



MEMORANDUM

1411 East 31st Street
Oakland, CA 94602

TO: AHS Finance Committee
FROM: Ishwari Venkataraman, VP Strategy and Business Planning
DATE: October 20, 2017
SUBJECT: AHS Market Share Report

We present to you, Alameda Health System's (AHS) inpatient market share report for CY 2016. This report is an analysis of inpatient activity of patients residing in Alameda county and noting utilization trends from 2013-2016. The data source for this report is from the California Office of Statewide Health Planning and Development (OSHPD), and is current through CY 2016.

Many hospitals and health systems like Alameda Health System are operating in both worlds: in an extended "middle game" – working with traditional fee for service arrangements, while building and shifting towards a value driven, risk based financing model that recognizes and rewards population health management. While we continue to operate and play this extended "middle game", conventional metrics used today, such as market share (stealing inpatient admissions), and growth in days and discharges, become diminishing proxies for growth and success in a value based market. Emergent growth metrics such as ambulatory and primary care channel strength and management, growth rates above market, use rates relative to market by payor, and network leakage are metrics to focus for our future. Efforts in AHS is already underway to analyze utilization patterns and access opportunities for AHS's delegated lives.

This report measures Alameda County's trends in utilization of inpatient services, and compares Alameda Health system inpatient growth and utilization against its competitors. The analysis also includes trends by major payer categories: Medi-Cal, Medicare, Private (Commercial) and all others. Finally, this report includes an analysis of Emergency department (ED) volume trends.

The following key findings for trends in inpatient hospital utilization for patients in Alameda County:

- Inpatient healthcare utilization in Alameda County has been trending downwards since 2014 and picked up slightly in 2016.
- AHS's market share dropped in 2014 and 2015, but showed slight improvement in 2016. AHS growth in 2016, has kept pace with inpatient market growth. Within AHS Hospitals, growth is varied; while Highland declined in growth in 2014 and 2015 and picked up in 2016, San Leandro growth far exceeded market in 2015 and 2016, growth came from

medical discharges, and surgical growth declined. Alameda Hospital has increased growth rate since 2015, recovering from prior year declines.

- The market share leader by payor is varied. AHS (Highland) dominates market in Medical amidst modest market growth since 2014. For Medicare, while the Kaiser System leads this market, share is divided amongst top five facilities, and AHS (Highland) trails in share. The Alameda county market growth rate in Medicare declined in 2016. This utilization trend is worth tracking, as demographic projections for this age segment show projected growth of the 65+ population. AHS is not a significant competitor in the private (Commercial) market.
- Utilization and growth by service lines in the market, showcased historical growth in obstetrics, orthopedics and neonatology. AHS, though not the market leader in obstetrics, has experienced double digit growth in 2016, while Alta Bates share declined. A market forecast analysis is underway to project future growth or declines by service lines.
- Emergency department experienced declining trends in market. Kaiser San Leandro (as a new entrant) is a dominant market leader, while Highland experienced declines in volume.

Additional work is underway to assess and forecast market growth for services including a deeper dive and understanding utilization patterns of AHS's delegated lives. This additional analysis will inform AHS's future strategies for growth with following implications and next steps for AHS:

- **Recast future inpatient growth projections:**
 - Historical volume trends show a market with low, to flat growth for inpatient discharges.
 - Determine future forecast for inpatient discharges for all AHS facilities.
 - Identify select services for growth based on "out of network analysis" for delegated lives, and market projections for future service line growth. Determine build, buy or partner?
 - Identify services delivery efficiencies based on potential declines in future growth projections.
- **Evaluate and develop targeted population health access strategies for AHS facilities:**
 - Determine AHS strategy for ED growth by geographic access/ payer.
 - Determine primary care channel strength by geography.
 - Identify and develop opportunities presented by the network analysis for delegated lives.
 - Discuss and potentially develop AHS's Medicare strategy.

**Alameda Health System
Market Analysis**

**Review of Inpatient Utilization and Market Growth, Share
CY 2013-2016**

November 2, 2017

Steps in Market Assessment

Step 1: Market Demographics Assessment

Provides forecast for overall population growth. Is Alameda County population growing, or declining?

Step 2: Quantitative Assessment of Competitive landscape: Historical growth, Utilization and Share

What is AHS's market position and inpatient share for target population? What is AHS's historical growth rate for targeted services?

Step 3: Qualitative Competitive Landscape

Who are major health care players in the market? Any facility growth, or recent market movements, or disruptions that impact access, or growth? What is the physician landscape?

Step 4: Forecast of market forces that impact growth for future across continuum

Provides forecast for key services for target populations that are projected to grow in market. A key consideration for AHS's strategy for growth

Step 5: Targeted analysis of delegated lives

What is AHS's network leakage for delegated lives? Do we build, or buy? What are barriers to access? Geographic? Other?

Inpatient Utilization Analysis

- **Where do residents of Alameda County seek inpatient care?**

Methodology and data

- Includes the zip codes of Alameda County and includes inpatient discharges of patients living in Alameda County.
- Inpatient acute discharges only (*excludes normal newborns, Post Acute, and Behavioral inpatients*).
- Data from California Office of Statewide Health Planning and Development (OSHPD)

Key Findings

1. Alameda County population (1.6M) is expected to grow moderately at 6% over next five years.
2. Inpatient utilization in Alameda County has been trending downwards since 2014 and picked up only slightly in 2016.
3. AHS's market share dropped in 2014 and 2015, but showed slight improvement in 2016, inline with market growth. Within AHS Hospitals, growth varied:
 - Highland declined in growth in 2014 and 2015 and picked up in 2016
 - San Leandro growth far exceeded market in 2015 and 2016, however has experienced declines in surgical growth, while medical drg growth rate increased.
 - Alameda Hospital has increased growth rate since 2015, recovering from prior year declines.
4. The market leaders by payor is varied. AHS (Highland) dominates market in Medi-cal amidst modest market growth since 2014. In Medicare, share is divided amongst top five, with AHS (Highland) trailing in share. The market growth rate for Medicare shows declines in growth rate in 2016. AHS is not a significant competitor in the private (Commercial) market.
5. Utilization and growth by service lines in market, showcased growth in obstetrics, orthopedics and neonatology. AHS, though not the market leader is obstetrics, has experienced double digit growth in 2016, while Alta Bates share declined.
6. Emergency department growth shows declining volume trends in market. Kaiser San Leandro is market leader, while Highland and San Leandro experienced declines in visit volume.

Implications for AHS

1. Recast future inpatient growth projections:

- Historical volume trends show a market with low, to flat growth for inpatient discharges.
- Determine future forecast for inpatient discharges for all AHS facilities.
- Identify select services for growth based on “out of network analysis” for delegated lives, and market projections for service line growth. Build, buy or partner?
- Identify services delivery efficiencies based on projected declines in future growth.

2. Evaluate and develop access strategies for AHS facilities

- Determine AHS strategy for ED growth by geographic access/ payer.
- Determine primary care channel strength by geography.
- Identify and develop opportunities presented by the network analysis for delegated lives.
- Develop AHS’s Medicare strategy.

Supplemental Slides

Detailed Analysis

Market Assessment

Many hospitals and health systems like Alameda Health System are operating in both worlds, in an extended “middle game” – working with traditional fee for service arrangements today, while building and shifting towards a value driven, risk based financing model, that recognizes and rewards population health management.

This driver has implications for AHS’s play for strategic growth. Leading health systems that are population health managers, derive significant enterprise revenue from services delivered in the ambulatory continuum. Therefore, organizations like AHS, must gain perspective across all our strategic business units (sites of care), including our volumes and those of competitors. This will enable AHS to identify opportunities for healthy network access across our entire continuum.

While we continue to operate and play this extended “middle game”, conventional metrics used today, such as market share (stealing inpatient admissions), and growth in days and discharges, become diminishing proxies for growth and success in a value based market.

Emergent growth metrics such as **ambulatory and primary care channel strength and management, growth rates above market, use rates relative to market by payor, and network leakage** are metrics to focus for our future.



