



PUBLIC NOTICE

Finance and Management Committee

Thursday, November 21, 2013

7:30 a.m. – 9:00 a.m.

Location: Alameda Hospital (Conference Room C)

(PLEASE NOTE LOCATION OF MEETING)

2070 Clinton Avenue, Alameda, CA 94501
Office of the Clerk: (510) 814-4001

Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address.

This is being noticed as a Board Meeting as a quorum of Directors may be present. Ex-officio members and non-committee members cannot vote on any item, whether or not a quorum of the Board is present.

- I. Call To Order Robert Deutsch, MD
II. Action Items
A. Acceptance of October 31, 2013 Minutes [enclosure] Robert Deutsch, MD
B. Recommendation to Accept October 2013 Unaudited Financial Statements [enclosure] Kerry Easthope
C. Recommendation to Approve Resolution 5K: Extension of Spending Authority [enclosure] Kerry Easthope
III. Chief Financial Officer Report Kerry Easthope
A. FY14 (January – June) Budget Planning
B. Cash Flow Forecast Update
IV. Chief Executive Officer Report Deborah E. Stebbins
A. Affiliation Updates
V. Board / Committee / Staff Comments
VI. Adjournment

NEXT MEETING: Thursday, January 30, 2014



Finance and Management Committee Minutes

October 31, 2013

Members Present: (Voting)	Robert Deutsch, MD Lynn Bratchett, RN	Ann Evans Emmons Collins, MD	
Management Present:	Deborah E. Stebbins Kerry J. Easthope Mary Bond, RN	Richard Espinoza Katy Silverman Karen Taylor, RN	Vandana Behl
Ex Officio/Guests:	Rick Jackson, Auditor – TCA Partners		
Absent:	Ed Kofman, William Sellman, MD		
Submitted by:	Kristen Thorson, District Clerk		

TOPIC	DISCUSSION	ACTION FOLLOW-UP
I. Call to Order	Director Deutsch called the meeting to order at 7:35 a.m.	
II. Action Items	A. Acceptance of the August 28, 2013 Minutes	Ms. Evans made a motion to approve the August 28 th Minutes. Mr. Bratchett seconded the motion. The motion carried.
	Acceptance of the September 26, 2013 Minutes	Dr. Collins made a motion to approve the September 26 th Minutes. Mr. Bratchett seconded the motion. The motion carried.
	B. Recommendation to Accept FYE 2013 Audited Financial Statements Mr. Easthope introduced auditor Rick Jackson from TCA Partners, who then reviewed the Audited Financial Statements as presented in the packet. The decrease in net position at the end of the year was a negative \$2,124,277 compared to a negative 1,492,953 in FY 2012. Mr. Jackson distributed a handout of Selected Financial Ratio Comparisons that compared the District's performance for the last two fiscal years as	Ms. Evans made a motion to recommend acceptance of the FYE June 30, 2013 Audited Financial Statements by the Board of Directors. Mr. Bratchett seconded the motion. The motion carried.

		<p>weel as with the average of 6 like-Kind Hospitals. After discussion of the ratios and the like-kind Hospitals, Mr. Easthope and Mr. Jackson noted to the committee that the ratios were meant to be a broad comparison and comparing like kind hospitals in California was difficult to get an exact comparison / match to our operations.</p>	
	C.	<p>Recommendation to Accept the September 2013 Unaudited Financial Statements</p> <p>Mr. Easthope reviewed a PowerPoint Presentation on the September Financial Statements that corresponded with the Financial Statements included in the meeting packet. He noted the following key areas:</p> <ul style="list-style-type: none"> • September Performance Overview • September Year End Adjustments • Key Volume Indicators • Case Mix Comparison • Statement of Operations • Net Revenues • Total Operating Expenses • Balance Sheet Changes • Financial Ratios • Key Finance Trend Tracking – FY 14 (including Overtime, Agency, Doubletime, PTO Accrual) <p>August had a consolidated net operating loss of \$204,000 vs. a budgeted loss of \$313,000. Copies of the presentation are available through Administration.</p>	<p>Mr. Bratchett made a motion to recommend acceptance of the September 2013 Unaudited Financial Statements by the Board of Directors. Ms. Evans seconded the motion. The motion carried.</p>
III. Chief Financial Officers Report	A.	<p>NDPH IGT Supplemental Program</p> <p>Mr. Easthope updated the Committee on the NDPH IGT federal matching program and that funds that were submitted by the District should be returned at the beginning of November.</p>	No action taken.
	B.	<p>Cash Flow Update</p> <p>Mr. Easthope provided the committee a handout with revised cash flow projections through June 30, 2014. The projections have changed since the last projection and include the IGT Supplemental funding as well as a</p>	No action taken.

		\$600,000 loan from Alameda Health System (AHS) and repayment of that loan for the seismic related projects.	
IV. Chief Executive Officers Report	A.	Affiliation Updates Ms. Stebbins noted that discussions continue with AHS regarding the affiliation. The completion of the definitive agreement is still in progress and is anticipated to be approved in late November or early December. She also noted that both sides continue to work toward an interim services agreement to begin outpatient surgeries in mid –November.	No action taken.
V. Public Comments		No comments.	
VI. Board / Committee / Staff Comments		Ms. Evans asked about the timing of the development and approvals relating to the last six (6) months of the Fiscal Year 2014 budget. Mr. Easthope noted that staff is currently working on the budget and most likely there will be an extension of spending authority presented to the committee and Board in upcoming months. The budget is anticipated to be brought to the Committee in January 2014.	
VII. Adjournment		Being no further business, the meeting was adjourned at 9:00 a.m.	

DRAFT

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING OCTOBER 31, 2013

**CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
OCTOBER 31, 2013**

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ALAMEDA HOSPITAL MANAGEMENT DISCUSSION AND ANALYSIS OCTOBER 2013

The management of Alameda Hospital (the "Hospital") has prepared this discussion and analysis in order to provide an overview of the Hospital's performance for the period ending October 31, 2013 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the Hospital's financial performance as a whole.

Highlights

Overall for the month of October, the hospital experienced a combined net operating loss of \$535,000 against a budgeted loss of \$249,000.

Net Revenue was at budget although the number of discharges, inpatient days and revenues were above budget. The prior month, September, had an inordinately high average length of stay as a result of several medicare patients that exceeded the medicare geometric length of stay (GLOS) paid by medicare. These outliers were not accurately reserved for in estimating September Net Revenue and have been accounted for in October.

Total expenses were almost \$7.5 million in October, which is \$290,000 or 4.0% above the budget. October operating expenses were higher than budget do in large part to the higher patient census, but also several one-time and non budgeted expenditures that were incurred in October that will be discussed later in the narrative.

October discharges were 263, which were 14 or 5.6% above budget, and total patient days were 6,223 or 279 (4.7%) above budget. With the higher discharges this month, the acute ALOS decreased from 4.82 in the prior month to 4.42 in the current month. Total patient days for inpatient acute services were 131 days (14.6%) above budget; subacute days were up 2.7%, skilled nursing days were up at South Shore by 5.9% and Waters Edge were up by 2.4%.

Overall outpatient activity was mixed again this month. Outpatient registrations were down just 1.3%, Emergency Room visits were 107 or 7.1% below budget. Outpatient surgeries were below budget for the month by 23 or 14.7%. The Wound Care program had 455 visits in October compared to a budget of 350, or 30.0% above budget. In October there were 86 HBO treatments compared to 58 in September.

The overall Case Mix Index (CMI) in October was 1.4276, above the prior month and also above the FY 2014 average of 1.3326.

Cash and cash equivalents were just over \$1.7 million at the end of October, down from prior month at \$3.0 million. Cash collections in October were almost \$6.2 million.

Year to date:

The net YTD loss is \$1.1 million versus budgeted net loss of \$986,000.

Acute discharges are 47 under budget and total discharges are 62 under budget. Acute patient days are right on budget, and Long Term Care patient days are 658 above budget. Emergency and Wound Care visits are 548 under and 352 above budget respectively. Outpatient registrations are 75 below budget and total surgeries are 33 (4.6%) below budget.

Both Inpatient and Outpatient Gross Revenue are right on budget, and Total Net Patient Revenue is 29,000 under budget. Net Clinic Revenue is running \$41,000 under budget. Without the IGT pick-up in September, Net Patient Revenue would be \$419,000 below budget, primarily result of lower than budget Acute admissions/discharges, Emergency visits and Surgery.

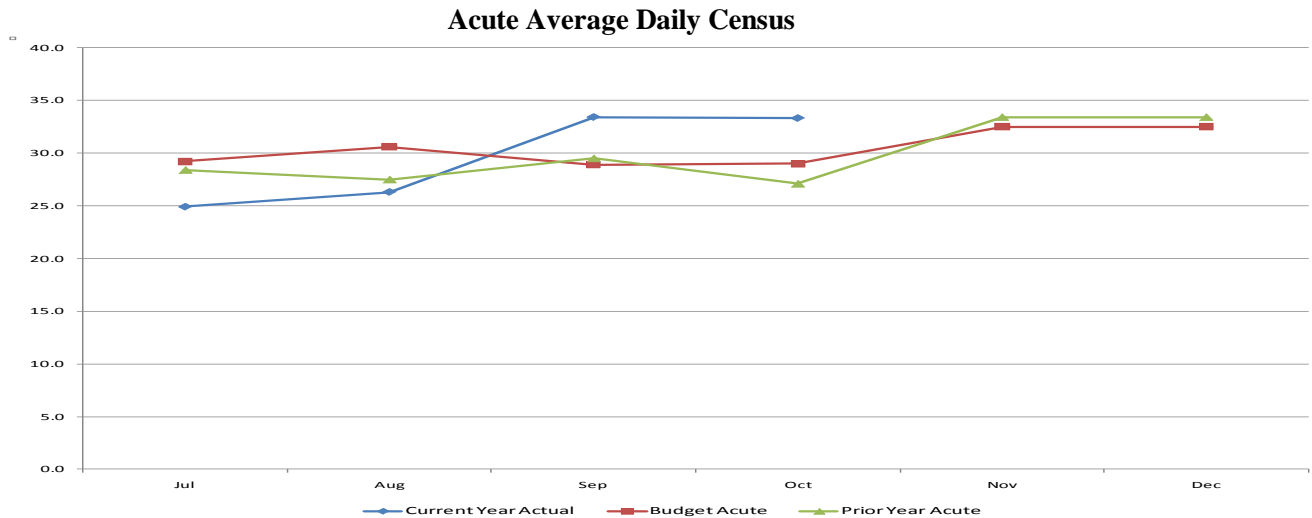
Total Operating Expenses are also right on budget with the most significant variance being Salaries \$470,000 above budget offset by Benefits expense being \$497,000 below budget. Year to date Supply expense is \$139,000 above budget.

