

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS MEETING AGENDA

Monday, October 19, 2020

OPEN SESSION: 5:30 PM

Location: Remote via ZOOM

Open Session
Via ZOOM

Join Zoom Meeting – Open Session- October 19, 2020

Time: 5:30 PM Pacific Time (US and Canada)

[https://us02web.zoom.us/j/81282188549?pwd=a1A4dk1M](https://us02web.zoom.us/j/81282188549?pwd=a1A4dk1MRjJwN1JlYWZncWdWbUtwdz09)

[RjJwN1JlYWZncWdWbUtwdz09](https://us02web.zoom.us/j/81282188549?pwd=a1A4dk1MRjJwN1JlYWZncWdWbUtwdz09)

Meeting ID: 812 8218 8549

Passcode: 922200

Dial by your location

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

Access via zoom phone app, zoom desktop application or zoom website. You will be directed to download the ZOOM app if you have not used previously

Office of the Clerk: 510-473-0755

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 and present to the District Clerk. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.

- | | | |
|------|--|------------------|
| I. | Call to Order | Michael Williams |
| II. | Roll Call | Leta Hillman |
| III. | General Public Comments | |
| IV. | Adjourn into Executive Closed Session | |

V. Closed Session Agenda

- | | |
|---|--------------------------------------|
| A. Call to Order | Mike Williams |
| B. Report on Health Care District Trade Secrets | Health and Safety Code
Sec. 32106 |
| C. Executive Director Performance Evaluation | Gov't Code Sec 54957 |
| D. Adjourn to Open Session | |

VI. Reconvene to Public Session

- | | |
|--------------------------------------|------------------|
| A. Announcements from Closed Session | Michael Williams |
|--------------------------------------|------------------|

VII. General Public Comments

VIII. Regular Agenda

- | | |
|---|-----------------------------|
| B. YTD AHS Reporting INFORMATIONAL | |
| ✓ 1) Alameda Health System / Alameda Hospital Update / Status of 2020 Alameda Hospital Seismic Project
ENCLOSURE (pages 4-18) | Luis Fonseca, COO |
| ✓ 2) AHS Financials and Budget Update ENCLOSURE (pages 19-35) | Kimberly Miranda, CFO |
| ✓ 3) Quality Initiatives Update ENCLOSURE (pages 36-41) | Tanvir Hussain, MD |
| 4) Alameda Hospital Medical Staff Update | Joseph Marzouk, MD |
| C. District & Operational Updates INFORMATIONAL | |
| 1) District Reports | |
| a. President's Report | Michael Williams |
| ✓ b. Alameda Health System Board Liaison Report
ENCLOSURE (page 42) | Tracy Jensen |
| c. Alameda Hospital Liaison Report | Robert Deutsch, MD |
| ✓ d. Executive Director Report and Board Updates
ENCLOSURE (pages 43-45) | Debi Stebbins |
| e. Joint Seismic Planning Committee Report | Gayle Codiga & Tracy Jensen |
| D. Consent Agenda | |
| ✓ 1) Acceptance of Minutes August 17, 2020 ENCLOSURE (pages 46-51) | |
| ✓ 2) Acceptance of July and August 2020 Financial Statements ENCLOSURE (pages 52-65) | |
| ✓ 3) Review of 2021 CY Meeting Calendar ENCLOSURE (page 66) | |

- 4) Rejection of Claim from Rita Hsu Erroneously Filed Against the City of Alameda Health Care District Health and Safety Code Sec 32492

E. Action Items

- ✓ 1) Election of District Officers and Appointment to Liaison Positions Michael Williams
ENCLOSURE (pages 67-71)
- ✓ 2) Proposal for District to Join Association of CA. Health Care Districts Debi Stebbins
ENCLOSURE (page 72)
- ✓ 3) Independent Contractor Agreement with Executive Director Deborah E. Stebbins Group, LLC
ENCLOSURE (page 73)
- ✓ 4) Review and Acceptance of 2019-2020 Audit **ENCLOSURE (pages 74-90)**

F December 14, 2020 Agenda Preview

- 1) Acceptance of October 19, 2020 Minutes
- 2) Recommendation to Approve True-Up Tax Distribution to AHS

Informational Items:

YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)

IX. General Public Comments

X. Board Comments

XI. Adjournment

<p>Next Scheduled Meeting Dates (2nd Monday, every other month or as scheduled)</p> <p>December 14, 2020</p>	<p>Open Session</p> <p>5:30 PM</p> <p>Remote via ZOOM</p>
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**COO's Report
Alameda Health Care District Board Meeting
October 19, 2020**



Labor Action Update

- Labor Action at all facilities October 7 0630 – October 12 0630 (5 days)
 - Notice given by: SEIU 1021, CNA
 - Sympathy strike notice from: ILWU 6, L 39
- Worked with various staffing agencies to secure resources to support patient care delivery
 - Fill rate for all nursing positions >90%
 - Allied health services filled or supported by the system labor pool

Labor Action Update

- Reduced census at all Acute care locations
- Discontinued and rescheduled elective procedures in our OR
 - Friday October 2 – AH, SLH
 - Monday October 5 – HGH
- Rescheduled all Ambulatory visits or shifted to Tele-Health/Phone visits
- Labor Action mitigation plan submitted to CDPH
- Security Management Plan for all facilities created and distributed to all leaders

Patient Experience Alameda Hospital

May Final /June Preliminary

Patient Experience Data

(as of 12/13/19) Note * = Preliminary

	FY20 GOAL	FY20 YTD June *	May Month	June Month*
H-CAHPS (YTD N=245)				
Rate the Hospital 9-10	57.00	60.00	39.20	52.50
Nurses treat with courtesy/respect	76.20	73.40	68.00	74.10
Call button help soon as wanted it	53.30	54.90	56.30	64.20
Doctors treat with courtesy/respect	76.70	77.10	75.00	74.50
Courtesy of person serving food	88.60	85.20	100.00	Now included in other metric
Courtesy of person cleaning room ^{^*}	83.00	85.90	100.00	Now included in other metric
Care Transition	47.69	44.00	34.30	57.40
Hosp staff took pref into account	38.30	34.80	34.70	46.80
Good understanding managing health	48.20	45.00	28.80	59.40
Understood purpose of taking meds	52.80	52.10	39.40	66.10

Data Review

- *Rate the hospital* score not meeting goal this month but YTD at goal.
- *Nurses treat with courtesy* not meeting goal.
- *Call light response* continues to meet goal.
- *Doctors treat with courtesy and respect* declined but YTD meeting goal.
- *Courtesy of person cleaning room and serving food* are being rolled up into other metrics.
- Care Transitions preliminary June results all meeting goal.
- Due to change in surveys (phone to mail) July data expected in mid October.

Action Plan

Metrics with opportunity for improvement	Follow-Up Actions	Date of Completion
Rate the Hospital and key drivers	<ul style="list-style-type: none"> • Moving forward with three actions to drive patient experience across AHS. 1. <u>Standards</u> - GIFT is the service standard for the organization and replaces AIDET 2. <u>Build organizational knowledge</u> – implement Patient Experience Boot Camps for all leaders to complete with action plans, metrics and sign off by one-up leadership 3. <u>Daily Work</u> – leaders to integrate patient experience into their daily work practices (audits, monitoring, metrics, exceptions). • Posting and discussion of HCAHPS data and patient comments with staff • Data shared at physician and staff department meetings. Patient comments shared. • <u>September 2020:</u> <ul style="list-style-type: none"> ➢ Inaugural ED Patient Experience Council to address patient concerns/issues and improve patient experience. ➢ SMILE board (Safety, Metrics, Issues, Logistics, Encouragement) roll out all units 	Ongoing
Care Transition domain-preferences taken into account in d/c planning	<ul style="list-style-type: none"> • Care Transition Managers are focusing on iRounds to support PRIME 	Ongoing
Provider courtesy and respect	<ul style="list-style-type: none"> • VP PCS sharing patient comments with providers. 	Ongoing

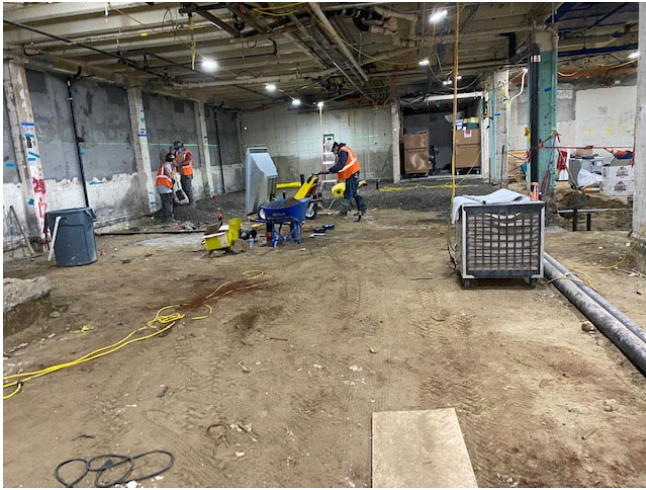
ED Patient Experience Council: Building Patient Experience and Service Recovery

- In June we began biweekly prep meetings with participation from the following: ED Medical Director, Nurse Leaders, Patient Relations Manager, Community Relations, and Patient Experience Liaison.
- Developed Charter, Bylaws and Guiding Principles
- Unit marketing done, including interviews, and have 4 community members who have agreed to be a part of the Council.
- Goal: Process Improvement for patient experience.
 - Review issues and sort by theme for short and long term goals.
 - Access
 - Billing
 - Communication
 - Environment/Facilities
 - Professionalism
 - Quality of Care
- Initial meeting 9/23 with a high level of engagement.