STEP 1

Market Demographics Forecast

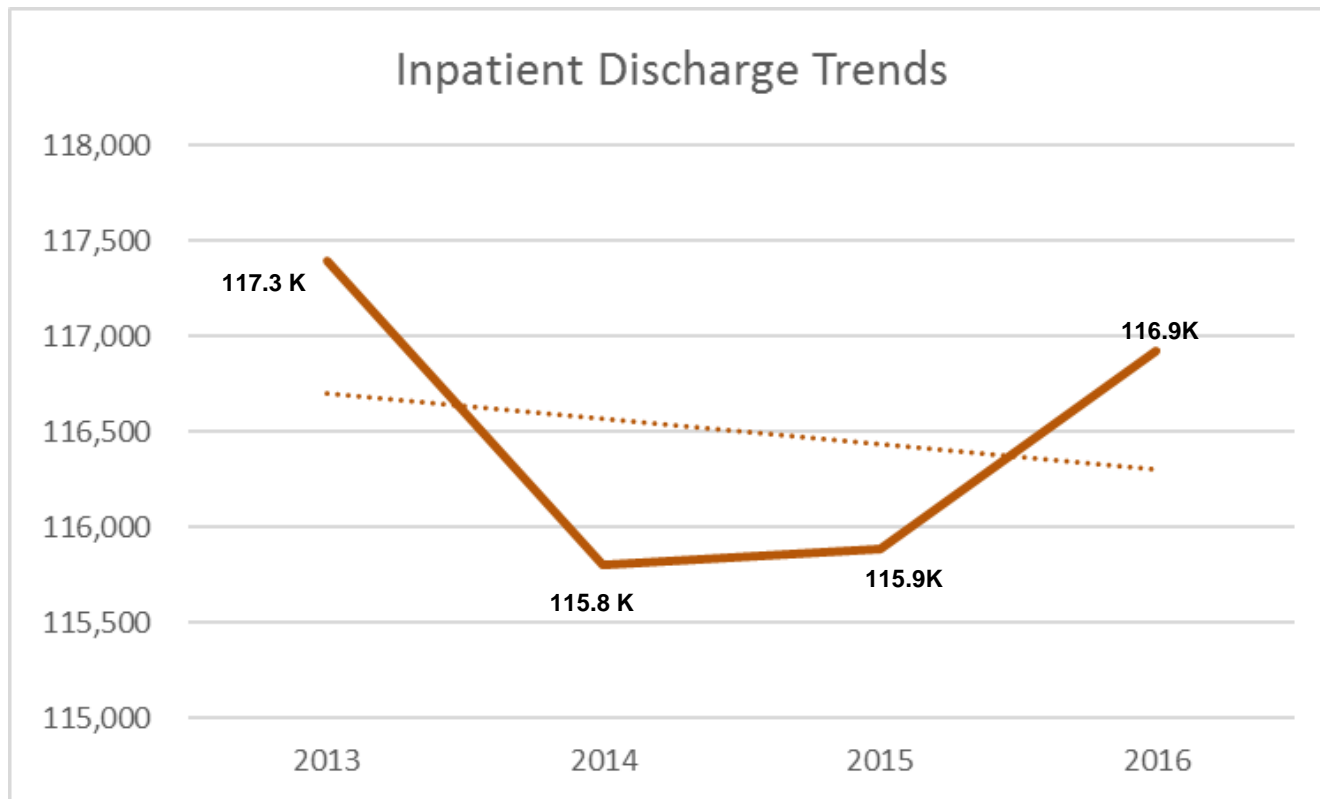
Forecast of demographic growth projections in Alameda County from 2017-2022: Alameda County is made up of 1.67 million. 60% of the market is younger than 44, though the 65+ population is projected to grow the most in next five years. The market is also ethnically diverse, with the Asian population projected to grow 15%.

Age Groups	Market 2017 Population	Market 2017 % of Total	Market 2022 Population	Market 2022 % of Total	Market Population % Change	National 2017 % of Total
00-17	357,979	21.4%	374,929	21.1%	4.7%	22.8%
18-44	646,679	38.6%	647,278	36.3%	0.1%	35.8%
45-64	444,218	26.5%	478,990	26.9%	7.8%	26.0%
65-UP	226,269	13.5%	279,971	15.7%	23.7%	15.5%
Total	1,675,145	100.0%	1,781,168	100.0%	6.3%	100.0%

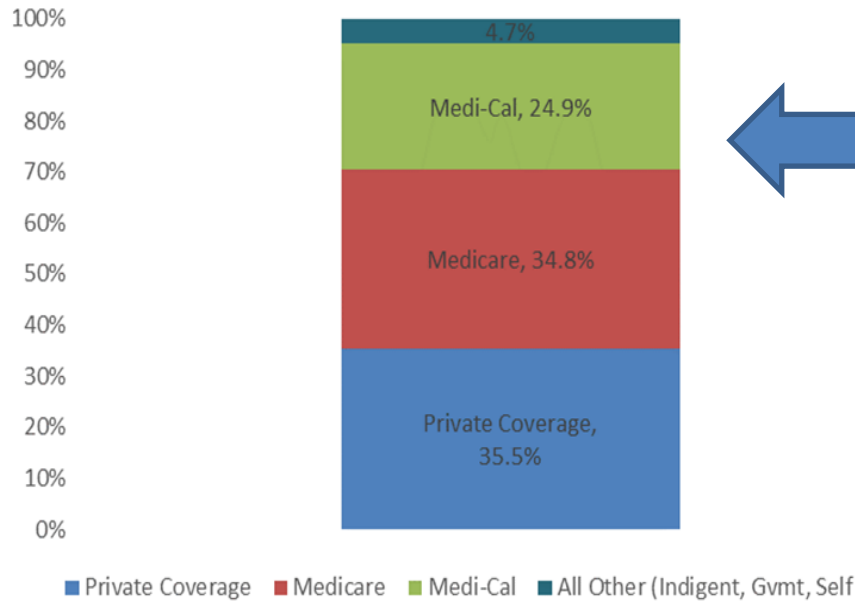
Ethnicity/Race	Market 2017 Population	Market 2017 % of Total	Market 2022 Population	Market 2022 % of Total	Market Population % Change	National 2017 % of Total
Asian & Pacific Is. Non-Hispanic	500,718	29.9%	575,900	32.3%	15.0%	5.7%
Black Non-Hispanic	175,752	10.5%	164,905	9.3%	(6.2)%	12.4%
Hispanic	381,727	22.8%	410,414	23.0%	7.5%	18.1%
White Non-Hispanic	534,702	31.9%	538,253	30.2%	0.7%	60.8%
All Others	82,246	4.9%	91,696	5.2%	11.5%	3.2%
Total	1,675,145	100.0%	1,781,168	100.0%	6.3%	100.0%

Inpatient Market Utilization Trends

- Total inpatient hospital discharges from patients in Alameda County have been fairly consistent since 2014, and showing some modest gains since 2014, trending upwards by a slight 1% in 2016.



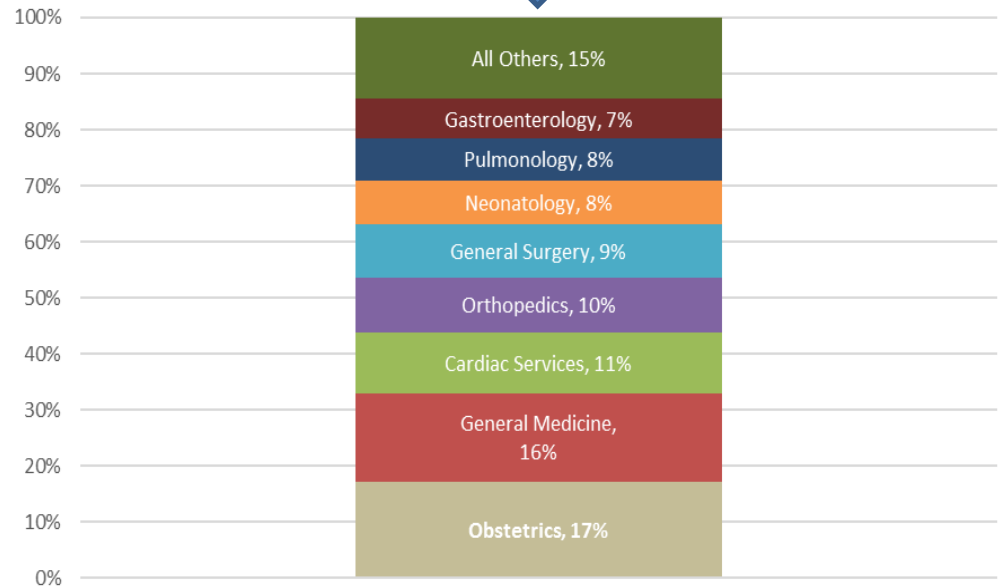
Inpatient Hospital Utilization – 2016 Market Snapshot