ACTIVITY

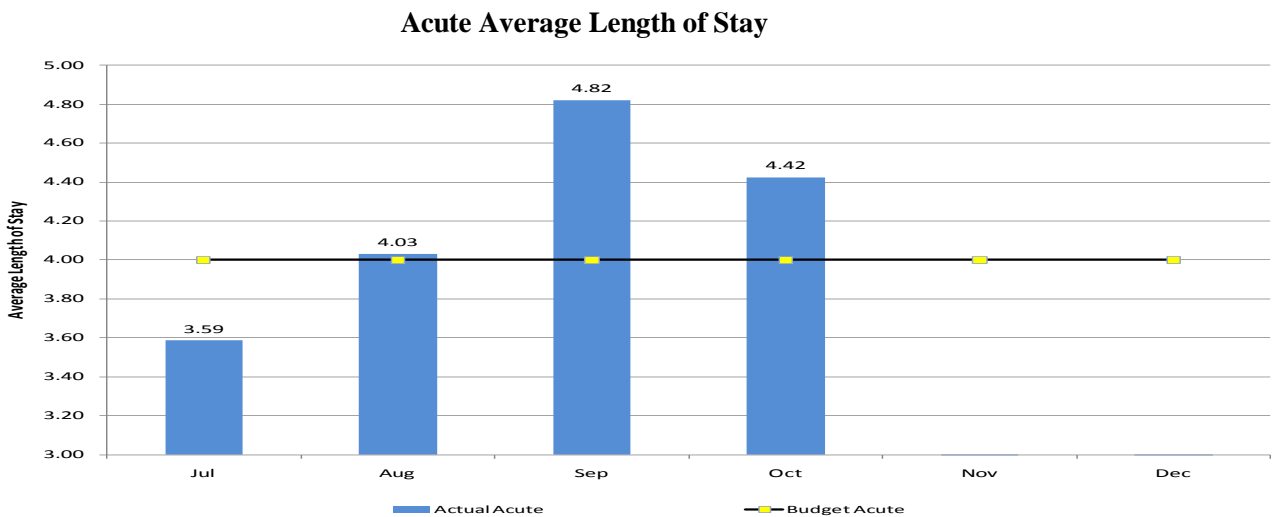
ACUTE, SUBACUTE AND SNF SERVICES

Overall, patient days were again above budget, this month they were 4.7% above budget, and above October of last year as well. This month's acute days were above budget by 14.6%, Subacute was up 2.7%, South Shore was up 5.9% and Waters Edge was up 2.4%.

October's acute patient days were 131 days or 14.6% higher than budget for the month and 23.0% higher than October 2012. However, the Acute discharges were only 14 or 5.6% above budget and the higher Average Length of Stay (ALOS) contributed patient days being higher than budget. All areas of the Acute Hospital units contributed to the higher acute census. The acute care program is comprised of the Critical Care Unit (5.3 ADC, 21.3% above budget), Telemetry / Definitive Observation Unit (12.9 ADC, 5.3% above budget) and Med/Surg Unit (15.1 ADC, 21.3% above budget).

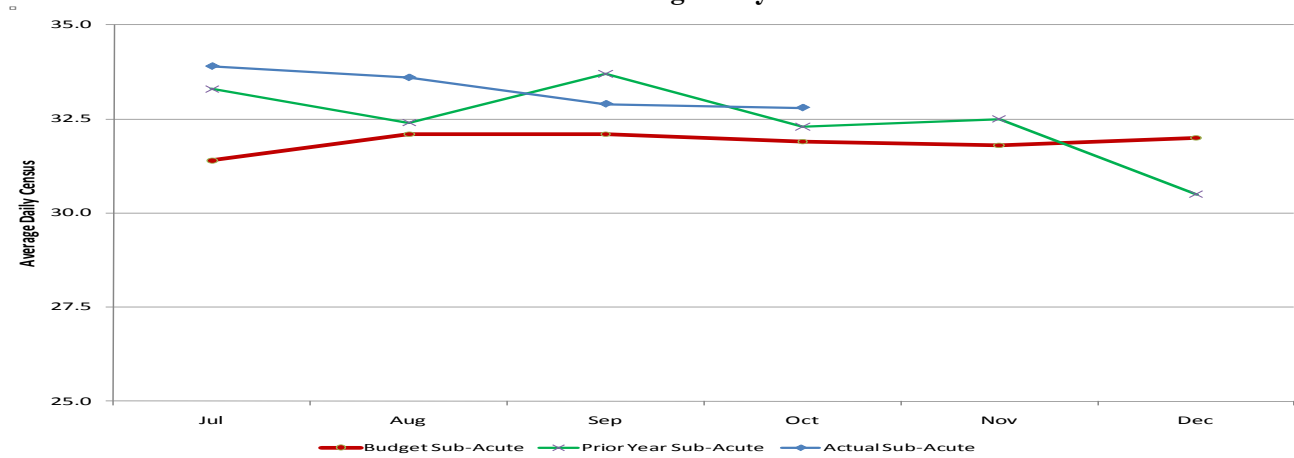


The acute Average Length of Stay (ALOS) decreased from last month's high of 4.82 to 4.42 in October and is above the budget of 4.00. The longer length of stay has some correlation to the higher CMI (case mix index) seen in the acute setting, however, there were several sick patients whose LOS exceeded the average for their respective diagnosis. Case managers and physicians review discharge plans each day to help ensure patients are being discharged in a timely manner given each patient's individual circumstance. Given the spike in September and to a lesser extent in October, management will continue to meet with case managers and hospitalist physicians to discuss LOS and other utilization management issues. Managing length of stay will become critical in January for acute medical in January once the hospital begins getting paid on Medi-Cal DRG's as well. The graph below shows the ALOS by month compared to the budget.



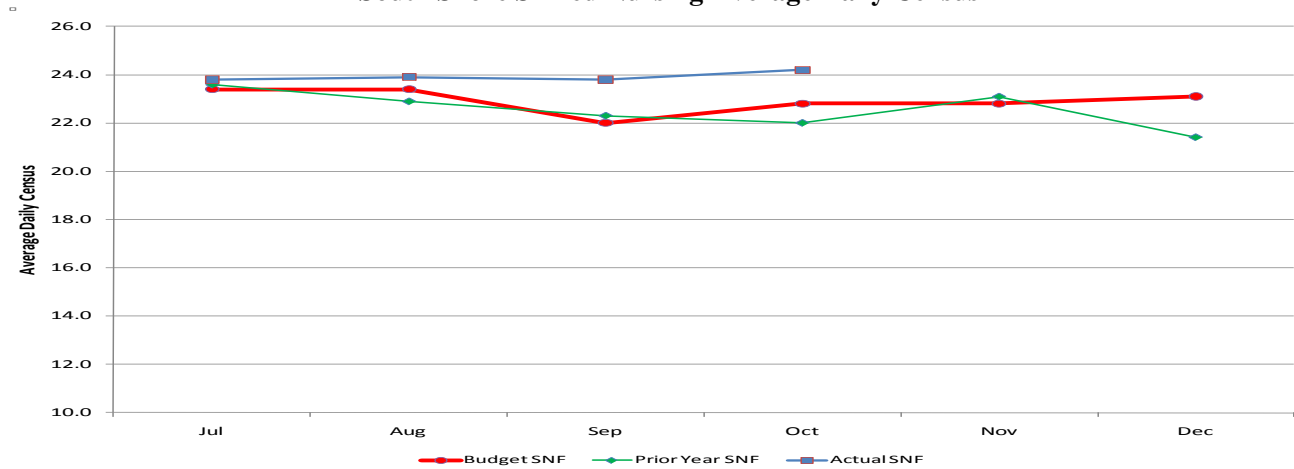
The Subacute program ADC of 32.77 was above the budget by 0.87 ADC or 2.7%. The graph below shows the Subacute ADC for the current fiscal year as compared to budget and the prior year.

Subacute Average Daily Census



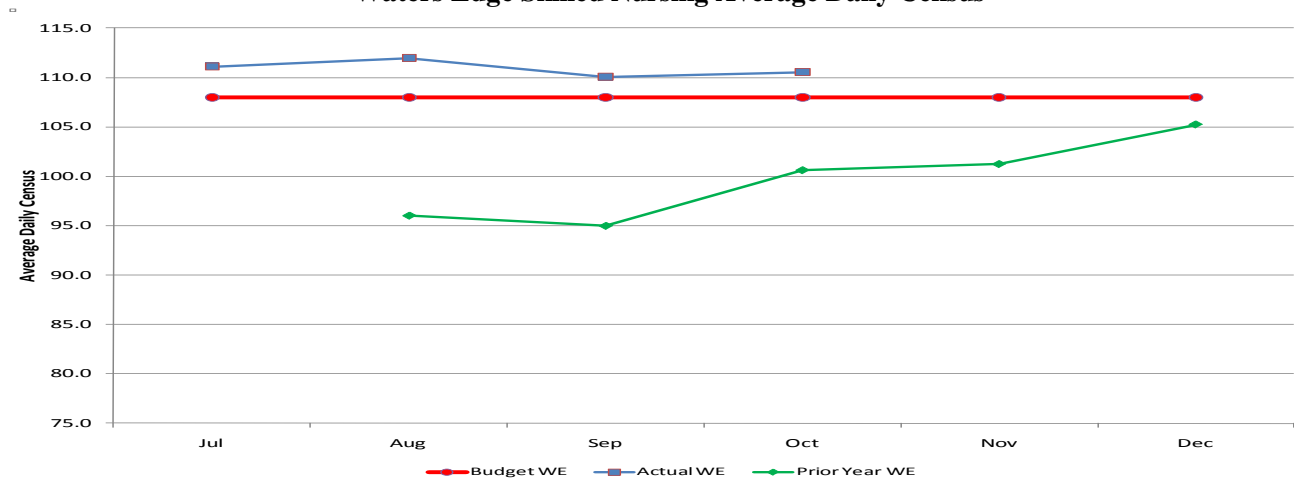
The South Shore ADC was above budget again by 42 patient days (5.9%) for the month of October. The graph below shows the South Shore monthly ADC as compared to budget and the prior year. In ber the number of Medicare A skilled patients was 3.97 ADC, above the 2.8 ADC in September but below the budget of 4.02.

