



FINANCE COMMITTEE MEETING

January 10, 2019

4:00pm – 5:30pm

REVISED MATERIALS

B. INFORMATION/DISCUSSION: Operating Reports

- 1) Finance Report
Nancy Kaatz, Interim Chief Financial Officer
 - a) October 2018 Financial Report
 - b) November 2018 Financial Report



MEMORANDUM

1411 East 31st Street
Oakland, CA 94602

TO: AHS Finance Committee
FROM: Nancy Kaatz, Interim CFO
DATE: December 11, 2018
SUBJECT: October 2018 Financial Report

Summary

Operating Income for the month of October was \$4.8 million, \$0.4 million above budget. Net Operating Revenue was \$87.1 million for the month, \$1.2 million below budget. Operating Expense was \$82.3 million, \$1.6 million below budget. Management has been closely monitoring expenses to mitigate the known revenue shortfall, and we can see the results in October.

Net Income for the month was \$1.7 million, \$1.4 million above budget. Non-Operating Expense for the unfunded pension liability was \$3.1 million, \$1.0 million less than budgeted. We will see this variance all year pending an updated actuarial report for the FY19 audit.

Operating Income year to date (YTD) was \$13.7 million, \$3.9 million above budget. This includes an additional \$4.4 million in FY16 Supplemental Revenue associated with reimbursement from claiming of County Capital Cost. This revenue was offset by a Non-Operating Capital Cost Transfer to the County. Without the additional Capital Cost related revenue, YTD Operating Income would have been \$0.5 million below budget. Because the Capital Cost revenue and transfer out were not budgeted, we will not be booking any more of this revenue until year end as it makes the Operating Margin look better than it is. We booked the FY 16 Capital Cost as that amount is currently due to the County per our agreement.

YTD Net Patient Service Revenue (NPSR) was \$211.5 million, \$7.9 million below budget. This was consistent with the \$27 to \$29 million annual budget shortfall previously reported. YTD Operating Expense was \$334.2 million, \$7.5 million below budget. This highlights the close management of expenses to mitigate the revenue shortfall.

As discussed last month, the Salaries budget spread was revised for October through June to assure that holiday overtime pay was appropriately accounted for. No changes were made to the volume spread, and any variance due to clinic days will be noted.

Memorandum to AHS Finance Committee
October 2018 Operating Results

	October 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Change
Net patient service revenue	\$ 54,270	\$ 55,263	\$ (993)	(1.8)%	\$ 211,523	\$ 219,455	\$ (7,932)	(3.6)%	\$ 202,390	4.5%
Supplemental revenue	32,827	33,002	(176)	(0.5)%	136,323	132,010	4,314	3.3%	125,428	8.7%
Net operating revenue	87,097	88,265	(1,168)	(1.3)%	347,846	351,465	(3,618)	(1.0)%	327,818	6.1%
Operating expense	82,298	83,906	(1,607)	(1.9)%	334,169	341,684	(7,514)	(2.2)%	324,140	(3.1)%
Operating Income	4,799	4,359	439	10.1%	13,677	9,781	3,896	39.8%	3,678	271.9%
Other non-operating activity	(3,143)	(4,154)	1,011	(211.6)%	(16,961)	(16,614)	(347)	(191.7)%	(16,081)	(5.5)%
Net Income	\$ 1,655	\$ 205	\$ 1,450	706.9%	\$ (3,284)	\$ (6,833)	\$ 3,550	51.9%	\$ (12,403)	(73.5)%
Operating Margin	5.5%	4.9%	0.6%		3.9%	2.8%	1.1%		1.1%	
EBIDA Margin	7.0%	6.6%	0.4%		4.1%	4.4%	(0.3)%		2.8%	
	October 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Change
Net Operating Revenue per APD	2,782	2,893	(111)	(3.8)%	2,809	2,907	(98)	(3.4)%	2,753	2.0%
Expense per APD	2,629	2,750	(121)	(4.4)%	2,698	2,826	(128)	(4.5)%	2,722	(0.9)%
Operating Income per APD	153	143	10	7.3%	110	81	30	36.5%	31	257.5%

Patient Activity

Patient Activity continued was strong for the month.

- The Acute Average Daily Census was 273, 3.0% above the budget of 265. Acute Discharges were 1461, under budget by 0.5% in October. Although, Acute Discharges were 1.4% above budget YTD, the Average Length of Stay (ALOS) continues to be above budget by 3.8% and 4.7% respectively. YTD Acute Patient Days were 1,970 or 6.1% above budget.
- The Post Acute Average Daily Census was 299, 0.3% above the budget of 298 for the month. YTD Post Acute Patient Days were 203 above the budget of 36,712 or 0.6%.
- Emergency Department Visits (not shown below) were 9,917, 7.6% below budget. YTD Emergency Department Visits were 3,348 or 7.8% below budget and 864 or 2.1% lower than prior YTD.
- Clinic Visits were 31,703, 2.5% above budget. October had 23 clinic days compared to 22 days in FY18. YTD visits were 116,691, 1.8% below budget and 1.2% above prior year.
- Physician wRVUs were 88,998, 12.2% above budget for the month. YTD Physician wRVUs were 340,028, 7.1% above budget and 19.4% above prior year.

Memorandum to AHS Finance Committee
October 2018 Operating Results

	October 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
Acute discharges	1,461	1,469	(8)	(0.5)%	5,986	5,906	80	1.4%	6,077	(1.5)%
Acute patient days	8,454	8,203	251	3.1%	34,396	32,426	1,970	6.1%	32,848	4.7%
Acute average length of stay	5.8	5.6	0.2	3.8%	5.8	5.5	0.3	4.7%	5.4	6.3%
Acute average daily census	273	265	8	3.0%	280	264	16	6.1%	267	4.9%
Adjusted patient days (APD)	31,303	30,508	795	2.6%	123,849	120,899	2,950	2.4%	119,082	4.0%
Post acute discharges	87	66	21	31.8%	303	293	10	3.4%	241	25.7%
Post acute patient days	9,264	9,233	31	0.3%	36,915	36,712	203	0.6%	36,161	2.1%
Post acute average daily census	299	298	1	0.3%	300	298	2	0.7%	294	2.0%
Clinic Visits	31,703	30,939	764	2.5%	116,691	118,875	(2,184)	(1.8)%	115,257	1.2%
Visits per Clinic Day	1,441	1,406	35	2.5%	1,373	1,399	(26)	(1.8)%	1,356	1.2%
Physician wRVUs	88,998	79,341	9,657	12.2%	340,028	317,364	22,664	7.1%	284,780	19.4%

Net Operating Revenue

Gross Patient Service Revenue (charges) was \$294.0 million for October, 3.8% above budget, which was consistent with higher patient volumes. Net Patient Service Revenue (NPSR) was \$54.3 million, below budget by \$1.0 million or 3.8%. YTD NPSR was \$211.5 million, below budget by \$7.9 million or 3.6%; however, it was \$9.1 million or 4.5% above prior year.