Medi-Cal and Medicare made up over 60% of the payor mix for inpatient hospital services

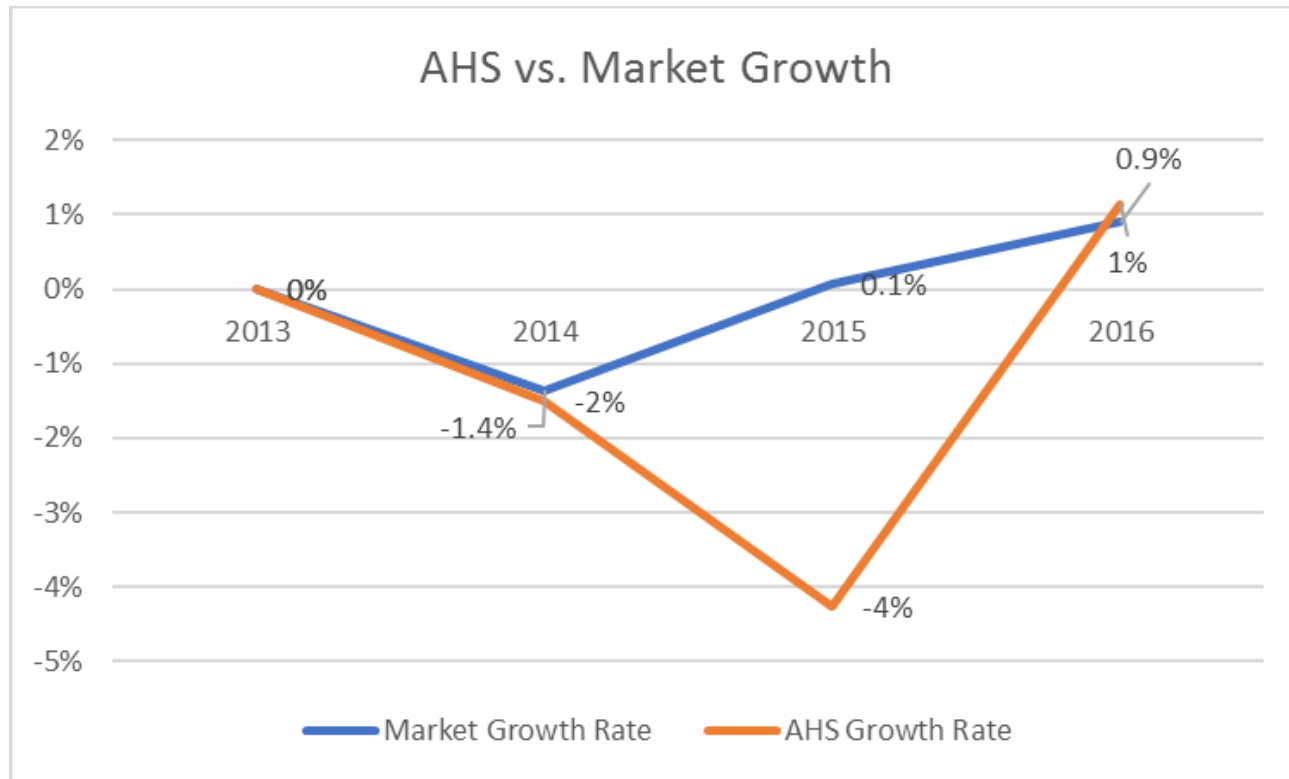
Obstetrics was the inpatient service utilized most, followed by General medicine, and Cardiac services

2016



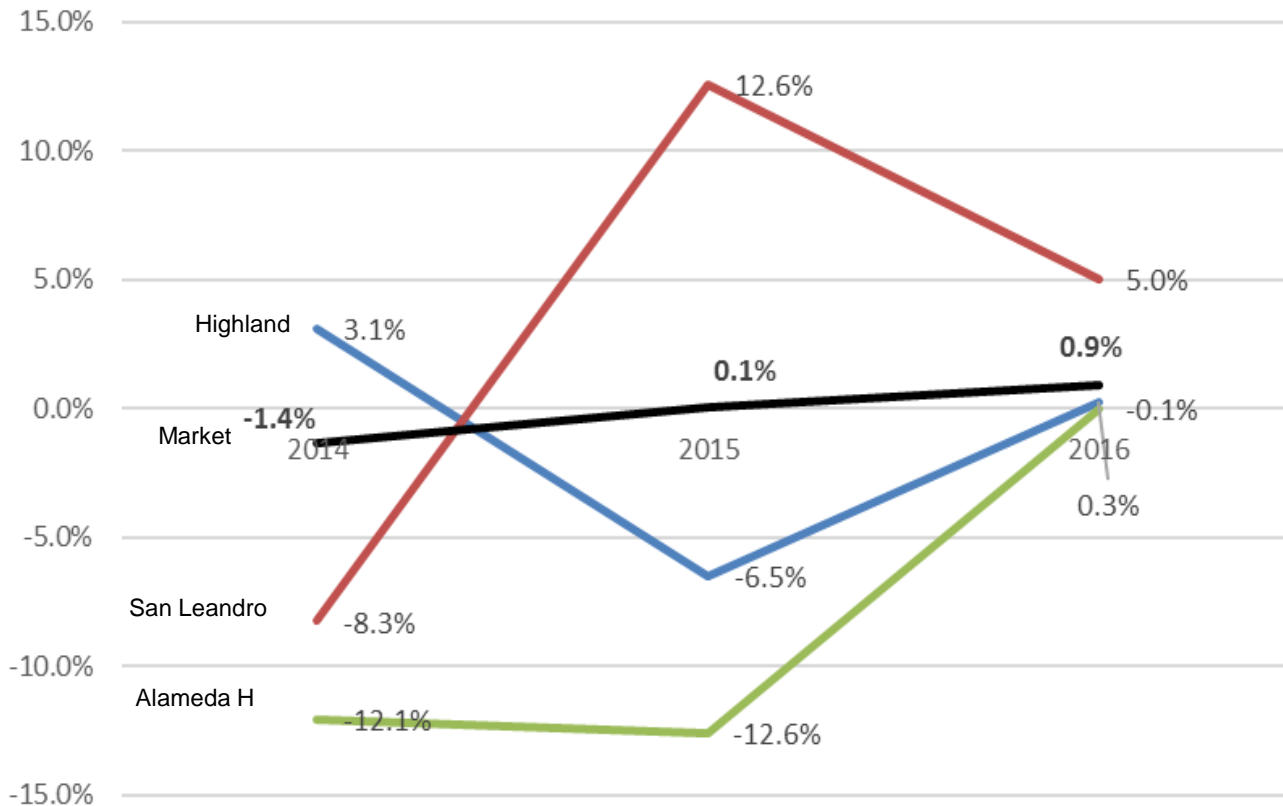
Benchmarking Growth Rate—Consistent with market average

- While the market for inpatient discharges in Alameda County, has grown slightly over the last two years, AHS inpatient growth rate declined in 2014, 2015, and picked up in 2016, to keep consistent with market growth.



Benchmarking AHS Hospitals' Growth Rate

- Highland was ahead of market growth rate in 2014, declined in 2015 and has caught up with the market in 2016.
- San Leandro was performing worse than market in 2014, and has since exceeded market growth rate.
- Alameda Hospital regained declines in growth from 2014 -2015 and has since experienced increased growth rate from 2015 to 2016.