South Shore Skilled Nursing Average Daily Census



Waters Edge census was 110.55 ADC or 2.4% above the budget of 108.0 in October. The Medicare census was 6.6 ADC below the 7.73 ADC in the prior month, and below the Medicare ADC budget of 16.2.

Waters Edge Skilled Nursing Average Daily Census

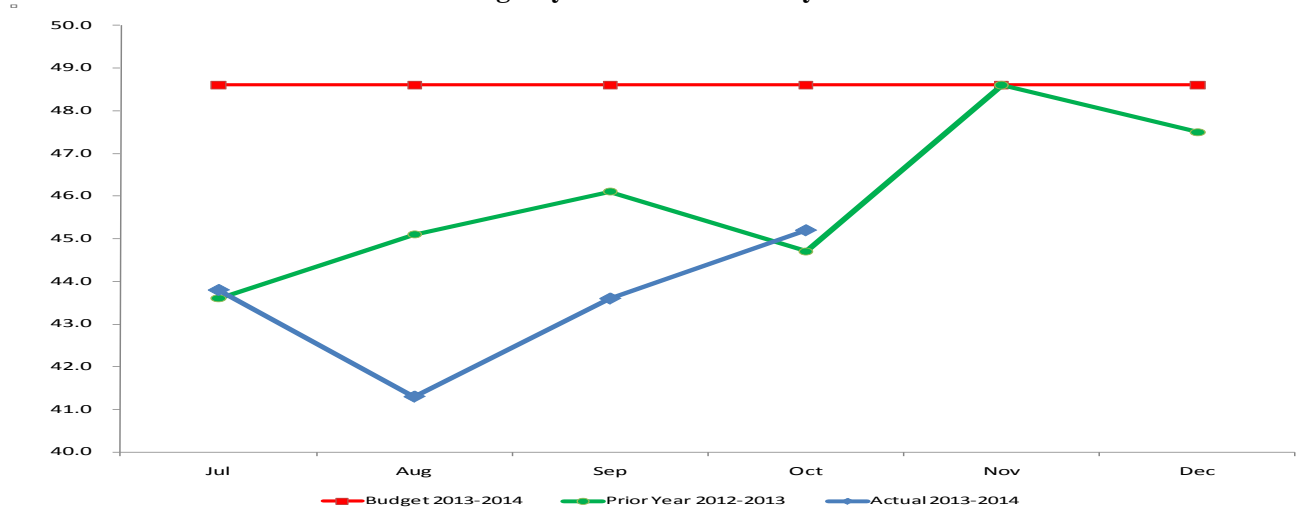


ANCILLARY SERVICES

Outpatient Services

Emergency Care Center (ECC) visits in October were 1,400, or 107 visits (7.1%) below the budget of 1,507. The inpatient admission rate from the ECC was 18.0% just above the 17.8% admit rate in September. On a per day basis, the total visits represent an increase of 3.7% from the prior month daily average. In October, there were 322 ambulance arrivals versus 295 in the prior month. Of the 322 ambulance arrivals in the current month, 221 or 68.6% were from Alameda Fire Department (AFD).

Emergency Care Visits Per Day



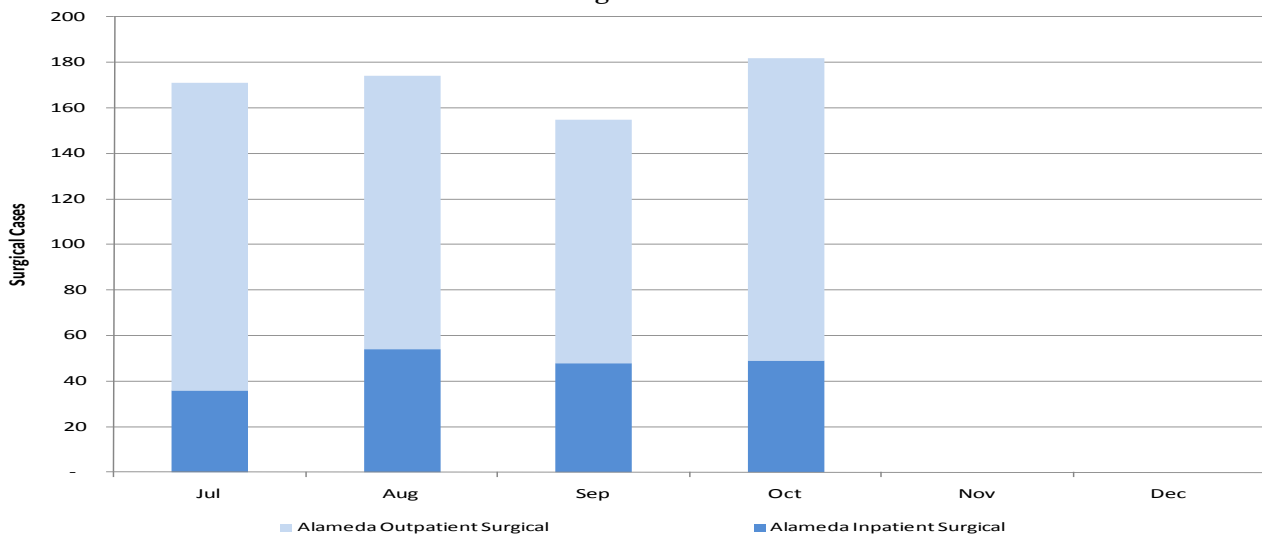
Outpatient registrations totaled 2,292 or 3.1% below the budget. In October the number of patient visits were down in Laboratory (103), IV Therapy (51), Radiology (22), EKG (28) and Ultrasound (11). Visits were up in Physical Therapy (164). In October there were 143 Therapy visits and 129 Imaging procedures from the new orthopedic clinic, compared to 149 and 120 respectively in September.

In October, Wound Care was above the budget of 350 with 455 visits, or 30.0% over budget. Hyperbaric Oxygen treatments accounted for 86 of those visits, compared to 58 in September.

Surgery

The total number of surgery cases in October were 182 or 9.5% below the budget of 201 and just below last year's case volume of 193. Inpatient cases of 49 were above the budget of 45 and outpatient was below budget by 23 (14.7%) at 133 cases. Included in the total cases are 8 surgeries for our new general surgeon, Dr. John Lee. In comparison, Dr. Celada performed 17 surgeries compared to the 24 he performed in October 2012.

Surgical Cases



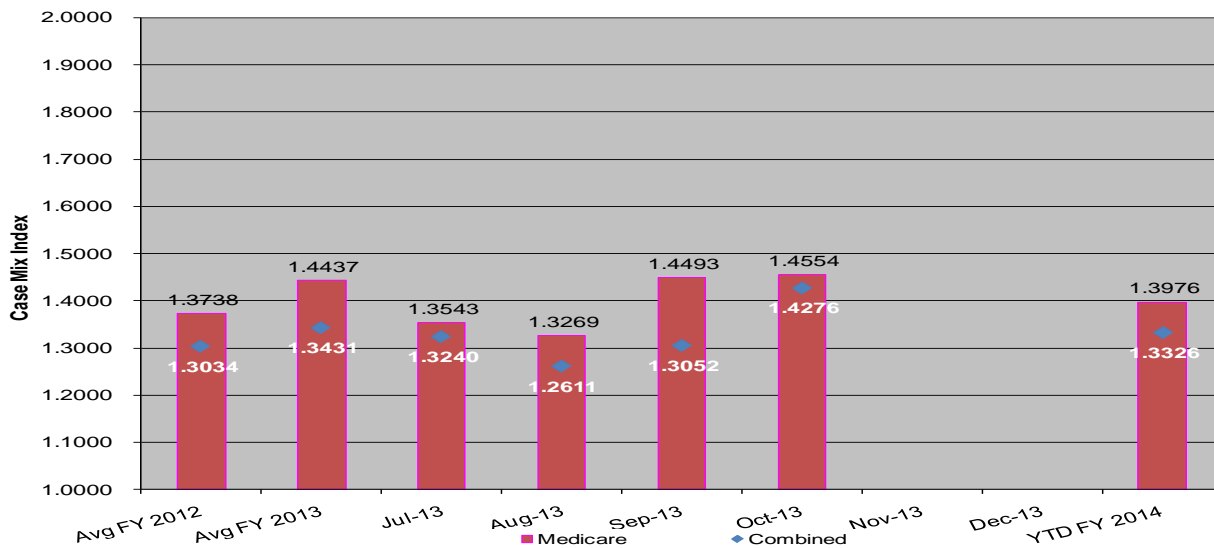
Payer Mix

The Hospital's overall payer mix compared to budget is illustrated below. This is inclusive of the Waters Edge revenue.

	<u>Oct Actual</u>	<u>Oct Budget</u>
Medicare	49.7%	47.4%
Medi-Cal	26.4%	26.9%
Managed Care	16.4%	16.5%
Other	2.7%	2.8%
Commerical	0.6%	1.3%
Self-Pay	4.1%	4.9%
Total	100.0%	100.0%

Case Mix Index

The Hospital's overall Case Mix Index (CMI) for October was 1.4276, up from the prior month of 1.3052 (9.4%). The Medicare CMI was 1.4554 in October, just above the prior month of 1.4493 (0.42%). The graph below shows the Medicare CMI for the Hospital during the current fiscal year as compared to the prior two years.