Facilities Update

SB90 Seismic and Kitchen Relocation Project Update

- Project continues with the seismic and kitchen buildout.
- EVS department move is complete with the Soiled Linen room (old snack shop) estimated to be complete in October.
- Campus Activity / Impacts:
 - Work on 2nd and 3rd Floor to prepare for shaft work to support the kitchen and utilities
 - Noise with more demolition of the concrete slab in the month of September
 - Activity in the breezeway / driveway and on Clinton Avenue.
 - Access points to the West Building through the sliding doors has been blocked for construction.
 - Elevator access limited to 2nd and 3rd Floor. Stairwell remains accessible to exit and in the event of an emergency
- AB2190 Quarterly Report Submitted 10/1/2020 and continuing to track toward the compliance dates submitted and approved by OSHPD



New Concrete Slab,
Framing started




↑
Preparing for new
concrete slab after
seismic stabilization.





Old Windows
Removed, Preparing
for new windows for
the Café space



Construction Zone 
Kitchen and Cafe

Community Engagement



Caring for Our Community

Health and Wellness in our Community

- September 25, 2020: Alameda Hospital sponsored the “**Alameda’s Economic Forecast**” a virtual event hosted by the Alameda Chamber of Commerce.
- October 9, 2020: In partnership with the American Red Cross Blood Services, Alameda Hospital will host a **Community Blood Drive**. Blood donations have been critically low due to the pandemic. COVID-19 safety precautions will be put into place. **Canceled due to strike notice**
- October 10, 2020: Alameda Hospital will hold a free **Community Flu Shot Clinic** in the parking lot. Vaccine is provided by the Alameda County Public Health Department. Masking and social distancing are required. **Rescheduled to October 24, 2020**

Questions



**Alameda District Board Meeting –
July AHS Financial Report
09/28/2020**

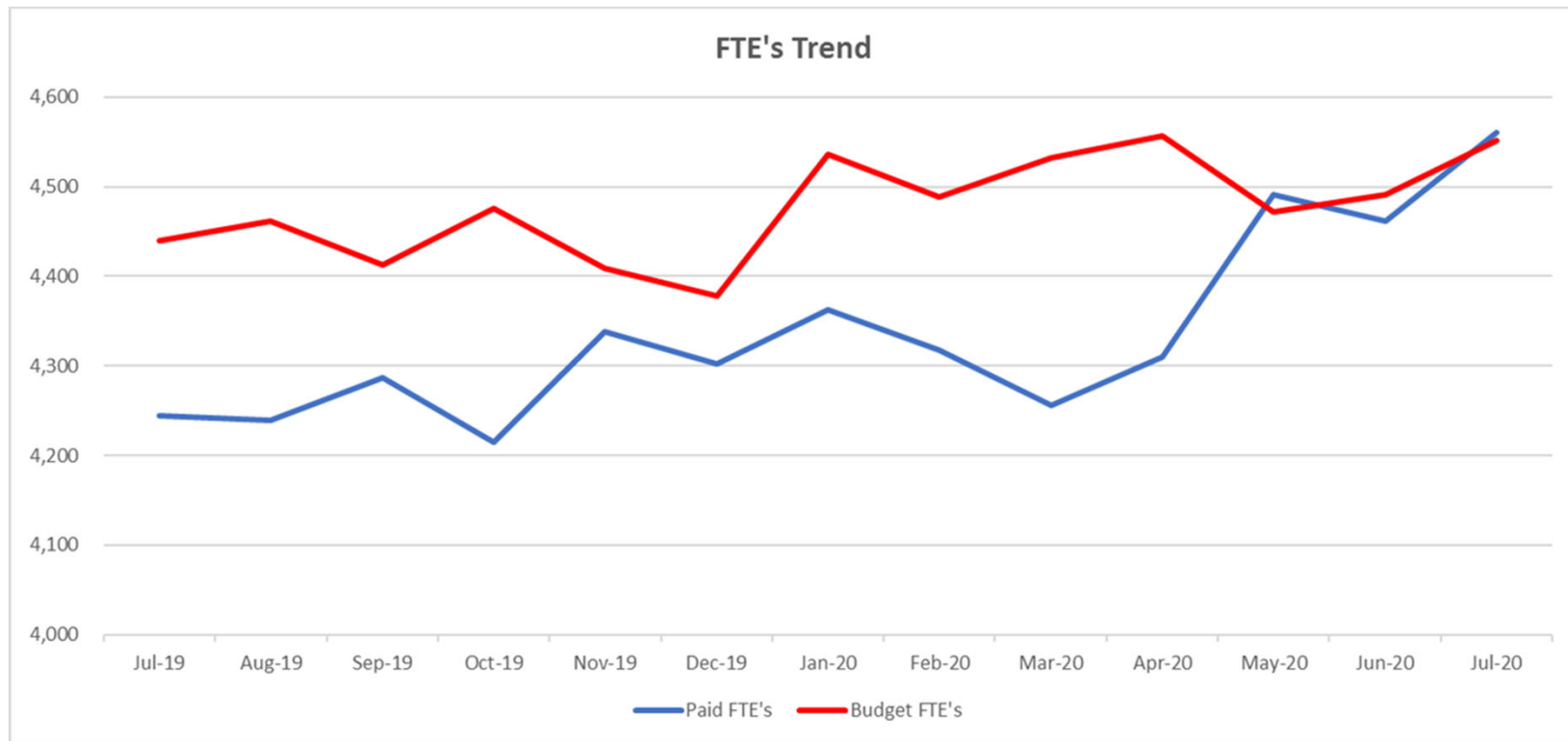


	July	BUDGET	# VAR	% VAR	PYTD	# VAR	% Var
AHS SUMMARY							
ACUTE							
Acute Patient Days	8,657	9,322	(665)	(7.1)%	9,047	(390)	(4.3)%
Acute Discharges	1,503	1,730	(227)	(13.1)%	1,633	(130)	(8.0)%
<i>Average Daily Census</i>	279	301	(22)	(7.3)%	292	(13)	(4.5)%
<i>Average Length of Stay</i>	5.8	5.4	0.4	7.4 %	5.5	0.3	5.5 %
Acute Adjusted Discharges	2,232	2,649	(417)	(15.7)%	2,474	(242)	(9.8)%
Acute Adjusted Patient Day:	12,856	14,272	(1,416)	(9.9)%	13,706	(850)	(6.2)%
CMI	1.448	1.357	0.091	7 %	1.357	0.091	6.7 %
ED Visits	6,824	9,017	(2,193)	(24.3)%	8,293	(1,469)	(17.7)%
Trauma Cases	253	301	(48)	(15.9)%	192	61	31.8 %
Observation Equiv Days	310	114	196	171.9 %	92	218	237.0 %
PES Equivalent Days	635	1,190	(555)	(46.6)%	616	19	3.1 %
Surgeries	534	654	(120)	(18.3)%	680	(146)	(21.5)%
IP Surgeries	334	284	50	17.6 %	310	24	7.7 %
OP Surgeries	200	370	(170)	(45.9)%	370	(170)	(45.9)%
Deliveries	121	106	15	14.2 %	120	1	0.8 %
SNF							
Patient Days	8,195	8,622	(427)	(5.0)%	8,742	(547)	(6.3)%
Discharges	21	31	(10)	(32.3)%	35	(14)	(40.0)%
Daily Census	264	278	(14)	(5.0)%	282	(18)	(6.4)%
<i>Average Length of Stay</i>	390.2	278.1	112	40.3 %	249.8	140.4	56.2 %
TOTAL CLINIC VISITS	28,511	26,495	2,016	7.6 %	28,606	(95)	(0.3)%
Clinic Visits	15,975				28,606		
Telehealth	12,536				-		
Physician wRVU	70,606				82,028		
Total Adjusted Discharges	2,195	2,701	(506)	(18.7)%	2,553	(358)	(14.0)%
Total Adjusted Patient Days	24,270	27,523	(3,253)	(11.8)%	27,231	(2,961)	(10.9)%

- Net Operating Revenue is unfavorable \$8.2M and 9.0%.
 - Lower patient volumes and mix of services caused by the Shelter in Place; patient charges down \$24.1M and 8.1%.
 - Other government programs are unfavorable \$1.4M, relating to BHS budget spread evenly for retro settlements.
- Operating Expenses are favorable to budget \$3.4M and 3.7%; across many line items.
 - Material and Supplies are favorable due to lower volumes offset by unfavorable timing for Plant Maintenance (\$411K); primarily at HGH (\$247K) for Chiller, plumbing and fire protection system. Electricity was over budget by \$148K.
 - Salaries and Registry combined are unfavorable (\$1.7M); services are ramping up and Covid related LOAs are 154 FTE in July. Self-funded health and dental are favorable due to shelter-in-place deferral of elective services.
 - Actuarial report received for ACERA; higher investment returns in CY19 are reducing the amortization of the non-cash portion of the expense.

