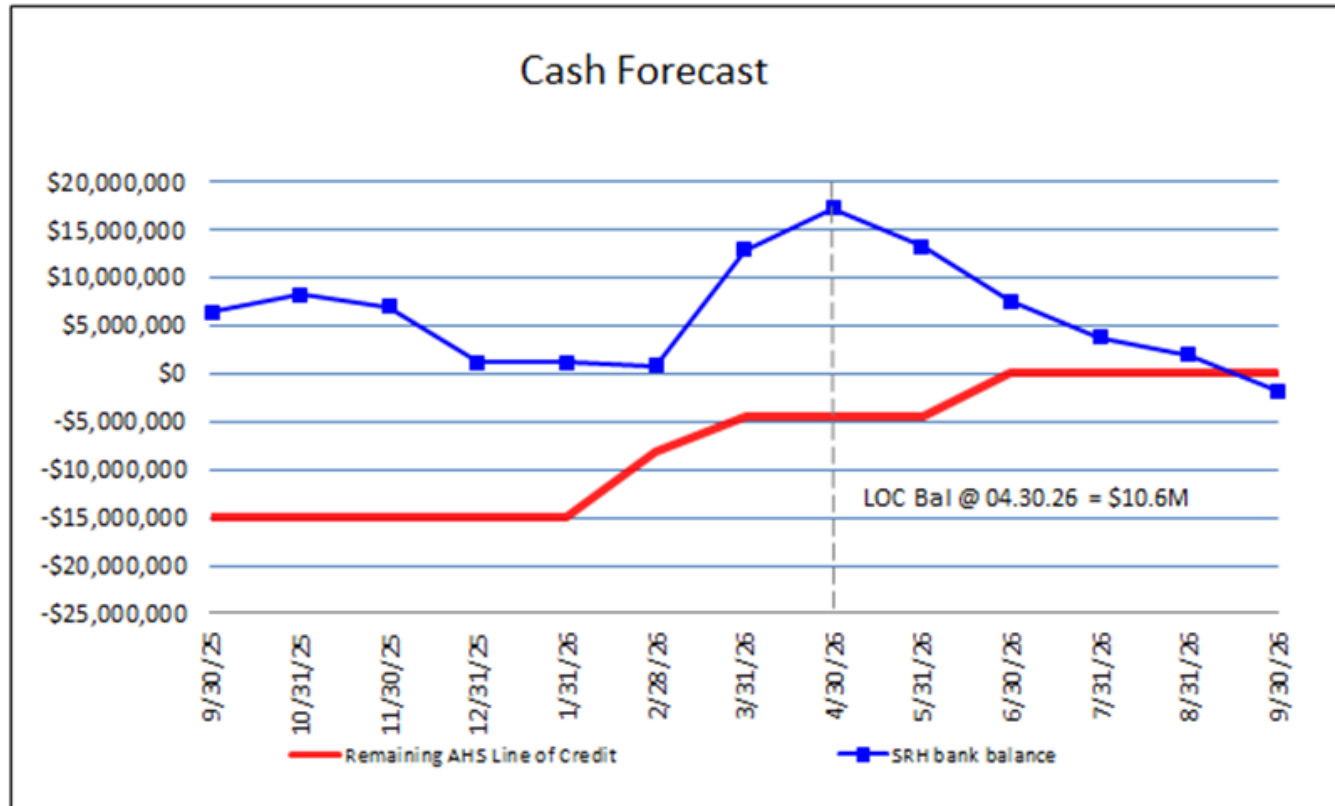
- Charge capture and CDI teams yielding significant improvement.
- LOS work showing positive progress.
- EWC dental expansion ramp up slower than plan
- Labor improvements behind target

#	Project Name	FY2026 Target YTD Q3	FY2026 Actual YTD Q3	Variance	\$ Impact (in Millions)	Metric	
1	OP Non-FQ Charge Capture(Enterprise CDI)	\$5,407	\$5,889	\$482	\$13.3M	Charge per case increase	
2	OR Charge Level	\$17,417	\$24,449	\$7,032	\$7.0M	Charge per case increase	
3	Provider Productivity	20%	16%	-4%	\$0.2M	Provider productivity for Ortho(22nd percentile), Urology(10th percentile), and GI(14th percentile).	
4	Reduce Overtime %	4.5%	5.7%	-1.2%	-\$5.3M	Actual OT % at 5.7% to a target of 4.5%	
5	Staffing Efficiency	45	-	(45)	-\$8.8M	Total reduction for the year is 45 FTEs.	
6	EWC Dental Expansion	18,960	12,665	(6,295)	-\$0.2M	Variance in clinic visits	
7	Decrease in Opportunity Days	9,770	8,522	1,248	\$1.9M	Decrease in opportunity days	

# January 2026 Consolidated Results Financial Summary & YTD Highlights

- SRH's YTD net loss (\$10.9M), \$6.9M favorable to budget
  - Gross charges above budget in line with increased census primarily in SNF unit due to collaboration with Stanford starting March 16, 2026.
  - Net patient service revenue variance, favorable 10.6% (\$5.5M), driven by higher gross patient revenue (\$7.7M).
  - QAF continues to be recognized based on the contractor's analysis and recommendation, while awaiting CMS approval of the new program.
  - Expenses approximates budget.
  
- MOB's YTD net income (\$32K), \$57K favorable to budget.
  - Repairs and maintenance delay helps offset higher utility costs.
  
- Foundation's YTD net income (\$132K), \$184K unfavorable to budget largely driven by reported losses in investment.

CONSOLIDATED	March 31, 2026				FY2026 Year-To-Date				FY2025 Year-To-Date			
	Actual	Budget	Var (\$)	Var (%)	Actual	Budget	Var (\$)	Var (%)	FY2026	FY2025	Var (\$)	Var (%)
Total Net Patient Service Revenue	\$11,090	\$9,244	\$1,846	20.0%	\$57,810	\$52,270	\$5,540	10.6%	\$57,810	\$50,284	\$7,526	15.0%
Total Other Revenue	\$398	\$171	\$227	132.7%	\$1,290	\$1,051	239	22.8%	\$1,290	\$9,349	(8,059)	-86.2%
<b>TOTAL OPERATING REVENUE</b>	<b>\$11,489</b>	<b>\$9,415</b>	<b>\$2,073</b>	<b>22.0%</b>	<b>\$59,100</b>	<b>\$53,321</b>	<b>\$5,780</b>	<b>10.8%</b>	<b>\$59,100</b>	<b>\$59,634</b>	<b>(\$533)</b>	<b>-0.9%</b>
Less: Operating Expenses	\$11,338	\$11,399	\$62	0.5%	\$68,436	\$69,063	\$627	0.9%	\$68,436	\$69,534	\$1,098	1.6%
<b>EBITDA</b>	<b>\$151</b>	<b>(\$1,984)</b>	<b>\$2,135</b>	<b>-107.6%</b>	<b>(\$9,336)</b>	<b>(\$15,742)</b>	<b>\$6,406</b>	<b>-40.7%</b>	<b>(\$9,336)</b>	<b>(\$9,900)</b>	<b>\$564</b>	<b>-5.7%</b>
Total Non-Operating Exp/(Income)	\$400	\$453	(\$53)	-11.7%	\$1,337	\$1,695	(\$358)	-21.1%	\$1,337	\$2,647	(\$1,310)	-49.5%
<b>NET INCOME/(LOSS)</b>	<b>(\$249)</b>	<b>(\$2,436)</b>	<b>\$2,188</b>	<b>-89.8%</b>	<b>(\$10,673)</b>	<b>(\$17,437)</b>	<b>\$6,764.18</b>	<b>-38.8%</b>	<b>(\$10,673)</b>	<b>(\$12,547)</b>	<b>\$1,874.40</b>	<b>-14.9%</b>



- Additional draw from AHS LOC to maintain liquidity, \$3.8M (YTD total - \$10.6M).
- Forecast include prepayment received in March from the Stanford collaboration (\$16.0M).
- QAF CY2024 received in April (\$6.0M).
  - QAF CY2025 not reflected in cash projection, pending CMS notice.
- Full IGT funding (\$36M) is delayed pending CMS approval with timing is unknown. As a result, the AHS LOC is expected to be fully drawn and the Stanford prepayment will be used to support operations, with funds projected to be exhausted by August.
  - When approved, the local share will be provided by AHS (\$9.5M), Eden (\$750K), Sup Marquez (\$1M). Last week, Eden increased contribution from \$500K to \$750K and naming recognition conversation underway.



# MEMORANDUM

1411 East 31st Street  
Oakland, CA 94602

**TO:** AHS Finance Committee  
**FROM:** Kim Miranda, CFO  
**DATE:** April 30, 2026  
**SUBJECT:** March 2026 Financial Report

## Financial Summary

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	\$ 140,341	\$ 138,162	\$ 2,179	1.6%	\$ 1,231,981	\$ 1,217,142	\$ 14,839	1.2%	\$ 1,199,858	2.7%
Operating expense	140,427	137,991	(2,436)	(1.8)%	1,238,335	1,208,325	(30,010)	(2.5)%	1,181,731	(4.8)%
<b>Operating income (loss)</b>	<b>(86)</b>	<b>171</b>	<b>(257)</b>	<b>(150.3)%</b>	<b>(6,354)</b>	<b>8,817</b>	<b>(15,171)</b>	<b>(172.1)%</b>	<b>18,127</b>	<b>(135.1)%</b>
Other non-operating activity	(242)	(127)	(115)	(90.6)%	(2,809)	(2,576)	(233)	(9.0)%	(3,468)	19.0%
<b>Net Income (loss)</b>	<b>\$ (328)</b>	<b>\$ 44</b>	<b>\$ (372)</b>	<b>(845.5)%</b>	<b>\$ (9,163)</b>	<b>\$ 6,241</b>	<b>\$ (15,404)</b>	<b>(246.8)%</b>	<b>\$ 14,659</b>	<b>(162.5)%</b>
EBIDA adjustments	2,663	2,558	105		24,106	25,058	(952)		33,003	
<b>EBIDA</b>	<b>\$ 2,335</b>	<b>\$ 2,602</b>	<b>\$ (267)</b>		<b>\$ 14,943</b>	<b>\$ 31,299</b>	<b>\$ (16,356)</b>		<b>\$ 47,662</b>	
Operating Margin	(0.1)%	0.1%	(0.2)%		(0.5)%	0.7%	(1.2)%		1.5%	
EBIDA Margin	1.7%	1.9%	(0.2)%		1.2%	2.6%	(1.4)%		4.0%	
Total FTEs	5,019	5,086	67	1.3%	5,183	5,132	(51)	(1.0)%	5,093	

Net Income for the month was a loss of \$0.3 million compared to a budget of \$0.0 million and unfavorable to budget by \$0.4 million and 845.5%. Operating Revenue was \$140.3 million and favorable to budget by \$2.2 million and 1.6%. Operating Expense was \$140.4 million and unfavorable to budget by \$2.4 million and 1.8%. Earnings before interest, depreciation, and amortization (EBIDA) was \$2.3 million and the EBIDA Margin was 1.7% compared to a budget EBIDA of \$2.6 million and a budget EBIDA Margin of 1.9%. For the month, EBIDA was unfavorable by \$0.3 million to budget.

Net Income year-to-date (YTD) was a loss of \$9.2 million compared to a budget of \$6.2 million and unfavorable to budget by \$15.4 million and 246.8%. Operating Revenue was \$1.2 billion and favorable to budget by \$14.8 million and 1.2%. Operating Expense was \$1.2 billion and unfavorable to budget by \$30.0 million and 2.5%. EBIDA was \$14.9 million and the EBIDA Margin was 1.2% compared to the budget EBIDA of \$31.3 million and a budget EBIDA Margin of 2.6%. For the year, EBIDA is unfavorable by \$16.4 million to budget.

## Operating Revenue

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	\$ 239,830	\$ 232,916	\$ 6,914	3.0%	\$ 1,996,547	\$ 2,003,157	\$ (6,609)	(0.3)%	\$ 1,927,199	3.6%
Outpatient service revenue	169,838	151,470	18,367	12.1%	1,423,014	1,318,799	104,215	7.9%	1,284,162	10.8%
Professional service revenue	46,064	42,410	3,654	8.6%	379,757	377,452	2,305	0.6%	386,056	(1.6)%
Gross patient service revenue	455,732	426,796	28,935	6.8%	3,799,319	3,699,408	99,910	2.7%	3,597,417	5.6%
Deductions from revenue	(368,196)	(343,366)	(24,830)	(7.2)%	(3,070,823)	(2,976,249)	(94,574)	(3.2)%	(2,896,905)	6.0%
<b>Net patient service revenue</b>	<b>87,535</b>	<b>83,430</b>	<b>4,105</b>	<b>4.9%</b>	<b>728,496</b>	<b>723,160</b>	<b>5,336</b>	<b>0.7%</b>	<b>700,512</b>	<b>(4.0)%</b>
Collection % - NPSR	19.2%	19.5%	(0.3)%		19.2%	19.5%	(0.3)%		19.5%	
Capitation and HPAC	4,420	4,520	(101)	(2.2)%	40,153	40,392	(240)	(0.6)%	41,537	(3.3)%
Other government programs	42,672	45,415	(2,743)	(6.0)%	409,283	408,735	548	0.1%	411,460	(0.5)%
Other operating revenue	5,714	4,797	917	19.1%	54,048	44,856	9,191	20.5%	46,349	16.6%
<b>Total operating revenue</b>	<b>\$ 140,341</b>	<b>\$ 138,162</b>	<b>\$ 2,179</b>	<b>1.6%</b>	<b>\$ 1,231,979</b>	<b>\$ 1,217,143</b>	<b>\$ 14,836</b>	<b>1.2%</b>	<b>\$ 1,199,858</b>	<b>2.7%</b>

## Gross Patient Revenue

Gross Patient Service Revenue (patient charges) was \$455.7 million for the month and favorable to budget by \$28.9 million and 6.8%. Inpatient, Outpatient and Professional Fee charges were above budget by 3.0%, 12.1% and 8.6%, respectively. For the year, Gross Patient Service Revenue was \$3.8 billion and favorable to budget by \$99.9 million and 2.7%. Inpatient charges were lower than budget by 0.3% offset by Outpatient and Professional Fee charges which exceeded budget by 7.9% and 0.6%, respectively. For the month, inpatient charges were higher than budget driven by higher patient days and trauma cases. The Case Mix Index (CMI) is higher than budget for the month, YTD trend and prior year. CMI is an indicator of the overall complexity of inpatient illness and services being provided. General Acute Length of Stay (LOS) was 5.4 slightly higher primarily due to higher CMI. YTD LOS is 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. Emergency Room visits were also above budget by 4.3% for the month and 3.6% YTD. Outpatient surgeries exceeded budget for the month and YTD by 11.5% and 6.7%, respectively. Favorable Professional Fees charges were driven by Clinic visits exceeding budget 9.3% for the month; however, clinic visits are below budget by 0.5% YTD. Physician wRVU were above budget for the month and YTD driven by hospital activity; however, the budget for physician wRVU is artificially low. Physician wRVU are actually below prior year by 5.0%. Overall, adjusted patient days were higher than budget by 5.6% for the month and 1.7% YTD. Adjusted discharges are below budget by 0.9% for the month and above budget by 0.9% YTD.

## Net Patient Revenue

Net Patient Service Revenue (NPSR) was \$87.5 million and favorable to budget by \$4.1 million and 4.9%. YTD, NPSR was \$728.5 million favorable to budget by \$5.3 million and 0.7%. The favorable variance is being driven higher gross charges from volume. The collection ratio was 19.2% for the month and consistent with trend; however unfavorable to budget of 19.5%. Trauma cases tend to drive a higher commercial mix which occurred this month. Both the trauma cases and commercial payer mix were above budget. However, an unfavorable FY16 Medicare cost report adjustment for Alameda Hospital lowered the collection by 0.5% or \$2.4 million. The mix of services shift to more outpatient services also negatively impacts the collection rate.

### **Other Government Program Revenue**

Other Government Program Revenue for the month was \$42.7 million and unfavorable to budget by \$2.7 million and 6.0% based on the transactions below.

- SNF Medi-Cal FY21 final reconciliation was unfavorable \$2.4 million
- DP-NF Pass-through CY2024 was lower than plan by \$0.2 million.
- Prop 56 was lower than budget by \$0.1 million.

For the year, the Other Government Program Revenue is \$409.3 million and favorable to budget by \$0.5 million and 0.1% based on the transactions below.

- SNF Medi-Cal final reconciliation decreased revenue due to a payment of \$2.4 million
- 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 March, the revenue was reduced by \$1.5 million, and remaining \$0.4 million variance will be recognized over the next three 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 \$1.6 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 \$0.1 million, is spread across many programs.

### **Other Operating Revenue**

Other Operating Revenue for the month was \$5.7 million and favorable to budget by \$0.9 million and 19.1% based on the transactions below.

- Retail pharmacy revenue was favorable by \$0.8 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 \$0.2 million.

For the year, Other Operating Revenue was \$54.0 million and favorable by \$9.2 million and 20.5% based on the transactions below.

- Payor settlement received on older patient accounts of \$3.1 million.
- Retail pharmacy revenue favorable by \$4.7 million.
- St. Rose Hospital management fee \$2.8 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 \$1.2 million.
- The remaining variance, netting to a negative \$0.5 million, was spread across many programs.