Supplemental Revenue was \$32.0 million for the month, \$0.2 million below budget.

	October 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
Inpatient service revenue	\$ 166,362	\$ 161,803	\$ 4,560	2.8%	\$ 664,053	\$ 640,757	\$ 23,296	3.6%	\$ 625,515	6.2%
Outpatient service revenue	97,745	94,926	2,819	3.0%	375,589	372,473	3,116	0.8%	368,751	1.9%
Professional service revenue	29,811	26,378	3,433	13.0%	113,645	107,233	6,412	6.0%	85,119	33.5%
Gross patient service revenue	293,919	283,106	10,812	3.8%	1,153,287	1,120,464	32,823	2.9%	1,079,385	6.8%
Deductions from revenues	(242,757)	(230,647)	(12,110)	(5.3)%	(953,977)	(912,220)	(41,757)	(4.6)%	(888,060)	7.4%
Capitation - HPAC	3,108	2,803	305	10.9%	12,212	11,211	1,001	8.9%	11,065	10.4%
Net patient service revenue	54,270	55,263	(993)	(1.8)%	211,523	219,455	(7,932)	(3.6)%	202,390	4.5%
Medi-Cal Waiver	9,541	9,546	(5)	(0.1)%	38,164	38,184	(20)	(0.1)%	35,700	6.9%
Measure A, Parcel Tax, Other Support	9,942	10,025	(83)	(0.8)%	39,767	40,100	(333)	(0.8)%	39,296	1.2%
Supplemental Programs	11,165	11,187	(22)	(0.2)%	49,079	44,749	4,330	9.7%	41,131	19.3%
Grants & Research Protocol	548	652	(104)	(15.9)%	2,094	2,608	(514)	(19.7)%	2,060	1.6%
Other Operating Revenue	1,631	1,592	39	2.4%	7,065	6,370	696	10.9%	7,240	(2.4)%
Incentives	-	-	-	0.0%	155	-	155	100.0%	-	-
Supplemental revenue	32,827	33,002	(176)	(0.5)%	136,323	132,010	4,314	3.3%	125,428	8.7%
Net operating revenue	\$ 87,097	\$ 88,265	\$ (1,168)	(1.3)%	\$ 347,846	\$ 351,465	\$ (3,618)	(1.0)%	\$ 327,818	6.1%
Collection % - NPSR	18.5%	19.5%	(1.1)%		18.3%	19.6%	(1.2)%		18.8%	(2.2)%
Collection % - Total	29.6%	31.2%	(1.5)%		30.2%	31.4%	(1.2)%		30.4%	(0.7)%

Supplemental Revenues

As discussed when presenting the 2019 budget for approval, Supplemental Revenue included accruals at the budgeted amount for several programs that have not yet been approved by CMS. These programs included the continuation of the Medi-Cal managed care supplemental programs, Enhanced Payment Program (EPP) and Quality Improvement Program (QIP), as well as a new Medi-Cal managed care Graduate Medical Education program. We are continuing to monitor the status of these programs.

The information presented below is the summary schedule of reimbursement receivable and payable as well as what is considered to be “reserves”. At a summary level, this is how to understand this information:

Net Reimbursement Receivable (Liability) (booked in the Balance Sheet)	\$ (2,340,503)
Estimated Receivable (our current best estimate of what will occur)	<u>22,700,499</u>
Reserves (\$ that potentially could be booked as additional revenue)	<u>\$ 25,041,003</u>

The Net Receivable is now a liability as we received our GPP payments for the last two quarters.

The amounts are reviewed monthly and often change month to month. Reserves have developed in programs such as Rate Range IGT, MCE to Cost, EPP/QIP, PRIME, GPP, AB915, and Medicare Cost Reports. In general, this occurs because the ultimate amount that can be collect under the program is uncertain, and dependent on costs for services that were ultimately provided, quality metrics achieved, Medi-Cal enrollment, and our ability to identify and claim related costs. As a result, management tends to “book” revenue and related receivables conservatively, and then if and when programs resolve favorably we are in a position to record additional revenue rather than having to report a loss.

Please note that, even though there is an overall receivable from these programs, there is a mix or liabilities and receivables. The timing of these receipts and payments is critical because this will affect the Net Negative Balance under our Line of Credit with the County.

Memorandum to AHS Finance Committee
October 2018 Operating Results

Program/Year	Booked 10/31	Expected 10/31	Reserve	Comments
Rate Range IGT	19,739,684	19,739,684	-	Provides additional pass-through reimbursement based on Medi-Cal Managed Care lives
EPP+QIP (AMP)	80,000,000	80,000,000	-	New Medi-Cal Waiver, Enhanced Payment Program that pays 95% addition to existing contracted Medi-Cal managed care payments. Quality Incentive Program is for metrics based incentive payment to improve the health beings of Medi-Cal managed care members.
PRIME	25,271,152	25,271,152	-	Public Hospital Redesign and Incentives in Medi-Cal members, metrics based incentive payment
GPP	5,132,252	5,132,252	-	Global Payment Program to pay for services provided to the remaining uninsured, including HealthPac and charity
AB915 (OP Supplementa	5,889,715	5,889,715	-	Hospital outpatient non-FQHC supplemental payment program pays for federal matching of uncompensated care provided on Outpatient services.
FQHC	(41,862,384)	(41,862,384)	-	State has retroactively denied coverage for HGH Specialty Visits billed as FQHC. We are appealing, but the State has their right to take the funds in advance, and they are doing so.
Old Waiver	(99,587,347)	(89,587,347)	10,000,000	Settlement of Old Waivers indicated that, in total, DPH's did nothave sufficient unreimbursed costs to claim all DSH, requiring a repayment. Settlement has recently improved with count decision that DPH's were entitled to claim DSH on FQHC visits.
Medicare - ACMC	4,379,776	4,379,680	(96)	Medicare cost report settlement for Highland Hospital
Medicare - AH	(74,213)	(74,213)	-	Medicare cost report settlement for Alameda Hospital
Medicare - SLH	(642,600)	(642,600)	-	Medicare cost report settlement for San Leandro Hospital
Medi-Cal - ACMC	(21,822,161)	(21,822,161)	-	Medi-Cal P14 cost report settlement for FFS Medi-Cal for Highland Hospital
Medi-Cal - AH	3,700,000	3,700,000	-	Medi-Cal P14 cost report settlement for FFS Medi-Cal for Alameda Hospital
Medi-Cal - SLH	765,512	765,512	-	Medi-Cal P14 cost report settlement for FFS Medi-Cal for San Leandro Hospital
Physician SPA	5,059,363	12,944,363	7,885,000	Cost settlement for physician services provided to Medi-Cal patients
AB85 Realignment	(23,390,789)	(23,390,789)	-	AB85 realignment settlement due to Affordable Care Act that County is expected to need less realignment funding from the State
AB85 MCE Rate Range Su	15,732,000	20,732,000	5,000,000	Medi-Cal Managed Care MCE rate range revenue for Alameda County
Quality Incentive	(587,174)	-	587,174	P4P from Medi-Cal managed care plans.
SNF Supplemental	10,279,471	10,279,471	-	Cost settlement for LTC/SNF services provided to Medi-Cal patients
Hospital Fee	1,385,750	2,250,516	864,766	Revenue allocation from Quality Assurance Fee collected from Californian private hospitals
Medi-Cal GME	4,768,000	4,768,000	-	
MAA	3,523,489	4,227,647	704,159	Cost settlement for Medi-Cal Administrative Activities in performing Medi-Cal outreach and faciliation of Medi-Cal enrollment
Total	(2,340,503)	22,700,499	25,041,003	