	July 2020				FY 2020	
	Actual	Budget	Variance	% Var	YTD	% Var
Net operating revenue	\$ 82,928	\$ 91,117	\$ (8,189)	(9.0)%	\$ 85,647	(3.2)%
Operating expense	90,050	93,469	3,418	3.7%	91,406	1.5%
Operating income (loss)	(7,123)	(2,352)	(4,771)	(202.8)%	(5,759)	(23.7)%
Other non-operating activity	(212)	(195)	(16)	(8.4)%	(132)	(60.3)%
Net Income (loss)	\$ (7,334)	\$ (2,547)	\$ (4,787)	(187.9)%	\$ (5,891)	(24.5)%
EBIDA adjustments	1,376	4,573	(3,197)		3,188	
EBIDA	\$ (5,958)	\$ 2,026	\$ (7,984)		\$ (2,703)	
Operating Margin	(8.6)%	(2.6)%	(6.0)%		(6.7)%	
EBIDA Margin	(7.2)%	2.2%	(9.4)%		(3.2)%	

- LOAs have closed the historical vacancy gap between the lines
- FTE trend includes Registry used to backfill staff on COVID related LOAs



Slide 4

MA1

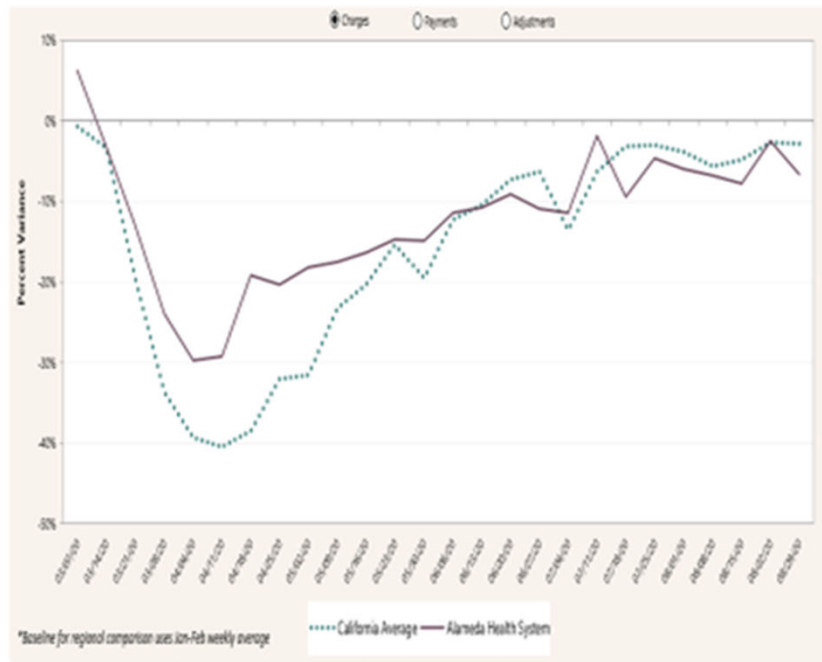
Days in Cash: Timing of payroll funding on Wednesday... payday was Friday, June 1st

Metzger, Ann, 6/1/2020

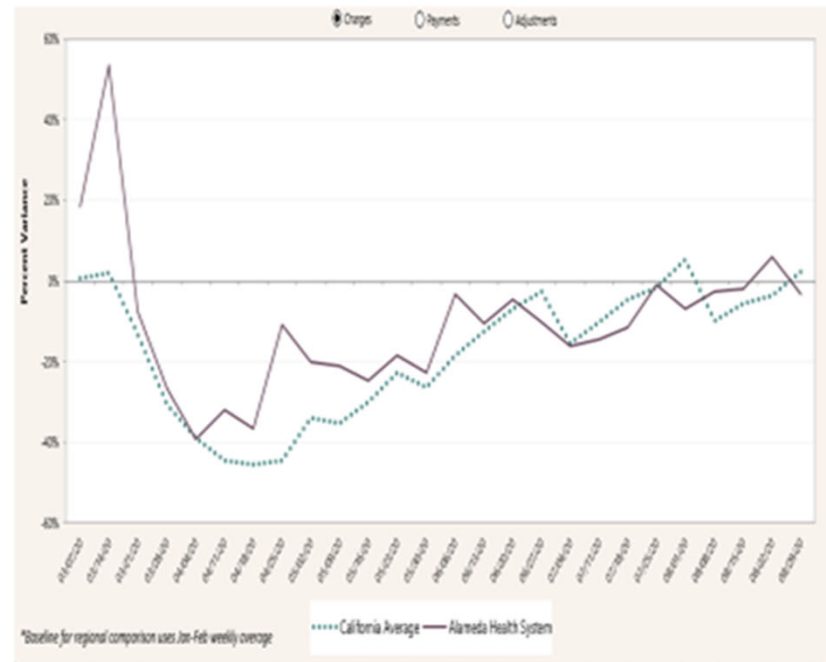
- AR days, CFB and Open Denials have decreased significantly and continue on a downward trend
- Drop in charges and change in service mix related to the Pandemic have had an impact on statistics and reporting.
- The staff is excited and motivated about our results and we are celebrating and building on our successes.

COVID-19 Impact Comparisons Charges as a % of Baseline Compared to California Hospitals

Hospital Billing



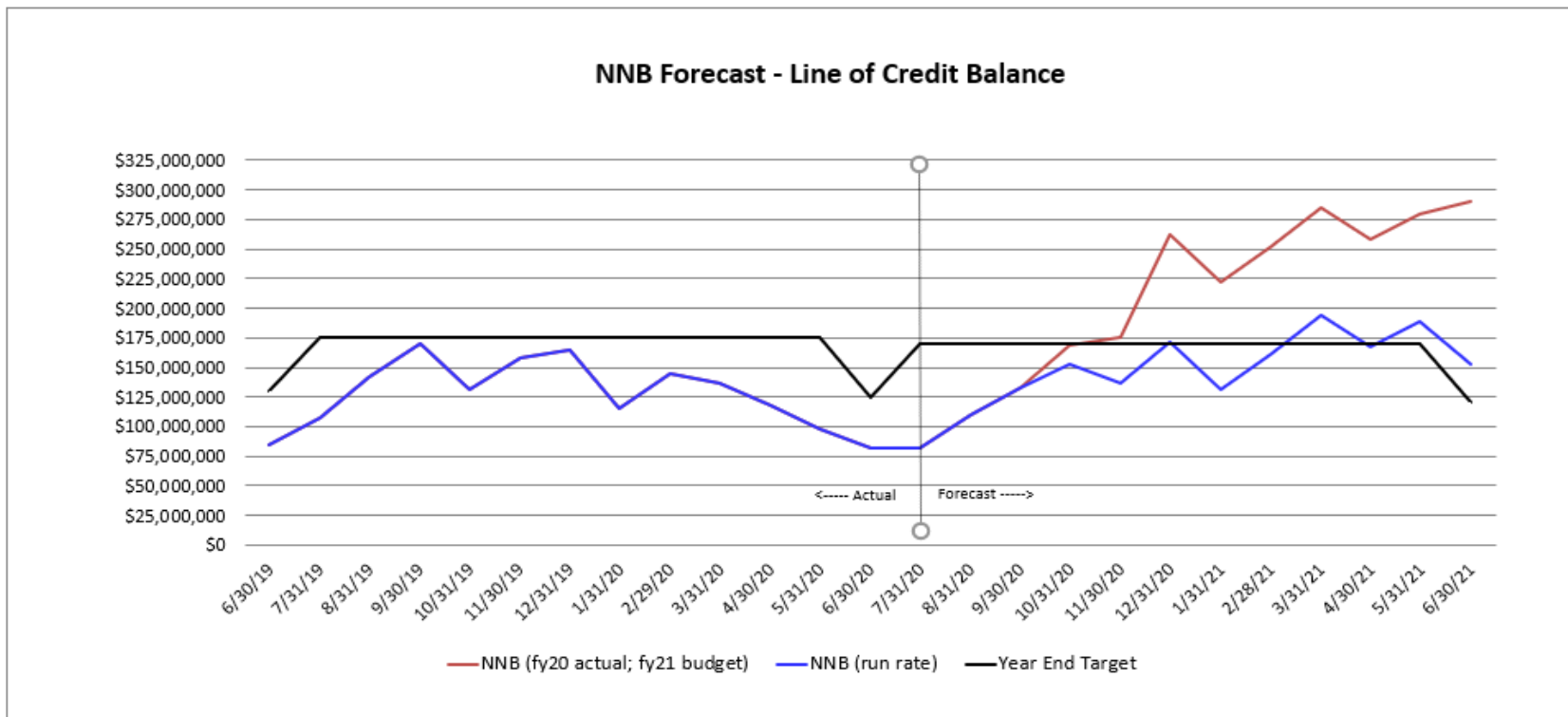
Professional Billing



- Cash collections expected to drop with lower volumes and charges.
- July collections were \$46.3M remaining strong as Revenue Cycle stabilizes; percent cash to net revenue is greater than target of 100%
- Legacy vendors continue to collect some cash from pre “go live” AR.