Revenue

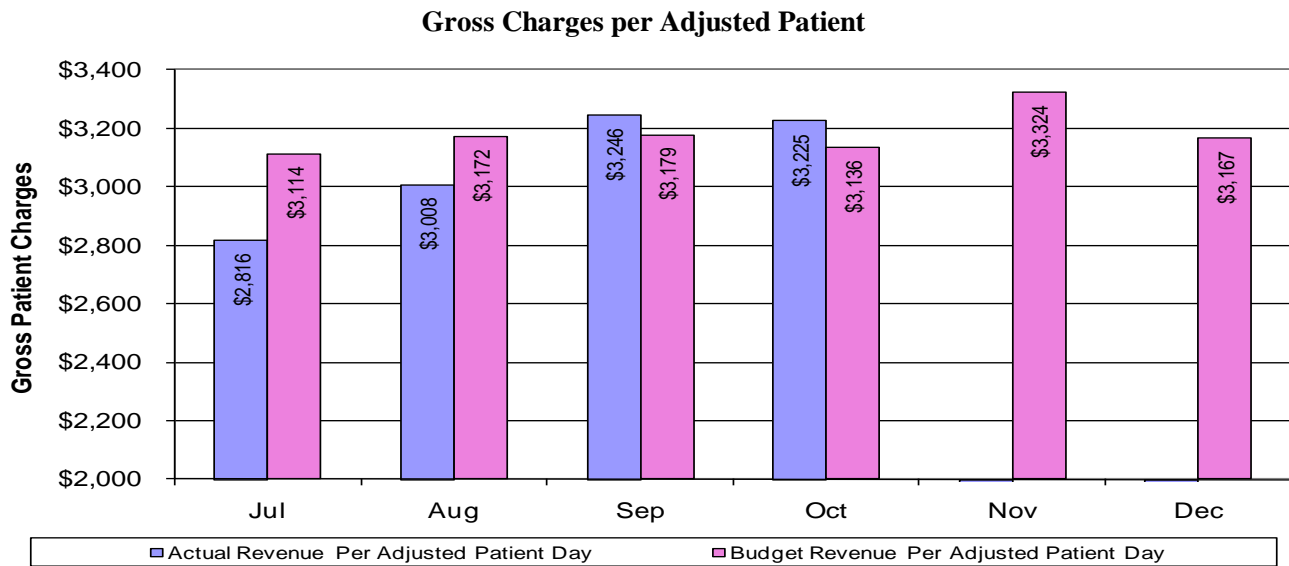
Gross patient charges in October were above the budget by more than \$1.5 million or 5.7%. Inpatient gross revenues were more than \$1.4 million above budget and outpatient gross revenues were up \$129,000. Acute inpatient days were 131 (14.6%) above budget and acute gross revenue was up almost 19.0%. Inpatient ancillary service charges were above budget in Medical Supplies, Cardiology, Rehab and Imaging, but down in Respiratory and Pharmacy.

Waters Edge gross and net revenue were above budget in October consistent with the volume. The ancillary revenue was above budget 26.2% (again mostly due to therapy services) and the routine daily room and board revenue was above budget by 4.8%.

Outpatient gross revenues were higher than budget by \$129,000 (1.5%). Emergency, Laboratory and Medical Supplies were below budget while the Wound Care, Imaging, Pharmacy and Rehab were above budget.

Wound Care volume was above budget 30.0% and the gross revenue was above budget by \$302,000 (43.9%), resulting in Net Revenue coming in \$70,000 (44.1%) above budget for the month. While the use of skin products drove up revenue, HBOT activity was up from prior month. Much of the increase in Gross and Net Revenue was associated with reimbursable skin graft products that also result in higher supply expense.

On an adjusted patient day basis, total patient revenue was \$3,225 above the budget of \$3,216 for the month of October. The table below shows the Hospital's monthly gross revenue per adjusted patient day by month and year-to-date for Fiscal Year 2014 compared to budget.



Contractual Allowances and Net Revenue

Contractual allowances are computed as deductions from gross patient revenues based on the difference between gross patient charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare, Medi-Cal and other third party payers such as Blue Cross. A Net Revenue percentage of 23.2% was budgeted and 22.1% was realized. Medi-Cal reimbursement at both South Shore and Waters Edge were calculated at a per diem rate of \$316. Although the ongoing net revenue reduction associated with AB97 has ended, we will continue to record skilled nursing at this rate until we are able to complete the FY 2013 cost report and better understand our cost based rate for this service going forward.

Total Net Operating Revenue was \$6.4 million, \$15,000 above budget. The higher than budgeted inpatient acute volumes helped to contribute to the Net Revenue while the effect of the higher Medicare LOS in September has resulted in lower collections for those accounts than previously anticipated and a net revenue correction in October. Although the spike in medicare LOS seems to be primarily in September and to a lesser degree in October, management has met with our Hospitalist physician group and case managers to discuss and provide information regarding and the impact of medicare outlier lengths of stay. Year to date Net Patient Revenue, without the impact of the IGT money (\$390,000) is \$419,000 under budget driven primarily by the lower Acute discharges at 6.1% under budget, as well as lower emergency department visits and surgeries.

Waters Edge had Net Revenues of just over \$1.2 million, just above budget by \$28,000 or 2.3%. Although the overall census was higher than budgeted, we again had fewer Medicare patients and a higher number of Medi-Cal patients.

Wound Care net revenue was almost \$70,000 (44.1%) above budget. The increased use of skin graft products helped contribute to the higher revenue as well as the HBO Treatments were up 28 from the prior month.

Expenses

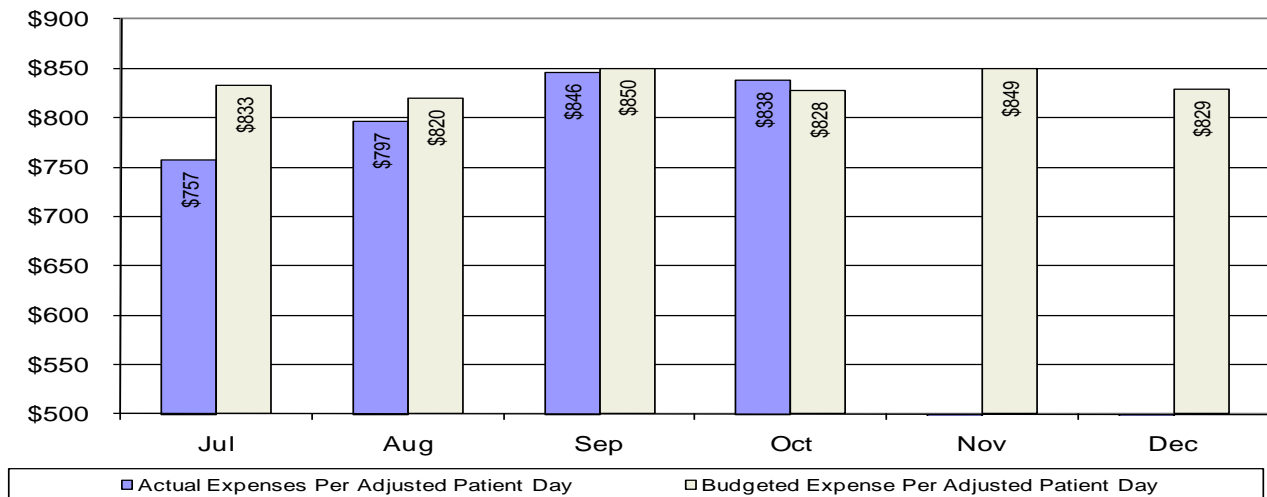
Total Operating Expenses

Total operating expenses were almost \$7.5 million which was just higher than the fixed budget by \$290,000 or 4.0%. Expenses are higher to a great extent because of the higher acute patient days and higher Wound Care activity in October. However, there were also several unbudgeted and non recurring expenses that were incurred during October totaling \$78,500. These include: prior period transportation expense (\$24,000), DHCS fee (\$10,000), repair of nuclear medicine (\$15,000), annual physician productivity bonus (\$23,000) and a liability claim deductible (\$6,500).

Salaries, temporary agency, supplies/drugs and rents and leases were above budget while benefits, professional fees and purchased services were all under budget. All other expense categories were reasonably close to budget.

The graph on the below shows the actual Hospital operating expenses on an adjusted patient day basis for the fiscal year by month as compared to budget.

Expenses per Adjusted Patient Day



The following are explanations of the significant areas of variance that were experienced in the current month.

Salary and Temporary Agency Expenses

Salary and temporary agency costs combined were unfavorable to the fixed budget by \$237,000 (6.6%). Total salaries are above budget \$195,000 and Registry (temporary agency services) is above budget \$36,000.

The \$195,000 unfavorable salary expense variance is comprised of productive salaries being \$166,000 (5.4%) over budget and non-productive salaries were \$29,000 (6.3%) over budget.

Productive salaries were above budget in Acute nursing units, driven by the higher volume and accounting for most of the budget variance. On the acute nursing units, there was also an increased need for sitters for certain patients throughout the month that were not included in the budget. There were also about 7 days that we had 10 CCU patients, two of which were housed in Telemetry unit. Additional premium pay was used by CCU nurses to provide for this temporary surge in CCU census. Productive salaries were also higher in Sub Acute and South Shore due to higher patient activity in these areas as well. In addition overtime and doubletime, which have dropped was last year's highs, were higher in October than in recent months. Lastly, after detailed review of the Emergency department staffing budget, it has been determined that the productive staffing budget was understated by two FTE's from what is required for core staffing. This is being corrected in the subsequent budget.

Non-productive salaries being over budget is off-set, in part, by benefits expense being under budget \$31,000, some of this coming from reduction in PTO / Vacation accrual as employees continue to take time off. The expense benefit comes from those positions that do not need to be replaced when off e.g. administration etc. In addition, non-productive was high due to, new hire employee orientations in the acute nursing units and surgery. Waters Edge also was busy with six new orientees, which will help alleviate the need for registry. In addition there was an unbudgeted productivity based incentive accrual for one of our 1206 b physicians totaling \$23,000.

The use of overtime and double time premium pay is down in October by approximately \$15,000 from the prior six month average as we strive to get better control of this expensive component of the total salaries. There were some overtime incurred with the above mentioned spike in CCU census, as well as, training, premium pay needed to cover sick calls and break coverage on some weekend shifts. The productive salaries per adjusted patient day (APD) were \$364 compared to a budget of \$355. Total salaries per APD were \$420 compared to a budget of \$409 per APD.

Registry expense was higher mainly due to the reclassification of YTD expense for sitter at Waters Edge totaling \$34,000. There is 24 hour coverage necessary for one patient, that had been coded to purchased services, but was moved to the correct line item of registry. In addition, there is usage of temporary help in Imaging, Rehab and Patient Accounting to replace vacant positions. Without the YTD reclass, registry expense would have been under budget in October.

Management does continue to meet every other week as an Executive Team to review and discuss staffing and salary/wage actual to budget variances which is very helpful to understand these variances in real time.

Benefits

Benefits were below the fixed budget by \$31,000. While these numbers fluctuate from month to month, health claim expense is higher while the PTO accrual is down. PTO/Vacation usage has continue to be higher as we have been encouraging employees to use their PTO/Vacation time which thus reduces the amount of accrual needed. Accrual for PTO / Vacation was a negative expense of \$43,000 in October, and is a direct offset to the higher non-productive wages discussed above.