## Operating Expense

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 109,316	\$ 107,587	\$ (1,729)	(1.6)%	\$ 957,738	\$ 931,750	\$ (25,988)	(2.8)%	\$ 892,119	(7.4)%
Purchased services	8,525	8,146	(379)	(4.7)%	77,731	81,129	3,398	4.2%	77,720	(0.0)%
Materials and supplies	14,133	13,766	(367)	(2.7)%	124,720	118,789	(5,931)	(5.0)%	115,085	(8.4)%
Facilities	3,552	3,366	(186)	(5.5)%	33,453	29,742	(3,711)	(12.5)%	29,109	(14.9)%
Depreciation and amortization	2,412	2,418	6	0.2%	21,281	22,365	1,084	4.8%	29,819	28.6%
General and administrative	2,489	2,708	219	8.1%	23,412	24,550	1,138	4.6%	37,879	38.2%
<b>Total operating expense</b>	<b>\$ 140,427</b>	<b>\$ 137,991</b>	<b>\$ (2,436)</b>	<b>(1.8)%</b>	<b>\$ 1,238,335</b>	<b>\$ 1,208,325</b>	<b>\$ (30,010)</b>	<b>(2.5)%</b>	<b>\$ 1,181,731</b>	<b>(4.8)%</b>

Operating Expense was \$140.4 million for the month and unfavorable to budget \$2.4 million and 1.8%. Non-labor expense variances were unfavorable to budget by \$0.7 million for the month as follows and labor costs are discussed in a subsequent section.

- Purchased services were unfavorable to budget by \$0.4 million and 4.7% driven by unfavorable variances in management services/consultants (\$0.3 million), Health Information Management (HIM) coders (\$0.2 million), outside medical services (\$0.2 million), budget timing for other purchased services (\$0.4 million) offset by favorable variance in IT software fees (\$0.7 million).
- Materials and supplies were unfavorable to budget by \$0.4 million and 2.7% driven by unfavorable variances in pharmaceutical (\$0.8 million) offset by favorable variance in minor equipment (\$0.3 million) and non-medical supplies (\$0.1 million).
- Facilities were unfavorable to budget by \$0.2 million and 5.5% driven by unfavorable variance in building repairs (\$0.4 million) offset by favorable variance in utilities (\$0.2 million). The largest variance for building repairs was Highland Hospital (\$0.2 million).
- Depreciation and amortization were at budget. A favorable variance for equipment depreciation (\$0.4 million) offset by higher lease/software amortization (\$0.4 million).
- General and administrative costs were favorable to budget by \$0.2 million and 8.1% driven by a timing variance for insurance (\$0.2 million).

For the year, Operating Expense was \$1.2 billion and unfavorable to budget by \$30.0 million and 2.5%. Non-labor expense variances net to an unfavorable variance of \$4.0 million as follows and labor costs are discussed in a subsequent section.

- Purchased services were favorable to budget by \$3.4 million and 4.2% driven by favorable variances in software licensing (\$3.5 million), outside medical services (\$2.5 million) offset by unfavorable variances in HIM coders (\$1.8 million) and management services/consultants (\$0.8 million). 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 costs 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 HIM is related to coders and offset by a positive variance in registry (\$2.1 million).
- Materials and supplies were unfavorable to budget by \$5.9 million and 5.0% driven by unfavorable variance in pharmaceuticals (\$4.2 million), surgical supplies (\$1.5 million), medical supplies (\$1.5 million) offset by favorable variance in computer equipment (\$1.2 million).
- Facilities were unfavorable to budget by \$3.7 million and 12.5% driven by unfavorable variance in facility repairs (\$5.3 million), facility leases (\$0.3 million) offset by a favorable variance for utilities

(\$1.9 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 4.8% driven by favorable variance from timing of equipment depreciation (\$3.8 million) and offset by higher than anticipated amortization of leases and software agreements (\$2.7 million).
- General and administrative costs were favorable to budget \$1.1 million and 4.6% driven by favorable variance for recruitment (\$0.7 million), insurance (\$0.7 million) offset by unfavorable variance (\$0.3 million) across many cost centers.

## Labor Costs

	March 2026				Year-To-Date				FY 2025	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages (staff)	\$ 61,831	\$ 59,768	\$ (2,063)	(3.5)%	\$ 549,286	\$ 523,656	\$ (25,630)	(4.9)%	\$ 498,639	(10.2)%
Salaries and wages (providers)	12,933	13,263	330	2.5%	116,486	117,371	885	0.8%	111,559	(4.4)%
Registry	2,739	4,338	1,599	36.9%	29,355	37,909	8,554	22.6%	39,141	25.0%
Physician contract services	3,790	3,699	(91)	(2.5)%	33,846	32,835	(1,011)	(3.1)%	32,035	(5.7)%
Employee benefits (taxes, insur)	18,936	17,788	(1,148)	(6.5)%	153,871	147,008	(6,863)	(4.7)%	139,889	(10.0)%
Retirement	9,087	8,731	(356)	(4.1)%	74,894	72,971	(1,923)	(2.6)%	70,855	(5.7)%
<b>Total labor costs</b>	<b>\$ 109,316</b>	<b>\$ 107,587</b>	<b>\$ (1,729)</b>	<b>(1.6)%</b>	<b>\$ 957,738</b>	<b>\$ 931,750</b>	<b>\$ (25,988)</b>	<b>(2.8)%</b>	<b>\$ 892,119</b>	<b>(7.4)%</b>
Compensation ratio	77.9%	77.9%	0.0%		77.7%	76.6%	-1.1%		74.4%	
Paid FTEs - staff	4,476	4,467	(9)	(0.2)%	4,613	4,513	(100)	(2.2)%	4,618	0.1%
Paid FTEs - providers	381	401	20	5.0%	383	403	20	5.0%	289	(32.5)%
Paid FTEs - registry	162	218	56	25.7%	187	216	29	13.4%	235	20.4%
Total FTEs	5,019	5,086	67	1.3%	5,183	5,132	(51)	(1.0)%	5,142	(0.8)%

Labor costs for the month were \$109.3 million, unfavorable to budget by \$1.7 million and 1.6%. YTD, labor costs were \$957.7 million and unfavorable to budget by \$26.0 million and 2.8%. 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 \$64.6 million and unfavorable to budget by \$0.5 million and 0.7% from higher rates (\$1.5 million) and lower FTEs (47 FTEs/\$1.0 million). Staff FTEs are running closer to budget reflecting administrative actions to address growth and reduce costs. Registry FTE are also favorable and at a lower than budget rate. YTD, this category unfavorable by \$17.0 million driven by higher rates (\$10.6 million) and higher FTEs (70 FTEs/\$6.4 million). Additional detail as follows.

FTEs below budget:

- Departments outperforming labor standards - 156 FTEs month, 90 FTEs YTD
- HIM coders in purchased service, not registry – 18 FTEs month, 17 FTEs YTD

Offset by FTEs over budget:

- Departments not achieving labor standards – 47 FTEs month, 84 FTEs YTD
- GRIT initiative not realized – 45 FTEs month, 45 FTEs YTD
- Volume related increases – 5 FTEs month, 14 FTEs YTD

- Higher sitter utilization for SNF care – 11 FTEs month, 14 FTEs YTD
- Higher sitter utilization for acute care at HGH – 10 FTEs month, 9 FTEs YTD
- New FTEs, not included in the budget - 10 FTEs month, 5 FTEs YTD

Total provider salaries and physician contract services for the month were \$16.7 million and favorable to budget by \$0.2 million and 1.4%. YTD, this category was \$150.3 million and unfavorable to budget by \$0.1 million and 0.1%. Unrealized recruitment included in the budget is offset by the paternity benefit payout (\$1.6 million) made 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 were higher than budget by \$1.1 million for the month driven by higher self-funded health insurance (\$0.9 million), FICA (\$0.8 million), offset by positive variance in Kaiser insurance plan (\$0.5 million) and other benefits (\$0.1 million). YTD, employee benefits were unfavorable to budget by \$6.9 million and 4.7% driven by higher self-funded health (\$11.0 million), FICA (\$1.3 million) offset by positive variances for Kaiser insurance plan (\$3.6 million), other benefits (\$0.6 million), residents/interns housing allowance adjustment (\$0.8 million) and the remaining positive variance of \$0.4 million is spread across many categories.

Retirement expense unfavorable for the month by \$0.4 million and 4.1% driven by employer contributions for ACERA (\$0.2 million) and other retirement plans (\$0.2 million). YTD, retirement expense was unfavorable \$1.9 million and 2.6% from ACERA (\$0.9 million) and union plans (\$1.0 million).

**Balance Sheet and Financial Condition**

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

	<u>Mar-26</u>	<u>Feb-26</u>	<u>FY 2025</u>
Days in cash	0.6	0.7	2.9
Gross days in patient receivable	62.7	65.9	62.4
Net days in patient receivable	40.7	41.1	43.8
Due from/(to) third-party payors	\$ 387,608	\$ 288,913	\$ 158,555
Due from/(to) County	\$ (117,719)	\$ (34,106)	\$ 49,680
Days in accounts payable	38.7	33.7	38.3
% of AP over 60 days	3.7%	3.9%	4.0%
Net position - fund balance/(deficit)	\$ (70,793)	\$ (70,467)	\$ (61,798)
Net negative balance - receivable/(payable)	\$ (65,963)	\$ (54,264)	\$ 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 62.7 days and 3.2 days lower than last month and Net Days in AR were 40.71 and 0.4 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.

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 including patient scheduling.
- 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 were strong in the month of March and YTD exceeding prior year. Behavioral Health represents the County receipts under contract for JGP services which total \$79.9 million. The FY2026 interim contract was signed for \$81.2 million on October 13, 2025. Payments on the FY2026 contract total \$38.5 million through March 2026. AHS has not received information on how the maximum contract amount was determined. AHS is unable to trend, research or follow up on payment denials or other discrepancies leading to underpayment. The County has agreed to reduce the 20 percent withhold on invoices submitted to 10 percent for the current fiscal year. The maximum contract has not been changed.

<b>PATIENT COLLECTIONS</b>							
<b>(in thousands)</b>							
	<b>Behavioral</b>		<b>Total</b>				
	<b>Health</b>	<b>Epic</b>	<b>FY 2026</b>	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>
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	9,323	78,320	87,643	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
<b>Total</b>	<b>79,941</b>	<b>667,647</b>	<b>747,588</b>	<b>943,182</b>	<b>831,444</b>	<b>776,453</b>	<b>705,637</b>
<b>% change between fiscal years</b>			3.6%	13.4%	7.1%	10.0%	

**Accounts Payable**

Days in Accounts Payable are 38.7 at the end of the month and were 5.0 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 3.7% 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**

<b>Net Reimbursement Supplemental Programs</b>					
<b>Net Reimbursement Supplemental Programs as of 3/31/2026</b>					
<b>Programs</b>	<b>FY97-20</b>	<b>FY21-25</b>	<b>FY26</b>	<b>Net Balance</b>	<b>Comments</b>
Medicare Cost Report	(1,617)	(4,676)	(498)	(6,791)	Older years pending disputed SSI ratio and outlier holds for both OPPTS/IPPS services from CMS.
Medi-Cal P14 Waiver	4,225	(1,780)	(6,646)	(4,200)	P14 audits are in various stages of completion. Currently DHCS has
Current Waiver (GPP & CalAIM)	-	26,198	93,814	120,012	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	8,505	3,665	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)	(3,750)	(27,078)	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	119,748	49,704	169,452	EPP (Enhanced Payment Program). New supplemental program for services provided to Medi-Cal Managed Care.
Medi-Cal Managed Care QIP	0	93,294	59,775	153,070	QIP (Quality Incentive Program). New supplemental program for services provided to Medi-Cal Managed Care.
Medi-Cal Managed Care Rate	(0)	24,917	37,867	62,784	Subsidize rates for Medi-Cal Managed Care members in Alameda County.
Medi-Cal Managed Care GME	0	3,635	1,279	4,915	CMS approved in March 2020. GME is paying concurrently with fiscal
Medi-Cal Managed Care DP-NF Pass-Through	-	(5,944)	-	(5,944)	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
Medi-Cal SNF Cost Settlement	0	734	507	1,241	The State began their reconciliation.
AB915	-	2,353	6,606	8,959	The State began their reconciliation.
Old Waiver (FY11 & FY12)	29,169	-	-	29,169	FY11 & FY12 will be finalized by June 2026.
All Other Supplemental Programs	0	3,682	5,542	9,223	The State began their reconciliation.
<b>Subtotal</b>	<b>\$ 17,856</b>	<b>\$ 199,048</b>	<b>\$ 252,705</b>	<b>\$ 469,609</b>	
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.
<b>Subtotal</b>	<b>\$ (82,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (82,000)</b>	
<b>Grand Total</b>	<b>\$ (64,144)</b>	<b>\$ 199,048</b>	<b>\$ 252,705</b>	<b>\$ 387,609</b>	

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 \$387.6 million, which increased by \$98.7 million over last month. Key items are noted below.

- Medicare cost report payments for multiple years (\$1.9 million).
- Payment received for GME FY2026 Q3 (\$6.5 million).
- IGT funded for GPP CY2025 Q4 (\$36.7 million).
- IGT funded for GPP CY2026 Q1 (\$39.9 million).
- Minor cost report adjustments and monthly accruals (\$30.5 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**

<b>Due To/From County of Alameda</b>			
	<u>Mar-26</u>	<u>Feb-26</u>	<u>FY 2025</u>
Due from County of Alameda	\$ 13,361	\$ 23,135	\$ 54,713
Capital designation receivable	-	-	7,000
<b>Due from County of Alameda</b>	<b><u>13,361</u></b>	<b><u>23,135</u></b>	<b><u>61,713</u></b>
Due to County of Alameda	(2,262)	(1,550)	(1,153)
County IGT funding	(122,222)	(49,095)	-
Capital cost payable	(6,596)	(6,596)	(10,880)
<b>Due to County of Alameda</b>	<b><u>(131,080)</u></b>	<b><u>(57,241)</u></b>	<b><u>(12,033)</u></b>
<b>Net due from/(to) County</b>	<b><u>\$ (117,719)</u></b>	<b><u>\$ (34,106)</u></b>	<b><u>\$ 49,680</u></b>

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 Waiver GPP CY2026 Q1 IGT (\$39.9 million) and GPP CY2025 Q4 IGT (\$36.7 million) were funded in March, which increased the payable by \$77.6 million and still outstanding is the QIP/EPP CY2024 Final (\$45.7 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 March 31, 2026, is negative \$70.8 million, which increased \$9.0 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 \$66.0 million payable on March 31, 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 (\$94.3 million payable) decreased by the County Restricted Cash Fund (\$28.3 million) which is included in Cash.

### **Contingencies**

#### **John George Pavilion (JGP)**

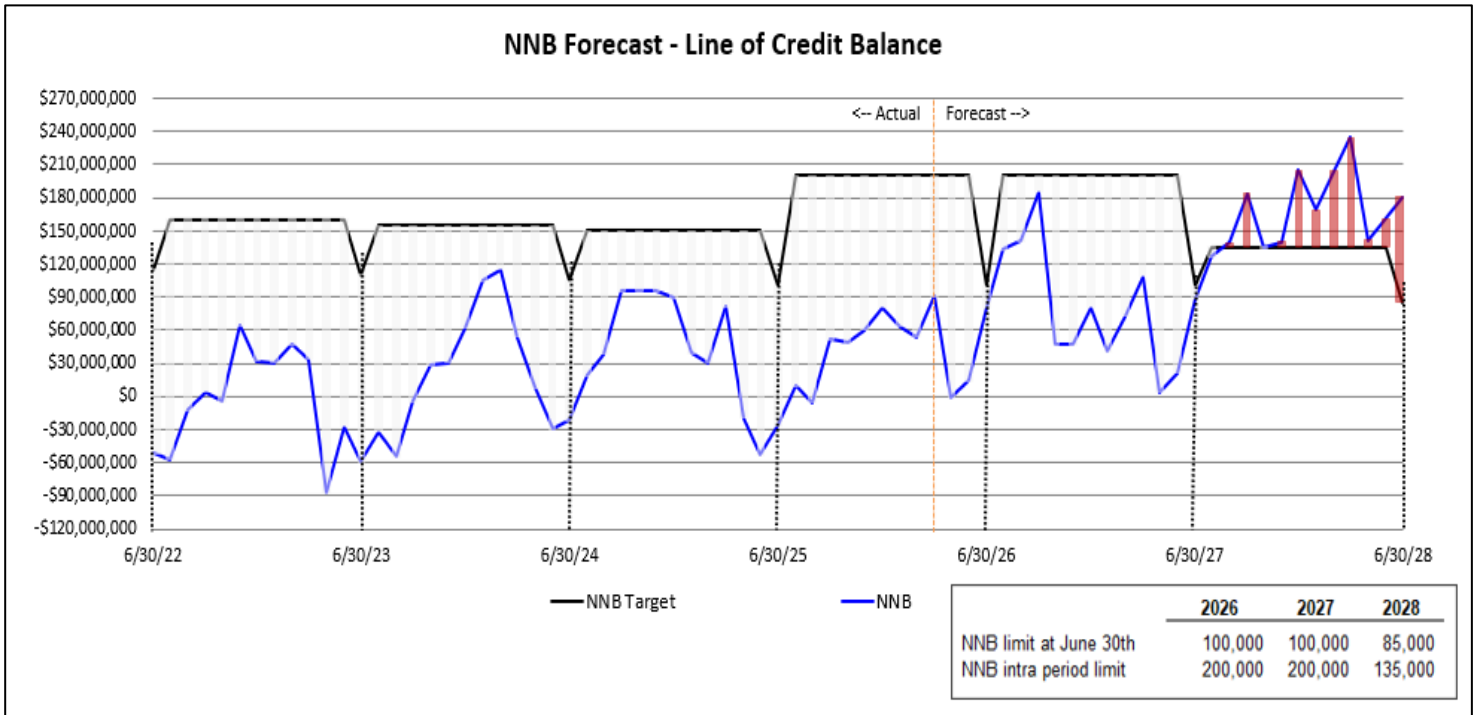
The county continues to struggle with the implementation of new software, SmartCare, for claims beginning in July, 2023 under Cal Aim. JGP technical and professional services have been input into SmartCare to be billed by the county and paid for by the State. The county is paying up to the maximum contract amount; however, AHS has not received any information from the county on denials or payments they have received. The County recently reduced invoice withholding to 10 percent for FY26; however, AHS believes additional funding is due based on claims in EPIC which were input into SmartCare for payment.