	CASH COLLECTED					
	Legacy A/R		Epic A/R		Total Current Year	Total Prior Year
	AHS	AHP	AHS	AHP		
Jul	46,055,840	2,771,880	-	-	48,827,720	45,907,874
Aug	40,582,990	2,406,369	-	-	42,989,359	47,020,673
Sep	37,767,366	2,370,901	-	-	40,138,267	47,316,958
Oct	48,505,544	2,335,951	886,167	258,390	51,986,052	42,249,665
Nov	17,553,726	908,159	8,875,297	810,025	28,147,206	48,408,418
Dec	16,791,960	630,617	21,364,027	1,391,639	40,178,243	52,059,776
Jan	7,623,323	288,277	41,299,525	2,324,342	51,535,467	38,844,086
Feb	12,341,116	114,628	38,934,354	1,814,654	53,204,752	57,118,508
Mar	9,424,053	116,744	55,977,579	3,073,233	68,591,610	47,508,406
Apr	2,569,790	57,398	36,403,119	2,419,841	41,450,148	41,625,952
May	1,820,714	49,821	40,043,609	2,150,907	44,065,051	46,599,362
Jun	412,530	79,518	35,582,696	2,277,877	38,352,620	47,586,644
	241,448,952	12,130,260	279,366,374	16,520,908	549,466,494	562,246,321
	% cash to net revenue				106.7%	101.7%

- FY21 Operations are expected to hover around the current NNB limit; Forecast assumes:
 - Operating and Capital Budget reflect the updated Budget to be presented tonight.
 - No assumption was made for continuing COVID impact on patient care services, census or expenses.
- PY Recoupments are reflected in the red line and far exceed the NNB Limit.
- Supplemental Funds advanced to FY20 improve 6/30/20 NNB balance



Budget Update

Fiscal 2021 Operating and Capital Budget

September 2020

	ACTUAL2018	CALENDAR YEAR 2019	Approved INTERIM BUDGET 2021	Budget 2021 (In Progress)	CY2019 to Budget21 Variance	% Variance (FY2020 vs. Budget21)
<i>Operating Revenue -----</i>						
Net Patient Revenue	600,391	547,914	593,991	596,241	48,327	8.8%
Capitation Revenue	33,678	40,558	42,200	44,669	4,111	10.1%
Other Revenues	31,400	33,847	34,176	34,176	330	1.0%
Supplemental Revenue	409,110	429,689	412,881	417,881	(11,808)	-2.7%
Total Revenue - All Sources	1,008,197	1,052,007	1,083,248	1,092,967	40,960	3.9%
<i>Operating Expenses -----</i>						
Labor Expenses	706,273	772,936	838,387	826,488	53,552	6.9%
Contracted Physician Services	89,177	90,608	38,484	38,484	(52,125)	-57.5%
Purchased Services	81,595	77,727	78,866	77,039	(687)	-0.9%
Materials and Supplies	87,012	87,583	93,228	93,228	5,645	6.4%
Facilities	30,661	32,785	35,446	35,446	2,661	8.1%
Depreciation	16,524	15,119	27,459	27,459	12,339	81.6%
General and Administration	18,372	20,072	21,844	21,844	1,771	8.8%
Total Operating Expenses	1,029,613	1,096,830	1,133,713	1,119,987	23,157	2.1%
Operating Income (Loss)	(21,417)	(44,823)	(50,465)	(27,020)	17,803	-39.7%
<i>Non-Operating Activity</i>						
Interest Income (Expense)	(1,016)	(3,581)	(3,581)	(3,581)	(0)	
Other nonoperating Revenue	337	268	268	268	-	
Net Income (Loss)	(22,096)	(48,137)	(53,778)	(30,333)	17,803	
EBIDA Adjustments						
Interest Income (Expense)	(1,016)	(3,581)	(3,581)	(3,581)	(0)	
Depreciation	(16,524)	(15,119)	(27,459)	(27,459)	(12,339)	
Amortization (GASB-68, GASB-75)	(20,418)	(62,928)	(23,974)	(23,974)	38,955	
Total EBIDA Adjustments	(37,958)	(81,629)	(55,014)	(55,014)	26,616	
EBIDA	15,862	33,492	1,235	24,680	(8,812)	
<i>Operating Margin</i>	-2.1%	-4.3%	-4.7%	-2.5%	1.8%	
EBIDA %	1.6%	3.2%	0.1%	2.3%	-0.9%	

Cash Flow Projection

Revision Date:

9/4/2020

(Stated in thousands)	ACTUAL 2018	ACTUAL 2019	PROJECTION 2020	BUDGET 2021
EBIDA	\$ 15,862	\$ 48,092	\$ 40,000	\$ 24,680
EBIDA Margin	1.6%	4.6%	3.7%	2.3%
Supplemental Payments Timing	97,483	(61,000)	6,600	(33,350)
Cash From Operations	73,648	45,389	70,598	(8,670)
<i>EPIC</i>	(26,242)	(19,747)	(49,918)	
<i>EPIC Financing</i>	17,467	-	12,704	-
<i>EPIC Financing Payment</i>	(1,608)	(3,199)	(2,700)	(3,108)
<i>SLH Acute Rehab</i>	(4,041)	(15,965)	(5,372)	
<i>Alameda Hospital Seismic Project</i>	(793)	(951)	(4,624)	(10,594)
<i>Other Committed Capital</i>				(6,115)
<i>Capital Request</i>	(12,284)	(19,869)	(7,752)	(43,434)
Capital Outlay	(27,501)	(59,731)	(57,662)	(63,251)
<i>AHSF Support</i>	2,048	4,650	-	2,500
<i>Other Funding Source (e.g. Jaber)</i>		74	77	152
<i>Kaiser MRI (pass thru AHSF)</i>		4,533	1,131	
<i>Kaiser Foundation Support - EPIC</i>	9,000	7,500	2,500	
Other Capital Funding Sources	11,048	16,757	3,709	2,652
<i>POB Debt Retirement</i>	(13,848)	(12,135)	(11,612)	(7,156)
<i>Capital Cost Transfer to County (2)</i>		(4,419)	-	(9,000)
<i>Capital Cost Transfer from County</i>		-	-	13,419
<i>Capital Reserve Fund (pmt to County)</i>	-	(7,000)	(7,000)	(7,000)
<i>Capital Reserve Fund (pmt from County)</i>		-	-	14,000
Total County Transactions	(13,848)	(23,554)	(18,612)	4,263
Cash Surplus/(Deficit)	43,347	(21,139)	(1,967)	(65,005)
Net Negative Balance (Before Recoupment)				
	(62,483)	(83,622)	(85,589)	(150,595)
Scheduled NNB Limit	(135,000)	(130,000)	(125,000)	(120,000)
Excess/(Short) of NNB	72,517	46,378	39,411	(30,595)
<i>Old Waivers (FY09-FY15)</i>		-	-	(67,152)
<i>Physician SPA (1)</i>		-	-	-
<i>Medical Cost Settlement (FY11-FY18)</i>		-	-	(30,300)
<i>FQHC Settlement (FY08-FY13)</i>		-	-	(40,000)
Total Prior Year Re-coupment	-	-	-	(137,452)
Net Negative Balance (After Rcoupment)				
	(62,483)	(83,622)	(85,589)	(288,047)
Scheduled NNB Limit	(135,000)	(130,000)	(125,000)	(120,000)
Excess/(Short) of NNB	72,517	46,378	39,411	(168,047)

Potential Financial Risk in FY21 Budget

- Reductions in OT and labor targets need to be achieved.
- COLA savings are pending union negotiations to the proposal (\$9.3M).
- Payor rate increase is pending on the success of contract negotiation (\$13.7M).
- Improve throughput across AHS by managing Length of Stay
- Impact of continuing Pandemic not incorporated in Budget.
 - Change in Service Mix (ED, Surgery and acute volume), resulting lower patient revenue and increased in expenses for labor, PPE and cleaning supplies. Will Covid outside funding offset losses?
 - Quarantine period requirement / SNF patient is 14 days

Current Budget Focus and Next Steps

- Update budget once more information is available for “high risk variables” (Treatment of Covid funding and expenses, Measure A, Supplemental funding, Jt Commission, Cashflow).
- On-going analysis are being performed on selected FY21 initiatives to optimize operational efficiency and improve financial performance.
- Plan to finalize the FY21 budget in October.
- Wipfli Phase 2 underway with focus on financial reporting and next step to stabilize AHS.

Appendix

Program	Description	Amount
CARES Act Part 1	\$30B nationwide distribution based on Medicare FFS revenue	Received \$10M on April 10
CARES Act Part 2	Additional \$20B nationwide distribution based on net patient revenue	Received \$4M on April 24
CARES Act Part 3	\$10B high impact for hospitals with 100+ admission between January 1 to April 10.	Did not qualify: Alameda 1 admission, Highland/San Leandro 18 admissions
CARES Act Part 4	\$200M available via Federal Communications Commission (FCC) for telehealth. Up to \$1M per applicant.	Submitted application for cost of telehealth equipment on April 17. Notified by America's Essential Hospitals on 7/21/2020 that AHS was not awarded this grant
CARES Act Part 5	\$100M to be used for increased medical supplies, testing and telehealth needs and additional \$1.32B for the prevention, diagnosis, and treatment of COVID-19, plus additional \$583M to expand testing. FQHC clinics were auto awarded based on annual UDS report. Such County wide UDS report includes significant portion of AHS' data.	County awarded \$64K on March 24, \$751K on April 8 and \$261K on May 7. No agreement in place between County and AHS to receive any funds.
CARES Act Part 6	\$150B Relief Fund for necessary expenditures incurred due to the public health emergency for local government based on population.	County allocated \$291.63M. AHS amount is to be determined. No agreement in place between County and AHS to receive any funds.
CARES Act Part 7	Relief fund for SNFs. SNF will receive a fixed distribution of \$50,000, plus \$2,500 per bed	Received \$825,000 on May 22
CARES Act Part 8	\$4B relief fund for Safety Net hospitals	Waiting for HHS to distribute
CARES Act Part 9	Reconciled payment for providers not filing a Medicare cost report	AHP received \$1M on June 15
CARES Act Part 10	\$10B high impact for hospitals with 161+ admissions between January 1 to June 10	Received \$8.35M on July 20
CARES Act Part 11	General Distribution Phase II reconciliation payment to equal 2% of net revenue from patient care	Application submitted Aug 20. Expect to receive \$5M
CARES Act Part 12	Relief fund for SNFs. SNF will receive a fixed distribution of \$10,000, plus \$1,450 per bed	Received \$440,500 on Aug 27