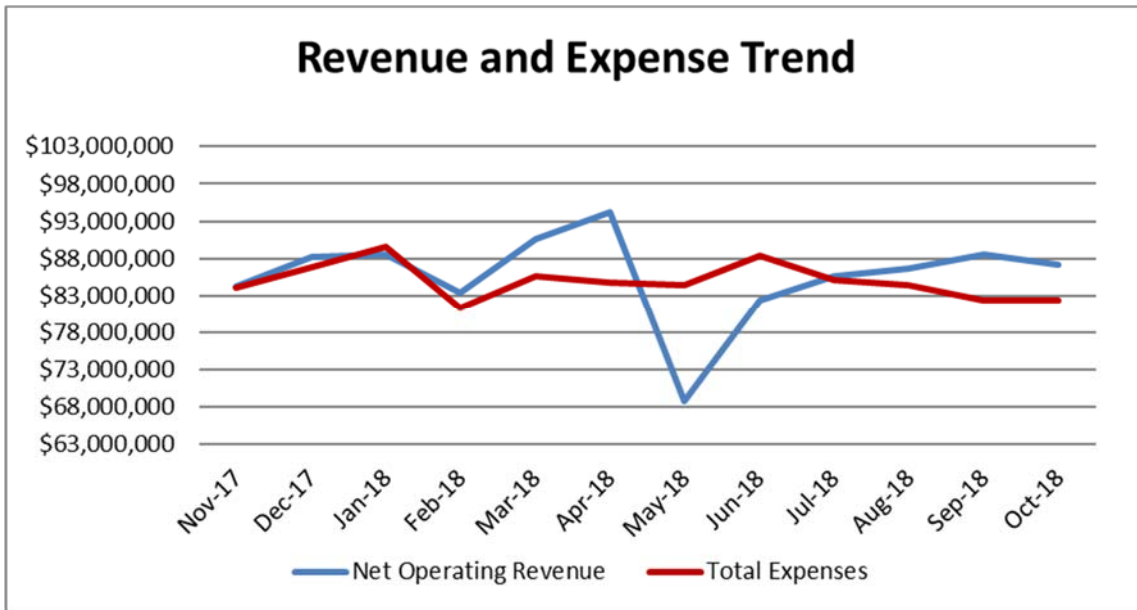
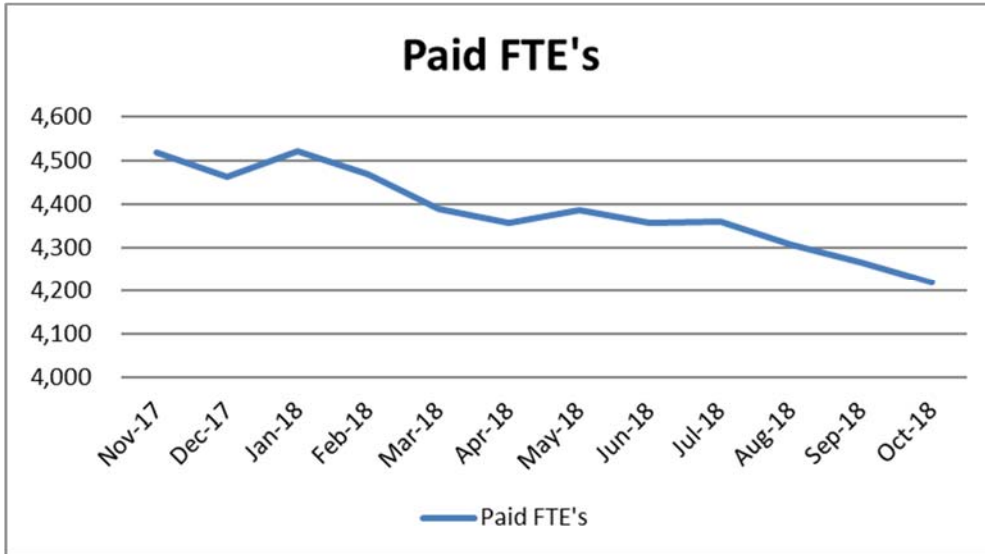
Operating Expenses

Operating expenses were \$82.3 million for the month of October, lower than budget by \$1.6 million, or 1.9%, with the largest dollar variances in Purchased Services, labor related expense, General and Administrative, and Pharmaceuticals. Contracted Physician Services, Medical Supplies, and Outside Medical Services were over budget for the month. YTD, all Operating expense categories except Contracted Physician Services were under budget by a total of \$7.5 million or 2.2%. Operating Expense was 3.1% above the prior year.

- Paid FTEs of 4,207 were below the budget of 4,430 by 133 FTE's or 3.1% for the month. YTD FTEs were 121 FTEs or 2.8% below budget. FTEs have decreased 77 from the same period in the prior year.
- Salary and Wages and Registry were right at budget combined for the month. As mentioned previously, this doesn't correspond to the 133 FTE or 3.1% variance. In October, we saw higher than usual overtime usage, which offset the expected savings due to the FTE variance. The variance YTD was \$3.3 million below budget or 1.9%.
- The Compensation Ratio (Salaries, and Wages, Benefits, and Registry divided by Net Operating Revenue) for the month was 65.3%, 0.3% below budget.
- Employee Benefits were \$0.5 million under budget for the month, and \$0.5 million under budget YTD.