2013

Market: 117.3K

HGH; 10.1K

San Leandro:
2.76K

AH: 2.58K

2016

Market: 116.9K

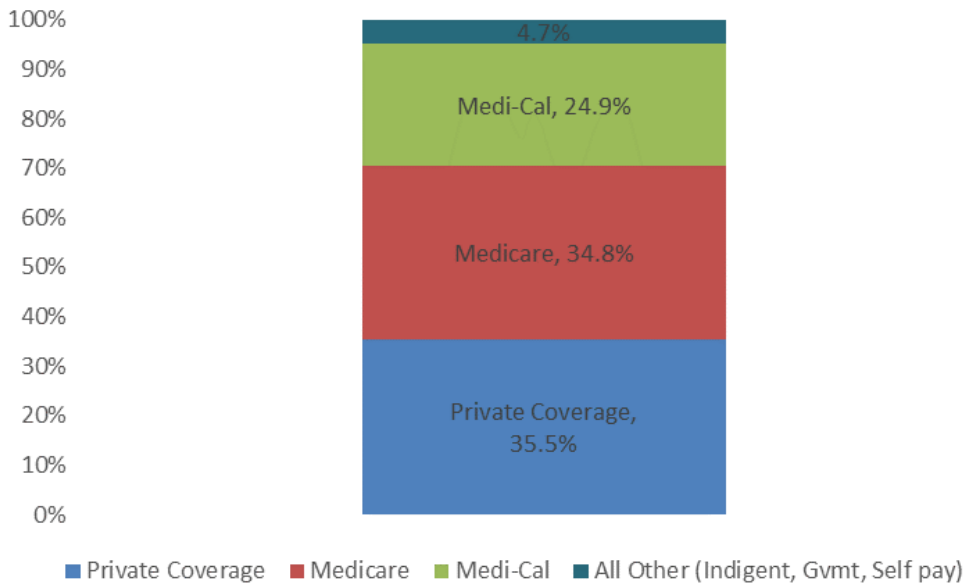
HGH; 9.75 K

San Leandro: 3K

AH: 1.98K

PAYER TRENDS

Medi-Cal and Medicare make up 60% of the inpatient hospital utilization in Alameda County. This trend has been consistent in last few years. Share leaders vary by payer category.



2016

Medi-Cal

- 1) Highland 23%
- 2) Alta Bates Berkeley 17%
- 3) St. Rose 9%
- 4) Alta Bates H. Oakland 9%

Medicare

- 1) Alta Bates H Oakland 13%
- 2) Washington H Fremont 11.9%
- 3) Kaiser Oakland 10%
- 4) Kaiser San Leandro 9.6%

Private

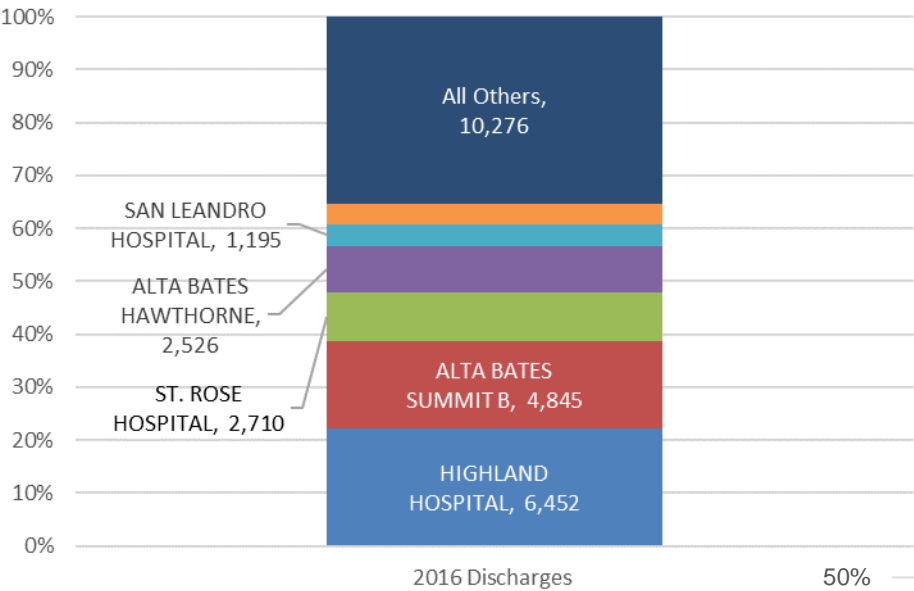
- 1) Kaiser San Leandro 18%
- 2) Kaiser Oakland 13%
- 3) Washington H Fremont 9%
- 4) Alta Bates Berkeley 8%

All Others (Self Pay, Govt, Indigent)

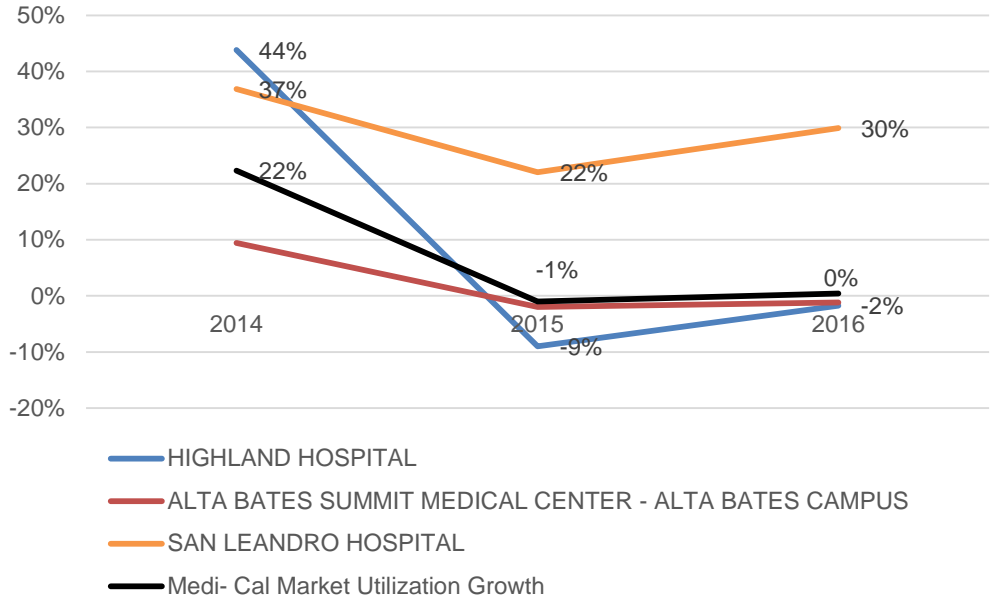
- 1) Children's H. 23%
- 2) Highland 8.9%
- 3) Alta Bates Berkeley 8.6%

Medi-Cal 2016

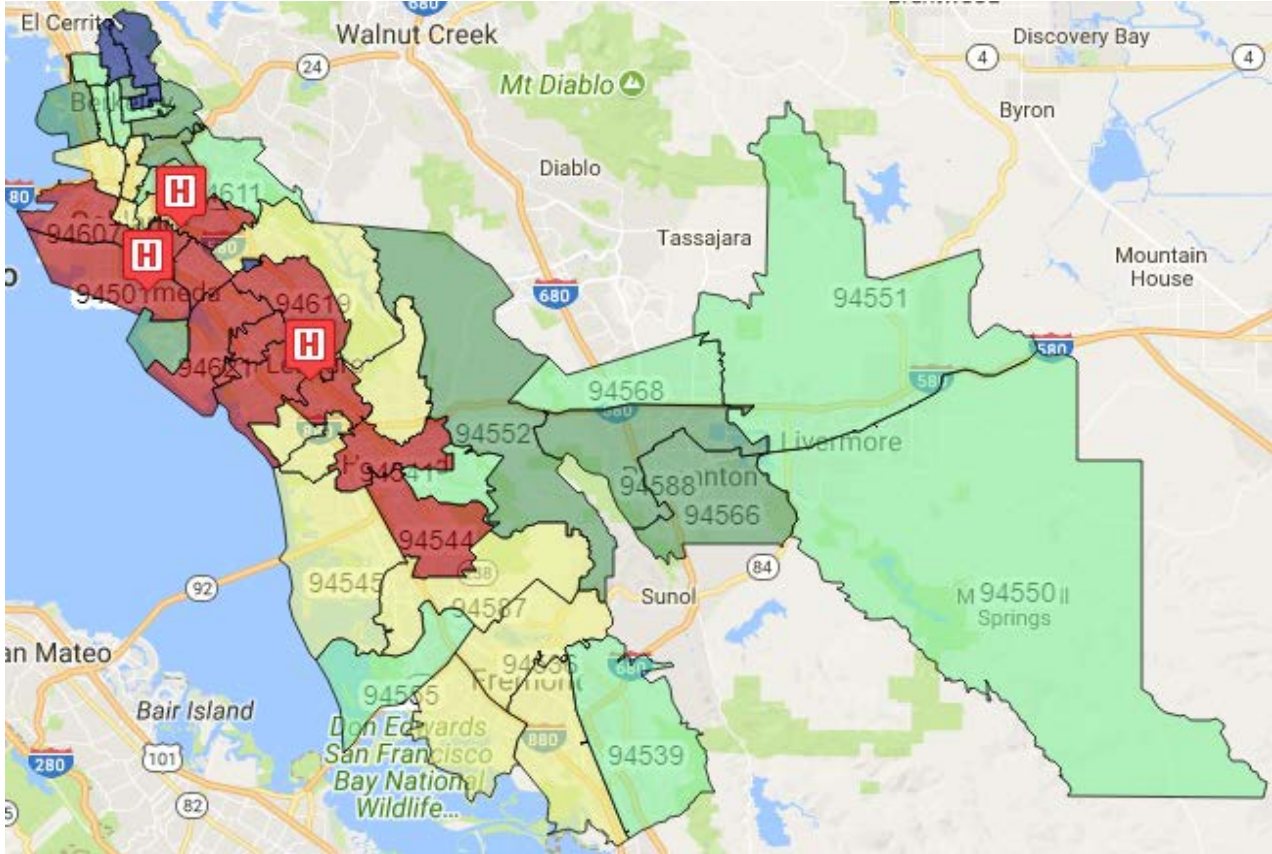
The expansion of the ACA realized increased enrollment in Medi-Cal and as a result, in 2014 Alameda County experienced an 22% increased utilization of inpatient services from Medi-Cal patients. Utilization has steadied since 2014, and Highland and Alta Bates experienced similar trends to market, for Medi-Cal growth. San Leandro's Medi-Cal utilization has increased steadily and outpaced market growth. Highland is a leader of market share, with Alta Bates, Berkeley competing in second place.