Program	Description	Amount
Assistant Secretary for Preparedness Response Part I	\$50M nationwide distribution. California Hospital Association (CHA) submitted application for California share of \$4M.	Received payment for \$25K in May
CDPH	Grant for outreach and telemedicine for low English proficiency immigrant population	\$20K grant approved. Received payment in June
United Way of Bay Area	\$1M grant available	Submitted application focused on IT labor cost on May 4.
IRS	Employer payroll tax credit for employees on leave due to COVID	AHS does not qualify due to being a public employer
FEMA	Federal government will reimburse 75% of cost	AHS is actively looking into apply either separately or together with the County. CAPH has contracted with Ernst & Young to offer group training. AHS has participated in training.
Increased FMAP	For Pre-ACA population. 6.2% FMAP increase applied to fiscal quarters impacted	Received from the State \$382K for January to April service months for Medi-Cal FFS inpatient population. Expect to receive \$432K for May & June month of service.
SNF Rate Increase	SNF/Sub-Acute 10% rate increase effective March 1 for Medi-Cal FFS	Received \$1.5M for March to June service months on August 17. July month of service is paid on the claim.
Medi-Cal Plans	Alameda Alliance announced \$16.6M Health Safety-Net Sustainability Fund	AHS submitted application on May 22. Awarded \$1.85M or 37% in May cycle, payment received in July. Awarded \$1.05M for June cycle, payment received in August. Amount undetermined for July to October cycles.
Assistant Secretary for Preparedness Response Part II	\$100M nationwide distribution. California Hospital Association (CHA) submitted application for California share of \$10.7M.	Received payment for \$77K on Sep 3

COVID-19 expenses from 3/01/20 to 7/31/20
(in thousands)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>Total</u>	
	<u>Mar-Jun 2020</u>	<u>Jul-20</u>		
<u>Directly charged to COVID-19</u>				
Labor costs	\$ 810	\$ 599	\$ 1,409	
Purchased Services	234	10	244	Cleaning and conceige parking services; Work area redesign
Supplies	894	138	1,032	PPE and other supplies purchased through non-GPO vendors
Non-medical minor equipment	40	42	82	HEPA air scrubber units
IT Software	-	-	-	Zoom licenses
	<u>\$ 1,978</u>	<u>\$ 789</u>	<u>\$ 2,767</u>	
<u>Other expenses embedded in dept</u>				
Payroll (3/22/20 to 6/30/20)	\$ 8,007	\$ 1,255	\$ 9,262	COVID-19 specific pay codes
Cleaning Supplies (all campuses)	666	-	666	amount over prior run rate of \$132k
IT Services	330	-	330	assistance with remote access and Epic
IT Equipment	137	-	137	laptops, ipads, and licenses
	<u>\$ 9,140</u>	<u>\$ 1,255</u>	<u>\$ 10,395</u>	
Capital Expenditures	\$ 223	\$ 146	\$ 369	disinfection technology, hiflow respiratory equipment
Total expenditures	<u><u>\$ 11,341</u></u>	<u><u>\$ 2,190</u></u>	<u><u>\$ 13,531</u></u>	



Leapfrog Hospital Safety Grade: Alameda Hospital

Tanvir Hussain, MD, MBA, MSc, MHS, FACP
Chief Quality Officer

Overview

LEAPFROG HOSPITAL SURVEY



HOSPITALS SUBMIT A SURVEY

Hospitals voluntarily submit data through the Leapfrog Hospital Survey to demonstrate their commitment to transparency. The Survey only reports data voluntarily submitted by hospitals across the country.



EXPLORES QUALITY AND SAFETY

The Leapfrog Hospital Survey covers a variety of quality, safety, and resource use measures.



A HOSPITAL'S PROGRESS ON EACH MEASURE IS DISPLAYED

A hospital's progress toward set standards is displayed by individual measure.

LEAPFROG HOSPITAL SAFETY GRADE



GRADES ARE ASSIGNED VIA MANY SOURCES

Hospitals with available data are given grades regardless of participation in the Survey. The Safety Grade includes data from CMS, the Survey if available, and the American Hospital Association.



EXCLUSIVELY FOCUSED ON SAFETY

The Leapfrog Hospital Safety Grade exclusively covers safety (accidents, injuries, and errors).



HOSPITALS RECEIVE LETTER GRADES

Hospitals receive a letter grade of A through F based on their overall safety performance.

Goal is to improve Safety Grade for all 3 hospitals by Fall 2020 reporting!

- Thorough review of Hospital Survey requirements and Hospital Safety Grade methodology
- Review available Leapfrog trainings and resources
- Consult with Leapfrog Help Desk for specific questions
- Identify and engage Operational Leaders in collecting information and affirming for each section of the Hospital Survey
- Determine available data required for the survey and engage EPIC reporting team for missing data needs
- Obtain supporting documentation required for Leapfrog validation
- Identify opportunities for improvement

Hospital Safety Grade Summary

	Spring 2020	Projected Fall 2020*
Alameda	F	C

**Projected Fall 2020 safety grade is based on Spring 2020 weighting and relative performance of other hospitals.*



List of Measures

Measure Domain	Measure	Primary Data Source	Spring 2020 Reporting Period	Fall 2020 Reporting Period
Process/Structural Measures	Computerized Physician Order Entry (CPOE)	2020 Leapfrog Hospital Survey*	2019	4/1/2020 - 6/30/2020
	Bar Code Medication Administration (BCMA)	2020 Leapfrog Hospital Survey*	2019	4/1/2020 - 6/30/2020
	ICU Physician Staffing (IPS)	2020 Leapfrog Hospital Survey*	2019	4/1/2020 - 6/30/2020
	SP 1: Culture of Safety Leadership Structures & Systems	2020 Leapfrog Hospital Survey	2019	7/1/2019 - 6/30/2020
	SP 2: Culture Measurement, Feedback, & Intervention	2020 Leapfrog Hospital Survey	2019	7/1/2017 - 6/30/2020
	SP 4: Identification & Mitigation of Risks & Hazards	Removed for Fall 2020	2019	Removed for Fall 2020
	SP 9: Nursing Workforce	2020 Leapfrog Hospital Survey	2019	7/1/2019 - 6/30/2020
	SP 19: Hand Hygiene	2020 Leapfrog Hospital Survey	2019	current practice
	H-COMP-1: Nurse Communication	CMS	04/01/2018 - 03/31/2019	10/01/2018 – 09/30/2019
	H-COMP-2: Doctor Communication	CMS	04/01/2018 - 03/31/2019	10/01/2018 – 09/30/2019
	H-COMP-3: Staff Responsiveness	CMS	04/01/2018 - 03/31/2019	10/01/2018 – 09/30/2019
	H-COMP-5: Communication about Medicines	CMS	04/01/2018 - 03/31/2019	10/01/2018 – 09/30/2019
	H-COMP-6: Discharge Information	CMS	04/01/2018 - 03/31/2019	10/01/2018 – 09/30/2019
	Outcome Measures	Foreign Object Retained	CMS	07/01/2016 - 06/30/2018
Air Embolism		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019
Falls and Trauma		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019
CLABSI		2020 Leapfrog Hospital Survey (NHSN)	07/01/2018 - 06/30/2019	1/1/2019 - 12/31/2019
CAUTI		2020 Leapfrog Hospital Survey (NHSN)	07/01/2018 - 06/30/2019	1/1/2019 - 12/31/2019
SSI: Colon		2020 Leapfrog Hospital Survey (NHSN)	07/01/2018 - 06/30/2019	1/1/2019 - 12/31/2019
MRSA		2020 Leapfrog Hospital Survey (NHSN)	07/01/2018 - 06/30/2019	1/1/2019 - 12/31/2019
C. Diff.		2020 Leapfrog Hospital Survey (NHSN)	07/01/2018 - 06/30/2019	1/1/2019 - 12/31/2019
PSI 3: Pressure Ulcer Rate		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019
PSI 4: Death Rate, Surg. Inpatients w/ Serious Treatable Complications		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019
PSI 6: Iatrogenic Pneumothorax Rate		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019
PSI 11: Postoperative Respiratory Failure Rate		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019
PSI 12: Perioperative PE/DVT Rate		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019
PSI 14: Postoperative Wound Dehiscence Rate		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019
PSI 15: Abdominopelvic Accidental Puncture/Laceration Rate		CMS	07/01/2016 - 06/30/2018	07/01/2017 – 06/30/2019