	October 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
Salaries and wages	\$ 41,428	\$ 40,281	\$ 1,147	2.8%	\$ 165,069	\$ 164,708	\$ 361	0.2%	\$ 155,376	(6.2)%
Registry	1,330	2,469	(1,140)	(46.2)%	7,860	11,486	(3,626)	(31.6)%	12,717	38.2%
Employee benefits	14,128	14,612	(484)	(3.3)%	58,561	59,075	(514)	(0.9)%	51,999	(12.6)%
Contracted physician services	8,035	7,624	412	5.4%	31,232	30,931	301	1.0%	28,462	(9.7)%
Purchased services	4,722	5,987	(1,265)	(21.1)%	22,764	24,151	(1,387)	(5.7)%	24,539	7.2%
Pharmaceuticals	2,199	2,467	(268)	(10.9)%	8,922	9,366	(444)	(4.7)%	9,723	8.2%
Medical Supplies	3,477	2,926	550	18.8%	11,638	11,767	(128)	(1.1)%	12,110	3.9%
Materials and supplies	1,563	1,579	(17)	(1.1)%	6,375	6,403	(29)	(0.4)%	6,375	0.0%
Outside medical services	639	386	253	65.4%	1,498	1,533	(35)	(2.3)%	1,616	7.3%
General & administrative expenses	1,445	1,739	(294)	(16.9)%	5,983	6,959	(976)	(14.0)%	5,956	(0.5)%
Repairs/maintenance/utilities	1,474	1,670	(195)	(11.7)%	6,456	6,678	(223)	(3.3)%	7,228	10.7%
Building/equipment leases & rentals	609	724	(115)	(15.9)%	2,763	2,895	(132)	(4.5)%	2,722	(1.5)%
Depreciation	1,249	1,440	(191)	(13.3)%	5,048	5,732	(684)	(11.9)%	5,317	5.1%
Total operating expense	\$ 82,298	\$ 83,906	\$ (1,607)	(1.9)%	\$ 334,169	\$ 341,684	\$ (7,514)	(2.2)%	\$ 324,140	(3.1)%
Paid full time equivalents (FTE)	4,207	4,340	(133)	(3.1)%	4,276	4,397	(121)	(2.8)%	4,353	1.8%
Paid FTE's per adjusted occupied bed	4.2	4.4	(0.2)	(5.4)%	4.3	4.5	(0.2)	(4.9)%	4.5	5.6%
Worked Hours per APD	21.6	22.0	(0.5)	(2.2)%	21.4	22.2	(0.8)	(3.7)%	22.2	3.6%
Compensation ratio	65.3%	65.0%	0.3%		66.5%	66.9%	(0.4)%		67.1%	0.9%

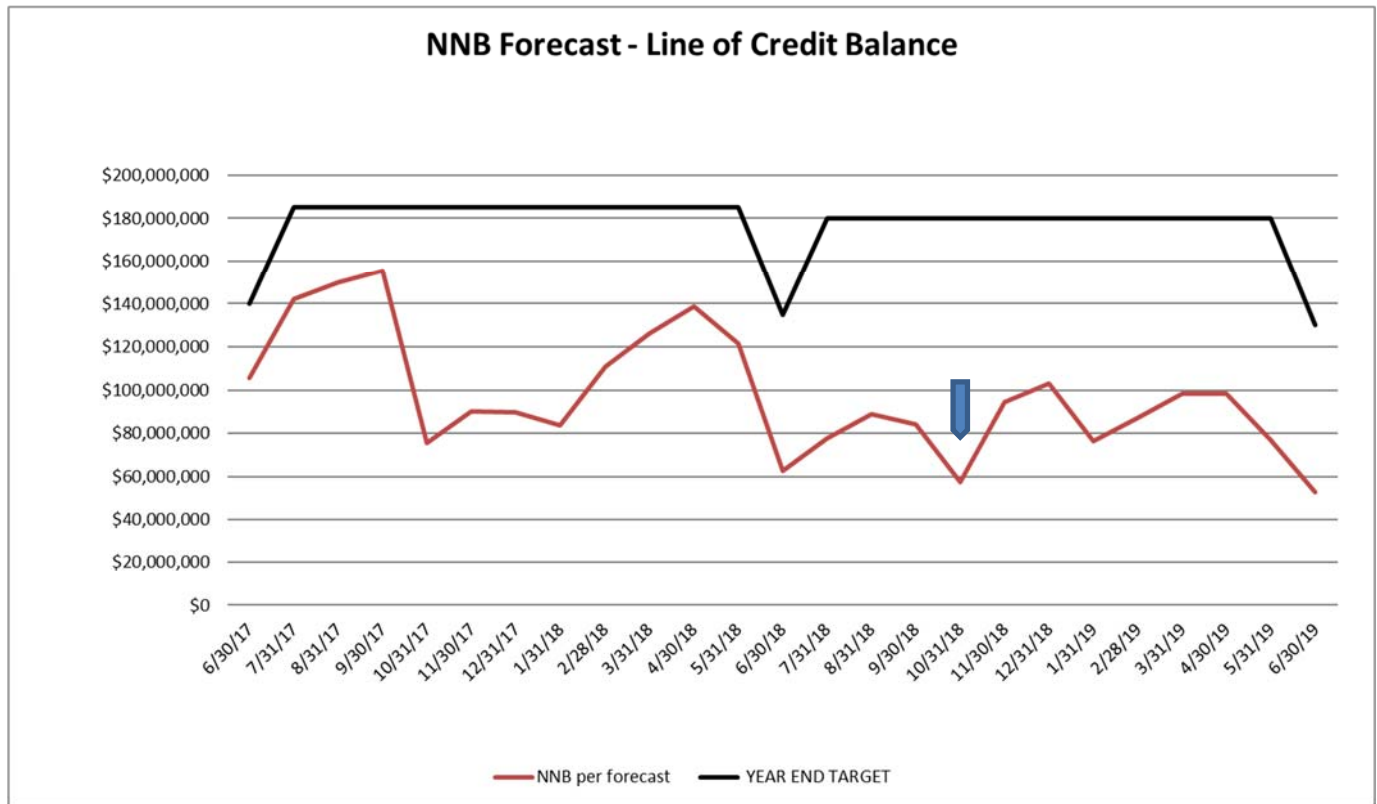
The charts below illustrate the trend in Total Paid FTEs and Net Operating Revenue and Expenses. FTEs continue to trend in down with benchmarking efforts. Revenues and Expenses have been holding steady.