Professional Fees

Professional fees were under budget by \$9,000 or 6.2%. Wound Care management fees were above budget due to volume. Overall consulting and related fees in Administration were less than anticipated resulting in a positive variance overall. Professional fees for 1206 b clinic physicians were also under budget in the month.

Supplies

Supplies expense were \$72,000 over budget. Half of this variance is due to Pharmaceuticals (about \$35,000), much of this increase is associated with IVT program and a couple of high cost IVIG regiments that were administered. These higher cost drugs will be reimbursed. In addition, there are smaller variances in Surgery, Wound Care, and Blood Bank and 1206 (b) clinic and Waters Edge. Wound care supplies were higher than budget as were patient visits in the clinic, due to higher volume of skin graft procedures. Many of wound cares supply expenses are reimbursable and reflected in net revenue estimations. The 1206 b clinic also had higher supply purchases in the month as has been the trend year to date, some of this associated with items needed by the new physician. Waters Edge had higher expense in October, including several bed rentals during October. This will be monitored more closely in future months.

Purchased Services

Purchased services were below budget for the month of October by \$19,000 or 3.4%. While there were some departments higher than budget such as Quality (four months of patient transport expense, higher RAC appeal fees), Sub Acute and South Shore (higher Rehab utilization) and repair of the Nuclear Medicine equipment, there were several departments under budget such as Waters Edge Rehab, Dietary and Patient Accounting resulting in the overall variance being positive to budget. In addition Waters Edge cost center had a YTD reclass for sitters from Purchased services to Registry to properly classify expense totaling about \$34,000.

Rents and Leases

Rents and lease expense was \$19,000 over budget in the month. Central Supply (equipment rentals) and Administration (Xerox lease) were over budget. We continue to have higher equipment rental expense, primarily for bed/mattress rentals in acute care and subacute. In addition, the annual building rent increase for the Alameda Town Center building was about \$2,500 per month higher than budgeted and Waters Edge rent has increased \$2,800 per month as well. The higher rent/lease increases were not anticipated during the budget process but will be in the budget for the second half of fiscal 2014.

Other Operating Expense

Other Operating Expenses were over budget this month by \$28,000. This is due to a County Department of Public Health citation that was accrued in the month, higher quarterly property sales tax, and property taxes for radiology equipment. In addition there are expenses related to the new ICD-10 implementation that are recorded here.

Depreciation Expense

Depreciation Expenses was again \$4,000 over budget. The budget failed to pick up the proper value of recent projects that have moved from Construction in Progress to depreciable assets. We have had three key projects, Meditech EDM applications, seismic – emergency egress lighting and 2 west subacute sprinkler project. These new items will be accounted for in the budget for the second half of fiscal 2014.

Non-Operating Income / (Expense):

Other Income/(Expense) was just \$11,000 under budget. We had assumed in the budget a contribution from the Foundation during this six month budget period of \$150,000. We have not recorded any portion of the receivable for this but will do so once a contribution is made later in the year.

Balance Sheet

Total assets decreased by almost \$1.0 million from the prior month. The following items make up the decrease in assets:

- Total unrestricted cash and cash equivalents for October decreased by almost \$1.3 million and days cash on hand including restricted use funds also decreased to 8.3 days cash on hand in October down from 13.9 days cash on hand in September. Patient collections in October averaged just under \$200,000 per day, and this is just under the prior monthly averages.
- Net patient accounts receivable was \$11.0 million, just above the prior month of \$10.8 million as a result of two consecutive months of higher inpatient and outpatient volumes.
- Days in outstanding receivables were back down to 54.13 at October month end, an increase from the September number of 52.8 days. Cash collections in October were \$6.2 million compared to \$6.4 million in September.

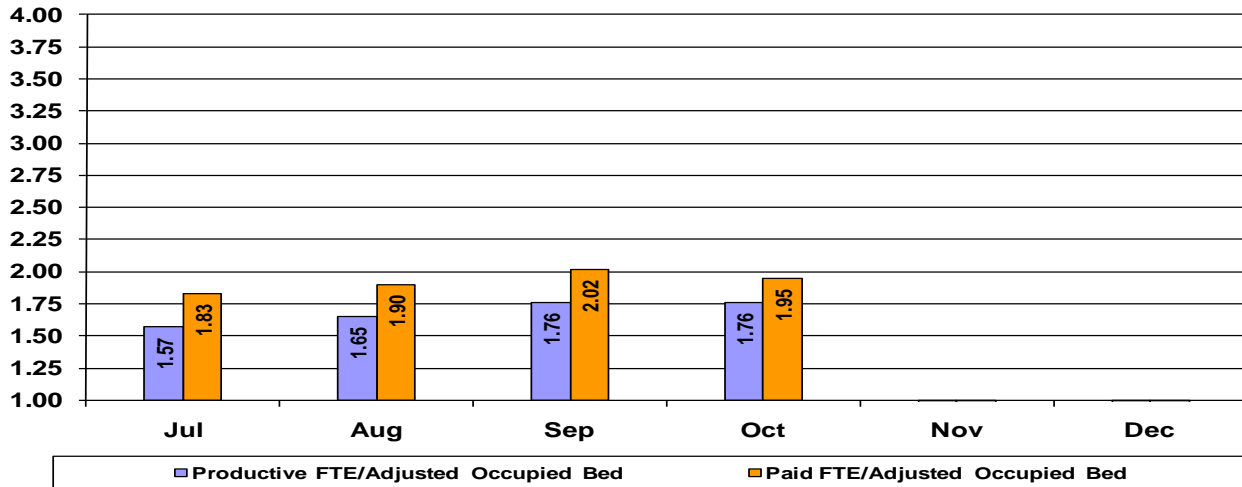
Overall, total liabilities decreased by \$1.5 million from the prior month:

- Accounts payable decreased almost \$200,000 in October to approximately \$11.9 million which equates to 152 AP Days, but down from the 155 days in September.
- Payroll related accruals increased just over \$300,000 due to the timing the the pay periods in the month.
- Deferred revenues decreased by \$472,000 due to the recognition of one-twelfth of the 2013/2014 parcel tax revenues, which will be realized over the course of the fiscal year.
- Current Portion of Long Term Debt in the month of October remained consistent with prior month, decreasing just \$165,000.
- Third Party Payer Settlements remained consistent with the prior month as there was no activity in this area in October.

Key Statistics

FTE's Per Adjusted Occupied Bed

For the month of October Productive FTE's per Adjusted Occupied Bed were again 1.76, just above the budget of 1.70 FTE's by 3.9%. Paid FTE's per Adjusted Occupied Bed were 1.95 or 1.0% above the budget. The graph below shows the productive and paid FTE's per Adjusted Occupied Bed for FY 2014 by month.



Current Ratio

The current ratio for October has dropped at 0.83. We have received a waiver to the 1.0 loan covenant from the Bank of Alameda through the quarter ending September 30, 2013. The hospital has been informed by our independent auditor that a new GASB accounting standard will be changing how future month property tax revenue is to be accounted for. Instead of recording it as a short term liability, it is to be recorded as deferred revenue, and should be recognized accordingly; it is not a liability. We will be discussing this change with the Bank of Alameda and start reflecting this change in November 2013 financials.

A/R days

Net days in accounts receivable (A/R) are currently at 54.13. This is just above the prior month of 52.8. Net A/R days are up due to higher patient activity and total Revenue during the past two months.

Days Cash on Hand

Days cash on hand for October were 8.3, a decrease from prior month of 13.9.

The following pages include the detailed financial statements for the four (4) months ended October 31, 2013, of Fiscal Year 2014.

**ALAMEDA HOSPITAL
KEY STATISTICS
OCTOBER 2013**

	<u>ACTUAL OCTOBER 2013</u>	<u>CURRENT FIXED BUDGET</u>	<u>VARIANCE (UNDER) OVER</u>	<u>%</u>	<u>OCTOBER 2012</u>	<u>YTD OCTOBER 2013</u>	<u>YTD FIXED BUDGET</u>	<u>VARIANCE</u>	<u>%</u>	<u>YTD OCTOBER 2012</u>
Discharges:										
Total Acute	233	225	8	3.6%	221	858	905	(47)	-5.2%	885
Total Sub-Acute	2	3	(1)	-33.3%	3	7	12	(5)	-41.7%	10
Total South Shore	8	6	2	33.3%	6	25	23	2	8.7%	22
Total Waters Edge	<u>20</u>	<u>15</u>	<u>5</u>	<u>33.3%</u>	<u>13</u>	<u>48</u>	<u>60</u>	<u>(12)</u>	<u>-20.0%</u>	<u>37</u>
	263	249	14	5.6%	243	938	1,000	(62)	-6.2%	954
Patient Days:										
Total Acute	1,031	900	131	14.6%	841	3,619	3,620	(1)	0.0%	3,460
Total Sub-Acute	1,016	989	27	2.7%	1,001	4,095	3,920	175	4.5%	4,047
Total South Shore	749	707	42	5.9%	681	2,941	2,817	124	4.4%	2,791
Total Waters Edge	<u>3,427</u>	<u>3,348</u>	<u>79</u>	<u>2.4%</u>	<u>3,119</u>	<u>13,644</u>	<u>13,284</u>	<u>360</u>	<u>2.7%</u>	<u>8,946</u>
	6,223	5,944	279	4.7%	5,642	24,299	23,641	658	2.8%	19,244
Average Length of Stay										
Total Acute	4.42	4.00	0.42	10.6%	3.81	4.22	4.00	0.22	5.4%	3.91
Average Daily Census										
Total Acute	33.26	29.03	4.23	14.6%	27.13	29.42	29.43	(0.01)	0.0%	28.13
Total Sub-Acute	32.77	31.90	0.87	2.7%	32.29	33.29	31.87	1.42	4.5%	32.90
Total South Shore	24.16	22.81	1.35	5.9%	21.97	23.91	22.90	1.01	4.4%	22.69
Total Waters Edge	<u>110.55</u>	<u>108.00</u>	<u>2.55</u>	<u>2.4%</u>	<u>100.61</u>	<u>110.93</u>	<u>108.00</u>	<u>2.93</u>	<u>2.7%</u>	<u>97.24</u>
	200.74	191.74	9.00	4.7%	182.00	197.55	192.20	1.41	0.7%	180.96
Emergency Room Visits	1,400	1,507	(107)	-7.1%	1,385	5,347	5,895	(548)	-9.3%	5,518
Wound Care Clinic Visits	455	350	105	30.0%	245	1,752	1,400	352	25.1%	521
Outpatient Registrations	2,334	2,366	(32)	-1.3%	2,159	8,390	8,465	(75)	-0.9%	7,693
Surgery Cases:										
Inpatient	49	45	4	8.9%	38	187	194	(7)	-3.6%	169
Outpatient	<u>133</u>	<u>156</u>	<u>(23)</u>	<u>-14.7%</u>	<u>155</u>	<u>495</u>	<u>521</u>	<u>(26)</u>	<u>-5.0%</u>	<u>489</u>
	182	201	(19)	-9.5%	193	682	715	(33)	-4.6%	658
Adjusted Occupied Bed (AOB)	288.62	281.93	6.69	2.4%	267.23	287.35	279.54	7.81	2.8%	226.37
Productive FTE	508.63	478.25	30.38	6.4%	573.06	485.52	479.39	6.14	1.3%	433.91
Total FTE	562.26	543.86	18.40	3.4%	512.77	553.61	545.03	8.58	1.6%	492.59
Productive FTE/Adj. Occ. Bed	1.76	1.70	0.07	3.9%	2.14	1.69	1.71	(0.03)	-1.5%	1.92
Total FTE/ Adj. Occ. Bed	1.95	1.93	0.02	1.0%	1.92	1.93	1.95	(0.02)	-1.2%	2.18