- Medi-Cal (29K Discharges)**
- 1) Highland 23%
 - 2) Alta Bates Berkeley 17%
 - 3) St. Rose 9%
 - 4) Alta Bates Oakland 9%



Heat Map of top patient origin by zip codes for Medi-Cal inpatients at AHS, 2016



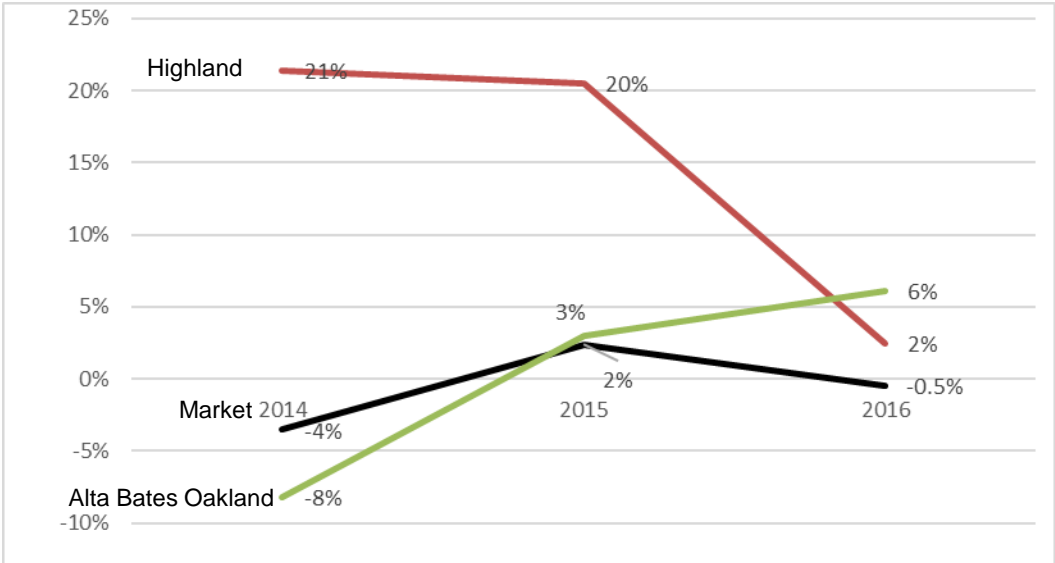
Value Range	Color
0 up to 4	Dark Blue
4 up to 16	Dark Green
16 up to 63	Light Green
63 up to 250	Yellow-Green
250 up to 995	Dark Red

Medicare 2016

Rank	Facility Name	2016
1	ALTA BATES SUMMIT MEDICAL CENTER - SUMMIT CAMPUS - HAWTHC	13.16%
2	WASHINGTON HOSPITAL - FREMONT	11.87%
3	KAISER FOUNDATION HOSPITAL - OAKLAND - RICHMOND	10.22%
4	KAISER FOUNDATION HOSPITAL - SAN LEANDRO	9.63%
5	EDEN MEDICAL CENTER	8.04%
6	VALLEYCARE MEDICAL CENTER	6.03%
7	ALTA BATES SUMMIT MEDICAL CENTER - ALTA BATES CAMPUS	5.50%
8	HIGHLAND HOSPITAL	5.18%
9	ST. ROSE HOSPITAL	5.01%
10	KAISER FOUNDATION HOSPITAL - FREMONT	4.67%
	All Others	20.69%

- This is a contested market, with no dominant single hospital player. However, the Kaiser system is market leader.
- Share is distributed amongst several hospitals with Alta Bates H. Oakland leading share.
- Highland trails other systems in this market.

- While the inpatient utilization for Medicare has tapered off and has shown declines in growth rate since 2015, Highland's growth has tapered, but still is better than market. Alta Bates continues to grow.



Emergency Department

Facilities	2016 Visits	Spark Lines
Kaiser Foundation Hospital - San Leandro	55,427	
Highland Hospital	54,099	
Kaiser Foundation Hospital - Oakland - Richmond	47,453	
Washington Hospital - Fremont	37,966	
Eden Medical Center	35,773	
Alta Bates Summit Medical Center - Summit Campus - Hawthorne	32,219	
Kaiser Foundation Hospital - Fremont	30,568	
Childrens Hospital and Research Center at Oakland	29,948	
St. Rose Hospital	29,571	
San Leandro Hospital	29,050	
Alta Bates Summit Medical Center - Alta Bates Campus	25,489	
Valleycare Medical Center	22,542	
Alameda Hospital	13,628	
Kaiser Foundation Hospital - Hayward - Fremont	-	
Kaiser Foundation Hospital - Oakland Campus	-	
TOTAL	443,733	

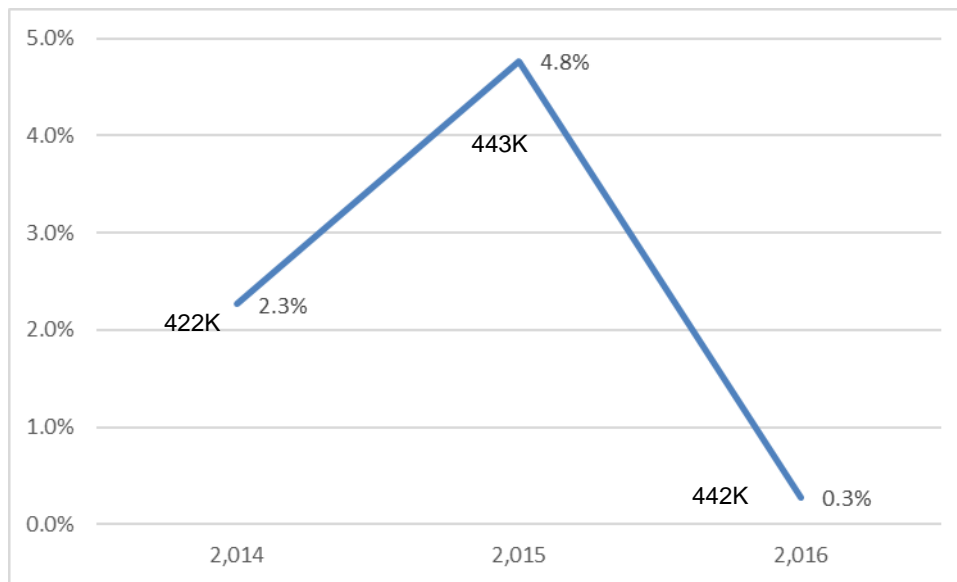
ED Visit Activity showed varying trends.

Kaiser in San Leandro (opened in 2014), is now dominant in share in Alameda County. Similarly, Kaiser ED in Fremont is also seen increased visit volumes.

In AHS, Highland has lost considerable share and is declining in growth.

San Leandro grew in ED visits from 2013-16. However, in 2017 and in 2018, San Leandro ED (internal data) is noting some declining volume trends.