#### **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 that AHS could resume billing previously denied 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 have made noteworthy progress in the negotiations on a retroactive settlement going back to FY2012. Once estimates are completed, AHS will adjust the current liability on the balance sheet. AHS currently has a pending recoupment of \$40.0 million. AHS continues to be paid at the historical Highland FQ rate for all service locations.

#### **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. The County Board of Supervisors approved a modification to the Permanent Agreement on March 20, 2026 for FY2026 and FY2027. The modification fixed the fiscal year end NNB limit at \$100.0 million and increased the intra-year maximum from \$100 million to \$200.0 million for the next fiscal year. Based on these terms, the NNB reverts to the original agreement on July 1, 2027. The NNB ceiling would be \$85.0 million, and the intra-year maximum would drop to \$135.0 million for FY2028.



AHS continues to forecast that the NNB will be compliant with the terms of the original debt arrangement through June 30, 2026 and 2027. The revised agreement increased the NNB intra-period maximum to \$200.0 million which solves the immediate funding shortfall for the first quarter of FY2027. The forecast is based on current cashflows and assumes AHS will close the FY2027 budget gap and will not incur losses from operations requiring additional draws on the NNB. The graph also shows that AHS will not be compliant with the debt agreement in FY2028 if actions are not taken to improve financial performance.

The FY2026 forecast slightly deteriorated over last month's projection, primarily due to the net income losses driven by the SNF reconciliation payment and Medicare cost report adjustments. The forecast updates as actual activity is reflected in the cashflow model and does not include budget projections, performance improvement initiatives or looming future impacts from HR1. As a reminder, the approved FY2026 budget required cashflow in excess of operations causing the organization to project approximately \$100 million of new debt by year-end. The BOT approved the FY2026 budget with the understanding that administration would take immediate action to prevent AHS from maximizing the NNB. The projection reflects the increased debt as actions have not resulted in adequate revenue enhancements or expense reductions to change the debt trajectory to date.

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.

- QIP CY2026 Q1 funding based on DHCS notification increased by \$3.8M.
- BHCS (JGP/Alameda County) funding based on receipts increased by \$5.8M.
- St. Rose IGT funding is delayed; donation moved to from April 2026 to July 2026 pending notification from State.
- St. Rose LOC may hit the maximum limit of \$15.0 million in the upcoming months, which may require modifications to the LOC agreement.

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.

<b>Material Items Included in NNB Forecast</b>							
(in thousands)							
	Apr-26	May-26	Jun-26	FY27 Q1	FY27 Q2	FY27 Q3	FY27 Q4
GPP (quarterly)	\$ 51,788	\$ -	\$ -	\$ 22,352	\$ 22,352	\$ 27,394	\$ 19,325
EPP (semi-annual)	31,166	-	-	-	72,317	-	42,417
QIP	40,527	-	-	-	56,842	-	56,842
Medi-Cal Rate Range	-	-	-	-	-	45,831	-
BHCS (JGP/Alameda County) - fy26	12,103	6,084	6,084	12,167	-	-	-
BHCS (JGP/Alameda County) - fy27	-	-	-	-	18,900	18,900	25,200
HPAC	10,313	-	-	-	21,600	10,800	10,800
AB85 Realignment	-	-	-	-	4,789	-	-
SNF DP-NF (final pmt Jan-27)	-	-	-	-	-	26,000	-
Waiver recoupment (fy11, fy12)	-	19,815	9,354	-	-	-	-
Donation to St. Rose Hospital	-	-	-	10,507	-	10,507	-
	<u>\$ 145,897</u>	<u>\$ 25,899</u>	<u>\$ 15,438</u>	<u>\$ 45,026</u>	<u>\$ 196,800</u>	<u>\$ 139,432</u>	<u>\$ 154,584</u>

<b>Prior Year Reimbursement Settlements</b>		
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>	

**FY2027 Budget Implications**

The FY2027 preliminary budget currently reflects a net loss of \$67.7 million which is not included in the cashflow forecast. If AHS is unable to correct the budget imbalance and utilizes the NNB to fund operations, the table below reflects the impact on the revised NNB at 6/30/2027. AHS would exceed the June 30, 2027 limit and the revised intra-period maximum of \$200.0 million. This supplemental information is being provided to ensure mutual understanding that the current budget gap needs to be closed to comply with the revised terms of the Permanent Agreement with the County.

	(in thousands)
NNB forecast 6/30/26	\$ 80,794
FY2027 budget loss	<u>67,677</u>
NNB forecast 6/30/27	148,471
NNB limit at 6/30/27	<u>100,000</u>
<b>Over NNB limit</b>	<b><u>\$ 48,471</u></b>

AHS is working with union partners and the Alameda County Board of Supervisors through a series of ad hoc meetings to address and correct the ongoing financial imbalance and stabilize the organization. Completing the FY2027 budget to achieve breakeven profitability is the first milestone and necessary to achieve the cashflow projections shown in the NNB Forecast - Line of Credit graph above. The modification of the Permanent Agreement and NNB does provide immediate relief in terms of cashflow, but it also increases debt which AHS is expected to pay back adding additional financial pressure. The Long Range Strategic Financial Plan is necessary and requires alignment between the key stakeholders on assumptions and development of key strategies to maintain the safety net and address the ever-widening financial imbalance of AHS. As a reminder, HR1 and other State changes are expected to grow and have a material and significant impact on AHS and Medi-Cal funding.

**ALAMEDA HEALTH SYSTEM (consolidated)**

**Balance Sheet**

**As of March 31, 2026**

(In Thousands)

	<b>Current Month</b>	<b>Prior Month</b>	<b>FYE 2025</b>
<b>ASSETS</b>			
Cash & cash equivalents	\$ 2,787	\$ 3,203	\$ 14,556
Patient account receivables, net	111,729	106,238	101,401
Due from third-party payors	562,490	462,632	338,189
Due from County of Alameda	13,361	23,135	61,713
Due from State of California	26,574	24,394	25,635
Inventories	11,516	11,488	12,267
Other current assets	28,473	30,467	20,054
<b>TOTAL CURRENT ASSETS</b>	<b>756,930</b>	<b>661,557</b>	<b>573,815</b>
Restricted cash equivalents	28,342	28,342	27,781
Right-to-use lease assets, net	26,177	26,786	31,604
Right-of-use subscription assets, net	11,204	10,553	8,190
Capital assets - nondepreciable	9,021	9,021	9,021
Capital assets - depreciable, net	132,587	130,645	129,675
<b>TOTAL NONCURRENT ASSETS</b>	<b>207,331</b>	<b>205,347</b>	<b>206,271</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>105,570</b>	<b>105,570</b>	<b>105,570</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>\$ 1,069,831</b>	<b>\$ 972,474</b>	<b>\$ 885,656</b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Accounts payable and accrued expenses	\$ 91,780	\$ 91,532	\$ 89,527
Accrued compensation	46,942	36,519	65,654
Due to third-party payors	174,882	173,719	179,634
Due to County of Alameda	131,080	57,241	12,033
Other Payables	53,617	53,032	43,509
<b>TOTAL CURRENT LIABILITIES</b>	<b>498,301</b>	<b>412,043</b>	<b>390,357</b>
Liquidity facility - County of Alameda	94,305	82,606	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	25,437	25,995	29,739
Subscription obligations, net of current portion	4,657	4,373	3,771
Other long-term liabilities	0	0	0
<b>TOTAL LONG TERM LIABILITIES</b>	<b>601,121</b>	<b>589,696</b>	<b>515,895</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>41,202</b>	<b>41,202</b>	<b>41,202</b>
Fund balance - capital contribution	86,653	86,653	86,484
Fund balance - prior years	(148,283)	(148,283)	(166,072)
Current year income/(loss)	(9,163)	(8,837)	17,790
<b>FUND BALANCE</b>	<b>(70,793)</b>	<b>(70,467)</b>	<b>(61,798)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, &amp; FUND BALANCE</b>	<b>\$ 1,069,831</b>	<b>\$ 972,474</b>	<b>\$ 885,656</b>

**ALAMEDA HEALTH SYSTEM (consolidated)**  
**Statement of Revenues and Expenses**  
**For the Period Ended March 31, 2026**  
(In Thousands)

	March 2026				Year-To-Date				FY 2025		
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	Variance	% Variance
<b>Operating revenue</b>											
Net patient service revenue	\$ 87,535	\$ 83,430	\$ 4,105	4.9%	\$ 728,496	\$ 723,159	\$ 5,337	0.7%	\$ 700,512	\$ 27,984	4.0%
Capitation revenue	4,420	4,520	(100)	(2.2)%	40,153	40,392	(239)	(0.6)%	41,537	(1,384)	(3.3)%
Other government programs	42,672	45,415	(2,743)	(6.0)%	409,284	408,735	549	0.1%	411,460	(2,176)	(0.5)%
Other operating revenue	5,714	4,797	917	19.1%	54,048	44,856	9,192	20.5%	46,349	7,699	16.6%
<b>Total operating revenue</b>	<b>140,341</b>	<b>138,162</b>	<b>2,179</b>	<b>1.6%</b>	<b>1,231,981</b>	<b>1,217,142</b>	<b>14,839</b>	<b>1.2%</b>	<b>1,199,858</b>	<b>32,123</b>	<b>2.7%</b>
<b>Operating expense</b>											
Labor costs	109,316	107,587	(1,729)	(1.6)%	957,738	931,750	(25,988)	(2.8)%	892,119	(65,619)	(7.4)%
Purchased services	8,525	8,146	(379)	(4.7)%	77,731	81,129	3,398	4.2%	77,720	(11)	(0.0)%
Materials and supplies	14,133	13,766	(367)	(2.7)%	124,720	118,789	(5,931)	(5.0)%	115,085	(9,635)	(8.4)%
Facilities	3,552	3,366	(186)	(5.5)%	33,453	29,742	(3,711)	(12.5)%	29,109	(4,344)	(14.9)%
Depreciation and amortization	2,412	2,418	6	0.2%	21,281	22,365	1,084	4.8%	29,819	8,538	28.6%
General and administrative	2,489	2,708	219	8.1%	23,412	24,550	1,138	4.6%	37,879	14,467	38.2%
<b>Total operating expense</b>	<b>140,427</b>	<b>137,991</b>	<b>(2,436)</b>	<b>(1.8)%</b>	<b>1,238,335</b>	<b>1,208,325</b>	<b>(30,010)</b>	<b>(2.5)%</b>	<b>1,181,731</b>	<b>(56,604)</b>	<b>(4.8)%</b>
<b>Operating income (loss)</b>	<b>(86)</b>	<b>171</b>	<b>(257)</b>	<b>(150.3)%</b>	<b>(6,354)</b>	<b>8,817</b>	<b>(15,171)</b>	<b>(172.1)%</b>	<b>18,127</b>	<b>(24,481)</b>	<b>(135.1)%</b>
<b>Non-operating activity</b>											
Interest income (expense)	(251)	(140)	(111)	(79.3)%	(2,825)	(2,693)	(132)	(4.9)%	(3,184)	359	11.3%
Other nonoperating revenue	9	13	(4)	(30.8)%	16	117	(101)	(86.3)%	(284)	300	105.6%
<b>Total non-operating activity</b>	<b>(242)</b>	<b>(127)</b>	<b>(115)</b>	<b>(90.6)%</b>	<b>(2,809)</b>	<b>(2,576)</b>	<b>(233)</b>	<b>(9.0)%</b>	<b>(3,468)</b>	<b>659</b>	<b>19.0%</b>
<b>Net income (loss)</b>	<b>\$ (328)</b>	<b>\$ 44</b>	<b>\$ (372)</b>	<b>(845.5)%</b>	<b>\$ (9,163)</b>	<b>\$ 6,241</b>	<b>\$ (15,404)</b>	<b>(246.8)%</b>	<b>\$ 14,659</b>	<b>\$ (23,822)</b>	<b>(162.5)%</b>
<b>EBIDA adjustments</b>											
Interest income (expense)	251	140	111		2,825	2,693	132		3,184	(359)	
Depreciation and amortization	2,412	2,418	(6)		21,281	22,365	(1,084)		29,819	(8,538)	
<b>Total EBIDA adjustments</b>	<b>2,663</b>	<b>2,558</b>	<b>105</b>		<b>24,106</b>	<b>25,058</b>	<b>(952)</b>		<b>33,003</b>	<b>(8,897)</b>	
<b>EBIDA</b>	<b>\$ 2,335</b>	<b>\$ 2,602</b>	<b>\$ (267)</b>		<b>\$ 14,943</b>	<b>\$ 31,299</b>	<b>\$ (16,356)</b>		<b>\$ 47,662</b>	<b>\$ (32,719)</b>	

**ALAMEDA HEALTH SYSTEM (consolidated)**  
**Statement of Cash Flows**  
**For the Period Ended March 31, 2026**  
(in thousands)

	Current Month	Year-to Date	FYE 2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (86)	\$ (6,354)	\$ 20,942
Depreciation and amortization	2,412	21,281	37,542
Net changes in operating assets and liabilities:			
Patient account receivables, net	(5,491)	(10,328)	4,695
Due from/to third-party payors	(98,695)	(229,053)	(13,222)
Due from/to County	83,613	167,399	(24,880)
Due from State	(2,180)	(939)	(1,371)
Inventory	(28)	751	(280)
Other current assets	1,994	(8,419)	(2,432)
Accounts payable and accrued expenses	248	2,252	4,040
Accrued compensation	10,425	(18,712)	9,387
Other current payables	585	10,108	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
<b>Net cash provided by (used in) operating activities</b>	<b>(7,203)</b>	<b>(76,845)</b>	<b>52,803</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Change in liquidity facility	11,699	93,473	(4,269)
Interest payments on working capital loan	370	3,295	3,604
Proceeds from grants for COVID-19 pandemic	-	-	-
Receipts of rental income	9	16	(253)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>12,078</b>	<b>96,784</b>	<b>(918)</b>
<b>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</b>			
Purchase and construction of capital assets	(3,231)	(15,013)	(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	(559)	(4,421)	(6,730)
Interest payments on lease liabilities	83	796	1,232
Payments of subscription obligations	(880)	(5,762)	(6,587)
Interest payments on subscription obligations	10	116	131
Capital contributions and transfers	-	169	1,033
<b>Net cash provided by (used in) capital and financing activities</b>	<b>(4,577)</b>	<b>(24,115)</b>	<b>(33,640)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and investment income	(714)	(7,032)	(7,866)
<b>Net cash provided by (used in) investing activities</b>	<b>(714)</b>	<b>(7,032)</b>	<b>(7,866)</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(416)</b>	<b>(11,208)</b>	<b>10,379</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>31,545</b>	<b>42,337</b>	<b>31,958</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>\$ 31,129</b>	<b>\$ 31,129</b>	<b>\$ 42,337</b>