City of Alameda Health Care District
Statements of Financial Position
October 31, 2013

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year End</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 1,757,096	\$ 3,049,246	\$ 4,861,959
Patient Accounts Receivable, net	11,052,611	10,748,398	12,041,516
Other Receivables	7,084,668	7,057,137	6,301,762
Third-Party Payer Settlement Receivables	-	-	-
Inventories	1,264,112	1,267,733	1,266,892
Prepays and Other	474,870	643,037	450,309
Total Current Assets	<u>21,633,358</u>	<u>22,765,551</u>	<u>24,922,439</u>
Assets Limited as to Use, net	232,868	220,571	189,755
Fixed Assets			
Land	877,945	877,945	877,945
Depreciable capital assets	45,551,614	45,535,062	45,422,895
Construction in progress	4,239,496	3,991,288	3,583,725
Depreciation	(40,930,521)	(40,844,062)	(40,581,813)
Property, Plant and Equipment, net	<u>9,738,533</u>	<u>9,560,233</u>	<u>9,302,752</u>
Total Assets	<u>\$ 31,604,759</u>	<u>\$ 32,546,355</u>	<u>\$ 34,414,946</u>
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 2,127,461	\$ 2,292,882	\$ 826,007
Accounts Payable and Accrued Expenses	11,958,741	12,143,440	11,823,357
Payroll Related Accruals	4,821,986	4,503,862	5,195,271
Deferred Revenue	3,854,667	4,340,995	5,731,269
Employee Health Related Accruals	661,484	662,154	714,297
Third-Party Payer Settlement Payable	2,531,951	2,552,014	3,796,593
Total Current Liabilities	<u>25,956,290</u>	<u>26,495,347</u>	<u>28,086,794</u>
Long Term Debt, net	<u>1,918,697</u>	<u>1,797,992</u>	<u>1,578,289</u>
Total Liabilities	<u>27,874,988</u>	<u>28,293,339</u>	<u>29,665,083</u>
Net Assets:			
Unrestricted	3,496,903	4,032,051	4,350,108
Temporarily Restricted	232,868	220,571	399,755
Total Net Assets	<u>3,729,772</u>	<u>4,252,622</u>	<u>4,749,863</u>
Total Liabilities and Net Assets	<u>\$ 31,604,759</u>	<u>\$ 32,545,961</u>	<u>\$ 34,414,946</u>

City of Alameda Health Care District

Statements of Operations

October 31, 2013

\$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	6,223	5,945	278	4.7%	5,642	24,299	23,642	657	2.8%	19,244
Discharges	263	249	14	5.6%	243	938	999	(61)	-6.1%	954
ALOS (Average Length of Stay)	23.66	23.87	(0.21)	-0.9%	23.22	25.91	23.67	2.24	9.5%	20.17
ADC (Average Daily Census)	200.7	191.8	8.98	4.7%	182.0	197.6	192.2	5.34	2.8%	156.5
CMI (Case Mix Index)	-				1.3804	1.2975				1.3395
Revenues										
Gross Inpatient Revenues	\$ 20,072	\$ 18,644	\$ 1,428	7.7%	\$ 18,220	\$ 74,719	\$ 74,472	\$ 247	0.3%	\$ 67,179
Gross Outpatient Revenues	8,787	8,657	129	1.5%	8,617	33,788	33,734	54	0.2%	30,095
Total Gross Revenues	28,858	27,301	1,557	5.7%	26,837	108,507	108,205	301	0.3%	97,274
Contractual Deductions	21,504	19,722	(1,783)	-9.0%	19,676	80,345	78,120	(2,225)	-2.8%	68,478
Bad Debts	832	1,102	270	24.5%	600	2,371	4,408	2,037	46.2%	5,311
Charity and Other Adjustments	137	133	(3)	-2.5%	189	676	533	(143)	-26.7%	435
Net Patient Revenues	6,385	6,344	41	0.6%	6,372	25,115	25,144	(29)	-0.1%	23,050
Net Patient Revenue %	22.1%	23.2%			23.7%	23.1%	23.2%			23.7%
Net Clinic Revenue	56	88	(31)	-35.6%	50	309	350	(41)	-11.8%	157
Other Operating Revenue	17	12	5	44.8%	25	46	48	(3)	-5.8%	46
Total Revenues	6,459	6,444	15	0.2%	6,447	25,469	25,543	(73)	-0.3%	23,253
Expenses										
Salaries	3,754	3,559	(195)	-5.5%	3,343	14,496	14,026	(470)	-3.4%	12,944
Temporary Agency	190	155	(36)	-23.1%	193	660	682	22	3.2%	731
Benefits	1,031	1,062	31	2.9%	1,117	3,714	4,211	497	11.8%	3,513
Professional Fees	492	501	9	1.9%	416	1,942	2,004	63	3.1%	1,536
Supplies	895	823	(72)	-8.7%	880	3,341	3,202	(139)	-4.3%	3,085
Purchased Services	552	571	19	3.4%	492	2,208	2,285	77	3.4%	2,002
Rents and Leases	240	221	(19)	-8.6%	209	946	883	(63)	-7.1%	753
Utilities and Telephone	89	83	(5)	-6.4%	80	315	334	18	5.5%	312
Insurance	29	38	9	24.2%	31	139	153	13	8.7%	150
Depreciation and amortization	87	83	(4)	-5.1%	73	349	330	(19)	-5.7%	289
Other Operating Expenses	138	111	(28)	-25.2%	124	472	472	1	0.2%	395
Total Expenses	7,497	7,207	(290)	-4.0%	6,958	28,582	28,584	1	0.0%	25,711
Operating gain (loss)	(1,038)	(763)	(275)	-36.0%	(511)	(3,113)	(3,041)	(72)	2.4%	(2,458)
Non-Operating Income / (Expense)										
Parcel Taxes	482	487	(5)	-1.0%	480	1,928	1,948	(20)	-1.0%	1,911
Investment Income	1	-	1	0.0%	1	4	-	4	0.0%	6
Interest Expense	(11)	(16)	5	32.2%	(17)	(48)	(62)	14	-23.1%	(69)
Other Income / (Expense)	31	43	(12)	-27.5%	29	115	170	(55)	-32.3%	111
Net Non-Operating Income / (Expense)	503	514	(11)	-2.2%	493	1,999	2,055	(56)	-2.7%	1,960
Excess of Revenues Over Expenses	\$ (535)	\$ (249)	\$ (286)	114.8%	\$ (18)	\$ (1,114)	\$ (986)	\$ (128)	13.0%	\$ (498)

City of Alameda Health Care District
Statements of Operations - Per Adjusted Patient Day
October 31, 2013

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	\$ 2,243	\$ 2,142	\$ 102	4.7%	\$ 2,192	\$ 2,117	\$ 2,168	\$ (51)	-2.3%	\$ 2,411
Gross Outpatient Revenues	982	995	(12)	-1.3%	1,037	958	982	(25)	-2.5%	1,080
Total Gross Revenues	3,225	3,136	89	2.8%	3,229	3,075	3,150	(75)	-2.4%	3,491
Contractual Deductions	2,403	2,266	(138)	-6.1%	2,368	2,277	2,274	(3)	-0.1%	2,457
Bad Debts	93	127	34	26.5%	72	67	128	61	47.6%	191
Charity and Other Adjustments	15	15	0	0.3%	23	19	16	(4)	-23.4%	16
Net Patient Revenues	714	729	(15)	-2.1%	767	712	732	(20)	-2.8%	827
Net Patient Revenue %	22.1%	23.2%			23.7%	23.1%	23.2%			23.7%
Net Clinic Revenue	6	10	(4)	-37.3%	6	9	10	(1)	-14.1%	6
Other Operating Revenue	2	1	1	40.9%	3	1	1	(0)	-8.3%	2
Total Revenues	722	740	(18)	-2.5%	776	722	744	(22)	-2.9%	834
Expenses										
Salaries	420	409	(11)	-2.6%	402	411	408	(2)	-0.6%	465
Temporary Agency	21	18	(4)	-19.8%	23	19	20	1	5.8%	26
Benefits	115	122	7	5.5%	134	98	123	24	19.8%	126
Professional Fees	55	58	3	4.5%	50	55	58	3	5.7%	55
Supplies	100	95	(5)	-5.8%	106	95	93	(1)	-1.6%	111
Purchased Services	62	66	4	6.0%	59	63	67	4	6.0%	72
Rents and Leases	27	25	(1)	-5.6%	25	27	26	(1)	-4.3%	27
Utilities and Telephone	10	10	(0)	-3.5%	10	9	10	1	8.0%	11
Insurance	3	4	1	26.3%	4	4	4	0	11.2%	5
Depreciation and Amortization	10	9	(0)	-2.2%	9	10	10	(0)	-2.9%	10
Other Operating Expenses	15	13	(3)	-21.8%	15	13	14	0	2.8%	14
Total Expenses	838	828	(10)	-1.2%	837	803	832	29	3.5%	923
Operating Gain / (Loss)	(116)	(88)	(28)	-32.3%	(61)	(81)	(88)	7	-8.2%	(88)
Non-Operating Income / (Expense)										
Parcel Taxes	54	56	(2)	-3.7%	58	55	57	(2)	-3.6%	69
Investment Income	0	-	0	0.0%	0	0	-	0	0.0%	0
Interest Expense	(1)	(2)	1	34.1%	(2)	(1)	(2)	0	-25.2%	(2)
Other Income / (Expense)	3	5	(1)	-29.5%	4	3	5	(2)	-34.1%	4
Net Non-Operating Income / (Expense)	56	59	(3)	-4.8%	59	57	60	(3)	-5.3%	70
Excess of Revenues Over Expenses	\$ (60)	\$ (29)	\$ (31)	109.0%	\$ (2)	\$ (24)	\$ (28)	\$ 4	-14.2%	\$ (18)