*Secondary Data Source: AHA Annual Survey/ IT Supplement



Alameda Performance

Measure Domain	Measure	Mean scores for Spring 2020	Score weight	AH scores for Spring 2020	Projected scores for Fall 2020
Process/Structural Measures	Computerized Physician Order Entry (CPOE)	79.13	6.1%	5	100
	Bar Code Medication Administration (BCMA)	82.28	6.0%	5	75
	ICU Physician Staffing (IPS)	57.55	7.4%	5	50
	SP 1: Culture of Safety Leadership, Structures & Systems	117.44	3.2%	n/a	120
	SP 2: Culture Measurement, Feedback, & Intervention	117.13	3.2%	n/a	120
	SP 9: Nursing Workforce	98.22	4.3%	n/a	100
	SP 19: Hand Hygiene	57.60	4.3%	n/a	n/a
	H-COMP-1: Nurse Communication	91.04	3.1%	85	84
	H-COMP-2: Doctor Communication	90.93	3.1%	83	85
	H-COMP-3: Staff Responsiveness	84.39	3.1%	78	79
	H-COMP-5: Communication about Medicines	77.87	3.1%	72	71
	H-COMP-6: Discharge Information	86.53	3.1%	77	78
Outcome Measures	Foreign Object Retained	0.02	6.1%	0	0
	Air Embolism	0.001	3.5%	0	0
	Falls and Trauma	0.44	6.4%	0	0.409
	CLABSI	0.70	0.0%	n/a	n/a
	CAUTI	0.77	6.2%	1.925	0
	SSI: Colon	0.81	0.0%	n/a	n/a
	MRSA	0.82	0.0%	n/a	n/a
	C. Diff.	0.63	5.8%	0.936	1.149
	PSI 3: Pressure Ulcer Rate	0.49	5.7%	0.21	0.24
	PSI 4: Death Rate, Surg. Inpatients w/ Serious Treatable Complications	162.89	0.0%	n/a	n/a
	PSI 6: Iatrogenic Pneumothorax Rate	0.27	3.0%	0.25	0.23
	PSI 11: Postoperative Respiratory Failure Rate	7.67	3.2%	6.89	5.94
	PSI 12: Perioperative PE/DVT Rate	3.83	3.1%	4.04	3.39
	PSI 14: Postoperative Wound Dehiscence Rate	0.95	2.9%	0.94	0.91
	PSI 15: Abdominopelvic Accidental Puncture/Laceration	1.29	4.1%	1.23	1.21
Process Measure Domain Score:				-0.9235	-0.374
Outcome Measure Domain Score:				-0.0135	0.1339
Process/Outcome Domains - Combined Score:				-0.937	-0.2401
Normalized Numerical Score:				2.063	2.7599
Hospital Safety Grade (Letter Grade):				F	C

Opportunities

Systemwide

- % Bar Code Medication Administration (BCMA)
- ICU Physician Staffing
 - Quantitative analysis of provider response within 5 minutes

Alameda

- Hand Hygiene
 - Identify hand hygiene champions
- C. Diff
 - Improve communication between Nurse and Physician for early testing to help distinguish community versus hospital acquired infection and adhering to testing protocol
- Patient Experience

DATE: October 14, 2020
TO: AHCD Board of Directors
FROM: Tracy Jensen

BOARD-MANAGEMENT UPDATES

Members of three labor unions – including nurses represented by California Nurses Association at Alameda, San Leandro and Fairmont Hospitals, and nurses represented by SEIU at Highland hospital, went on strike against AHS on from October 7 through October 11. The walkout resulted in AHS hiring replacement staff at all sites. According to AHS leadership the action did not have a significant impact on patient care. On Monday October 11 all striking staff returned to work.

SEIU and CNA members have shared their concerns about AHS leadership transparency and negotiation strategies with the Board of Supervisors. The majority of union leaders have urged the supervisors to address administration failings by assuming governance leadership for Alameda Health System. Some of the Supervisors have expressed their support for AHS governance changes, and the Board of Supervisors may take action to address the leadership issues in the coming weeks.

Highland Hospital physician transitions continue, with the departure of the Department of Medicine Chair, Rachel Baden. The Highland core Medical Executive Committee has had two interim chairs since Dr. Kelly Bullard stepped down, and at this time the MEC is being overseen by the AHS Chief of Staff Committee: Brandon Boesch, MD, Nikita Joshi, MD, Valerie Ng, MD, Kevin Smith, MD, Eric Yasumoto, MD

SYSTEM UPDATES

As I reported in August, the AHS board had asked for additional information before approving the \$6 million roof replacement project at Park Bridge Centre. The expenditure is on the Agenda for the October 7 AHS Finance Committee meeting, and I expect that the project will be approved by the committee and later in October by the full AHS board.

The Finance Committee heard an encouraging revenue cycle report from the CFO, outlining the work that has been done to improve accounts in receivable status. The Finance Committee also approved a budget for the remainder of the fiscal year. Please see the link to the budget presentation:

<http://www.alamedahealthsystem.org/wp-content/uploads/2020/10/2020-10-08-FIN-C-FY-2021-Final-Budget-PRESENTATION.pdf>



October 19, 2020

Memorandum to: City of Alameda Health Care District Board of Directors

From: Debi Stebbins, Executive Director

RE: October, 2020 Executive Director Report

1. SB 758 Update:

Under State Senator Portafino, SB 758 was introduced in the last session of the legislature, which originally would have extended the deadlines for compliance with the 2030 seismic standards 2037. The rationale was that the financial impact of COVID -19 on all California hospitals had made compliance with the increased seismic requirements unrealistic for many if not most hospitals, potentially resulting in possible closure of hospitals by the end of the decade. The bill passed successfully out of several Assembly and Senate committees despite opposition on the part of organized labor. Both the District and AHS participated in advocacy for the bill.

Unfortunately, opposition was successful in reducing the proposed extension period from 7 to 2 years toward the end of the legislative session. The California Hospital Association (CHA) determined that a two year extension would not be sufficient to address the capital challenges facing hospitals; CHA requested that the bill's author take the legislation off the agenda of the legislature. CHA plans to see that the initiative will be introduced at the next legislative session, when it will be the highest advocacy priority for CHA.

The District obviously will continue its involvement in these advocacy efforts. I plan to discuss next steps on our advocacy with the District Board following the November election.

2. AHS Updates:

At the October District Board meeting, AHS will be presenting an overview of the final FY 2020-2021 budget, which was approved at the October 8 AHS Finance committee and is slated for approval by the AHS Board on October 22. There are several elements of the latest budget that address concerns expressed by the District about the financial status of AHS, including a significant improvement in cash collections of old accounts and the engagement of a consulting firm to assist with new and improved contracts with third party payors. The AHS capital budget for FY 2021 still includes the remaining \$10M needed to include the 2020 seismic compliance requirements for Alameda Hospital and \$6M to replace the roof for the Park Bridge SNF. At present, the seismic project remains on schedule and on budget and is slated for completion by October 2021.

The budget AHS still projects that AHS will significantly exceed the net negative balance set forth in the financial parameters required between the health system and the County. Therefore, it is difficult to determine whether the budget will be accepted by the Board of Supervisors.

Discussion of the possibility that the Board of Supervisors will restructure the leadership structure at AHS persists. Obviously, the District must follow this issue closely since any resulting restructure impacts who we partner with under the Joint Powers Agreement.

Also, at the October District Board meeting, Dr. Tanvir Hussein will present an update on quality issues at AHS, including follow-up on The Joint commission survey conducted in early 2020 and the application by AHS to join Leapfrog.

3. Longer Term impact of COVID-19 on Health Care Delivery.

I recently have had an opportunity to participate as the guest of Ratcliff in an AIA California conference on health care planning in the COVID-19 era. Over the coming months I hope to discuss some of the issues this has raised with the Board and at the Joint AHS-District Seismic Planning Committee.

It is no surprise that many watershed changes in medical technology and health care delivery arose out of historical crises, including catastrophic disease and war. It seems COVID-19 may also amount to such a fundamental demarcation in how health care is delivered in the future. What are some of the trends worth evaluating and reflecting upon as we refine our strategic direction?

- Health Care systems impacted by loss of revenue may reassess current strategic, facility and capital plans. Does it make sense to build same kind of hospital envisioned before pandemic?

- Increased mergers and acquisitions in order to provide new sources of capital
- Continued use of virtual medical interaction, albeit at decreased levels from pandemic; more shift from inpatient to outpatient care. New applications for telehealth delivery
- Increased need for behavioral and mental health services, especially for the isolated, seniors, adolescents and homeless
- Potential new classes of chronic illness for long haul COVID-19 victims
- Wave of new regulations
- More emphasis on “green” construction, including alternatives to diesel based back-up generators
- Continued entry of new competitors -e.g. Walmart clinics and pharmacies
- Institutional way-finding and patient flow influenced by social distancing and disease prevention (e.g. separate waiting room, parallel infectious and non-infectious ICU's)

These are just a few examples of the types of changes that may be considered as we proceed with strategic program and facility planning.

Open Session
Monday, August 17, 2020 Regular Meeting

Board Members Present:	Legal Counsel Present	Also Present	Not Present
Tracy Jensen, Robert Deutsch, MD, Mike Williams Dennis Popalardo	Tom Driscoll	Debi Stebbins	Gayle Codiga

Submitted by: Leta Hillman, Executive Assistant

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:40pm by President Michael Williams	
II. Roll Call	Roll had been called prior to the start of the closed session. A quorum of Directors was present.	
III. Report from Closed Session	Director Williams noted that there were no actions taken in Closed Session.	
IV. General Public Comments	There were no comments from the general public.	

V. Regular Agenda

A. YTD AHS Reporting

- 1) Mr. Luis Fonseca began the presentation with an update on the COVID-19 operations report.
The COVID Recovery and Oversight Committee has been meeting 3 times per week since May 6, 2020. Its' goal is to review the work each facility is doing, to include collaboration with the county and departmental functions. To ensure that all departments are receiving what they need, including the appropriate PPE. Area testing is also being monitored. All departments are being asked to put together a comprehensive reopening plan to include (surgery, dental, outpatient rehab, ambulatory, radiology, cardiology, pulmonary and medical education). The tents that had been erected in the parking lots at Alameda and Highland Hospitals are currently not in use but remain in place.