# ALAMEDA HEALTH SYSTEMS Volume Reports



Month: March

	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	
<b>Campus: HIGHLAND</b>												
Total Patient Days	4,598	4,398	200	4.6%	37,730	39,330	-1,600	-4.1%	39,421	-1,691	-4.3%	
Total Discharges	741	763	-22	-2.9%	6,827	6,825	2	0.0%	6,664	163	2.4%	
Total Adjusted Patient Days	8,149	7,724	425	5.5%	67,671	68,968	-1,297	-1.9%	68,946	-1,275	-1.8%	
Total Adjusted Discharges	1,313	1,340	-27	-2.0%	12,245	11,968	276	2.3%	11,655	590	5.1%	
<b>GENERAL ACUTE</b>												
Patient Days	4,598	4,398	200	4.6%	37,730	39,330	-1,600	-4.1%	39,421	-1,691	-4.3%	
Discharges	741	763	-22	-2.9%	6,827	6,825	2	0.0%	6,664	163	2.4%	
OP Factor	1.7761	1.762	-0.0142	-0.8%	1.7989	1.7598	-0.0391	-2.2%	1.7549	-0.044	-2.5%	
Average Daily Census	148.3	141.9	6.5	4.6%	137.7	143.5	-5.8	-4.1%	143.9	-6.2	-4.3%	
Average Length of Stay	6.2	5.8	-0.4	-7.7%	5.5	5.8	0.2	4.1%	5.9	0.4	6.6%	
Adjusted Patient Days	8,167	7,749	418	5.4%	67,874	69,214	-1,340	-1.9%	69,180	-1,306	-1.9%	
Adjusted Discharges	1,316	1,345	-29	-2.1%	12,281	12,011	271	2.3%	11,695	587	5.0%	
Occupancy %	88%	84%	4%	4.6%	81%	85%	-3%	-4.1%	85%	-4%	-4.3%	
Emergency Visits	4,998	4,874	124	2.5%	43,487	40,950	2,537	6.2%	40,945	2,542	6.2%	
Left Without Being Seen (LWBS)	368	415	47	12.8%	2,807	4,245	1,438	51.2%	4,148	1,341	47.8%	
Trauma Cases	353	273	80	29.3%	2,785	2,701	84	3.1%	2,747	38	1.4%	
Observation Equivalent Days	272	252	20	8.0%	2,472	2,498	-26	-1.1%	2,166	306	14.1%	
IP Surgeries	221	251	-30	-11.9%	2,121	2,167	-46	-2.1%	2,160	-39	-1.8%	
OP Surgeries	229	208	21	9.9%	1,999	1,651	348	21.1%	1,778	221	12.4%	
Total Surgeries	450	459	-9	-2.0%	4,120	3,818	302	7.9%	3,938	182	4.6%	
Deliveries	132	149	-17	-11.2%	1,200	1,260	-60	-4.8%	1,206	-6	-0.5%	
<b>TOTAL FTE, HOURS, WRVU</b>												
Total Paid FTE	1,930	1,796	-134	-7.5%	1,954	1,812	-142	-7.9%	1,810	-144	-7.9%	
Total Productive FTE	1,716	1,572	-145	-9.2%	1,672	1,563	-109	-6.9%	1,546	-126	-8.1%	
Total Paid FTE per AOB	7.34	7.21	-0.13	-1.9%	7.91	7.2	-0.71	-9.9%	7.19	-0.72	-10.0%	
Worked Hours Per APD	37.3	36	-1.3	-3.5%	38.7	35.5	-3.2	-9.0%	35.1	-3.6	-10.2%	
Worked Hours Per AD	231	208	-24	-11.5%	214	205	-9	-4.5%	208	-6	-2.9%	
Physician wRVU	53,627	4	53,624	1465852.1%	184,364	47	184,318	395307.5%	51	184,313	358585.3%	
<b>OTHER STATS</b>												
GI Procedures	408	444	-36	-8.2%	3,434	3,047	387	12.7%	2,981	453	15.2%	
Cardiac Procedures	149	64	85	134.1%	1,068	519	549	106.0%	567	501	88.4%	
HGH Cath Lab and IR Procedures	703	613	90	14.6%	6,183	4,577	1,606	35.1%	5,383	800	14.9%	
<b>TOTAL CLINIC VISITS</b>												
Total Clinic Visits	828	1,422	-594	-41.8%	11,265	11,744	-479	-4.1%	11,965	-700	-5.9%	
Specialty	0	632	-632	-100.0%	5,107	4,775	332	7.0%	5,604	-497	-8.9%	
Behavioral Health	828	790	38	4.8%	6,158	6,969	-811	-11.6%	6,361	-203	-3.2%	
<b>PAYOR MIX</b>												
Insurance %	7.8%	6.7%	1.2%		7.4%	8.1%	-0.8%		7.92%	-0.57%		
Medi-Cal %	59.4%	61.4%	-2.1%		58.3%	60.3%	-2.0%		60.36%	-2.02%		
Medicare %	27.0%	26.5%	0.5%		29.1%	26.1%	3.1%		26.90%	2.23%		
Other Govt %	3.3%	1.9%	1.4%		1.9%	2.1%	-0.1%		1.92%	0.02%		
Self-Pay %	2.5%	3.5%	-1.0%		3.2%	3.5%	-0.2%		2.90%	0.35%		
Total Payor Mix %	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%		100.00%	0.00%		
<b>CAMPUS CMI</b>												
CMI Highland	1.764	1.695	0.069	4.1%	1.713	1.657	0.056	3.4%	1.72	-0.007	-0.4%	

# ALAMEDA HEALTH SYSTEMS Volume Reports



Month: March

	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
<b>Campus: ALAMEDA</b>											
Total Patient Days	6,506	6,433	73	1.1%	55,608	56,061	-453	-0.8%	55,629	-21	0.0%
Total Discharges	265	266	-1	-0.5%	2,160	2,175	-15	-0.7%	2,134	26	1.2%
Total Adjusted Patient Days	9,842	9,206	636	6.9%	84,251	81,218	3,033	3.7%	82,408	1,843	2.2%
Total Adjusted Discharges	401	381	20	5.2%	3,273	3,152	121	3.8%	3,161	111	3.5%
<b>GENERAL ACUTE</b>											
Patient Days	1,189	1,143	46	4.0%	8,968	9,300	-332	-3.6%	9,425	-457	-4.8%
Discharges	251	254	-3	-1.2%	2,049	2,068	-19	-0.9%	2,043	6	0.3%
OP Factor	1.8031	1.6946	-0.1086	-6.4%	1.8428	1.738	-0.1048	-6.0%	1.7874	-0.0553	-3.1%
Average Daily Census	38.4	36.9	1.5	4.0%	32.7	33.9	-1.2	-3.6%	34.4	-1.7	-4.8%
Average Length of Stay	4.7	4.5	-0.2	-5.3%	4.4	4.5	0.1	2.7%	4.6	0.2	5.1%
Adjusted Patient Days	2,144	1,937	207	10.7%	16,526	16,163	363	2.2%	16,847	-321	-1.9%
Adjusted Discharges	453	431	22	5.1%	3,776	3,593	182	5.1%	3,652	124	3.4%
Occupancy %	58.0%	56.0%	2.0%		50.0%	51.0%	-2.0%		52.0%	-3.0%	
Emergency Visits	1,902	1,664	238	14.3%	15,583	14,827	756	5.1%	14,952	631	4.2%
Left Without Being Seen (LWBS)	73	0	-73	-100.0%	531	0	-531	-100.0%	479	-52	-9.8%
Observation Equivalent Days	252	164	88	53.5%	2,218	1,794	423	23.6%	1,913	305	16.0%
IP Surgeries	21	17	4	23.2%	134	159	-25	-15.9%	133	1	0.8%
OP Surgeries	2	0	2	0.0%	48	0	48	0.0%	448	-400	-89.3%
Total Surgeries	23	17	6	34.9%	182	159	23	14.2%	581	-399	-68.7%
<b>SNF with Sub-Acute</b>											
SNF Patient Days	5,317	5,290	27	0.5%	46,640	46,761	-121	-0.3%	46,204	436	0.9%
SNF Discharges	14	12	2	14.7%	111	108	3	2.9%	91	20	22.0%
SNF OP Factor	1.003	1.0017	-0.0013	-0.1%	1.0057	1.0016	-0.0042	-0.4%	1.0049	-0.0009	-0.1%
Average Daily Census	171.5	170.7	0.9	0.5%	170.2	170.7	-0.4	-0.3%	168.6	1.6	0.9%
Average Length of Stay	379.8	433.3	53.5	12.3%	420.2	433.4	13.2	3.0%	507.7	87.6	17.2%
Adjusted Patient Days	5,333	5,299	34	0.6%	46,908	46,834	74	0.2%	46,429	479	1.0%
Adjusted Discharges	14	12	2	14.8%	112	108	4	3.3%	91	20	22.1%
Occupancy %	95.0%	94.0%	0.0%		94.0%	94.0%	0.0%		93.0%	0.0%	
Bed Holds	88	38	50	134.5%	476	428	48	11.2%	458	18	3.9%
<b>TOTAL FTE, HOURS, WRVU METRICS</b>											
Total Paid FTE	624	622	-2	-0.2%	638	625	-14	-2.2%	625	-13	-2.1%
Total Productive FTE	561	549	-12	-2.2%	554	545	-9	-1.6%	545	-8	-1.5%
Total Paid FTE per AOB	1.96	2.09	0.13	6.2%	2.08	2.11	0.03	1.5%	2.08	0	0.2%
Worked Hours Per APD	10.1	10.6	0.5	4.4%	10.3	10.5	0.2	2.1%	10.4	0.1	0.7%
Worked Hours Per AD	248	255	7	2.8%	265	271	6	2.1%	270	5	1.9%
Physician wRVU	11,615	0	11,615	0.0%	40,544	0	40,544	0.0%	0	40,544	0.0%
<b>TOTAL CLINIC VISITS</b>											
Specialty	1,366	1,271	95	7.4%	12,123	11,163	960	8.6%	11,734	389	3.3%
Telehealth Specialty	23	11	12	109.1%	56/1414	145	-4	-2.8%	143	-2	-1.4%

# ALAMEDA HEALTH SYSTEMS Volume Reports



Month: March

	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
PAYOR MIX											
Insurance %	8.1%	6.5%	1.6%	●	7.2%	6.8%	0.4%	●	7.2%	0.1%	●
Medi-Cal %	57.6%	54.2%	3.4%	●	57.6%	55.3%	2.3%	●	55.7%	1.9%	●
Medicare %	32.2%	35.9%	-3.8%	●	32.8%	34.5%	-1.7%	●	34.3%	-1.5%	●
Other Govt %	1.6%	1.2%	0.4%	●	1.1%	1.5%	-0.3%	●	1.3%	-0.2%	●
Self-Pay %	0.5%	2.1%	-1.6%	●	1.3%	1.9%	-0.6%	●	1.6%	-0.3%	●
Total Payor Mix %	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%		100.0%	0.0%	
CAMPUS CMI											
CMI Alameda	1.477	1.413	0.064	4.6% ●	1.427	1.392	0.035	2.5% ●	1.469	-0.042	-2.9% ●

# ALAMEDA HEALTH SYSTEMS Volume Reports



Month: March

	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
<b>Campus: SAN LEANDRO</b>											
Total Patient Days	1,708	1,896	-188	-9.9%	14,481	16,090	-1,609	-10.0%	15,640	-1,159	-7.4%
Total Discharges	308	344	-36	-10.5%	2,684	2,879	-195	-6.8%	2,797	-113	-4.0%
Total Adjusted Patient Days	3,649	3,561	88	2.5%	30,652	31,191	-540	-1.7%	30,815	-164	-0.5%
Total Adjusted Discharges	658	646	12	1.9%	5,681	5,581	100	1.8%	5,511	170	3.1%
<b>GENERAL ACUTE</b>											
Patient Days	946	1,149	-203	-17.7%	8,164	9,462	-1,298	-13.7%	9,332	-1,168	-12.5%
Discharges	252	287	-35	-12.3%	2,220	2,378	-158	-6.6%	2,332	-112	-4.8%
OP Factor	2.4888	2.1074	-0.3814	-18.1%	2.4619	2.2144	-0.2475	-11.2%	2.2491	-0.2128	-9.5%
Average Daily Census	30.5	37.1	-6.5	-17.7%	29.8	34.5	-4.7	-13.7%	34.1	-4.3	-12.5%
Average Length of Stay	3.8	4.0	0.2	6.1%	3.7	4.0	0.3	7.6%	4.0	0.3	8.1%
Adjusted Patient Days	2,354	2,421	-67	-2.8%	20,099	20,954	-855	-4.1%	20,989	-890	-4.2%
Adjusted Discharges	627	606	21	3.5%	5,465	5,266	200	3.8%	5,245	221	4.2%
Occupancy %	48.0%	59.0%	-10.0%		47.0%	55.0%	-8.0%		54.0%	-7.0%	
Emergency Visits	3,086	3,038	48	1.6%	26,109	26,454	-345	-1.3%	26,278	-169	-0.6%
Left Without Being Seen (LWBS)	137	42	-95	-69.2%	1,065	345	-720	-67.6%	942	-123	-11.5%
Observation Equivalent Days	306	235	71	30.3%	2,087	1,688	399	23.6%	1,668	419	25.1%
IP Surgeries	46	45	1	3.2%	356	446	-90	-20.2%	439	-83	-18.9%
OP Surgeries	195	173	22	12.4%	1,409	1,588	-179	-11.2%	1,556	-147	-9.4%
Total Surgeries	241	218	23	10.5%	1,765	2,034	-269	-13.2%	1,995	-230	-11.5%
<b>REHAB</b>											
Rehab Patient Days	762	747	15	2.0%	6,317	6,628	-311	-4.7%	6,308	9	0.1%
Rehab Discharges	56	57	-1	-0.9%	464	501	-37	-7.4%	465	-1	-0.2%
Rehab OP Factor	1	1	0	0.0%	1	1	0	0.0%	1	0	0.0%
Average Daily Census	24.6	24.1	0.5	2.0%	23.1	24.2	-1.1	-4.7%	23	0	0.1%
Average Length of Stay	13.6	13.2	-0.4	-2.9%	13.6	13.2	-0.4	-3.0%	13.6	0	-0.4%
Adjusted Patient Days	762	747	15	2.0%	6,317	6,628	-311	-4.7%	6,308	9	0.1%
Adjusted Discharges	56	57	-1	-0.9%	464	501	-37	-7.4%	465	-1	-0.2%
Occupancy %	88.0%	86.0%	0.0%		82.0%	86.0%	0.0%		82.0%	0.0%	
Bed Holds	0	0	0	0.0%	3	1	2	177.8%	0	3	0.0%
<b>TOTAL FTE, HOURS, WRVU</b>											
Total Paid FTE	501	476	-26	-5.4%	498	476	-22	-4.6%	478	-19	-4.0%
Total Productive FTE	438	414	-24	-5.9%	423	408	-15	-3.7%	410	-14	-3.3%
Total Paid FTE per AOB	4.26	4.14	-0.12	-2.8%	4.45	4.18	-0.27	-6.4%	4.25	-0.19	-4.5%
Worked Hours Per APD	21.3	20.6	-0.7	-3.4%	21.6	20.5	-1.1	-5.5%	20.8	-0.8	-3.9%
Worked Hours Per AD	118	113	-5	-4.0%	117	115	-2	-1.8%	116	0	-0.2%
Physician wRVU	19,561	0	19,561	0.0%	69,068	0	69,068	0.0%	0	69,068	0.0%
<b>PAYOR MIX</b>											
Insurance %	9.1%	7.5%	1.6%		6.7%	6.4%	0.3%		6.1%	0.6%	
Medi-Cal %	51.3%	55.9%	-4.6%		54.5%	56.3%	-1.8%		56.3%	-1.8%	
Medicare %	35.0%	30.3%	4.6%		34.1%	32.8%	1.3%		33.6%	0.5%	
Other Govt %	2.1%	2.0%	0.1%		1.8%	1.4%	0.4%		1.3%	0.5%	
Self-Pay %	2.5%	4.2%	-1.8%		2.9%	3.1%	-0.3%		2.8%	0.1%	
Total Payor Mix %	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%		100.0%	0.0%	
<b>CAMPUS CMI</b>											
CMI San Leandro	1.432	1.451	-0.019	-1.3%	1.456	1.435	0.022	1.5%	1.507	-0.051	-3.4%

# ALAMEDA HEALTH SYSTEMS Volume Reports



Month: March

	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
<b>Campus: JOHN GEORGE</b>											
Total Patient Days	2,037	1,992	45	2.3%	18,054	17,847	207	1.2%	17,603	451	2.6%
Total Discharges	204	221	-17	-7.8%	1,864	1,990	-126	-6.3%	1,859	5	0.3%
Total Adjusted Patient Days	2,416	2,383	33	1.4%	21,491	21,247	244	1.1%	21,078	413	2.0%
Total Adjusted Discharges	242	265	-23	-8.6%	2,219	2,369	-151	-6.4%	2,226	-7	-0.3%
<b>PSYCH</b>											
Psych Patient Days	2,037	1,992	45	2.3%	18,054	17,847	207	1.2%	17,603	451	2.6%
Psych Discharges	204	221	-17	-7.8%	1,864	1,990	-126	-6.3%	1,859	5	0.3%
Psych OP Factor	1.2183	1.2316	0.0134	1.1%	1.2267	1.2225	-0.0042	-0.3%	1.2335	0.0068	0.6%
Average Daily Census	65.7	64.2	1.5	2.3%	65.9	65.1	0.8	1.2%	64.2	1.6	2.6%
Average Length of Stay	10	9	-1	-10.9%	9.7	9	-0.7	-8.0%	9.5	-0.2	-2.3%
Adjusted Patient Days	2,482	2,453	29	1.2%	22,147	21,818	328	1.5%	21,713	433	2.0%
Adjusted Discharges	249	272	-24	-8.8%	2,287	2,433	-147	-6.0%	2,293	-7	-0.3%
PES Equivalent Days	629	636	-7	-1.1%	6,190	5,928	263	4.4%	6,045	145	2.4%
PES Visits	829	786	43	5.5%	7,241	7,304	-63	-0.9%	7,061	180	2.5%
PES Hours	15,100	16,637	-1,537	-9.2%	148,568	143,749	4,820	3.4%	145,084	3,484	2.4%
PES Hours per Visit	18	21	3	13.9%	21	20	-1	-4.3%	21	0	0.1%
<b>TOTAL FTE, HOURS, WRVU</b>											
Total Paid FTE	374	361	-13	-3.5%	393	369	-24	-6.6%	387	-7	-1.7%
Total Productive FTE	331	314	-16	-5.2%	335	316	-19	-5.9%	333	-2	-0.7%
Total Paid FTE per AOB	4.8	4.7	-0.1	-2.1%	5.01	4.76	-0.26	-5.4%	5.03	0.01	0.3%
Worked Hours Per APD	24.2	23.3	-0.9	-3.8%	24.4	23.3	-1.1	-4.7%	24.7	0.3	1.2%
Worked Hours Per AD	242	210	-32	-15.1%	237	209	-27	-13.1%	234	-2	-1.1%
Physician wRVU	2,813	4,821	-2,007	-41.6%	49,951	63,937	-13,986	-21.9%	176,149	-126,198	-71.6%
<b>PAYOR MIX</b>											
Insurance %	2.83%	8.85%	-6.02%	-68.0%	4.94%	6.19%	-1.25%	-20.2%	5.59%	-0.65%	-11.6%
Medi-Cal %	74.04%	63.55%	10.49%	16.5%	67.59%	64.12%	3.47%	5.4%	64.37%	3.22%	5.0%
Medicare %	20.25%	28.04%	-7.79%	-27.8%	25.34%	24.37%	0.97%	4.0%	25.34%	-0.01%	0.0%
Other Govt %	0.72%	-2.39%	3.12%	-130.3%	-0.26%	2.03%	-2.28%	-112.6%	1.35%	-1.61%	-118.9%
Self-Pay %	2.16%	1.95%	0.21%	10.6%	2.39%	3.30%	-0.91%	-27.6%	3.34%	-0.96%	-28.6%
Total Payor Mix %	100.00%	100.00%	0.00%	0.0%	100.00%	100.00%	0.00%	0.0%	100.00%	0.00%	0.0%
<b>CAMPUS CMI</b>											
CMI Behavioral Health	1.307	1.323	-0.016	-1.2%	1.355	1.276	0.079	6.2%	1.351	0.004	0.3%