Wound Care - Statement of Operations
October 31, 2013

	Current Month				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Clinic Visits	455	350	105	30.0%	1,752	1,400	352	25.1%
Revenue								
Gross Revenue	992,359	689,761	302,598	43.9%	3,741,580	2,759,044	982,536	35.6%
Deductions from Revenue	<u>764,116</u>	<u>531,392</u>	<u>232,724</u>		<u>2,898,484</u>	<u>2,125,567</u>	<u>772,917</u>	
Net Revenue	<u>228,243</u>	<u>158,369</u>	<u>69,873</u>	44.1%	<u>843,096</u>	<u>633,477</u>	<u>209,619</u>	
Expenses								
Salaries	19,205	16,587	(2,618)	-15.8%	82,363	66,822	(15,541)	-23.3%
Benefits	4,828	4,955	126	2.6%	24,106	19,960	(4,146)	-20.8%
Professional Fees	100,222	73,306	(26,916)	-36.7%	363,336	293,224	(70,112)	-23.9%
Supplies	54,676	28,239	(26,437)	-93.6%	186,036	112,956	(73,080)	-64.7%
Purchased Services	5,433	4,000	(1,433)	-35.8%	19,857	16,000	(3,857)	-24.1%
Rents and Leases	5,686	5,686	-	0.0%	23,786	22,744	(1,042)	-4.6%
Depreciation	8,834	8,685	(149)	-1.7%	35,336	34,740	(596)	-1.7%
Other	<u>425</u>	<u>2,079</u>	<u>1,654</u>	<u>79.6%</u>	<u>9,299</u>	<u>8,316</u>	<u>(983)</u>	<u>-11.8%</u>
Total Expenses	<u>199,309</u>	<u>143,537</u>	<u>(55,773)</u>	<u>-38.9%</u>	<u>744,119</u>	<u>574,762</u>	<u>(169,357)</u>	<u>-29.5%</u>
Excess of Revenue over Expenses	<u>28,933</u>	<u>14,833</u>	<u>14,101</u>	<u>95.1%</u>	<u>98,977</u>	<u>58,715</u>	<u>40,262</u>	<u>68.6%</u>

City of Alameda Health Care District
Waters Edge Skilled Nursing - Statement of Operations
October 31, 2013

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Patient Days								
Medicare	204	502	(298)	-59.4%	1,190	1,992	(802)	-40.3%
Medi-Cal	3,056	2,576	480	18.6%	11,953	10,221	1,732	16.9%
Managed Care	22	68	(46)	-67.6%	69	270	(201)	-74.4%
Self Pay/Other	<u>145</u>	<u>202</u>	<u>(57)</u>	<u>-28.2%</u>	<u>432</u>	<u>801</u>	<u>(369)</u>	<u>-46.1%</u>
Total	3,427	3,348	79	2.4%	13,644	13,284	360	2.7%
Revenue								
Routine Revenue	2,739,088	2,613,836	125,252	4.8%	10,867,374	10,371,027	496,347	4.8%
Ancillary Revenue	<u>313,316</u>	<u>248,332</u>	<u>64,984</u>	<u>26.2%</u>	<u>1,459,430</u>	<u>1,085,792</u>	<u>373,638</u>	<u>34.4%</u>
Total Gross Revenue	3,052,404	2,862,168	190,236	6.6%	12,326,804	11,456,819	869,985	7.6%
Deductions from Revenue	<u>1,810,989</u>	<u>1,648,609</u>	<u>(162,381)</u>	<u>-9.8%</u>	<u>7,320,119</u>	<u>6,599,128</u>	<u>(720,991)</u>	<u>-10.9%</u>
Net Revenue	<u>1,241,415</u>	<u>1,213,559</u>	<u>27,855</u>	<u>2.3%</u>	<u>5,006,685</u>	<u>4,857,691</u>	<u>148,994</u>	<u>3.1%</u>
Expenses								
Salaries	463,056	475,422	12,366	2.6%	1,794,917	1,892,422	97,505	5.2%
Temporary Agency	60,931	15,070	(45,861)	-100.0%	130,347	70,274	(60,073)	-100.0%
Benefits	93,913	97,373	3,460	3.6%	380,770	388,782	8,012	2.1%
Professional Fees	6,394	5,200	(1,194)	-23.0%	16,664	20,800	4,136	19.9%
Supplies	98,587	62,380	(36,207)	-58.0%	298,526	251,422	(47,104)	-18.7%
Purchased Services	82,794	129,300	46,506	36.0%	448,071	517,200	69,129	13.4%
Rents and Leases	78,337	75,400	(2,937)	-3.9%	312,151	301,600	(10,551)	-3.5%
Utilities	14,099	11,767	(2,332)	-19.8%	39,665	47,068	7,403	15.7%
Insurance	-	2,392	2,392	100.0%	-	9,568	9,568	100.0%
Other	<u>22,007</u>	<u>17,308</u>	<u>(4,699)</u>	<u>-27.1%</u>	<u>57,720</u>	<u>66,232</u>	<u>8,512</u>	<u>12.9%</u>
Total Expenses	<u>920,118</u>	<u>891,612</u>	<u>(28,506)</u>	<u>-3.2%</u>	<u>3,478,831</u>	<u>3,565,368</u>	<u>86,537</u>	<u>2.4%</u>
Excess of Revenue over Expenses	<u>321,297</u>	<u>321,947</u>	<u>(651)</u>		<u>1,527,854</u>	<u>1,292,323</u>	<u>235,531</u>	

City of Alameda Health Care District
Orthopedic Clinic - Statement of Operations
October 31, 2013

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Clinic Visits	207	302	(95)	-31.5%	990	1,208	(218)	-18.0%
Revenue								
Gross Revenue	97,575	128,652	(31,077)	-24.2%	339,684	514,608	(174,924)	-34.0%
Deductions from Revenue	<u>68,115</u>	<u>90,069</u>	<u>(21,954)</u>		<u>201,360</u>	<u>360,276</u>	<u>(158,916)</u>	
Net Revenue	<u>29,460</u>	<u>38,583</u>	<u>(9,123)</u>		<u>138,324</u>	<u>154,332</u>	<u>(16,008)</u>	
Expenses								
Salaries	33,728	32,905	(823)	-2.5%	131,073	131,616	543	0.4%
Benefits	8,479	9,829	1,350	13.7%	32,952	39,314	6,362	16.2%
Professional Fees	24,577	25,000	423	1.7%	98,308	100,000	1,692	1.7%
Supplies	1,874	3,467	1,593	45.9%	4,751	13,868	9,117	65.7%
Purchased Services	6,141	6,083	(58)	-1.0%	21,327	24,332	3,005	12.3%
Rents and Leases	4,689	4,667	(22)	-0.5%	18,669	18,668	(1)	0.0%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Other	288	2,608	2,320	89.0%	6,673	10,432	3,759	36.0%
Total Expenses	<u>79,776</u>	<u>84,559</u>	<u>4,783</u>	<u>5.7%</u>	<u>313,753</u>	<u>338,230</u>	<u>24,477</u>	<u>7.2%</u>
Excess of Revenue over Expenses	<u>(50,316)</u>	<u>(45,976)</u>	<u>(4,340)</u>	<u>-9.4%</u>	<u>(175,429)</u>	<u>(183,898)</u>	<u>8,469</u>	<u>4.6%</u>
<u>Hospital Based Activity:</u>								
Inpatient Days	66	22	44	200.0%	140	88	52	59.1%
Inpatient Surgeries	11	5	6	120.0%	21	20	1	5.0%
Outpatient Surgeries	7	10	(3)	-30.0%	25	39	(14)	-35.9%
Therapy Referred Visits	143	175	(32)	-18.3%	675	700	(25)	-3.6%
Imaging Referred Procedures	129	110	19	17.3%	497	440	57	13.0%
Inpatient Gross Charges	<u>1,310,480</u>	<u>309,500</u>	<u>1,000,980</u>	<u>323.4%</u>	<u>2,588,854</u>	<u>1,238,000</u>	<u>1,350,854</u>	<u>109.1%</u>
Inpatient Net Revenue	<u>308,361</u>	<u>69,500</u>	<u>238,861</u>	<u>343.7%</u>	<u>499,289</u>	<u>278,000</u>	<u>221,289</u>	<u>79.6%</u>
Outpatient Gross Charges	<u>396,900</u>	<u>324,775</u>	<u>72,125</u>	<u>22.2%</u>	<u>1,618,864</u>	<u>1,280,080</u>	<u>338,784</u>	<u>26.5%</u>
Outpatient Net Revenue	<u>67,473</u>	<u>70,885</u>	<u>(3,412)</u>	<u>-4.8%</u>	<u>260,152</u>	<u>279,548</u>	<u>(19,396)</u>	<u>-6.9%</u>
Total Gross Charges	<u>1,707,380</u>	<u>634,275</u>	<u>1,073,105</u>	<u>169.2%</u>	<u>4,207,718</u>	<u>2,518,080</u>	<u>1,689,638</u>	<u>67.1%</u>
Total Net Revenue	<u>375,834</u>	<u>140,385</u>	<u>235,449</u>	<u>167.7%</u>	<u>759,441</u>	<u>557,548</u>	<u>201,893</u>	<u>36.2%</u>

City of Alameda Health Care District
1206b Clinic - Statement of Operations
October 31, 2013