Line of Credit (Net Negative Balance) Forecast

The Line of Credit or the Net Negative Balance (NNB) held with the County was updated to include the projection for FY19. The FY19 Supplemental Programs receipts were based on current fiscal year activity;

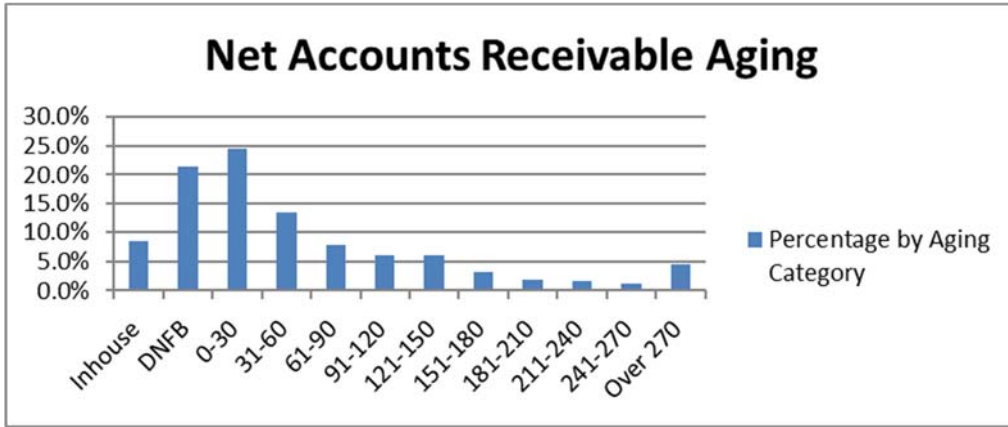
however, the timing and amount will fluctuate based on final approval from the Federal or State agencies. The NNB is projected to be compliant with the agreement terms at June 30th.



Balance Sheet and Financial Condition

Net Days in Accounts Receivable (AR) decreased from 76.2 to 75.2 days between September and October. The Net Day calculation has been adjusted to remove Supplemental revenues previously included in Net Patient Service Revenue, which has increased the “days” as the Net Revenue per day is lower. 4.6% of Net AR is in the “Over 270” days aging category, down from the 4.8% reported in September. Days in Accounts Payable increased from 36.1 to 36.3 days. 70.1% of the Accounts Payable Aging are less than 61 days.

	Current Month	Prior Month	FY 2018
Days in Cash	12.6	6.5	6.9
Gross Days in AR	71.0	69.1	65.6
Net Days in AR	75.2	76.2	77.3
Days in Accounts Payable	36.3	36.1	43.5
Current Ratio	1.6	1.5	1.5



AP AGING AS OF 11/05/18						
	1-30	31-60	61-90	91-120	over 120	Total
AHS	4,137,991	1,898,467	493,597	753,870	1,326,815	8,610,740
	48.1%	22.0%	5.7%	8.8%	15.4%	100.0%

12 Month Rolling Forecast

The 12 Month Rolling Forecast has been updated based on November financial data and is included with the November report.

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Revenues and Expenses
For the Period Ended October 31, 2018
(In Thousands)

	October 2018				Year-To-Date				FY 2018		
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	Variance	% Var
Inpatient service revenue	\$ 166,362	\$ 161,803	\$ 4,560	2.8%	\$ 664,053	\$ 640,757	\$ 23,295	3.6%	\$ 625,515	\$ 38,538	6.2%
Outpatient service revenue	97,745	94,926	2,819	3.0%	375,487	372,473	3,014	0.8%	368,751	6,736	1.8%
Professional service revenue	29,811	26,378	3,433	13.0%	113,747	107,233	6,514	6.1%	85,119	28,628	33.6%
Gross patient service revenue	293,919	283,106	10,812	3.8%	1,153,287	1,120,464	32,823	2.9%	1,079,385	73,902	6.8%
Deductions from revenues	(242,757)	(230,647)	(12,110)	(5.3)%	(953,977)	(912,220)	(41,757)	(4.6)%	(888,060)	(65,916)	7.4%
Capitation - HPAC	3,108	2,803	305	10.9%	12,212	11,211	1,001	8.9%	11,065	1,147	10.4%
Net patient service revenue	54,270	55,263	(993)	(1.8)%	211,523	219,455	(7,932)	(3.6)%	202,390	9,133	4.5%
Medi-Cal Waiver	9,541	9,546	(5)	(0.1)%	38,164	38,184	(20)	(0.1)%	35,700	2,464	6.9%
Measure A, Parcel Tax, Other Support	9,942	10,025	(83)	(0.8)%	39,767	40,100	(333)	(0.8)%	39,296	471	1.2%
Supplemental Programs	11,165	11,187	(22)	(0.2)%	49,079	44,749	4,330	9.7%	41,131	7,948	19.3%
Grants & Research Protocol	548	652	(104)	(15.9)%	2,094	2,608	(514)	(19.7)%	2,060	34	1.6%
Other Operating Revenue	1,631	1,592	39	2.4%	7,065	6,370	696	10.9%	7,240	(175)	(2.4)%
Supplemental revenue	32,827	33,002	(176)	(0.5)%	136,323	132,010	4,314	3.3%	125,428	10,896	8.7%
Net operating revenue	87,097	88,265	(1,168)	(1.3)%	347,846	351,465	(3,618)	(1.0)%	327,818	20,028	6.1%
Salaries and wages	41,428	40,281	1,147	2.8%	165,069	164,708	361	0.2%	155,376	9,693	6.2%
Registry	1,330	2,469	(1,140)	(46.2)%	7,860	11,486	(3,626)	(31.6)%	12,717	(4,857)	(38.2)%
Employee benefits	14,128	14,612	(484)	(3.3)%	58,561	59,075	(514)	(0.9)%	51,999	6,562	12.6%
Contracted physician services	8,035	7,624	412	5.4%	31,232	30,931	301	1.0%	28,462	2,770	9.7%
Purchased services	4,722	5,987	(1,265)	(21.1)%	22,764	24,151	(1,387)	(5.7)%	24,539	(1,775)	(7.2)%
Pharmaceuticals	2,199	2,467	(268)	(10.9)%	8,922	9,366	(444)	(4.7)%	9,723	(801)	(8.2)%
Medical Supplies	3,477	2,926	550	18.8%	11,638	11,767	(128)	(1.1)%	12,110	(472)	(3.9)%
Materials and supplies	1,563	1,579	(17)	(1.1)%	6,375	6,403	(29)	(0.4)%	6,375	(1)	(0.0)%
Outside medical services	639	386	253	65.4%	1,498	1,533	(35)	(2.3)%	1,616	(119)	(7.3)%
General & administrative expenses	1,445	1,739	(294)	(16.9)%	5,983	6,959	(976)	(14.0)%	5,956	27	0.5%
Repairs/maintenance/utilities	1,474	1,670	(195)	(11.7)%	6,456	6,678	(223)	(3.3)%	7,228	(772)	(10.7)%
Building/equipment leases & rentals	609	724	(115)	(15.9)%	2,763	2,895	(132)	(4.5)%	2,722	42	1.5%
Depreciation	1,249	1,440	(191)	(13.3)%	5,048	5,732	(684)	(11.9)%	5,317	(269)	(5.1)%
Total operating expense	82,298	83,906	(1,607)	(1.9)%	334,169	341,684	(7,514)	(2.2)%	324,140	10,029	3.1%
Operating Income	4,799	4,359	439	10.1%	13,677	9,781	3,896	39.8%	3,678	9,999	271.9%
Interest income/(expense) net	(100)	(32)	(68)	(211.6)%	(368)	(126)	(242)	(191.7)%	(110)	(258)	(233.3)%
Retirement GASB68	(3,065)	(4,148)	1,084	26.1%	(12,259)	(16,594)	4,334	26.1%	(16,130)	3,871	24.0%
Capital cost transfer	-	-	-	0.0%	(4,419)	-	(4,419)	(100.0)%	-	(4,419)	(100.0)%
Other non-operating income(exp)	21	26	(5)	(19.5)%	85	106	(21)	(19.5)%	160	(75)	(46.8)%
Net Income	\$ 1,655	\$ 205	\$ 1,450	706.9%	\$ (3,284)	\$ (6,833)	\$ 3,550	51.9%	\$ (12,403)	\$ 9,119	73.5%
Operating Margin	5.5%	4.9%	0.6%		3.9%	2.8%	1.1%		1.1%	2.8%	
EBIDA Margin	7.0%	6.6%	0.4%		4.1%	4.4%	(0.3)%		2.8%	1.3%	
Collection % - NPSR	18.5%	19.5%	(1.1)%		18.3%	19.6%	(1.2)%		18.8%	(0.4)%	
Collection % - Total	29.6%	31.2%	(1.5)%		30.2%	31.4%	(1.2)%		30.4%	(0.2)%	
Acute discharges	1,461	1,469	(8)	(0.5)%	5,986	5,906	80	1.4%	6,077	(91)	(1.5)%
Acute patient days	8,454	8,203	251	3.1%	34,396	32,426	1,970	6.1%	32,848	1,548	4.7%
Acute average length of stay	5.8	5.6	0.2	3.8%	5.8	5.5	0.3	4.7%	5.4	0.3	6.3%
Acute average daily census	273	265	8	3.0%	280	264	16	6.1%	267	13	4.9%
Post acute discharges	87	66	21	31.8%	303	293	10	3.4%	241	62	25.7%
Post acute patient days	9,264	9,233	31	0.3%	36,915	36,712	203	0.6%	36,161	754	2.1%
Post acute average daily census	299	298	1	0.3%	300	298	2	0.7%	294	6	2.0%
Clinic Visits	31,703	30,939	764	2.5%	116,691	118,875	(2,184)	(1.8)%	115,257	1,434	1.2%
Adjusted patient days (APD)	31,303	30,508	795	2.6%	123,849	120,899	2,950	2.4%	119,082	4,767	4.0%
Physician wRVUs	88,998	79,341	9,657	12.2%	340,028	317,364	22,664	7.1%	284,780	55,248	19.4%
Net Operating Revenue per APD	\$ 2,782	\$ 2,893	\$ (111)	(3.8)%	\$ 2,809	\$ 2,907	\$ (98)	(3.4)%	\$ 2,753	\$ 56	2.0%
Expense per APD	\$ 2,629	\$ 2,750	\$ (121)	(4.4)%	\$ 2,698	\$ 2,826	\$ (128)	(4.5)%	\$ 2,722	\$ (24)	(0.9)%
Operating Income per APD	\$ 153	\$ 143	\$ 10	7.3%	\$ 110	\$ 81	\$ 30	36.5%	\$ 31	\$ 80	257.5%
Paid full time equivalents (FTE)	4,207	4,340	(133)	(3.1)%	4,276	4,397	(121)	(2.8)%	4,353	(77)	(1.8)%
Paid FTE's per adjusted occupied bed	4.2	4.4	(0.2)	(5.4)%	4.3	4.5	(0.2)	(4.9)%	4.5	(0.3)	(5.6)%
Worked hours per APD	21.6	22.0	(0.5)	(2.2)%	21.4	22.2	(0.8)	(3.7)%	22.2	(0.8)	(3.6)%
Compensation ratio	65.3%	65.0%	0.3%		66.5%	66.9%	(0.4)%		67.1%	(0.6)%	