# ALAMEDA HEALTH SYSTEMS Volume Reports



Month: March

	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
<b>Campus: FAIRMONT</b>											
Total Patient Days	3,333	3,255	78	2.4%	29,333	28,772	561	1.9%	29,136	197	0.7%
Total Discharges	6	12	-6	-49.5%	70	105	-35	-33.3%	72	-2	-2.8%
OP Factor	1.3853	1.3331	-0.0522	-3.9%	1.3266	1.3496	0.023	1.7%	1.3412	0.0146	1.1%
Total Adjusted Patient Days	4,617	4,340	278	6.4%	38,914	38,831	83	0.2%	39,077	-163	-0.4%
Total Adjusted Discharges	8	16	-8	-47.6%	93	142	-49	-34.5%	97	-4	-3.8%
<b>SNF WITH SUB-ACUTE</b>											
SNF Patient Days	3,333	3,255	78	2.4%	29,333	28,772	561	1.9%	29,136	197	0.7%
SNF Discharges	6	12	-6	-49.5%	70	105	-35	-33.3%	72	-2	-2.8%
SNF OP Factor	1.0013	1.001	-0.0003	0.0%	1.0444	1.0016	-0.0428	-4.3%	1.0722	0.0278	2.6%
Average Daily Census	107.5	105	2.5	2.4%	107.1	105	2	1.9%	106.3	0.7	0.7%
Average Length of Stay	555.5	273.8	-281.7	-102.9%	419	274	-145.1	-53.0%	404.7	-14.4	-3.6%
Adjusted Patient Days	3,337	3,259	79	2.4%	30,635	28,817	1,817	6.3%	31,240	-605	-1.9%
Adjusted Discharges	6	12	-6	-49.5%	73	105	-32	-30.5%	77	-4	-5.3%
Occupancy %	99%	96%	0%	0.0%	98%	96%	0%	0.0%	98%	0%	0.0%
Bed Holds	44	34	10	27.6%	294	296	-2	-0.6%	333	-39	-11.7%
<b>TOTAL FTE, HOURS, WRVU</b>											
Total Paid FTE	279	284	5	1.6%	297	292	-5	-1.6%	296	-1	-0.4%
Total Productive FTE	249	249	1	0.2%	253	253	0	-0.2%	255	1	0.5%
Total Paid FTE per AOB	1.88	2.03	0.15	7.5%	2.09	2.06	-0.03	-1.4%	2.07	-0.02	-0.8%
Worked Hours Per APD	9.5	10.2	0.6	6.2%	10.2	10.2	0	0.0%	10.2	0	0.1%
Worked Hours Per AD	5302	2786	-2516	-90.3%	4271	2793	-1478	-52.9%	4129	-141	-3.4%
Physician wRVU	1,078	0	1,078	0.0%	4,098	0	4,098	0.0%	0	4,098	0.0%
<b>CLINIC / TELEHEALTH VISITS</b>											
Behavioral Health	2,321	1,976	345	17.4%	16,919	18,930	-2,011	-10.6%	18,325	-1,406	-7.7%
Rehab	11	11	0	-3.0%	104	90	14	16.1%	107	-3	-2.8%
Clinic Visits	2,332	1,988	344	17.3%	17,023	19,020	-1,997	-10.5%	18,432	-1,409	-7.6%
Telehealth Behavioral Health	86	54	32	60.4%	864	536	328	61.1%	519	345	66.5%
Telehealth Visits	86	54	32	60.4%	864	536	328	61.1%	519	345	66.5%
<b>TOTAL CLINIC VISITS</b>	<b>2,418</b>	<b>2,041</b>	<b>377</b>	<b>18.5%</b>	<b>17,887</b>	<b>19,556</b>	<b>-1,669</b>	<b>-8.5%</b>	<b>18,951</b>	<b>-1,064</b>	<b>-5.6%</b>
<b>PAYOR MIX</b>											
Insurance %	1.2%	0.9%	0.3%		1.6%	1.0%	0.6%		1.1%	0.5%	
Medi-Cal %	72.5%	78.4%	-5.9%		77.3%	76.7%	0.7%		77.4%	-0.1%	
Medicare %	25.6%	19.8%	5.8%		20.5%	21.4%	-1.0%		21.0%	-0.6%	
Other Govt %	0.3%	0.1%	0.2%		0.2%	0.2%	0.0%		0.2%	0.0%	
Self-Pay %	0.4%	0.8%	-0.4%		0.4%	0.7%	-0.3%		0.3%	0.1%	
<b>Total Payor Mix %</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>		<b>100.0%</b>	<b>0.0%</b>	

# ALAMEDA HEALTH SYSTEMS Volume Reports



Month: March

	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
<b>Campus: FQ CLINIC</b>											
TOTAL FTE, HOURS, WRVU											
Total Paid FTE	519	484	-35	-7.1% ●	499	497	-2	-0.4% ●	463	-36	-7.8% ●
Total Productive FTE	457	415	-42	-10.2% ●	415	420	5	1.2% ●	385	-29	-7.6% ●
Physician wRVU	61,530	41,948	19,582	46.7% ●	446,382	361,097	85,285	23.6% ●	373,332	73,050	19.6% ●
OTHER STATS											
Covid Immunization	484	588	-104	-17.7% ●	4,598	7,989	-3,391	-42.4% ●	7,989	-3,391	-42.4% ●
CLINIC / TELEHEALTH VISITS											
Primary Care	15,746	14,190	1,556	11.0% ●	128,265	127,757	508	0.4% ●	128,494	-229	-0.2% ●
Specialty	12,037	11,898	139	1.2% ●	99,781	105,698	-5,917	-5.6% ●	87,717	12,064	13.8% ●
Behavioral Health	18	0	18	0.0% ●	152	0	152	0.0% ●	39	113	289.7% ●
Clinic Visits	27,801	26,088	1,713	6.6% ●	228,198	233,455	-5,257	-2.3% ●	216,250	11,948	5.5% ●
Telehealth Primary Care	3,062	2,829	233	8.2% ●	24,305	25,366	-1,061	-4.2% ●	23,106	1,199	5.2% ●
Telehealth Specialty	2,715	2,072	643	31.0% ●	20,861	18,536	2,325	12.5% ●	19,081	1,780	9.3% ●
Telehealth Behavioral Health	27	27	0	0.0% ●	291	243	48	19.8% ●	160	131	81.9% ●
Telehealth Visits	5,804	4,928	876	17.8% ●	45,457	44,145	1,312	3.0% ●	42,347	3,110	7.3% ●
TOTAL CLINIC VISITS	33,605	31,016	2,589	8.3% ●	273,655	277,600	-3,945	-1.4% ●	258,597	15,058	5.8% ●
FQHC Visits	33,605	31,016	2,589	8.3% ●	273,655	277,600	-3,945	-1.4% ●	258,597	15,058	5.8% ●
PAYOR MIX											
Insurance %	3.6%	2.5%	1.1%	●	3.2%	2.5%	0.8%	●	2.7%	0.6%	●
Medi-Cal %	77.3%	80.1%	-2.8%	●	76.7%	80.1%	-3.4%	●	78.8%	-2.1%	●
Medicare %	14.4%	12.7%	1.7%	●	15.0%	12.8%	2.2%	●	13.9%	1.2%	●
Other Govt %	1.9%	1.7%	0.2%	●	1.8%	1.7%	0.1%	●	1.8%	0.0%	●
Self-Pay %	2.8%	3.0%	-0.2%	●	3.2%	2.9%	0.3%	●	2.9%	0.3%	●
Total Payor Mix %	100.0%	100.0%	0.0%		100.0%	100.0%	0.0%		100.0%	0.0%	

# Chief Operating Officer Report



# Alameda Hospital Seismic and Operational Upgrade Projects

May 6, 2026

Alameda Health System

Board of Trustees

Finance Committee

# Project Overview

	Budget	Current Estimate	Committed Spending	Risks	Est. Construction	Est. Construction
Cost of Issuance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		Q3-2026	Q4-2027
Seismic NPC 4 Upgrades	\$ 6,038,007	\$ 6,038,007	\$ 1,195,810	Phased work in occupied clinical spaces, existing conditions that may impact on	Q4-2026	Q1-2028
Seismic NPC 5 Upgrades	\$ 8,334,749	\$ 8,334,749	\$ 1,291,075	Challenging Site Logistics	Q3-2027	Q2-2028
Seismic Upgrades Stephens Wing SPC4D	\$ 8,883,383	\$ 8,883,383	\$ 801,001	MTCAP Project, MTCAP Phase 2 needed due unfavorable results from Phase 1 additional	Q3-2026 (MTCAP)	Q2-2027 (MTCAP)
Seismic Upgrades to West Wing SPC4D	\$ 5,905,241	\$ 5,905,241	\$ 613,858		Q4-2028 (SPC4D)	Q3-2030 (SPC4D)
Operational Upgrades - 18 Bed SNF Unit	\$ 25,751,840	\$ 25,751,840	\$ 2,173,450	Code Required Upgrades, Existing Conditions, Weather Proofing of Building (South Wing	Q3-2026	Q4-2027
Subtotal	\$ 55,913,220	\$ 55,913,220	\$ 7,075,194			

## Additional Costs from Original Scope

Moment Frame Testing (South and ED Addition)	\$ -	\$ 2,370,200	\$ 500,569	Phase 2 - additional costs and time if unfavorable results from Phase 1	Q3-2026	Q4-2027
SNF Make Ready & Internal Moves	\$ -	\$ 4,012,499	\$ 875,710	Schedule duration aggressive, Weather Proofing of the Building (South Wing)	Q3-2026	Q1-2027
Subtotal	\$ -	\$ 6,382,699	\$ 1,376,279			

Total	\$ 55,913,220	\$ 62,295,919	\$ 8,451,473			
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# Questions?

# Contract Review Initiative

## AHS \$100M Together Initiative

### EXECUTIVE SPONSOR

Fratzke, Mark

**SUMMARY:** AHS is conducting a comprehensive review of all active contracts to identify savings opportunities in support of systemwide efforts to optimize utilization of system resources and reduce spend. AHS has engaged Guidehouse Consulting to provide expert advice and implementation support to fast-track and maximize impact.

## Opportunity

- AHS is faced with a \$100M funding gap due to passage of HR.1.
- Total expense procurement, including contracting and supply chain, spend is approximately \$325M (CY 25).
- Targeted reductions realized thru selective sunseting/termination coupled with renegotiation of key contracts will contribute significantly to system savings goals.

## Solution

- Partner with Guidehouse to complete a deep-dive review of ~ 2,000 active contracts and associated spend.
- AHS leadership develops savings strategy informed by Guidehouse analysis and key internal stakeholders.
- AHS taps Guidehouse to support complex renegotiation efforts to reduce spend and realign utilization with revised spend targets.

## Guidehouse

- Leading global professional services firm providing advisory and management consulting services with a focus on the governmental/public sector.
- Employs 18,000 professionals across + 55 global locations.
- Combines public sector and commercial market expertise to tackle complex challenges.
- One of the nation's largest healthcare consultancies, supporting major gov't agencies (i.e. CDC, NIH) and large health networks.
- Prior AHS experience – supporting AHS COVID expense reimbursement application process to FEMA. In process, but if approved AHS could receive + \$1M in funding from FEMA.

## Process

- Work allocated into tranches of 375 contracts. Each tranche includes two phases:
  - Phase 1 (Guidehouse deep review of contract terms and opportunity identification)
  - Phase 2 (Selected contract renegotiations by Guidehouse at direction of AHS leadership)

# Timeline



## Milestone 1

- Contracting with GH team
- Scoping process  
Dec 2025

## Milestone 2

- Phase 1 completed for Tranche 1
- Phase 2 in progress for Tranche 1  
Apr 2026

## Milestone 3

- Initiate Tranche 2 work  
pending Board approval  
of GH amendment  
May 2026

## Milestone 4

To Come

## Milestone 5

To Come

# Financials

## \$100M Initiative: Advisory Council Approved Initiative

Category	FY26 YTD (Annualized)	FY27 Forecast	FY28 Forecast
Investment/Cost (Fixed Costs)	\$210,000 (\$302,500 forecast)	\$80,000	TBD
Projected Savings	\$144,782 (\$834,835 forecast)	\$9,754,447	\$11,820,455
Projected Cost (Variable) <small>(based on 20% fee for GH attributed realized savings)</small>	\$0 (\$138,011 forecast)	\$1,950,889	\$2,364,091
Net Savings	(\$65,218) (\$394,324 forecast)	\$7,723,558 (cumulative)	\$9,456,364 (cumulative)

# Questions?

# FY 27 Preliminary Budget Update

## Finance Committee

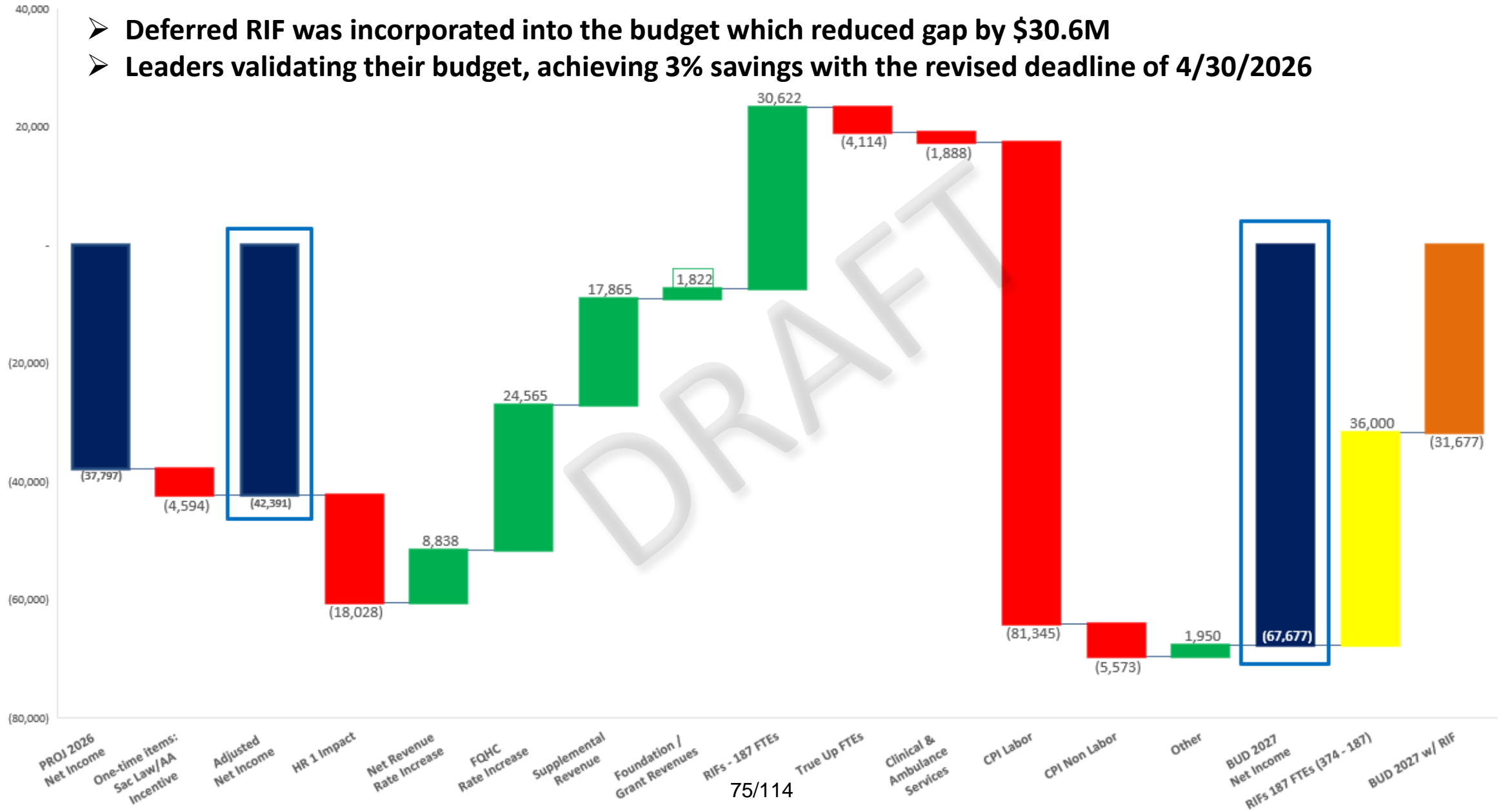
Kimberly Miranda  
Grace Mesina  
May 6, 2026

# Budget Calendar

Tasks	Responsibility	Target Due Date
Preliminary Budget Status Update for Finance Committee (FC)	Chief Financial Officer	5/6/2026 Post 5/1/2026
AdHoc Committee Meeting	Executive Leadership	5/6/2026
Preliminary Budget Status Update for Board of Trustees (BOT)	Chief Financial Officer	5/13/2026 Post 5/8/2026
Vetting and finalizing Preliminary Capital Budget	Capital Committee	5/20/2026
Complete department reviews; Incorporate adjustments in Strata Incorporate Performance Improvement Initiatives Preparation of Preliminary Budget Update for FC and BOT	Department Leaders / COT / Finance Department	4/27 - 5/25/2026
Preliminary Budget Status Update for Executive Operations Team	Chief Financial Officer	5/26/2026
Preliminary Budget Status Update to the Finance Committee	Chief Financial Officer	6/3/2026 Post 5/29/2026
Preliminary Budget Status Update to Board of Supervisors: Health Committee	Chief Financial Officer	6/8/2026
AdHoc Committee Meeting	Executive Leadership	6/8/2026
Preliminary Budget Status Update the Co-Applicant Board (CAB)	Chief Financial Officer	6/9/2026 Post 6/2/2026
Preliminary Budget Status Update to the Finance Committee	Chief Financial Officer	6/10/2026 Post 6/5/2026
Finance Committee & Board of Trustees Approval	74/114 Finance Committee & Board of Trustees	TBD