Emergency Department Market Growth



Market - Service Line Utilization

SERVICE LINES	Count of Patient Discharges				Percenta 2016	Spark Lines
	2013	2014	2015	2016		
Obstetrics	20,299	20,560	20,101	20,128	17.2%	
General Medicine	17,840	18,106	18,582	18,474	15.8%	
Cardiac Services	14,237	12,828	12,523	12,733	10.9%	
Orthopedics	10,701	11,007	11,381	11,397	9.7%	
General Surgery	10,323	9,815	9,739	11,028	9.4%	
Neonatology	7,465	7,944	8,475	9,145	7.8%	
Pulmonology	9,928	9,513	9,652	8,910	7.6%	
Gastroenterology	8,919	8,791	8,396	8,148	7.0%	
Neurology	6,002	5,956	5,868	5,713	4.9%	
Nephrology	3,934	3,714	3,793	3,863	3.3%	
Oncology	2,273	2,367	2,305	2,332	2.0%	
Gynecology	1,761	1,560	1,449	1,377	1.2%	
Urology	1,448	1,323	1,254	1,337	1.1%	
Neuro Surgery	1,161	1,118	1,158	1,176	1.0%	
Psychiatry	1,100	1,195	1,191	1,157	1.0%	
TOTAL	117,397	115,804	115,883	116,924	100.0%	

- Market Utilization is most for Obstetrics, General Medicine and Cardiology.
- Services that experienced year over year growth include: Orthopedics, Neonatology and Neurosurgery.
- Next Steps: Determine future market forecast and growth, based on demographic growth and other impact factors

Obstetrics 2016

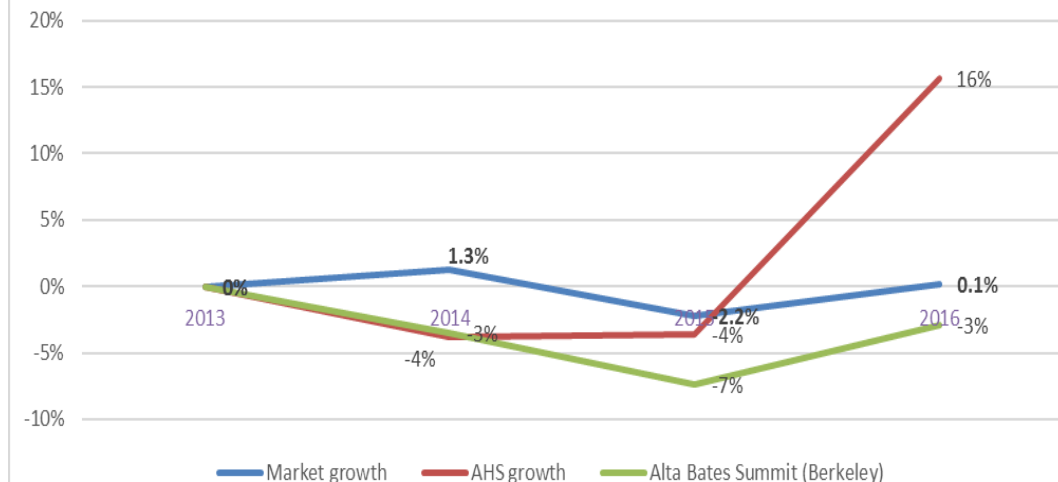
Rank	Facility Name	2016	2016
1	ALTA BATES SUMMIT MEDICAL CENTER - ALTA BATES CAM	4,796	23.83%
2	KAISER FOUNDATION HOSPITAL - SAN LEANDRO	3,640	18.08%
3	KAISER FOUNDATION HOSPITAL - OAKLAND - RICHMOND	1,982	9.85%
4	WASHINGTON HOSPITAL - FREMONT	1,704	8.47%
5	HIGHLAND HOSPITAL	1,426	7.08%
6	VALLEYCARE MEDICAL CENTER	1,172	5.82%
7	EDEN MEDICAL CENTER	983	4.88%
8	KAISER FOUNDATION HOSPITAL - WALNUT CREEK	878	4.36%
9	ST. ROSE HOSPITAL	720	3.58%
10	SAN RAMON REGIONAL MEDICAL CENTER	340	1.69%
	All Others	2,487	12.36%
	Grand Total	20,128	100.00%

Alta Bates Berkeley leads share, followed by Kaiser San Leandro.

Though Highland is not market leader, it has picked up share since 2014

While the Alameda County growth for deliveries remained somewhat stable, AHS far exceeded market growth in 2016. The market share leader, Alta Bates has seen decline in growth.

AHS versus Market Growth Rate for Obstetrics



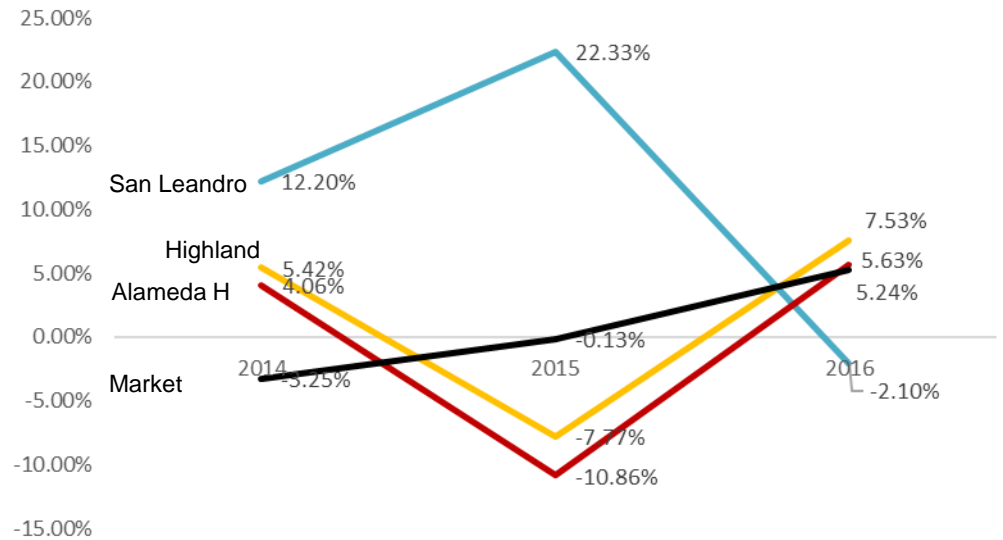
Surgical Discharges, 2016

Rank	Facility Name	2016	2016
1	KAISER FOUNDATION HOSPITAL - SAN LE	3,455	10.18%
2	KAISER FOUNDATION HOSPITAL - OAKLA	3,040	8.96%
3	ALTA BATES SUMMIT MEDICAL CENTER -	2,834	8.35%
4	ALTA BATES SUMMIT MEDICAL CENTER -	2,816	8.30%
5	HIGHLAND HOSPITAL	2,642	7.79%
6	WASHINGTON HOSPITAL - FREMONT	2,627	7.74%
7	EDEN MEDICAL CENTER	2,061	6.07%
8	VALLEYCARE MEDICAL CENTER	1,873	5.52%
9	ST. ROSE HOSPITAL	1,404	4.14%
10	UCSF MEDICAL CENTER	1,350	3.98%
15	SAN LEANDRO HOSPITAL	606	1.79%
22	ALAMEDA HOSPITAL	338	1.00%
	All Others	8,883	26.18%
	Grand Total	33,929	100.00%

Kaiser leads market in surgical discharges, though share is split amongst top 6.

Next Steps: In depth analysis of smart growth opportunities by payor, to leverage network leakage (build or buy) and future high growth services.

Growth for inpatient surgical discharges in market has been increasing steadily. Highland and Alameda are recovering from declines in growth rate in 2015, while San Leandro's growth rate has stalled in 2016.