ALAMEDA HEALTH SYSTEM (consolidated)

Balance Sheet

As of October 31, 2018

(In Thousands)

	Current Month	Prior Month	FY 2018
ASSETS			
Current assets:			
Cash & Cash Equivalents	\$32,918	\$17,555	\$18,501
Cash Held in Trust	89	93	87
Patient Receivables, net	118,725	119,947	123,424
Reimbursement Receivables, net	(2,341)	91,169	6,542
Inventories	9,395	9,360	9,387
Prepaid expenses	4,407	4,880	8,064
Other receivables	40,487	44,576	20,959
TOTAL CURRENT ASSETS	203,680	287,580	186,964
Cash Held Board Designated	23,858	23,858	23,858
TOTAL RESTRICTED CASH	23,858	23,858	23,858
PROPERTY, PLANT & EQUIPMENT			
Construction in Process	43,975	39,755	34,669
Land, Buildings, Leasehold Improvements	70,423	70,423	70,056
Equipment, Software	169,948	169,948	167,344
Subtotal - Property, Plant & Equipment	284,346	280,126	272,069
Less: Accumulated Depreciation	(165,991)	(164,742)	(160,670)
NET PROPERTY, PLANT & EQUIPMENT	118,355	115,384	111,399
INVESTMENT IN AHP			
DEFERRED OUTFLOWS OF RESOURCES	138,205	130,960	103,714
TOTAL ASSETS & DEFERRED OUTFLOWS	\$484,098	\$557,782	\$425,935
LIABILITIES & NET ASSETS			
Accounts Payable	31,108	31,369	39,727
Compensation Related Liabilities	52,246	57,033	44,995
Estimated Third Party Settlements Payable	0	0	0
Due to County of Alameda & State	8,262	71,201	2,309
Other Payables	37,007	37,262	39,261
TOTAL CURRENT LIABILITIES	128,623	196,865	126,292
Self Insurance Liability	24,672	27,069	25,812
Working Capital Loan	94,119	107,306	85,572
Pension and Postemployment Benefits	353,540	394,675	453,336
Other Long-term Liabilities	31,095	31,095	31,120
TOTAL LONG TERM LIABILITIES	503,426	560,145	595,840
Deferred Inflows of Resources	125,356	95,717	20,487
Capital Contribution - County	46,535	46,535	46,535
Capital Contribution - Foundation	12,398	10,250	10,250
Capital Contribution - Other	14,000	14,000	9,000
Fund Balance -- Prior Years	(342,956)	(360,791)	(342,148)
Current Year Income / (Loss)	(3,284)	(4,939)	(40,321)
FUND BALANCE	(273,307)	(294,945)	(316,684)
TOTAL LIABILITIES, DEFERRED OUTFLOWS, & FUND BALANCE	\$484,098	\$557,782	\$425,935
Days in Cash	12.6	6.5	6.9
Gross Days in AR	71.0	69.1	65.6
Net Days in AR	75.2	76.2	77.3
Days in Accounts Payable	36.3	36.1	43.5
Current Ratio	1.6	1.5	1.5