# Updated Net Income Roll Forward / Reconciliation

- Deferred RIF was incorporated into the budget which reduced gap by \$30.6M
- Leaders validating their budget, achieving 3% savings with the revised deadline of 4/30/2026



# Preliminary Budget as of 4/30/2026

(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	\$ 988,774	\$ 18,236	1.9%
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%
<b>Total Revenue - All Sources</b>	<b>\$ 1,625,920</b>	<b>\$ 1,627,353</b>	<b>\$ 1,653,720</b>	<b>\$ 26,366</b>	<b>1.6%</b>
<b>Collection %</b>	<b>19.6%</b>	<b>19.4%</b>	<b>19.4%</b>	<b>0.0%</b>	
<i>Operating Expenses -----</i>					
Salaries & Wages	\$ 675,936	\$ 732,135	\$ 752,548	20,412	2.8%
Salaries & Wages (Providers)	150,009	155,329	165,093	9,764	6.3%
Registry	52,211	39,924	36,344	(3,580)	-9.0%
Physician Contract Services	41,338	45,084	42,819	(2,265)	-5.0%
Employee Benefits (Taxes, Ins)	196,870	202,404	219,023	16,619	8.2%
Retirement	96,797	98,709	104,340	5,631	5.7%
<b>Total Labor Expenses</b>	<b>\$ 1,213,161</b>	<b>\$ 1,273,586</b>	<b>\$ 1,320,167</b>	<b>\$ 46,581</b>	<b>3.7%</b>
Purchased Services	\$ 105,279	\$ 105,072	\$ 108,780	3,707	3.5%
Materials and Supplies	154,414	167,472	171,182	3,709	2.2%
Facilities	41,248	44,851	46,258	1,407	3.1%
Depreciation & Amortization	37,542	28,304	28,153	(151)	-0.5%
General and Administration	53,335	42,013	43,006	993	2.4%
<b>Total Non-Labor Expenses</b>	<b>\$ 391,817</b>	<b>\$ 387,713</b>	<b>\$ 397,378</b>	<b>\$ 9,665</b>	<b>2.5%</b>
<b>Total Operating Expenses</b>	<b>\$ 1,604,978</b>	<b>\$ 1,661,298</b>	<b>\$ 1,717,545</b>	<b>\$ 56,246</b>	<b>3.4%</b>
<b>Operating Income (Loss)</b>	<b>\$ 20,941</b>	<b>\$76/114 (33,945)</b>	<b>\$ (63,825)</b>	<b>\$ (29,880)</b>	<b>88.0%</b>

# Preliminary Budget

(in thousands)	Actual 2025	Projection 2026	Budget 2027	Variance Proj2026 vs Budget 2027	% Variance (Proj 2026 vs. Budget2027)
<b>Non-Operating Activity -----</b>					
Interest Income (Expense)	\$ 2,899	\$ (3,860)	\$ (3,860)	(0)	0.0%
Other nonoperating Revenue	(253)	8	8	(0)	0.0%
<b>Total Non Operating Activity</b>	<b>\$ 3,152</b>	<b>\$ (3,852)</b>	<b>\$ (3,852)</b>	<b>\$ (0)</b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>\$ 17,790</b>	<b>\$ (37,797)</b>	<b>\$ (67,677)</b>	<b>\$ (29,880)</b>	<b>79.1%</b>
<b>EBIDA Adjustments</b>					
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	-	-	-	
<b>Total EBIDA Adjustments</b>	<b>\$ 40,601</b>	<b>\$ 32,164</b>	<b>\$ 32,013</b>	<b>\$ (151)</b>	<b>-0.5%</b>
<b>EBIDA</b>	<b>\$ 58,390</b>	<b>\$ (5,633)</b>	<b>\$ (35,664)</b>	<b>\$ (30,031)</b>	<b>533.2%</b>
<i>Operating Margin</i>	1.3%	-2.1%	-3.9%	-1.8%	
EBIDA %	3.6%	-0.3%	-2.2%	-1.8%	
<b>FTEs</b>	<b>5,166</b>	<b>5,204</b>	<b>5,026</b>	<b>(178)</b>	<b>-3.4%</b>
<b>Salaries per FTE (incl Registry)</b>	<b>\$ 169,975</b>	<b>\$ 178,207</b>	<b>\$ 189,810</b>	<b>\$ 11,603</b>	<b>6.5%</b>
<b>Adjusted Patient Days</b>	<b>364,454</b>	<b>368,736</b>	<b>368,097</b>	<b>(639)</b>	<b>-0.2%</b>

# Budget Changes from Department Leaders – In Process

- Leaders have reviewed and submitted budget adjustments for both labor and non-labor items, as outlined below; however, these changes have not yet been incorporated into the financials presented. The adjustments will be entered into the system. Efforts are ongoing to achieve the target of 3% non-labor savings.

<b>Expense Category</b>	<b>FTE</b>	<b>Add/Reduction</b>
FTE adjustments hired staff, run rate	(4.0)	\$ (761,000)
Insurance for Property, Bond, Crime: updated estimate from vendor		1,300,000
Renewal for Tract Manager & Careport (Care Mgmt system)		523,000 *
Updated CyberSecurity services contract		364,000 *
Additional modules to support Enterprise Imaging		240,000 *
New software for contracting department (Counsellink)		183,000 *
Annual Increases in current software contracts		172,000 *
Pharmacy equipment related (i.e Pyxis) maintenance contract		372,000
Pharmaceuticals for new EWC Dental, Marina Specialty		254,000
Depreciation Expenses		298,000
Other, Misc.		192,500
3% Non Labor Savings		(3,700,000)
<b>Total</b>	<b>(4.0)</b>	<b>\$ (562,500)</b>

\*IS applications

# Entity Financials by Service Line

DRAFT

# Entity Financial Statement - Summary

In Thousands	ALAMEDA	FAIRMONT	FQ CLINIC	HIGHLAND	JOHN GEORGE	SAN LEANDRO	SYSTEM OVERHEAD	Grand Total
<i>Operating Revenue</i> -----								
Net Patient Revenue	128,630	30,488	134,561	467,181	96,645	131,270	-	988,774
Capitation Revenue	2,213	388	17,383	25,991	-	7,625	-	53,601
Other Government Programs	34,451	9,646	112	118,579	-	25,287	-	188,075
Other Revenues	1,091	763	1,612	64,710	754	1,334	-	70,264
<b>Total Revenue - All Sources</b>	<b>166,385</b>	<b>41,285</b>	<b>153,669</b>	<b>676,461</b>	<b>97,399</b>	<b>165,516</b>	<b>-</b>	<b>1,300,715</b>
<i>Projected 2026 Total Revenue</i>	<i>164,727</i>	<i>41,347</i>	<i>124,096</i>	<i>703,385</i>	<i>96,124</i>	<i>166,766</i>	<i>223</i>	<i>1,296,668</i>
<b>Collection %</b>	<b>15.9%</b>	<b>23.0%</b>	<b>59.6%</b>	<b>16.7%</b>	<b>30.1%</b>	<b>15.9%</b>		<b>19.4%</b>
<i>Projected 2026 Collection %</i>	<i>16.0%</i>	<i>18.9%</i>	<i>48.7%</i>	<i>17.6%</i>	<i>31.6%</i>	<i>16.3%</i>		<i>19.4%</i>
<i>Operating Expenses</i> -----								
Salaries & Benefits	130,478	48,813	91,045	453,096	90,929	118,071	179,824	1,112,255
Purchased Services	7,528	2,409	1,595	35,169	3,837	6,314	51,927	108,780
Contracted and Provider	6,572	1,776	47,688	107,526	19,588	23,859	903	207,912
Materials and Supplies	11,999	4,441	7,309	126,801	1,921	16,996	1,713	171,182
Facilities	7,108	3,092	2,001	17,743	2,183	4,167	9,963	46,258
Depreciation	4,721	449	3,789	4,522	323	3,234	11,114	28,153
General & Administration	474	99	213	1,908	45	325	39,942	43,006
<b>Total Operating Expenses</b>	<b>168,881</b>	<b>61,081</b>	<b>153,641</b>	<b>746,764</b>	<b>118,827</b>	<b>172,965</b>	<b>295,386</b>	<b>1,717,545</b>
<i>Projected 2026 Total Operating Expenses</i>	<i>157,369</i>	<i>64,236</i>	<i>129,769</i>	<i>738,616</i>	<i>113,666</i>	<i>161,541</i>	<i>296,102</i>	<i>1,661,298</i>
<b>Contribution Margin</b>	<b>(2,496)</b>	<b>(19,796)</b>	<b>28</b>	<b>(70,303)</b>	<b>(21,428)</b>	<b>(7,449)</b>	<b>(295,386)</b>	<b>(416,830)</b>
<i>Projected 2026 Contribution Margin</i>	<i>7,358</i>	<i>(22,888)</i>	<i>(5,673)</i>	<i>(35,231)</i>	<i>(17,541)</i>	<i>5,225</i>	<i>(295,879)</i>	<i>(364,630)</i>
<b>Var Contribution Margin</b>	<b>(9,854)</b>	<b>3,092</b>	<b>5,701</b>	<b>(35,071)</b>	<b>(3,887)</b>	<b>(12,675)</b>	<b>493</b>	<b>(52,200)</b>
<b>Total Non Operating Activity</b>	<b>(448)</b>	<b>(188)</b>	<b>(379)</b>	<b>(2,033)</b>	<b>(332)</b>	<b>(472)</b>	<b>0</b>	<b>(3,852)</b>
<b>Non-Op Activity, Measure A, GPP, QIP &amp; System OH Allocation</b>	<b>(1,694)</b>	<b>3,024</b>	<b>9,479</b>	<b>31,653</b>	<b>8,436</b>	<b>6,722</b>	<b>295,386</b>	<b>353,005</b>
<b>Net Income (Loss)</b>	<b>(4,639)</b>	<b>(16,960)</b>	<b>9,129</b>	<b>(40,684)</b>	<b>(13,325)</b>	<b>(1,199)</b>	<b>0</b>	<b>(67,677)</b>
<i>Projected 2026 Net Income (Loss)</i>	<i>6,628</i>	<i>(21,163)</i>	<i>791</i>	<i>(24,663)</i>	<i>(6,696)</i>	<i>7,307</i>	<i>0</i>	<i>(37,797)</i>
<b>Total FTEs</b>	<b>625</b>	<b>272</b>	<b>511</b>	<b>1,940</b>	<b>382</b>	<b>508</b>	<b>788</b>	<b>5,026</b>
<i>Projected FY2026 FTEs</i>	<i>640</i>	<i>299</i>	<i>497</i>	<i>1,958</i>	<i>396</i>	<i>497</i>	<i>816</i>	<i>5,203</i>
<b>Adjusted Patient Days/Clinic Visits</b>	<b>111,209</b>	<b>42,189</b>	<b>378,839</b>	<b>88,175</b>	<b>28,624</b>	<b>40,193</b>		<b>660,605</b>
<i>Projected FY2026 Adjusted Patient Days/Clinic Visits</i>	<i>111,616</i>	<i>51,448</i>	<i>362,030</i>	<i>89,276</i>	<i>28,611</i>	<i>40,504</i>		<i>654,872</i>

# Alameda Hospital by Service Line

In Thousands	Acute	SNF and Subacute	Wound Care & Marina Specialty	Direct Facility Shared Services	Grand Total
<i>Operating Revenue -----</i>					
Net Patient Revenue	77,730	45,603	5,297	0	128,629,725
Capitation Revenue	1,539	647	27	0	2,213,165
Other Government Programs	19,419	14,526	506	0	34,451,286
Other Revenues	489	280	40	282	1,090,832
<b>Total Revenue - All Sources</b>	<b>99,177</b>	<b>61,055</b>	<b>5,871</b>	<b>282</b>	<b>166,385</b>
Projected 2026 Total Revenue	102,863	56,962	4,489	412	164,727
<b>Collection %</b>	<b>13.8%</b>	<b>20.9%</b>	<b>20.0%</b>		<b>15.9%</b>
Projected 2026 Collection %	14.2%	20.7%	16.7%	0.0%	16.0%
<i>Operating Expenses -----</i>					
Salaries & Benefits	64,291	41,703	2,782	21,701	130,477,843
Purchased Services	1,741	1,726	575	3,486	7,528,192
Contracted and Provider	5,232	309	1,032	0	6,572,451
Materials and Supplies	6,452	3,027	844	1,677	11,999,324
Facilities	364	81	169	6,494	7,108,115
Depreciation	423	1,033	405	2,861	4,721,493
General & Administration	56	50	13	354	473,722
<b>Total Operating Expenses</b>	<b>78,559</b>	<b>47,930</b>	<b>5,819</b>	<b>36,573</b>	<b>168,881</b>
Projected 2026 Total Operating Expenses	73,783	42,184	6,019	35,383	157,369
<b>Contribution Margin</b>	<b>20,617</b>	<b>13,125</b>	<b>51</b>	<b>(36,290)</b>	<b>(2,496)</b>
Projected 2026 Contribution Margin	29,080	14,779	(1,530)	(34,971)	7,358
<b>Non-Op Activity, Measure A, GPP, QIP &amp; System OH Allocation</b>	4,479	2,227	741	(9,141)	(1,694)
<b>Net Income (Loss)</b>	<b>24,889</b>	<b>15,229</b>	<b>775</b>	<b>(45,532)</b>	<b>(4,639)</b>
Projected 2026 Net Income	33,693	17,647	(825)	(43,888)	6,628

➤ Variance in operating expenses driven by Labor COLA

# Alameda Hospital by Service Line

<u>Statistics</u>	Budget 2027				Projected 2026					Total Variance	
	Acute	SNF and Subacute	Wound Care & Marina Specialty	Direct Facility Shared Services	Grand Total	Acute	SNF and Subacute	Wound Care & Marina Specialty	Direct Facility Shared Services		Grand Total
Patient Days	11,531	61,834			73,365	11,669	61,985			73,653	(288)
Discharges	2,741	127			2,868	2,697	146			2,843	25
Length of Stay	4.2	487.2			25.6	4.3	426.0			25.9	(0.3)
Observation Care Days	2,949				2,949	2,949				2,949	(0)
Adj Patient Days	21,002				21,599	21,572				21,572	27
Adj Discharges	4,669				5,047	4,986				4,986	61
Cost per Adj Patient Day	\$ 3,741				\$ 7,819	\$ 3,420				\$ 7,295	\$ 524
Cost per Adj Discharge	\$ 16,826				\$ 33,462	\$ 14,798				\$ 31,562	\$ 1,900
Average Daily Census		169.4			169.4		169.8			169.8	(0.4)
Occupancy %		94%			94%		94%			94%	0%
ED Visits	20,344				20,344	20,522				20,522	(178)
IP Surgeries	165				165	170				170	(5)
OP Surgeries	61				61	69				69	(8)
Total Surgeries	226				226	239				239	(13)
Total Clinic Visits			15,968		15,968			16,136		16,136	(168)
Total FTEs	235.9	245.7	20.1	123.1	624.8	236.9	254.3	21.3	127.7	640.3	(15.4)

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# Fairmont Hospital by Service Line

In Thousands	OP Rehab	SNF	Direct Facility Shared Services	Grand Total
<i>Operating Revenue -----</i>				
Net Patient Revenue	1,334	29,154	0	30,488
Capitation Revenue	295	93	0	388
Other Government Programs	3	9,181	462	9,646
Other Revenues	38	321	403	763
<b>Total Revenue - All Sources</b>	<b>1,670</b>	<b>38,749</b>	<b>865</b>	<b>41,285</b>
<i>Projected 2026 Total Revenue</i>	<i>1,429</i>	<i>33,073</i>	<i>780</i>	<i>35,282</i>
<b>Collection %</b>	<b>10.8%</b>	<b>24.3%</b>		<b>23.0%</b>
<i>Projected 2026 Collection %</i>	<i>9.1%</i>	<i>19.6%</i>		<i>18.9%</i>
<i>Operating Expenses -----</i>				
Salaries & Benefits	5,273	28,953	14,587	48,813
Purchased Services	9	407	1,993	2,409
Contracted and Provider	0	1,776	0	1,776
Materials and Supplies	196	1,778	2,468	4,441
Facilities	5	47	3,041	3,092
Depreciation	8	90	352	449
General & Administration	3	25	71	99
<b>Total Operating Expenses</b>	<b>5,493</b>	<b>33,076</b>	<b>22,511</b>	<b>61,081</b>
<i>Projected 2026 Total Operating Expenses</i>	<i>5,747</i>	<i>31,286</i>	<i>22,065</i>	<i>59,098</i>
<b>Contribution Margin</b>	<b>(3,823)</b>	<b>5,673</b>	<b>(21,646)</b>	<b>(19,796)</b>
<i>Projected 2026 Contribution Margin</i>	<i>(4,318)</i>	<i>1,787</i>	<i>(21,286)</i>	<i>(23,817)</i>
<b>Non-Op Activity, Measure A, GPP, QIP &amp; System OH Allocation</b>	456	3,334	(766)	3,024
<b>Net Income (Loss)</b>	<b>(3,383)</b>	<b>8,900</b>	<b>(22,477)</b>	<b>(16,960)</b>
<i>Projected 2026 Net Income</i>	<i>(4,029)</i>	<i>4,120</i>	<i>(22,424)</i>	<i>(22,333)</i>