No action taken.

Campus Overview: Construction is ongoing in the Stephens Wing and the Administration Building. The bridge between the two buildings will be removed. The Seismic Project is broken down into 4 distinct elements. The project is progressing on time and on budget.

1. Make Ready 1- Occupational Therapy (completed)
2. Make Ready 2-Environmental Services (October 2020 estimated completion)
3. Increment 1- Seismic work (October 2021 estimated completion)
4. Increment 2- Kitchen relocation. To include: kitchen dining and related spaces (October 2021 estimated completion)

Payor Contracting Strategy: Presentation prepared by Sandra Wellington, Payor Relations Mgr. Historical context and future planning was presented.

1. History- Previously, AHS had contracted with all the major health plans, but at low rates. The majority of the business was being driven by ED, and not elective procedures. Commercial contracts were terminated and transitioned to non-contracted standard rates. More physicians began billing through AHS. AHS has asked the health plans to reinstate contracts and add professional services. The one professional contract is with Kaiser, the 7 major commercial plans and 2 medical managed plans. Physicians bill and are paid according to the physician's relationship to the medical plan.
2. Current system is confusing for both patients and clinicians. There is less network access for Payors, with the potential for lower satisfaction scores when patients are given an out-of-network bill. Business is lost as physicians are unable to refer to AHS doctors due to non-listing in directories. Finances are not being optimized and City of Alameda residents express that they are not able to use the local services, even though they pay a parcel tax. This also affects transfers between facilities.
3. Proposed Future- AHS has entered into an agreement with Chancellor Consulting. Multi-year system-wide facility and professional services agreements would be negotiated with all major health plans. This will improve the patient experience, improve reimbursement and improve the referral relationship with providers.

Fiscal 2021 Preliminary and Operating Budget presented by Kim Miranda, CFO. The AHS Board of Trustees has reviewed a 2021 interim budget. It is at break-even and does not meet goals. The goal was to repeat FY 2019 or 2020 and there is a shortfall of \$30 million. Several new labor initiatives are being worked on. Comparing 2019 and 2021, there is gap in Labor and Contracted Physician Services. With the focus on physician hiring, this gap will be substantially reduced.

Budget Focus and Next Steps. Management is continuing to refine the budget and anticipates in October obtaining the board's approval on a Final Budget for FY21. AHS is also looking at all the service lines as a part of a Phase III in the Wipfli Report. Align stakeholders complete timeline and project plans for initiatives on operational improvement strategy.

-Highlights in the Interim 2021 Budget currently includes:

FUTURE REVENUES

\$15.3 million volume growth is anticipated. Restore Ambulatory Clinic visits post SAPPHERE go-live.

Establishment of The East Bay Medical Group. Oral Maxillofacial Surgery shifted from University of the Pacific to UCSF with a \$1.4 million increase in physician contract expense.

QUALITY AND PATIENT EXPERIENCE

- Invest in additional 5 FTE and consultant to prepare the organization for the various surveys and to meet regulatory compliance.
 - Invest in EVS staffing (8.3 FTE) and Food Services (9.3 FTE) to ensure facility cleanliness.
 - Boost staff to support Level 1 Trauma designation (8 FTE). Increase staffing for Medical Clerk night shift at Highland Hospital's medical-surgical units.
 - Account for changes in FY 20 staffing at John George and inpatient nursing units to improve patient safety and quality patient care. (\$3.3 million)
 - Invest in Care Management systemwide.
 - Invest in SAPPHIRE electronic medical record system to improve patient quality and experience.
- FY 20 is the transitional year; total incremental impact will be provided as part of the final budget package.

SUSTAINABILITY

The goal is to gain efficiency and offset wage, supplies, and purchased services growth. Total budget payor rate increase is \$22.1 million across all payors. \$13.7 million of the budgeted rate increase is pending upcoming contract negotiation.

Labor Standard Adjustments- reduce billing and collection fees, convert coders contract to Vizient agreement, monitor and manage daily staffing, including overtime pay, implement discretionary time off for staff at Director level and above.

WORKFORCE

COLA eliminated for non-represented staff with union contracts under review. Current benefits package to continue. Invest in HR recruitment to reduce management consultants Hiring freeze or delay in hiring for identified non-essential positions spread throughout the fiscal year.

REVENUE- For 2021, overall patient revenue increases by 8.2% due to projected volume increase (>\$24.8 million) and payor rate increases (\$22.1 million). Capitation is flat. "Other revenue" is flat due to shift of 340B Medi-Cal Managed Care to Fee-For-Service (\$916K), offset by increases in grant revenue (\$1 million). Measure A tax revenue drop (\$9 million) and BHC prior year settlement timing (\$7 million).

EXPENSES- Labor shows the largest increase, offset by contract physician services.

1. Oakcare contract physicians (\$44.7 million) transition to EBMG. Impact of hired anesthesiologist and Psychiatrists (\$8 million) and provider on-call expenses (\$2 million).
2. Volume increases (\$5 million) and 18 months of COLA/ Steps and Benefits (\$31 million) increase.
3. Increase in FTE for new hires and current vacancies compared to CY19 (\$15 million), partially offset by efficiency gains (-\$3.1 million), hiring freezes and/or delays in hiring (-\$8.2 million) and reduced overtime (-\$4.2 million).
4. Materials and Supplies increased by \$7 million of which \$4 million is due to CPI increases and the remaining \$3 million to volume increases.

5. Depreciation increased by \$12 million due to a full year depreciation of Acute Rehab and SAPPHIRE.

AHS Financial Health- The final effects of COVID-19 are yet to be determined. Additional funding has been requested thru the relief programs.

1. Supplemental funding revenue is significant (38%) and the timing and amounts are yet to be determined. Fiscal deficits caused by COVID-19 may impact government programs.
2. Deferred maintenance and lack of funding has created a large need for capital (\$45 million) for FY21 (equipment failure, facility emergencies, financial infrastructure, clinical program improvements).
3. Measure A was included in FY21 budget (\$117.7 million). COVID-19 and “Shelter in Place” order negatively impacted sales revenue.

AHS currently does not generate enough cash to pay their commitments including essential capital and projects in progress. The county and AHS continue to discuss.

There are certain capital expense projects that AHS has directed must get done in FY21:

FACILITY: Park Bridge roof, HVAC updates, Park Bridge Nurse Call System, AH Cooling Tower

IT: Network refresh, migrate from windows 7 to windows 10, Kronos, Epic Rover (phones), Epic Behavioral Health Phase 2

EQUIPMENT: Digital x-ray and CT Scanner replacement at San Leandro Hospital. Full project with sterilizer, sterrad, and washer.

BUDGET FOCUS AND NEXT STEPS

- Continue refining the FY21 budget and present final budget to AHS Board in October
- On-going analysis on selected FY21 initiatives to optimize operational efficiency and improve financial performance
- Align stakeholders, complete timeline and project plans for initiatives on operational improvement strategy
- Update budget to include “high risk initiatives”
- Incorporate Wipfli report and develop long term financial plan to stabilize AHS

B. Alameda Hospital Medical Staff Update			
	1)	Joseph Marzouk, MD reported on hospital services: Neurology and specialty services. Tele-neurology to be instituted on a 24 hour basis throughout the entire system. The urology coverage is being evaluated.	Dr. Marzouk provided update
C. District & Operational Updates			
	1)	District Liaison Reports	
		a. Michael Williams- no report presented	Michael Williams No action taken

			b. Alameda Health System Board Liaison Report- Tracy Jensen reporting. Jeff Cambro offered to help get the word out about the excellent care he received in the Alameda Hospital Emergency Department. Tracy reported on several past incidents involving patient care at Alameda Hospital. The details have been published in the local press.	Tracy Jensen No action taken.
			c. Alameda Hospital Liaison Report- no report presented	Robert Deutsch, MD No action taken
			d. Executive Director Report <ul style="list-style-type: none"> - Recommend that the AHCD Board accept the report recommendations by the Joint Committee. Actions initiated regarding advocating in legislative changes that will benefit the district and AHS. - In the Health Committee of the assembly, bill 758 passed with 10 “Ays” and 5 “abstentions”. - Wipfli Report- looking forward to results of the service line analysis - Recommend that the Joint Seismic Committee continue to meet for discussions - Park Ridge roof repair- estimated costs are expensive and will be discussed at an upcoming AHS board meeting 	Deborah Stebbins No action taken
			e. Bank of Marin Loan Review <ul style="list-style-type: none"> - Loan was taken out in 2012, to assist with the cash needs of Alameda Hospital (prior to affiliation). Amount is \$1.25 million, secured by both Jaber properties. Loan becomes due and payable in October 2022. The loan interest rate is not eligible for reduction and the current rates 5.51%. Decision on the loan does not need to be made for another two years. Bank of Marin would like to continue the loan beyond its’ current term, possibly at a lower interest rate 	Deborah Stebbins No action taken
	D	Consent Agenda		
		1)	Acceptance of Minutes of June 8, 2020 District Board Meeting	A motion was made, seconded and carried unanimously to approve the minutes of the board meeting
		2)	Acceptance of Financial Statements for May and June 2020	A motion was made, seconded and carried unanimously
	E	Action Items		