ALAMEDA HEALTH SYSTEM (consolidated)
Statement of Cash Flows
For the Period Ended October 31, 2018
(In Thousands)

	<u>Current Month</u>	<u>Year-to Date</u>
Operating Activities		
Net Income (Loss)	\$1,655	(\$3,284)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,249	5,048
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient Account Receivables, net	1,222	4,699
(Increase)/Decrease Reimbursement Receivables, net	93,510	8,883
(Increase)/Decrease Inventories	(35)	(8)
(Increase)/Decrease Prepaid Expenses	473	3,657
(Increase)/Decrease Other Receivables	4,089	(19,528)
(Increase)/Decrease Deferred Outflows	(7,245)	(34,491)
(Decrease)/Increase in Accounts payable, accrued expenses and estimated third-party settlements	(50,407)	41,844
(Decrease)/Increase in Deferred Inflows	29,639	104,869
Net Cash Provided (Used) by operating activities	74,150	111,689
Investing Activities		
Change in Cash Held in Trust	4	(2)
Change in Restricted Cash	-	0
Change in Investment in AHP	-	-
Net Purchases of Property, Plant and Equipment	(4,220)	(12,004)
Change in Self-insurance, Pension, and Other Long-term liabilities	(43,532)	(100,961)
Net Cash Provided (Used) by investing activities	(47,748)	(112,967)
Financing Activities		
Contributions for capital projects	2,148	7,148
Change in Working Capital Loan	(13,187)	8,547
Net Cash Provided (Used) by financing activities	(11,039)	15,695
Net increase/(decrease) in cash and cash equivalents	15,363	14,417
Cash and Equivalents at beginning of period	17,555	18,501
Cash and Equivalents at end of period	\$32,918	\$32,918

ALAMEDA HEALTH SYSTEM

SUMMARY OVERVIEW OF STATISTICS - by Business Unit

Update: 11/09/18
Report Status: Preliminary

For the Month and Year-to-Date ending October 31, 2018

**Note: SLH patient days will be updated retro to the posted months as room charge received*

	October	BUDGET	# VAR	% VAR	YTD	BUDGET	# VAR	% VAR	PYTD	# VAR	% Var
ACUTE											
PATIENT DAYS	6,351	6,086	265	4 %	26,023	23,997	2,026	8 %	24,586	1,437	6 %
DISCHARGES	1,226	1,222	4	0 %	5,054	4,911	143	3 %	5,050	4	0 %
<i>Average Daily Census</i>	<i>204.9</i>	<i>196.3</i>	<i>8.6</i>	<i>4 %</i>	<i>211.6</i>	<i>195.1</i>	<i>16.5</i>	<i>8 %</i>	<i>199.9</i>	<i>11.7</i>	<i>6 %</i>
<i>Average Length of Stay</i>	<i>5.2</i>	<i>5.0</i>	<i>0.2</i>	<i>4 %</i>	<i>5.2</i>	<i>4.9</i>	<i>0.3</i>	<i>6 %</i>	<i>4.9</i>	<i>0.3</i>	<i>6 %</i>
<i>Occupancy</i>	<i>82%</i>	<i>78%</i>	<i>4 %</i>		<i>84%</i>	<i>78%</i>	<i>6 %</i>		<i>80%</i>	<i>4 %</i>	
SURGERIES	767	789	(22)	(3)%	3,009	3,113	(104)	(3)%	3,110	(101)	(3)%
EMERGENCY VISITS	8,727	9,698	(971)	(10)%	35,061	38,807	(3,746)	(10)%	36,202	(1,141)	(3)%
DELIVERIES	90	111	(21)	(19)%	467	468	(1)	0 %	463	4	1 %
CLINIC VISTS	296	565	(269)	(48)%	1,247	2,322	(1,075)	(46)%	1,265	(18)	(1)%
HGH Case Mix	1.507	1.386	0.121	9 %	1.441	1.386	0.055	4 %	1.386	0.055	4 %
AHD Case Mix (Incl PB/SS)	1.350	1.245	0.105	8 %	1.580	1.245	0.335	27 %	1.245	0.335	27 %
SLH Case Mix	1.770	1.601	0.169	11 %	1.740	1.601	0.139	9 %	1.601	0.139	9 %
POST ACUTE											
PATIENT DAYS	9,264	9,233	31	0 %	36,915	36,712	203	1 %	36,161	754	2 %
DISCHARGES	87	66	21	32 %	303	293	10	3 %	241	62	26 %
<i>Average Daily Census</i>	<i>298.8</i>	<i>297.8</i>	<i>1.0</i>	<i>0 %</i>	<i>300.1</i>	<i>298.5</i>	<i>1.6</i>	<i>1 %</i>	<i>294.0</i>	<i>6.1</i>	<i>2 %</i>
<i>Average Length of Stay</i>	<i>106.5</i>	<i>139.9</i>	<i>(33.4)</i>	<i>(24)%</i>	<i>121.8</i>	<i>125.3</i>	<i>(3.5)</i>	<i>(3)%</i>	<i>150.1</i>	<i>(28.3)</i>	<i>(19)%</i>
<i>Occupancy</i>	<i>95%</i>	<i>95%</i>	<i>0 %</i>		<i>95%</i>	<i>95%</i>	<i>0 %</i>		<i>93%</i>	<i>2 %</i>	
REHAB CLINIC VISITS	7	5	2	40 %	42	28	14	50 %	38	4	11 %
FMT Case Mix Index	1.127	1.081	0.046	4 %	1.128	1.081	0.047	4 %	1.081	0.047	4 %
BEHAVIORAL HEALTH											
PATIENT DAYS	2,103	2,117	(14)	(1)%	8,373	8,429	(56)	(1)%	8,262	111	1 %
DISCHARGES	235	247	(12)	(5)%	932	995	(63)	(6)%	1,027	(95)	(9)%
<i>Average Daily Census</i>	<i>67.8</i>	<i>68.3</i>	<i>(0.5)</i>	<i>(1)%</i>	<i>68.1</i>	<i>68.5</i>	<i>(0.4)</i>	<i>(1)%</i>	<i>67.2</i>	<i>0.9</i>	<i>1 %</i>
<i>Average Length of Stay</i>	<i>9.0</i>	<i>8.6</i>	<i>0.4</i>	<i>5 %</i>	<i>9.0</i>	<i>8.5</i>	<i>0.5</i>	<i>6 %</i>	<i>8.0</i>	<i>1.0</i>	<i>13 %</i>
<i>Occupancy</i>	<i>98%</i>	<i>99%</i>	<i>(1)%</i>		<i>99%</i>	<i>99%</i>	<i>0 %</i>		<i>97%</i>	<i>2 %</i>	
EMERGENCY VISITS	1,190	1,040	150	14 %	4,787	4,389	398	9 %	4,510	277	6 %
CLINIC VISITS	1,918	1,590	328	21 %	6,875	6,253	622	10 %	6,847	28	0 %
JGP Case Mix Index	1.145	1.029	0.116	11 %	1.121	1.029	0.092	9 %	1.029	(1.029)	(100)%
AMBULATORY SBU CLINIC VISITS											
PRIMARY CARE	18,434	17,745	689	4 %	66,925	67,842	(917)	(1)%	62,868	4,057	6 %
SPECIALTY CARE	11,048	11,034	14	0 %	41,602	42,430	(828)	(2)%	44,238	(2,636)	(6)%
Total Visits	29,482	28,779	703	2 %	108,527	110,272	(1,745)	(2)%	107,106	1,421	1 %