Medical Discharges, 2016

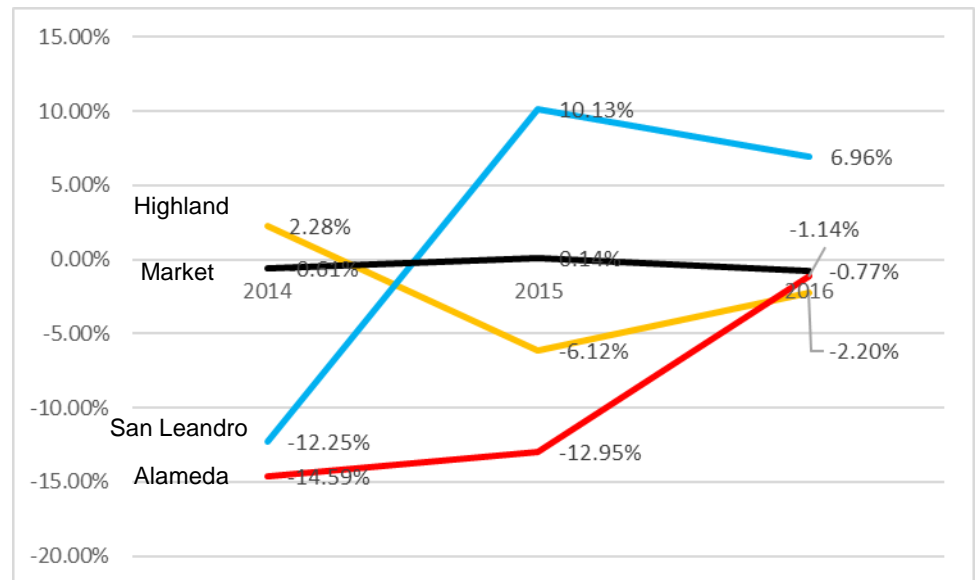
Rank	Facility Name	2016	2016
1	KAISER FOUNDATION HOSPITAL - SAN LEANDRO	8,957	10.79%
2	ALTA BATES SUMMIT MEDICAL CENTER - ALTA BATES C	8,323	10.03%
3	WASHINGTON HOSPITAL - FREMONT	7,942	9.57%
4	KAISER FOUNDATION HOSPITAL - OAKLAND - RICHMO	7,612	9.17%
5	ALTA BATES SUMMIT MEDICAL CENTER - SUMMIT CAM	7,190	8.66%
6	HIGHLAND HOSPITAL	7,115	8.57%
7	EDEN MEDICAL CENTER	5,817	7.01%
8	VALLEYCARE MEDICAL CENTER	4,252	5.12%
9	ST. ROSE HOSPITAL	3,931	4.74%
10	CHILDRENS HOSPITAL AND RESEARCH CENTER AT OAK	3,235	3.90%
11	SAN LEANDRO HOSPITAL	2,396	2.89%
14	ALAMEDA HOSPITAL	1,648	1.99%
	All Others	14,570	17.56%
	Grand Total	82,988	100.00%

Kaiser leads market in surgical discharges, though share is split amongst top 6.

Next Steps: In depth analysis of days and LOS.

Growth rate for inpatient medical discharges in market has been declining.

Highland and Alameda Hospital are in line with market growth, and San Leandro's growth rate exceeds market growth.



Medical DRG Discharges (Medicare, Medi-Cal and others, excluding Private coverage), 2016

Rank	Facility Name	2016	2016
1	HIGHLAND HOSPITAL	6,626	12.02%
2	ALTA BATES SUMMIT MEDICAL CENTER - SUMMIT CAMP	6,067	11.01%
3	ALTA BATES SUMMIT MEDICAL CENTER - ALTA BATES CA	5,734	10.40%
4	WASHINGTON HOSPITAL - FREMONT	5,229	9.49%
5	EDEN MEDICAL CENTER	4,243	7.70%
6	KAISER FOUNDATION HOSPITAL - OAKLAND - RICHMOND	3,860	7.00%
7	ST. ROSE HOSPITAL	3,597	6.53%
8	KAISER FOUNDATION HOSPITAL - SAN LEANDRO	3,344	6.07%
9	VALLEYCARE MEDICAL CENTER	2,913	5.29%
10	CHILDRENS HOSPITAL AND RESEARCH CENTER AT OAKLA	2,521	4.57%
11	SAN LEANDRO HOSPITAL	2,292	4.16%
13	ALAMEDA HOSPITAL	1,468	2.66%
	All Others	13,560	24.60%
	Grand Total	55,111	100.00%

Highland is market leader, followed by Alta Bates, Berkeley.

Surgical DRG Discharges (Medicare, Medi-Cal and others, excluding Private coverage), 2016

Rank	Facility Name	2016	2016
1	HIGHLAND HOSPITAL	2,432	11.98%
2	ALTA BATES SUMMIT MEDICAL CENTER - SUMMIT CAMPUS	2,084	10.26%
3	ALTA BATES SUMMIT MEDICAL CENTER - ALTA BATES CAMP	1,825	8.99%
4	WASHINGTON HOSPITAL - FREMONT	1,524	7.51%
5	KAISER FOUNDATION HOSPITAL - SAN LEANDRO	1,493	7.35%
6	EDEN MEDICAL CENTER	1,321	6.51%
7	KAISER FOUNDATION HOSPITAL - OAKLAND - RICHMOND	1,269	6.25%
8	ST. ROSE HOSPITAL	1,218	6.00%
9	VALLEYCARE MEDICAL CENTER	1,103	5.43%
10	UCSF MEDICAL CENTER	741	3.65%
12	SAN LEANDRO HOSPITAL	555	2.73%
16	ALAMEDA HOSPITAL	274	1.35%
	All Others	6,775	33.37%
	Grand Total	20,303	100.00%

Highland is market leader, followed by Alta Bates.

Market Share System

- Overall, Kaiser leads in market share, followed by Sutter and Alameda Health System.

System Level	Freq '13	Freq '14	Freq '15	Freq '16	Freq '13 %	Freq '14 %	Freq '15 %	Freq '16 %	Spark Line
Kaiser Foundation Hospital	20,436	25,554	31,960	32,828	17.4%	22.1%	27.6%	28.1%	
Sutter Health	32,130	30,750	30,233	30,798	27.4%	26.6%	26.1%	26.3%	
Alameda Health System	15,459	15,227	14,579	14,746	13.2%	13.1%	12.6%	12.6%	
Washington Hospital Healthcare System	10,337	10,618	10,879	10,570	8.8%	9.2%	9.4%	9.0%	
Stanford Health Care	9,464	9,267	9,157	8,918	8.1%	8.0%	7.9%	7.6%	

Market Share for Payor Mix- Medi-Cal, Medicare and Other (excluding Commercial)

Rank	Facility Name	Discharge Cases							
		Count of Patient Discharges				Percentage of Market Share			
		2013	2014	2015	2016	2013	2014	2015	2016
1	HIGHLAND HOSPITAL	9,693	9,709	9,176	9,059	12.84%	12.86%	12.15%	12.01%
2	ALTA BATES SUMMIT MEDICAL CENTER - SUMMIT CAMPUS - HAV	7,550	7,368	7,727	8,151	10.00%	9.76%	10.23%	10.81%
3	ALTA BATES SUMMIT MEDICAL CENTER - ALTA BATES CAMPUS	7,987	8,027	7,706	7,559	10.58%	10.63%	10.21%	10.02%
4	WASHINGTON HOSPITAL - FREMONT	6,637	6,990	7,068	6,753	8.79%	9.26%	9.36%	8.95%
5	EDEN MEDICAL CENTER	6,032	5,991	5,339	5,564	7.99%	7.93%	7.07%	7.38%
6	KAISER FOUNDATION HOSPITAL - OAKLAND - RICHMOND	-	2,626	5,391	5,129	0.00%	3.48%	7.14%	6.80%
7	KAISER FOUNDATION HOSPITAL - SAN LEANDRO	-	2,112	4,168	4,838	0.00%	2.80%	5.52%	6.42%
8	ST. ROSE HOSPITAL	5,518	4,952	5,211	4,815	7.31%	6.56%	6.90%	6.38%
9	VALLEYCARE MEDICAL CENTER	3,824	3,893	4,077	4,016	5.07%	5.16%	5.40%	5.33%
10	CHILDRENS HOSPITAL AND RESEARCH CENTER AT OAKLAND	3,621	3,839	3,427	3,187	4.80%	5.08%	4.54%	4.23%
	All Others	24,605	20,007	16,210	16,345	32.60%	26.49%	21.47%	21.67%
	Grand Total	75,467	75,514	75,500	75,416	100.00%	100.00%	100.00%	100.00%
			0.1%	0.0%	-0.1%				

Market Share Trends by Facility

- Kaiser San Leandro leads inpatient share, followed by Alta Bates Summit, which has been losing share.
- Highland Hospital has lost some share and trending down slightly.