	Current Month				Year-to-Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Clinic Visits								
Primary Care	92	138	(46)		400	551	(151)	
Surgery	81	53	28		269	213	56	
Neurology	19	31	(12)		107	124	(17)	
Total Visits	<u>192</u>	<u>222</u>	<u>(30)</u>	-13.5%	<u>776</u>	<u>888</u>	<u>(112)</u>	-12.6%
Revenue								
Gross Revenue	89,178	129,400	(40,222)	-31.1%	395,802	517,600	(121,798)	-23.5%
Deductions from Revenue	<u>62,253</u>	<u>77,650</u>	<u>(15,397)</u>		<u>233,287</u>	<u>310,600</u>	<u>(77,313)</u>	
Net Revenue	<u>26,925</u>	<u>51,750</u>	<u>(24,825)</u>		<u>162,515</u>	<u>207,000</u>	<u>(44,485)</u>	
Expenses								
Salaries	55,229	37,696	(17,533)	-46.5%	139,473	125,018	(14,455)	-11.6%
Temporary Agency	-	-	-	-100.0%	-	-	-	-100.0%
Benefits	13,885	11,260	(2,625)	-23.3%	37,578	37,343	(235)	-0.6%
Professional Fees	8,347	18,000	9,653	53.6%	52,274	72,000	19,726	27.4%
Supplies	13,529	1,356	(12,173)	-897.7%	29,936	5,424	(24,512)	-451.9%
Purchased Services	8,286	6,468	(1,818)	-28.1%	27,209	25,872	(1,337)	-5.2%
Rents and Leases	15,194	12,661	(2,533)	-20.0%	60,776	50,644	(10,132)	-20.0%
Depreciation	494	182	(312)	-171.4%	1,976	728	(1,248)	-171.4%
Other	<u>1,729</u>	<u>5,167</u>	<u>3,438</u>	<u>66.5%</u>	<u>30,688</u>	<u>20,668</u>	<u>(10,020)</u>	<u>-48.5%</u>
Total Expenses	<u>116,693</u>	<u>92,790</u>	<u>(23,903)</u>	<u>-25.8%</u>	<u>379,910</u>	<u>337,697</u>	<u>(42,213)</u>	<u>-12.5%</u>
Excess of Revenue over Expenses	<u>(89,768)</u>	<u>(41,040)</u>	<u>(48,728)</u>	118.7%	<u>(217,395)</u>	<u>(130,697)</u>	<u>(86,698)</u>	66.3%
Clinic Rental Income	<u>15,546</u>	<u>13,100</u>	<u>2,446</u>	18.7%	<u>39,213</u>	<u>39,300</u>	<u>(87)</u>	-0.2%
Net 1206b Clinic	<u>(74,222)</u>	<u>(27,940)</u>	<u>(46,282)</u>	165.6%	<u>(178,182)</u>	<u>(91,397)</u>	<u>(86,785)</u>	95.0%

Note:

Clinic Hours by Physician

Dr. Celada - M,W,F Mornings only

Dr. Brimer - M & Th full days, plus T Mornings

Dr. Dutaret - T & W full days

City of Alameda Health Care District
Statement of Cash Flows
For the Four Months Ended October 31, 2013

	Current Month	Year-to-Date
Cash flows from operating activities		
Net Income / (Loss)	\$ (535,148)	\$ (1,113,759)
Items not requiring the use of cash:		
Depreciation and amortization	86,805	\$ 349,465
Write-off of Kaiser liability	-	\$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	(304,213)	988,906
Other Receivables	(27,531)	(782,906)
Third-Party Payer Settlements Receivable	(20,063)	(1,264,642)
Inventories	3,621	2,780
Prepays and Other	168,167	(24,561)
Accounts payable and accrued liabilities	(184,699)	135,384
Payroll Related Accruals	318,124	(373,285)
Employee Health Plan Accruals	(670)	(52,813)
Deferred Revenues	(486,328)	(1,876,602)
Cash provided by (used in) operating activities	(981,935)	(4,012,033)
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(12,297)	(43,113)
Additions to Property, Plant and Equipment	(265,105)	(785,246)
Other	0	260,554
Cash provided by (used in) investing activities	(277,403)	(567,805)
Cash flows from financing activities		
Net Change in Long-Term Debt	(44,716)	1,641,862
Net Change in Restricted Funds	12,297	(166,887)
Cash provided by (used in) financing and fundraising activities	(32,418)	1,474,976
Net increase (decrease) in cash and cash equivalents	(1,291,756)	(3,104,863)
Cash and cash equivalents at beginning of period	3,049,246	4,861,959
Cash and cash equivalents at end of period	\$ 1,757,492	\$ 1,757,097

**City of Alameda Health Care District
Ratio's Comparison**

Financial Ratios	<u>Audited Results</u>			<u>Unaudited</u>	<u>YTD</u>
	FY 2010	FY 2011	FY 2012	FY 2013	10/31/2013
<u>Profitability Ratios</u>					
Net Patient Revenue (%)	24.16%	23.58%	22.90%	23.34%	23.52%
Earnings Before Depreciation, Interest, Taxes and Amortization (EBITA)	4.82%	-1.01%	-1.48%	-1.48%	-1.48%
EBIDAP ^{Note 5}	-3.66%	-13.41%	-11.22%	-9.39%	-9.07%
Total Margin	2.74%	-2.61%	-3.21%	-3.13%	-3.04%
<u>Liquidity Ratios</u>					
Current Ratio	1.23	1.05	0.96	0.89	0.86
Days in accounts receivable ,net	51.83	46.03	55.21	60.35	70.59
Days cash on hand (with restricted)	21.6	14.1	17.7	21.8	13.9
<u>Debt Ratios</u>					
Cash to Debt	249.0%	123.3%	123.56%	210.11%	79.93%
Average pay period (includes payroll)	57.11	62.68	72.94	78.69	102.07
Debt service coverage	5.98	(0.70)	(0.53)	(1.21)	(0.12)
Long-term debt to fund balance	0.14	0.18	0.28	0.33	0.49
Return on fund balance	18.87%	-19.21%	-27.35%	-48.16%	-13.61%
Debt to number of beds	10,482	11,515	16,978	9,728	9,728

**City of Alameda Health Care District
Ratio's Comparison**

Financial Ratios	Audited Results			Unaudited	YTD
	FY 2010	FY 2011	FY 2012	FY 2013	10/31/2013
Patient Care Information					
Bed Capacity	161	161	161	281	281
Patient days(all services)	30,607	30,270	30,448	66,645	24,299
Patient days (acute only)	10,579	10,443	10,880	11,559	3,619
Discharges(acute only)	2,802	2,527	2,799	2,838	858
Average length of stay (acute only)	3.78	4.13	3.89	4.07	4.22
Average daily patients (all sources)	83.85	82.93	83.19	182.59	197.55
Occupancy rate (all sources)	52.08%	51.51%	51.67%	64.98%	70.30%
Average length of stay	3.78	4.13	3.89	4.07	4.22
Emergency Visits	17,624	16,816	16,964	17,175	5,347
Emergency visits per day	48.28	46.07	46.35	47.05	43.47
Outpatient registrations per day ^{Note 1}	79.67	65.19	60.67	64.07	68.21
Surgeries per day - Total	13.46	6.12	6.12	5.52	5.54
Surgeries per day - excludes Kaiser	5.32	6.12	6.12	5.52	5.54

Notes:

1. Includes Kaiser Outpatient Surgical volume in Fiscal Years 2008, 2009 and through March 31, 2010.
2. In addition to these general requirements a feasibility report will be required.
3. Based upon Moody's FY 2008 preliminary single-state provider medians.
4. EBIDA - Earnings before Interest, Depreciation and Amortization
5. EBIDAP - Earnings before Interest, Depreciation and Amortization and Parcel Tax Proceeds

Glossary of Financial Ratios

Term	What is it? Why is it Important?	How is it calculated?
EBIDA	A measure of the organization's cash flow	Earnings before interest, depreciation, and amortization (EBIDA)
Operating Margin	Income derived from patient care operations	Total operating revenue less total operating expense divided by total operating revenue
Current Ratio	The number of dollars held in current assets per dollar of liabilities. A widely used measure of liquidity. An increase in this ratio is a positive trend.	Current assets divided by current liabilities
Days cash on hand	Measures the number of days of average cash expenses that the hospital maintains in cash or marketable securities. It is a measure of total liquidity, both short-term and long-term. An increasing trend is positive.	Cash plus short-term investments plus unrestricted long-term investments over total expenses less depreciation divided by 365.
Cash to debt	Measures the amount of cash available to service debt.	Cash plus investments plus limited use investments divided by the current portion and long-term portion of the organization's debt instruments.
Debt service coverage	Measures total debt service coverage (interest plus principal) against annual funds available to pay debt service. Does not take into account positive or negative cash flow associated with balance sheet changes (e.g. work down of accounts receivable). Higher values indicate better debt repayment ability.	Excess of revenues over expenses plus depreciation plus interest expense over principal payments plus interest expense.
Long-term debt to fund balance	Higher values for this ratio imply a greater reliance on debt financing and may imply a reduced ability to carry additional debt. A declining trend is positive.	Long-term debt divided by long-term debt plus unrestricted net assets.



RESOLUTION NO. 2013-2K

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

EXTENSION OF SPENDING AUTHORITY

WHEREAS, the City of Alameda Health Care District (the "District") was formally organized and began its existence on July 1, 2002; and

WHEREAS, on August 8, 2013, the District Board of Directors approved the six (6) month Operating and Capital Budget for Fiscal Year 2013-2014; and

WHEREAS, a six (6) month budget was initially developed to coincide with the close of the affiliation with Alameda Health System (AHS);

WHEREAS, due to a delay in the affiliation with AHS, there is a need to develop and approve the remaining six (6) month operating budget from January 1, 2014 – June 30, 2014 for Fiscal Year 2013-2014;

WHEREAS, it is anticipated that the Board of Directors will review, for approval, the remaining six (6) month operating budget for January 1, 2014 – June 30, 2014 of Fiscal Year 2013-2014 at its February, 2014 regular meeting;

WHEREAS, it was recommended by the Finance and Management Committee that the Board of Directors authorize an extension of spending authority through February 2014,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, that the District hereby authorizes that, until further action is taken specifying otherwise, the City of Alameda Health Care District (Alameda Hospital) will continue to utilize its spending authority approved by the District Board on August 8, 2013 until an approved six (6) month Budget for January 1, 2014 – June 30, 2014 for Fiscal Year 2013-2014 can be adopted by the Board of Directors, which shall occur no later than February 28, 2014.

PASSED AND ADOPTED on December 11, 2013 by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

J. Michael McCormick
President

Tracy Jensen
Secretary