➤ Proj2026 excludes IOP

# Fairmont Hospital by Service Line

Statistics

	Budget 2027				Projected 2026				Total Variance
	OP Rehab	SNF	Direct Facility Shared Services	Grand Total	OP Rehab	SNF	Direct Facility Shared Services	Grand Total	
Patient Days		39,123		39,123		39,000		39,000	123
Discharges		78		78		96		96	(18)
Length of Stay		501.3		501.3		406.3		406.3	95.1
Average Daily Census		107.2		107.2		106.8		106.8	0.3
Occupancy %		98%		98%		98%		98%	0%
Cost per Patient Day		\$ 845		\$ 845		\$ 802		\$ 802	\$ 43
Cost per Discharge		\$ 423,837		\$ 423,837		\$ 325,898		\$ 325,898	\$ 97,939
Total FTEs	23.5	152.2	96.1	271.8	23.3	151.5	101.5	298.8	(27.0)

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In Thousands	Eastmont	Highland	Hayward	Newark	Direct Facility Shared Services	Grand Total	
<i>Operating Revenue</i> -----							
Net Patient Revenue	37,321	74,459	14,368	8,414	0	134,561	
Capitation Revenue	4,819	6,019	3,928	2,618	0	17,383	
Other Government Programs	29	63	13	7	0	112	
Other Revenues	914	429	102	58	108	1,612	
<b>Total Revenue - All Sources</b>	<b>43,084</b>	<b>80,970</b>	<b>18,410</b>	<b>11,097</b>	<b>108</b>	<b>153,669</b>	
Projected 2026 Total Revenue	41,759	55,573	15,968	10,570	226	124,096	
<b>Collection %</b>	<b>63.0%</b>	<b>58.8%</b>	<b>56.2%</b>	<b>58.9%</b>		<b>59.6%</b>	➤ Collection % increase due to HGH FQHC settlement and increase in EWC rate
Projected 2026 Collection %	56.4%	42.4%	54.2%	56.6%		48.7%	
<i>Operating Expenses</i> -----							
Salaries & Benefits	19,629	44,336	8,764	5,172	13,143	91,045	
Purchased Services	346	91	436	338	385	1,595	
Contracted and Provider	11,176	29,058	5,084	2,370	0	47,688	
Materials and Supplies	3,162	2,087	1,359	652	49	7,309	
Facilities	999	209	630	129	35	2,001	
Depreciation	2,794	287	615	93	0	3,789	
General & Administration	67	89	22	8	27	213	
<b>Total Operating Expenses</b>	<b>38,173</b>	<b>76,156</b>	<b>16,910</b>	<b>8,762</b>	<b>13,639</b>	<b>153,641</b>	➤ Variance due to moving Bridge Clinic from HGH to FQHC and Labor COLA
Projected 2026 Total Operating Expenses	35,417	64,431	15,143	8,598	6,179	129,769	
<b>Contribution Margin</b>	<b>4,911</b>	<b>4,814</b>	<b>1,500</b>	<b>2,335</b>	<b>(13,531)</b>	<b>28</b>	
Projected 2026 Contribution Margin	6,342	(8,858)	825	1,972	(5,953)	(5,673)	
<b>Non-Op Activity, Measure A, GPP, QIP &amp; System OH Allocation</b>							
	2,274	6,997	1,047	763	(1,601)	9,479	
<b>Net Income (Loss)</b>	<b>7,081</b>	<b>11,623</b>	<b>2,502</b>	<b>3,072</b>	<b>(15,150)</b>	<b>9,129</b>	
Projected 2026 Net Income	7,284	(5,069)	1,764	2,829	(6,018)	791	
		85/114					

<u>Statistics</u>	Budget 2027						Projected 2026						Total Variance
	Eastmont	Highland	Hayward	Newark	Direct Facility Shared Services	Grand Total	Eastmont	Highland	Hayward	Newark	Direct Facility Shared Services	Grand Total	
Primary Care Clinics	49,113	69,608	44,127	24,162		187,010	52,386	69,014	39,089	24,875		185,363	1,647
Dental Services	17,342	23,106				40,448	16,431	24,099				40,530	(82)
Specialty Clinics	17,868	125,073	6,396	1,531		150,868	19,511	108,788	5,666	1,577		135,540	15,328
Psych Clinic	513					513	597					597	(84)
Total Clinic Visits	84,836	217,787	50,523	25,693		378,839	88,925	201,900	44,754	26,451		362,030	16,810
Gross Revenues per Visit	\$ 698	\$ 581	\$ 506	\$ 556		\$ 595.86	\$ 718	\$ 576	\$ 491	\$ 530		\$ 597	\$ (1)
Costs per Visit	\$ 450	\$ 350	\$ 335	\$ 341		\$ 406	\$ 398	\$ 322	\$ 338	\$ 325		\$ 360	\$ 45
Total FTEs	123.4	277.1	54.1	30.5	25.4	519.6	126.2	259.9	53.9	31.7	25.0	504.0	15.7

➤ Specialty Clinics increased due to HGH Bridge Clinic FQHC designation (17,102) offset by Eastmont Specialty (1,643)

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In Thousands	<b>Total</b>
<i>Operating Revenue -----</i>	
<i>Net Patient Revenue</i>	96,645
<i>Capitation Revenue</i>	0
<i>Other Government Programs</i>	0
<i>Other Revenues</i>	754
<b>Total Revenue - All Sources</b>	<b>97,399</b>
<i>Projected 2026 Total Revenue</i>	96,124
<b>Collection %</b>	<b>30.1%</b>
<i>Projected 2026 Collection %</i>	31.6%
<i>Operating Expenses -----</i>	
Salaries & Benefits	90,929
Purchased Services	3,837
Contracted and Provider	19,588
Materials and Supplies	1,921
Facilities	2,183
Depreciation	323
General & Administration	45
<b>Total Operating Expenses</b>	<b>118,827</b>
<i>Projected 2026 Total Operating Expenses</i>	113,666
<b>Contribution Margin</b>	<b>(21,428)</b>
<i>Projected 2026 Contribution Margin</i>	(17,541)
<b>Non-Op Activity, Measure A, GPP, QIP &amp; System OH Allocation</b>	<b>8,436</b>
<b>Net Income (Loss)</b>	<b>(13,325)</b>
<i>Projected 2026 Net Income</i> 87/114	(13,325)

➤ Variance due to Labor COLA

**Statistics**

	Budget 2027	Projected 2026	Variance	
Patient Days	24,093	24,026	68	●
Discharges	2,420	2,490	(70)	●
Length of Stay	10.0	9.6	0.3	▲ ●
Adj Patient Days	28,413	28,608	(195)	●
Adj Discharges	3,155	2,965	190	●
Cost per Adj Patient Day	\$ 4,182	\$ 3,973	\$ 209	●
Cost per Adj Discharge	\$ 37,663	\$ 38,336	\$ (673)	●
ED Visits / PES	9,618	9,618	(0)	▲ ●
Total FTEs	382.3	395.8	(13.5)	●

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In Thousands	<b>Total</b>
<i>Operating Revenue -----</i>	
<i>Net Patient Revenue</i>	467,181
<i>Capitation Revenue</i>	25,991
<i>Other Government Programs</i>	118,579
<i>Other Revenues</i>	64,710
<b>Total Revenue - All Sources</b>	<b>676,461</b>
<i>Projected 2026 Total Revenue</i>	702,300
	<b>Collection % 16.7%</b>
	<i>Projected 2026 Collection % 17.6%</i>
<i>Operating Expenses -----</i>	
Salaries & Benefits	453,096
Purchased Services	35,169
Contracted and Provider	107,526
Materials and Supplies	126,801
Facilities	17,743
Depreciation	4,522
General & Administration	1,908
<b>Total Operating Expenses</b>	<b>746,764</b>
<i>Projected 2026 Total Operating Expenses</i>	735,850
<b>Contribution Margin</b>	<b>(70,303)</b>
<i>Projected 2026 Contribution Margin</i>	(33,551)
<b>Non-Op Activity, Measure A, GPP, QIP &amp; System OH Allocation</b>	31,653
<b>Net Income (Loss)</b>	<b>(40,684)</b>
<i>Projected 2026 Net Income</i>	89/114 (23,207)

➤ *Proj2026 excludes IOP  
HGH Bridge Clinic moved to FQHC  
Variance in operating expenses due to  
Labor and Supplies COLA*

Statistics

	Budget 2027	Projected 2026	Variance	
Patient Days	49,013	49,698	(685)	●
Discharges	10,346	9,129	1,217	●
Length of Stay	4.7	5.4	(0.7)	●
Observation Care Days	3,297	3,300	(3)	●
Adj Patient Days	91,854	89,282	2,573	●
Adj Discharges	15,940	16,403	(463)	●
Cost per Adj Patient Day	\$ 6,692	\$ 6,737	\$ (45)	●
Cost per Adj Discharge	\$ 37,895	\$ 36,662	\$ 1,233	●
ED Visits / PES	56,836	57,734	(898)	●
IP Surgeries	2,357	2,850	(493)	●
OP Surgeries	2,551	2,655	(104)	●
Total Surgeries	4,908	5,505	(597)	●
Infusion Services Center Visits	9,384	9,183	201	●
Total FTEs	1,939.8	1,958.1	(18.3)	●

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# San Leandro Hospital by Service Line

In Thousands	Direct Facility			
	Acute	Rehab	Shared Services	Grand Total
<i>Operating Revenue -----</i>				
Net Patient Revenue	98,881	32,389	0	131,270
Capitation Revenue	7,481	145	0	7,625
Other Government Programs	23,187	2,100	0	25,287
Other Revenues	746	154	433	1,334
<b>Total Revenue - All Sources</b>	<b>130,296</b>	<b>34,787</b>	<b>433</b>	<b>165,516</b>
<i>Projected 2026 Total Revenue</i>	<i>131,316</i>	<i>35,044</i>	<i>406</i>	<i>166,766</i>
<b>Collection %</b>	<b>13.4%</b>	<b>36.5%</b>		<b>15.9%</b>
<i>Projected 2026 Collection %</i>	<i>13.8%</i>	<i>37.6%</i>		<i>16.3%</i>
<i>Operating Expenses -----</i>				
Salaries & Benefits	80,072	21,344	16,655	118,071
Purchased Services	1,953	1,222	3,139	6,314
Contracted and Provider	21,790	2,069	0	23,859
Materials and Supplies	15,244	305	1,447	16,996
Facilities	202	3	3,962	4,167
Depreciation	1,724	100	1,409	3,234
General & Administration	131	2	192	325
<b>Total Operating Expenses</b>	<b>121,116</b>	<b>25,046</b>	<b>26,804</b>	<b>172,965</b>
<i>Projected 2026 Total Operating Expenses</i>	<i>112,630</i>	<i>22,246</i>	<i>26,665</i>	<i>161,541</i>
<b>Contribution Margin</b>	<b>9,180</b>	<b>9,741</b>	<b>(26,371)</b>	<b>(7,449)</b>
<i>Projected 2026 Contribution Margin</i>	<i>18,686</i>	<i>12,798</i>	<i>(26,259)</i>	<i>5,225</i>
<b>Total Non Operating Activity</b>	<b>(329)</b>	<b>(65)</b>	<b>(78)</b>	<b>(472)</b>
<b>Non-Op Activity, Measure A, GPP, QIP &amp; System OH Allocation</b>	9,622	592	(3,493)	6,722
<b>Net Income (Loss)</b>	<b>18,473</b>	<b>10,269</b>	<b>(29,942)</b>	<b>(1,199)</b>
<i>Projected 2026 Net Income</i>	<i>24,755</i>	<i>13,161</i>	<i>(30,610)</i>	<i>7,307</i>
	91/114			

➤ Variance in operating expenses due to Labor COLA (\$5.4M) & Contracted & Provider (\$5.7M)

# San Leandro Hospital by Service Line

Statistics

	Budget 2027				Projected 2026				Total Variance
	Acute	Rehab	Direct Facility Shared Services	Grand Total	Acute	Rehab	Direct Facility Shared	Grand Total	
Patient Days	10,673	8,402		19,075	10,827	8,333		19,160	(85)
Discharges	2,954	633		3,587	2,952	612		3,564	23
Length of Stay	3.6	13.3		16.9	3.7	13.6		5.4	11.5
Observation Care Days	2,671			2,671	2,671			2,671	0
Adj Patient Days	26,210			26,210	26,616			26,799	(589)
Adj Discharges	7,254			7,254	7,257			7,287	(32)
Cost per Adj Patient Day	\$ 4,621			\$ 6,599	\$ 4,203			\$ 4,203	\$ 2,396
Cost per Adj Discharge	\$ 16,696			\$ 23,843	\$ 15,457			\$ 15,457	\$ 8,386
Average Daily Census		23.0		23.0		22.8		22.8	0.2
Occupancy %		82%		82%		82%		82%	1%
ED Visits / PES	34,617			34,617	34,535			34,535	83
IP Surgeries	494			494	465			465	29
OP Surgeries	1,899			1,899	1,821			1,821	78
Total Surgeries	2,393			2,393	2,286			2,286	107
Total FTEs	323.8	78.1	105.8	507.7	313.4	74.4	109.4	497.1	10.6

# Performance Improvement Initiatives

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# Revenue Improvement Tactics

In Thousands

#	Accountable	Tactic Name	Description	FY27 Target (Range)**	Variance	Metric	Budget Linked	Status
1	Shari Johnson	Charge Capture Optimization	<ul style="list-style-type: none"> <li>Improve Charge Capture</li> <li>Clinical Documentation Improvement</li> <li>Epic Build for Revenue Capture</li> </ul>	\$1,000 - \$3,300	0		X	
2	Dr. Mack/Temi	Ambulatory Access & Revenue Improvement	<ul style="list-style-type: none"> <li>Improve Clinic Staffing Efficiency</li> </ul>	\$450 – \$900	0		X	
3	Shari Johnson	Ambulatory Access & Revenue Improvement	<ul style="list-style-type: none"> <li>Reduce Cancellations &amp; No-Shows</li> </ul>	\$1,000 – \$3,000	0		X	
			<b>Potential Impact</b>	<b>\$2,500 - \$7,200</b>				

\*\*Revenue improvement targets are measured in Year over Year incremental improvements

- 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.
- Figures reflect preliminary submissions and require validation and refinement by accountable owners; amounts are expected to evolve through iterative budget cycles. Not included preliminary budget.

# Expense Improvement Tactics

In Thousands

#	Accountable	Tactic Name	Description	FY27 Target (Range)**		Variance	Metric	Budget Linked	Status
1	Salma Adin Dr. Wu	Length of Stay Optimization	Leverage new EPIC module and nursing control tower system.	\$4,000	\$12,000	0	YoY LOS Reduction of 0.2. From (5.8 to 5.6)		
2	Ahmad Azizi	Contract Management	Identify savings during negotiations of expiring contracts.	\$4,000	\$12,000	0	Contracts	X	
3	Mark Fratzke/Jet Chapman	Workforce Planning	Align staffing levels to volume demand by maximizing productivity, redesigning processes to eliminate inefficiencies, and optimizing scheduling.	\$15,000	\$24,000	0	Labor Expense. 4% attrition (200 FTE) achieved by mid year. Include Paid Admin Leave as part of analysis.	X	
4	Mark Fratzke	Non Labor Budget Cuts	2.6% YoY savings with budget leader submission/review of annual spend.	\$8,000	\$12,000	0	2.6% Non Labor Expense	X	
5	Dr. Laurent/Terrance FS	OT Reduction	Reduce OT by 20%	\$2,000	\$5,000	0	OT System Level		
6	Jet Chapman / Arleen Gomez	Performance Management	Enhance performance management through consistent evaluations, targeted coaching, and clear accountability to improve workforce effectiveness.	\$1,000	\$3,000	0	Productivity Gross Revenue/FTE Increase	X	
7	Doug Johnson	SC Cost Downs	Supply Chain Cost Downs (YoY decline)	\$2,000	\$6,000	0	Non Labor Expense. (\$6,000 gross savings). Savings from YoY amount.	X	
8	James Helena	Facility Repair Cost Controls	Establish planned maintenance program to reduce reactive repair spend.	\$3,000	\$6,000	0	Non Labor Expense. Align invoice payment timing with construction cost budgeting. YoY Savings.	X	
9	Jet Chapman	VR/ER	Conduct FY27 Voluntary Resignations/Early Retirement	\$250	\$1,000	0	Labor Expense. Savings start in October. Estimate of 25 FTEs	X	
10	Mark F/ Dr. Laurent	Travel	Reduce Travel Expense by 25% from FY26	\$200	\$500	0	25% reduction from FY26 YE expense.	X	
11	Jet Chapman	PTO Payouts	Reduce max PTO by 20% for all employees. Policy conversion to 'use it or lose it' model	\$500	\$2,000	0	Labor Expense	X	
12	Dr. Laurent/Terrance FS	Meal Breaks	Reduce Meal Break Penalties	\$500	\$1,500	0	Labor Expense	X	
13	Preston Walton	Foundation	Incremental contribution to AHS.	\$4,000	\$8,000	0	YoY \$ Funds contributed to AHS.	X	
14	Jet Chapman	HR Program Review	Review HR programs to identify efficiency opportunities and cost management strategies	\$5,000	\$8,000	0	TBD		
15	Board of Trustees	Reorganization	July 20 – Announce . Beilenson Aug 25 <sup>th</sup> . Decision 9/1.	\$7,500	\$20,000	0	Labor Expense	X	
			Potential Impact	\$58,000	\$120,000				

- Ongoing refinement and governance: **Initiatives will continue to evolve through Ad Hoc Committee discussions.**
- Figures reflect preliminary submissions and require validation and refinement by accountable owners. Not included in preliminary budget.