ALAMEDA HEALTH SYSTEM

Update: 11/09/18
Report Status: Preliminary

SUMMARY OVERVIEW OF STATISTICS - by Campus

For the Month and Year-to-Date ending October 31, 2018

*Note: SLH patient days will be updated retro to the posted months as room charge received

	October	BUDGET	# VAR	% VAR	YTD	BUDGET	# VAR	% VAR	PYTD	# VAR	% Var
PATIENT DAYS (Net of well baby)											
ALAMEDA	6,225	6,185	40	1 %	25,024	24,465	559	2 %	24,799	225	1 %
FAIRMONT	3,922	3,925	(3)	0 %	15,714	15,602	112	1 %	14,823	891	6 %
HIGHLAND	4,632	4,329	303	7 %	18,776	17,258	1,518	9 %	17,395	1,381	8 %
JOHN GEORGE	2,103	2,117	(14)	(1)%	8,373	8,429	(56)	(1)%	8,262	111	1 %
SAN LEANDRO	836	880	(44)	(5)%	3,424	3,384	40	1 %	3,730	(306)	(8)%
TOTAL	17,718	17,436	282	2 %	71,311	69,138	2,173	3 %	69,009	2,302	3 %
<i>Average Daily Census</i>	572	562	10	2 %	580	562	18	3 %	561	19	3 %
<i>Occupancy</i>	90.0%	88.6%	1.4 %		91.3%	88.5%	2.8 %		88.4%	2.9 %	
DISCHARGES (Net of Well Baby)											
ALAMEDA	224	207	17	8 %	902	826	76	9 %	849	53	6 %
FAIRMONT	64	50	14	28 %	212	219	(7)	(3)%	171	41	24 %
HIGHLAND	800	820	(20)	(2)%	3,394	3,308	86	3 %	3,338	56	2 %
JOHN GEORGE	235	247	(12)	(5)%	932	995	(63)	(6)%	1,027	(95)	(9)%
SAN LEANDRO	225	211	14	7 %	849	851	(2)	0 %	933	(84)	(9)%
TOTAL	1,548	1,535	13	1 %	6,289	6,199	90	1 %	6,318	(29)	0 %
DELIVERIES	90	111	(21)	(19)%	467	468	(1)	0 %	463	4	1 %
SURGERIES											
ALAMEDA	210	201	9	4 %	758	743	15	2 %	768	(10)	(1)%
HIGHLAND	453	465	(12)	(3)%	1,788	1,820	(32)	(2)%	1,805	(17)	(1)%
SAN LEANDRO	104	123	(19)	(15)%	463	550	(87)	(16)%	537	(74)	(14)%
TOTAL	767	789	(22)	(3)%	3,009	3,113	(104)	(3)%	3,110	(101)	(3)%
EMERGENCY VISITS											
ALAMEDA	1,375	1,334	41	3 %	5,430	5,280	150	3 %	5,383	47	1 %
HIGHLAND	4,978	5,522	(544)	(10)%	20,065	22,274	(2,209)	(10)%	20,669	(604)	(3)%
JOHN GEORGE	1,190	1,040	150	14 %	4,787	4,389	398	9 %	4,510	277	6 %
SAN LEANDRO	2,374	2,842	(468)	(16)%	9,566	11,253	(1,687)	(15)%	10,150	(584)	(6)%
TOTAL	9,917	10,738	(821)	(8)%	39,848	43,196	(3,348)	(8)%	40,712	(864)	(2)%
AMBULATORY CLINIC VISITS											
ALAMEDA	1,293	1,074	219	20 %	4,637	4,124	513	12 %	4,075	562	14 %
EASTMONT	5,423	5,531	(108)	(2)%	20,958	21,374	(416)	(2)%	21,229	(271)	(1)%
FAIRMONT	57	118	(61)	(52)%	259	410	(151)	(37)%	385	(126)	(33)%
HAYWARD	3,884	3,323	561	17 %	13,544	12,340	1,204	10 %	11,834	1,710	14 %
HIGHLAND	16,222	16,086	136	1 %	60,069	62,247	(2,178)	(3)%	60,472	(403)	(1)%
NEWARK	2,603	2,647	(44)	(2)%	9,060	9,777	(717)	(7)%	9,111	(51)	(1)%
SUBTOTAL	29,482	28,779	703	2 %	108,527	110,272	(1,745)	(2)%	107,106	1,421	1 %
OTHER CLINIC VISITS											
HGH PRE-ANESTHESIA CLINIC	194	421	(227)	(54)%	748	1,694	(946)	(56)%	730	18	2 %
HGH LACTATION CLINIC	64	98	(34)	(35)%	349	454	(105)	(23)%	362	(13)	(4)%
AHD SURGERY CLINIC	38	46	(8)	(17)%	150	174	(24)	(14)%	173	(23)	(13)%
BEHAVIORAL VISITS	1,918	1,590	328	21 %	6,875	6,253	622	10 %	6,847	28	0 %
FMT REHAB CLINIC	7	5	2	40 %	42	28	14	50 %	38	4	11 %
SUBTOTAL	2,221	2,160	61	3 %	8,164	8,603	(439)	(5)%	8,150	14	0 %
TOTAL CLINIC VISITS	31,703	30,939	764	2 %	116,691	118,875	(2,184)	(2)%	115,256	1,435	1 %
NON TRADITIONAL VISITS											
PHONE VISITS	514	-	514	0 %	2,099	-	2,099	0 %	1,021	1,078	106 %
E-CONSULTS	68	-	68	0 %	260	-	260	0 %	284	(24)	(8)%
NURSE VISITS	1,326	-	1,326	0 %	3,920	-	3,920	0 %	3,720	200	5 %
PHARMACY VISITS	686	-	686	0 %	2,628	-	2,628	0 %	1,858	770	41 %
TOTAL	2,594	-	2,594	0 %	8,907	-	8,907	0 %	6,883	2,024	29 %