Rank	Facility Name	2013	2014	2015	2016	2013	2014	2015	2016
1	KAISER FOUNDATION HOSPITAL - SAN LEANDRO	-	5,879	10,983	12,413	0.00%	5.08%	9.48%	10.62%
2	ALTA BATES SUMMIT MEDICAL CENTER - ALTA BATES CAMPUS	12,443	11,779	11,326	11,140	10.60%	10.17%	9.77%	9.53%
3	KAISER FOUNDATION HOSPITAL - OAKLAND - RICHMOND	-	5,229	10,921	10,652	0.00%	4.52%	9.42%	9.11%
4	WASHINGTON HOSPITAL - FREMONT	10,337	10,618	10,879	10,570	8.81%	9.17%	9.39%	9.04%
5	ALTA BATES SUMMIT MEDICAL CENTER - SUMMIT CAMPUS - HAV	9,701	8,941	9,607	10,024	8.26%	7.72%	8.29%	8.57%
6	HIGHLAND HOSPITAL	10,103	10,413	9,733	9,758	8.61%	8.99%	8.40%	8.35%
7	EDEN MEDICAL CENTER	8,222	8,373	7,566	7,878	7.00%	7.23%	6.53%	6.74%
8	VALLEYCARE MEDICAL CENTER	6,279	6,110	6,156	6,125	5.35%	5.28%	5.31%	5.24%
9	ST. ROSE HOSPITAL	6,147	5,608	5,809	5,335	5.24%	4.84%	5.01%	4.56%
10	CHILDRENS HOSPITAL AND RESEARCH CENTER AT OAKLAND	4,677	4,858	4,479	4,134	3.98%	4.20%	3.87%	3.54%
	All Others	49,488	37,996	28,424	28,895	42.15%	32.81%	24.53%	24.71%
	Grand Total	117,397	115,804	115,883	116,924	100.00%	100.00%	100.00%	100.00%

Facilities	2016 Visits	2013 Share	2014 Share	2015 Share	2016 Share	Spark Lines
Kaiser Foundation Hospital - San Leandro	55,427	0.0%	5.9%	11.5%	12.5%	
Highland Hospital	54,099	16.4%	13.7%	13.0%	12.2%	
Kaiser Foundation Hospital - Oakland - Richmond	47,453	0.0%	4.9%	10.1%	10.7%	
Washington Hospital - Fremont	37,966	9.2%	9.1%	8.7%	8.6%	
Eden Medical Center	35,773	7.3%	8.0%	7.9%	8.1%	
Alta Bates Summit Medical Center - Summit Campus - Hawthorne	32,219	7.1%	7.6%	7.3%	7.3%	
Kaiser Foundation Hospital - Fremont	30,568	0.0%	3.3%	7.0%	6.9%	
Childrens Hospital and Research Center at Oakland	29,948	7.3%	6.9%	6.8%	6.7%	
St. Rose Hospital	29,571	6.8%	7.1%	7.0%	6.7%	
San Leandro Hospital	29,050	5.1%	6.0%	6.5%	6.5%	
Alta Bates Summit Medical Center - Alta Bates Campus	25,489	6.4%	6.7%	6.1%	5.7%	
Valleycare Medical Center	22,542	4.9%	5.0%	4.9%	5.1%	
Alameda Hospital	13,628	3.0%	3.0%	3.2%	3.1%	
Kaiser Foundation Hospital - Hayward - Fremont	-	16.0%	7.6%	0.0%	0.0%	
Kaiser Foundation Hospital - Oakland Campus	-	10.5%	5.3%	0.0%	0.0%	
TOTAL	443,733					

Next Steps in Market Assessment

Step 1: Market Demographics Assessment

Provides forecast for overall population growth. Is Alameda County population growing, or declining?

Step 2: Quantitative Assessment of Competitive landscape: Historical growth, Utilization and Share

What is AHS's market position and inpatient share for target population? What is AHS's historical growth rate for targeted services?

Step 3: Qualitative Competitive Landscape

Who are major health care players in the market? Any facility growth, or recent market movements, or disruptions that impact access, or growth? What is the physician landscape?

Step 4: Forecast of market forces that impact growth for future across continuum

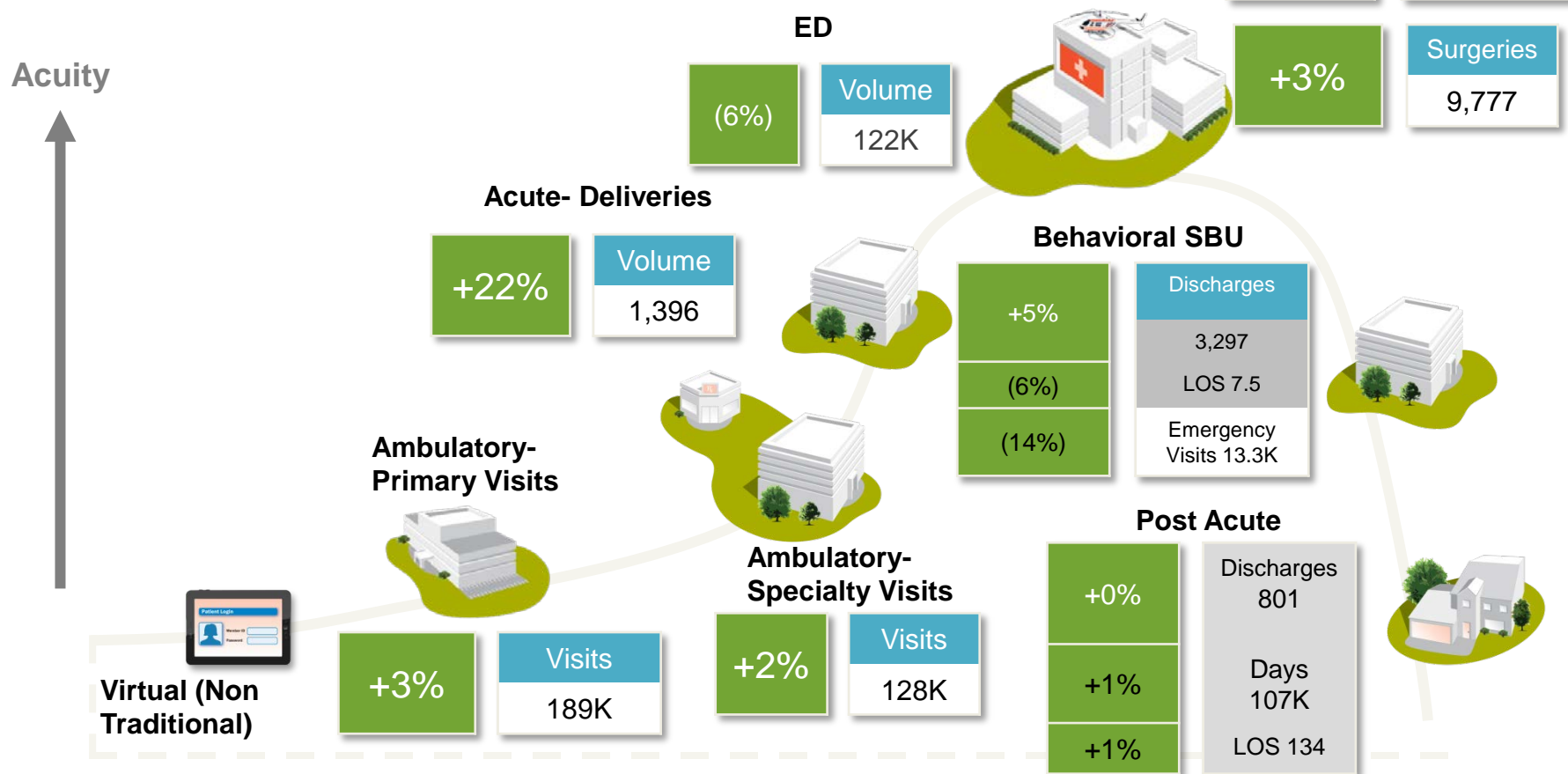
Provides forecast for key services for target populations that are projected to grow in market. A key consideration for AHS's strategy for growth

Step 5: Targeted analysis of delegated lives

What is our network leakage? Do we build, or buy? What are barriers to access? Geographic? Other?

AHS Internal Volume Trends (FY 17 - FY16)

2017 Site of Care Volumes AHS (FY 2017- FY 2016)



AHS Acute Care SBU Internal Volume Trends (FY17 Compared to FY16)

Highland



(9.6%)	Discharges 10,241
+8.6%	Days 52,025
+20.2%	LOS 5.1

+6%	Surgeries 5,578
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+2%	Occupancy 84%
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(6%)	ED 122,584
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Alameda



(0.8%)	Discharges 2,240
(4.3%)	Days 11,727
(3.6%)	LOS 5.2

(3%)	Surgeries 2,171
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(4%)	Occupancy 89%
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(4.7%)	ED 16,802
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San Leandro



+7.5%	Discharges 3,307
+2.1%	Days 12,964
(5%)	LOS 3.9

(0.2%)	Surgeries 2,028
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2%	Occupancy 79%
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(0.6%)	ED 35,443
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