# APPENDIX

<b>Items</b>	<b>Pages</b>
➤ Budget Goals & Principles	25
➤ Key Budget Assumptions	26-28
➤ Volumes	29
➤ Other Government Revenues	30-32
➤ Allocation of HPAC, Capitation & Other Gov't Revenues	33

# 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 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

# Key Budget Assumptions

## Baseline is based on CY2025

### Volumes

- In light of HR 1 and expected and unknown utilization changes, volumes and charges are slightly lower and consistent with current trends; overall adjusted patient days decreased 0.2%

### 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
- Deferred RIF Impact for IOP closure reduction of revenue (\$4.6M)

### 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 \$50.5M
- Deferred RIF Impact reduction (\$25.7M)

# Key Budget Assumptions

- Employee Benefits (\$16.6M)
  - 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
  - Deferred RIF savings (\$5.9M)
- Retirement at same percentage of salary as FY25 (\$5.6M)
  - Increase due to CPI (\$8.2M)
  - Deferred RIF savings (\$2.8M)

## Contracted Physicians

- Physician Contracts based on CY25 run rate adjusted for increase rates as of 7/2026.
- Savings identified not in budget yet

## 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, consistent with current year

# Key Budget Assumptions

## Foundation

- Funded total operating cost of \$5.2M
- Grants and fundraising revenue is \$10.9M, an increase of \$1.8M over projected FY2026

## Capital

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

DRAFT

# Volumes

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

- **Budget 2027 excludes IOP visits (30,703) and HGH Psych Clinic (1,100) due to Deferred RIFs**

	ACTUAL2025	ACTUAL2026 Ann Feb 2026	BUDGET 2027	Var to Act Annl Mar 2026	% to Act Annl Mar 2026 Orig
<b>Campus: AHS ALL CAMPUS</b>					
Total Adjusted Patient Days	215,173	212,969	212,288	(680)	-0.3%
Total Adjusted Discharges	34,863	36,424	36,300	(124)	-0.3%
Physician wRVU	1,671,512	1,627,055	1,623,746	(3,309)	-0.2%
FQHC & Other Clinic Visits	411,554	428,879	395,119	(33,760)	-7.9%
<b>GENERAL ACUTE</b>					
Patient Days	76,737	72,194	71,217	(977)	-1.4%
Discharges	14,554	14,780	14,681	(99)	-0.7%
ALOS: Average Length of Stay	5.3	4.9	4.9	0.0	-0.7%
Occupancy %	70.5%	66.4%	65.5%	-0.9%	
CMI	1.6340	1.6190	1.6190	-	0.0%
Observation Days	7,768	8,911	8,911	0	0.0%
Emergency Visits	109,570	112,790	111,797	(990)	-0.9%
Trauma Cases	3,659	3,648	3,602	(50)	-1.3%
Surgeries	8,480	8,030	7,979	(51)	-0.6%
Deliveries	1,541	1,602	1,555	(47)	-2.9%
<b>PSYCH</b>					
Patient Days	23,788	24,026	24,093	68	0.3%
Discharges	2,473	2,490	2,420	(70)	-2.8%
ALOS: Average Length of Stay	9.6	9.6	10.0	0.3	3.2%
PES Equivalent Days	8,392	8,342	8,689	348	4.2%
<b>REHAB</b>					
Patient Days	8,360	8,333	8,402	70	0.8%
Discharges	615	612	633	21	3.4%
ALOS: Average Length of Stay	13.6	13.6	13.3	(0.3)	-2.5%
Occupancy %	81.8%	81.5%	82.2%	0.7%	
<b>SNF</b>					
SNF Patient Days	100,381	100,985	100,957	(27)	0.0%
Average Daily Census	275.0	276.7	276.6	(0)	0.0%
Occupancy %	94.8%	95.4%	95.4%	0.0%	
Bed Holds	1,072	957	960	3	0.3%
<b>Payor Mix</b>					
Insurance %	7.5%	6.7%	6.5%	-0.2%	
Medi-Cal %	56.2%	59.6%	59.9%	0.3%	
Medicare %	34.7%	29.5%	29.4%	-0.1%	
Other Govt %	1.2%	1.5%	1.6%	0.1%	
Self-Pay %	101/114 0.5%	2.8%	2.7%	-0.2%	
Total Payor Mix %	100.0%	100.0%	100.0%	0.0%	

# Other Government Revenues

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
<b>Medi-Cal Waiver</b>	<b>\$ 140,537</b>	<b>\$ 101,476</b>	<b>\$ 91,320</b>	<b>\$ 91,426</b>	<b>\$ 78,419</b>	<b>\$ 78,230</b>	<b>\$ 79,013</b>	<b>\$ 79,803</b>	
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.
<b>Measure A &amp; Parcel Tax</b>	<b>\$ 150,226</b>	<b>\$ 152,294</b>	<b>\$ 152,049</b>	<b>\$ 152,049</b>	<b>\$ 152,049</b>	<b>\$ 152,049</b>	<b>\$ 152,049</b>	<b>\$ 152,049</b>	
FEMA FUNDING	5,830	223	-	-	-	-	-	-	Approved claims from FEMA for COVID relief.
<b>Covid Funding</b>	<b>\$ 5,830</b>	<b>\$ 223</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

# Other Government Revenues

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 Revenues

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.
CaAim 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 CaAim 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
<b>Supplemental Programs</b>	<b>\$ 267,333</b>	<b>\$ 276,722</b>	<b>\$ 297,711</b>	<b>\$ 337,467</b>	<b>\$ 233,610</b>	<b>\$ 275,411</b>	<b>\$ 255,278</b>	<b>\$ 229,108</b>	
<b>Total Other Government Programs</b>	<b>\$ 563,927</b>	<b>\$ 530,715</b>	<b>\$ 541,080</b>	<b>\$ 580,942</b>	<b>\$ 464,078</b>	<b>\$ 505,690</b>	<b>\$ 486,340</b>	<b>\$ 460,960</b>	

# HPAC, Capitation & Other Gov't Revenue Allocation

Supplemental Revenue Allocation Methodology			
Account	Description	Allocation Method	Amount
36100	COUNTY HPAC	HPAC FY2026 Actual Gross Revenues	\$39.4M
36150	CAPITATION (Alameda Alliance)	Directly Assigned to FQHC by Site	\$14.2M
36115	COUNTY EMS FUNDING	Directly Assigned to HGH	\$0.4M
36120	COUNTY TRAUMA FUNDING	Directly Assigned to HGH	\$5.3M
36300	GLOBAL PMT PROG (1115 WAIVER)	Based on FY2026 Actual Operating Expense excl JGP	\$91.3M
36302	CalAIM ECM (Enhanced Care Management)	Directly Assigned to HGH	\$1.0M
36303	DP-NF PASS-THROUGH	Based on Medi-Cal Managed Care SNF days by Site	\$23.4M
36305	STATE SNF SUPPLEMENTAL	Based on SNF Days by Site	\$0.5M
36314	SPA#17-030 Prop#56	PF Gross Revenue excl JGP	\$0.2M
36315	DHCS PHYSICIANS SPA 05-023 PNPP	PF Gross Revenue excl JGP	\$1.8M
36325	RATE RANGE: MCal Mngd Care Supp	Medi-Cal Mngd Care Gross Revenues excl JGP, FQ & SNF	\$38.8M
36328	EPP-Enhanced Payment Program	Medi-Cal Mngd Care Gross Revenues excl FQ & JGP	\$84.8M
36329	QIP-Quality Improvement Program	Based on FY2026 Actual Operating Expense	\$113.7M
36331	SB239 HOSPITAL FEE (MGD CARE)	Based on HB Gross Revenues excl FQ & JGP & SNF	\$3.7M
36332	MEDI-CAL GME (Graduate Medical Education)	Directly Assigned to HGH	\$14.2M
36333	Incentive P4P (Alliance Anthem)	Directly Assigned to HGH	\$1.2M
36340	AB915 CERT PUBLIC EXPENDITURE	Medi-Cal OP Gross Revenues for Acute Hospitals Only	\$8.8M
36342	FEMA Funding	Based on FY2026 Actual Operating Expense	\$0.0M
36400	Measure A	Based on FY2026 Actual Operating Expense	\$148.0M
36410	AHD Parcel Tax	Direct Assignment to AH	\$4.0M
	<b>Grand Total</b>	105/114	<b>\$594.7M</b>

## **ACTION / DISCUSSION: Contracts**

# Contract Approvals

## May 2026

**1) Agreement with Contra Costa Pathology Associates for provision of anatomic pathology and histology laboratory services. The term of this agreement is effective May 20, 2026 through May 19, 2029. The estimated impact of this agreement is \$2,700,000.**

*Mark Fratzke, Chief Operating Officer*

**2) Renewal agreement with Quest Diagnostics for provision of reference laboratory testing services. The term of this agreement is effective June 1, 2026 through May 31, 2033. The estimated impact of this agreement is \$25,619,650.**

*Mark Fratzke, Chief Operating Officer*

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

# Board of Trustees Contract Summary | 2026

<b>Contractor/Vendor Name:</b>	Contra Costa Pathology Associates (“CCPA”)
<b>Description:</b>	<p>Alameda Health System (“AHS”) seeks to enter into a three-year agreement, in the total amount of \$2,700,000, with Contra Costa Pathology Associates (“CCPA”), a California-based provider specializing in anatomic pathology and histology laboratory services. This agreement follows the recent acquisition of AHS’ prior reference laboratory (IMB-Path), which discontinued local histology services with limited notice, necessitating an expedited transition to maintain continuity of care.</p> <p>CCPA provides comprehensive technical pathology support to healthcare systems, including advanced laboratory capabilities and experienced histotechnologists. Their infrastructure and expertise allow them to deliver high-quality, consistent, and compliant histology services at large.</p> <p>Under this agreement, CCPA will provide outsourced anatomic pathology technical (“Histology”) services for AHS, including receipt and tracking of tissue cassettes, tissue processing, embedding, microtomy, slide preparation, routine hematoxylin and eosin (“H&amp;E”) staining, additional levels and recuts, special stains, and immunohistochemistry (“IHC”), as well as technical support for tumor IHC analysis. CCPA will also be responsible for quality control, labeling, packaging, and delivery of completed slides back to AHS, where AHS pathologists will perform the final diagnostic interpretation.</p> <p>AHS is now seeking to enter into this agreement to ensure continuity, reliability, and timeliness of critical pathology services, particularly in light of the IMD-PSI local lab closure and the increasing demand for histology and IHC services.</p> <p>Outsourcing these technical components allows AHS to maintain consistent turnaround times for diagnostic materials, reduce operational strain on internal laboratory resources, and avoid potential delays in patient diagnosis and treatment. By leveraging CCPA’s specialized expertise and established processes, AHS can ensure that all histology services are performed in accordance with industry standards and regulatory requirements.</p> <p>Additionally, partnering with CCPA provides an efficient solution that supports AHS’s broader clinical and operational goals. This arrangement allows AHS to focus internal resources on diagnostic and patient-facing activities while relying on a trusted vendor for the technical preparation of slides. The agreement ultimately enhances patient care by ensuring accurate, timely, and high-quality pathology services, while also providing operational stability and predictability over the three-year term.</p>
<b>Contract Type and Term:</b>	Statement of Work 05/20/2026 through 5/19/2029
<b>Termination Clause:</b>	Either Party may terminate this Agreement without cause and without further liability by providing sixty (60) days’ notice, in writing, to the other Party.

# Board of Trustees Contract Summary | 2026

<b>Total Spend with Vendor:</b>	<b>Description</b>		<b>Board Approval</b>		<b>Total</b>												
	Anatomic Pathology Technical Services		\$2,700,000		\$2,700,000												
	<b>Total Requested Amount:</b>		<b>Approval Requested</b>		<b>\$2,700,000</b>												
<b>Cost Savings:</b>	Financially, the agreement provides a favorable cost structure compared to the prior vendor. AHS' previous annual spend was approximately \$970,000; under this agreement, projected annual spend is approximately \$900,000, resulting in estimated savings of \$70,000 annually and \$210,000 over the three-year term. Additional savings are anticipated due to significantly lower IHC pricing, which is approximately 48% less than prior rates, and is expected to drive further cost reductions based on projected volumes.																
<b>Fiscal Implications:</b>	Included in FY 26 budget.																
<b>Reasons for Recommendation:</b>	AHS recommends partnering with CCPA because it provides a reliable and scalable solution to support critical histology services amid internal capacity constraints, ensuring consistent turnaround times and high-quality diagnostic support. In addition, the agreement offers a more favorable cost structure and improved pricing for key services, supporting AHS's goal of maintaining operational efficiency while delivering high standards of patient care.																
<b>Impacted Facilities:</b>	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>JGPH</th> <th>Highland</th> <th>Fairmont</th> <th>San Leandro</th> <th>Alameda</th> <th>Clinic(s)</th> </tr> </thead> <tbody> <tr> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> <td>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												
<b>Coordination with Medical Staff:</b>	This agreement was reviewed and approved by the Department Chair of Laboratory Medicine & Pathology																
<b>Administrative Review:</b>	System Director, Clinical Lab Operations																
<b>Prior BOT Review/Action:</b>	N/A																
<b>Executive Sponsor</b>	Chief Operating Officer																

<b>Contractor/Vendor Name:</b>	Quest Diagnostics (“Quest”)
<b>Description</b>	<p>In 2019, Alameda Health System (“AHS”) entered into a system-wide agreement (“Current Agreement”) with Quest for esoteric laboratory testing—low-volume, highly specialized assays such as genetic, molecular, oncology, immunology, and specialty infectious disease testing. These diagnostics are essential to patient care but are not feasible to perform in-house due to the significant capital investment, facility modifications, and specialized personnel required. The Current Agreement was executed in conjunction with our group purchasing organization partner (“Vizient”). This has ensured continued access to these essential advanced services while avoiding substantial startup and ongoing operational costs, making outsourcing the most cost-effective and operationally sound approach.</p> <p>Given the importance of retaining these essential services and in light of the reliable performance of the incumbent, AHS leadership is proposing to enter into a renewal agreement (“Renewal”) with an initial 3-year term (“Initial Term”) followed by 2 optional 2-year automatic renewal periods (“Auto-Renewal Terms”).</p> <ul style="list-style-type: none"> <li>• <u>Proven Quality and Compliance</u> – Quest maintains several regulatory accreditations, delivering high-quality, accurate, and defensible results necessary to care for AHS patients.</li> <li>• <u>Large Cost Savings</u> – Quest has agreed to significant price reductions, which would amount to an estimated \$499,404 annual savings or \$3,495,828 over the course of the 7-year agreement for AHS.</li> <li>• <u>Price Stability</u> – Quest maintains Vizient GPO supplier status, qualifying all AHS spend for an annual share-back, and provides AHS with reduced locked-in pricing for the 7-year term.</li> <li>• <u>Established Logistics</u> – Quest has courier routes in place across AHS Labs (WCHHC, SLH, ALH) for timely, efficient specimen transport.</li> <li>• <u>Seamless Data Integration</u> – Quest has an existing bi-directional interface with AHS through Epic for orders and results, ensuring accurate, secure, streamlined data exchange.</li> </ul> <p>In light of the above and based on past and projected utilization, and utilization savings, AHS leadership is requesting Board approval to enter the proposed Renewal.</p>
<b>Contract Type and Term:</b>	Vizient End User Agreement to Reference Lab Testing Agreement with Quest Initial Term: June 1, 2026 – May 31, 2029 Auto-Renewal period 1: June 1, 2029 – May 31, 2031 Auto-Renewal period 2: June 1, 2031 – May 31, 2033
<b>Termination Clause:</b>	Without Cause: The agreement may be terminated by either party upon 90 days' written notice to the other party prior to the expiration of the Initial Term or a Renewal Term.

<b>Total Spend with Vendor:</b>	<b>Description</b>	<b>Board Approval</b>	<b>Total</b>														
	<b>Initial Term (June 1, 2026 – May 31, 2029)</b>		<b>\$10,979,850</b>														
	<b>Renewal (June 1, 2029 – May 31, 2031)</b>		<b>\$7,319,900</b>														
	<b>Renewal (June 1, 2031 – May 31, 2033)</b>		<b>\$7,319,900</b>														
	<b>Total Estimated Spend</b>	<b>Approval Requested</b>	<b>\$25,619,650</b>														
<b>Estimated Cost Savings:</b>	AHS realizes two categories of cost savings under the Current Agreement: 1) direct contractual savings, and 2) share back (AHS portion of GPO-negotiated vendor discount). Total cost savings over the 7-year term is \$3,495,829.																
<b>Fiscal Implications:</b>	Included in FY 26 budget.																
<b>Reasons for Recommendation:</b>	Allows for full funding of a key services agreement ensuring uninterrupted provision of services through the term of the agreement.																
<b>Impacted Facilities:</b>	<table border="1"> <thead> <tr> <th>AHS</th> <th>JGPH</th> <th>Highland</th> <th>Fairmont</th> <th>San Leandro</th> <th>Alameda</th> <th>SNFs</th> </tr> </thead> <tbody> <tr> <td>X</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	AHS	JGPH	Highland	Fairmont	San Leandro	Alameda	SNFs	X								
AHS	JGPH	Highland	Fairmont	San Leandro	Alameda	SNFs											
X																	
<b>Coordination with Medical Staff:</b>	The Current Agreement was reviewed and approved by the Department Chair of Laboratory Medicine & Pathology.																
<b>Administrative Review:</b>	System Director, Clinical Laboratory Services																
<b>Prior BOT Review/Action:</b>	The Board of Trustees approved the Current Agreement on September November 10, 2025.																
<b>Executive Sponsor:</b>	Chief Operating Officer																

**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
26	Hyland Software, Inc.	\$2,599,491	5/1/2026	4/30/2029	FC - 4-1-26 BOT Approved 4-8-26	Provision of enterprise content management services		Chief Information Officer
27	Mission Linen Supply	\$13,325,000	5/1/2026	4/30/2029	FC - 4-1-26 BOT Approved 4-8-26	Provision of linen rental and laundry services.		Chief Operating Officer
<b>Total Amount for FY 26 year to date</b>		<b>\$559,509,167</b>						