	1)	Election of District Officers and Appointments to Liaison Positions	A motion was made, seconded and carried unanimously to defer discussion until October board meeting
	2)	AHS District Joint 2030 Planning Committee Report- Tracy Jensen and Debi Stebbins highlighted the (4) recommendations coming from the committee: 1. Board Review 2. Legislative Advocacy 3. Explore New Programs to Increase use of Alameda Hospital and Emergency Department 4. Service Line Distribution and Optimization	A motion was made, seconded and carried unanimously to approve the recommendations and to continue the meetings
F	October 12, 2020 Agenda Preview		
	1)	Acceptance of August 17, 2020 Minutes	
	2)	Acceptance of Financial Statements: July and August 2020	
	3)	Election of District Officers and Appointment to Liaison Positions	
	4)	Tanvir Hussain, MD- follow-up on Quality Initiative	
	5)	Independent Contractor Agreement with Executive Director, Deborah E. Stebbins Group, LLC	
	6)	Review and Acceptance of 2019-2020 Audit	
	7)	Review of CY Meeting Calendar	
	Information Items:		
	1)	YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)	
VI. General Public Comments			None
VII. Board Comments			None
VIII. Adjournment			There being no further business, the meeting was adjourned at 7:05pm

Approved: _____

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

July 1-31, 2020

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2020	As of 7/31/2020
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 1,212,789	\$ 1,127,902
Grant and other receivables	298,418	787,929
Prepaid expenses and deposits	6,627	61,775
Total current assets	<u>1,517,834</u>	<u>1,977,606</u>
Assets limited as to use	646,751	661,407
Capital Assets, net of accumulated depreciation	<u>2,623,684</u>	<u>2,608,008</u>
	4,788,269	5,247,022
Other Assets	5,229	5,042
Total assets	<u>\$ 4,793,498</u>	<u>\$ 5,252,064</u>
 Liabilities and Net Position		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 34,421	\$ 34,421
Accounts payable and accrued expenses	10,090	9,100
Total current liabilities	<u>44,510</u>	<u>43,521</u>
Debt borrowings net of current maturities	<u>877,568</u>	<u>875,026</u>
Total liabilities	922,078	918,547
 Net position:		
Invested in capital assets, net of related debt	2,623,684	2,623,684
Restricted, by contributors	1,559,726	1,571,265
Unrestricted (deficit)	<u>(311,991)</u>	<u>138,568</u>
Total net position (deficit)	<u>3,871,419</u>	<u>4,333,517</u>
Total liabilities and net position	<u>\$ 4,793,498</u>	<u>\$ 5,252,064</u>

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2020	Actual YTD 7/31/2020	Budget YTD 6/30/2021	Variance	
Revenues and other support					
District Tax Revenues	\$ 5,887,501	\$ 489,512	\$ 492,276	(2,764)	-1%
Rents	196,841	17,467	17,285	182	1%
Other revenues	15,136	-	42	(42)	
Total revenues	6,099,478	506,979	509,602	(2,623)	
Expenses					
Professional fees - executive director	130,166	10,750	11,018	268	2%
Professional fees	124,198	2,161	48,316	46,154	96%
Supplies	5,399	-	758	758	100%
Purchased services	6,350	-	1,206	1,206	100%
Repairs and maintenance	23,008	1,436	1,938	501	26%
Rents	31,880	2,350	2,372	22	1%
Utilities	10,811	206	1,171	965	82%
Insurance	59,728	6,963	4,875	(2,088)	-43%
Depreciation and amortization	190,351	15,863	30,585	14,723	
Interest	52,015	4,314	4,333	19	0%
Travel, meeting and conferences	9,368	-	1,250	1,250	100%
Other expenses	59,214	838	24,136	23,298	97%
Total expenses	702,488	44,882	131,959	87,077	
Operating gains	5,396,991	462,097	377,644	84,454	22%
Transfers	(7,304,490)	-	(331,867)		
Increase(Decrease) in net position	(1,907,499)	462,097	45,777		
Net position at <i>beginning of the year</i>	5,778,919	3,871,419	3,871,419		
Net position at the <i>end of the period</i>	\$ 3,871,419	\$ 4,333,517	\$ 3,917,196		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2020	Actual YTD 7/31/2020
Increase(Decrease) in net position	\$ (1,907,499)	\$ 462,097
Add Non Cash items		
Depreciation	190,351	15,863
Changes in operating assets and liabilities		
Grant and other receivables	223	(489,511)
Prepaid expenses and deposits	8,649	(55,148)
Accounts payable and accrued expenses	(27,948)	(990)
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	(1,736,224)	(67,689)
Cash flows from investing activities		
Acquisition of Property Plant and Equipment	0	(0)
Changes in assets limited to use	78,558	(14,657)
Net Cash used in investing activities	78,558	(14,657)
Cash flows from financing activities		
Principal payments on debt borrowings	(30,257)	(2,542)
Net cash used by financing activities	(30,257)	(2,542)
Net change in cash and cash equivalents	(1,687,923)	(84,888)
Cash at the beginning of the year	2,900,713	1,212,789
Cash at the end of the period	<u>\$ 1,212,789</u>	<u>\$ 1,127,902</u>

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2020	Jaber 6/30/2020	As of 6/30/2020
Assets			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 1,212,789	\$ -	\$ 1,212,789
Grant and other receivables	298,418	0	298,418
Prepaid expenses and deposits	6,628	(0)	6,627
Total current assets	1,517,834	(0)	1,517,834
Due To Due From	14,926	(14,926)	0
Assets limited as to use	0	646,751	646,751
Capital Assets, net of accumulated depreciation	1,695,784	927,900	2,623,684
	3,228,544	1,559,726	4,788,269
Other Assets	5,229	0	5,229
Total assets	3,233,772	1,559,726	4,793,498
Liabilities and Net Position			
<u>Current liabilities:</u>			
Current maturities of debt borrowings	34,421	0	34,421
Accounts payable and accrued expenses	10,090	0	10,090
Total current liabilities	44,511	0	44,511
Debt borrowings net of current maturities	877,568	0	877,568
Total liabilities	922,079	0	922,079
Net position:			
Invested in capital assets, net of related debt	2,623,684	0	2,623,684
Restricted, by contributors	0	1,559,726	1,559,726
Unrestricted (deficit)	(311,991)	0	(311,991)
Total net position (deficit)	2,311,693	1,559,726	3,871,419
Total liabilities and net position	\$3,233,772	\$1,559,726	\$4,793,498

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual
	6/30/2020	6/30/2020	YTD 6/30/2020
Revenues and other support			
District Tax Revenues	5,887,501	0	5,887,501
Rents	0	196,841	196,841
Other revenues	15,136	0	15,136
Total revenues	5,902,637	196,841	6,099,478.27
Expenses			
Professional fees - executive director	130,166	0	130,166
Professional fees	115,022	9,176	124,198
Supplies	5,399	0	5,399
Purchased services	6,350	0	6,350
Repairs and maintenance	379	22,629	23,008
Rents	31,880	0	31,880
Utilities	918	9,892	10,811
Insurance	55,804	3,924	59,728
Depreciation and amortization	152,951	37,400	190,351
Interest	52,015	0	52,015
Travel, meeting and conferences	9,368	0	9,368
Other expenses	55,288	3,926	59,215
Total expenses	615,541	86,947	702,488
Operating gains	5,287,096	109,894	5,396,990
Transfers	(7,074,714)	(229,776)	(7,304,490)
Increase(Decrease) in net position	(1,787,618)	(119,882)	(1,907,500)
Net position at <i>beginning of the year</i>	4,099,311	1,679,608	5,778,919
Net position at the <i>end of the period</i>	2,311,693	1,559,726	3,871,419

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual
	6/30/2020	6/30/2020	YTD 6/30/2020
Increase(Decrease) in net position	(1,787,618)	(119,882)	(1,907,500)
Add Non Cash items			
Depreciation	152,951	37,400	190,351
Changes in operating assets and liabilities			
Grant and other receivables	223	0	223
Prepaid expenses and deposits	4,724	3,924	8,648
Due To Due From	0	(0)	(0)
Accounts payable and accrued expenses	(27,947)	0	(27,947)
Net Cash provided(used) by operating activities	(1,657,666)	(78,559)	(1,736,225)
Cash flows from investing activities			
Acquisition of Property Plant and Equipment	0	0	0
Changes in assets limited to use	0	78,558	78,558
Net Cash used in investing activities	0	78,558	78,559
Cash flows from financing activities			
Principal payments on debt borrowings	(30,257)	0	(30,257)
Net cash used by financing activities	(30,257)	0	(30,257)
Net change in cash and cash equivalents	(1,687,923)	(0)	(1,687,923)
Cash at the beginning of the year	2,900,713	(0)	2,900,713
Cash at the end of the period	1,212,789	(0)	1,212,789

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

August 1-31, 2020

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2020	As of 8/31/2020
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 1,212,789	\$ 1,388,403
Grant and other receivables	298,418	977,504
Prepaid expenses and deposits	6,627	54,812
Total current assets	<u>1,517,834</u>	<u>2,420,719</u>
Assets limited as to use	646,751	674,459
Capital Assets, net of accumulated depreciation	2,623,684	2,592,332
	<u>4,788,269</u>	<u>5,687,511</u>
Other Assets	5,229	4,855
Total assets	<u>\$ 4,793,498</u>	<u>\$ 5,692,367</u>
 Liabilities and Net Position		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 34,421	\$ 34,421
Accounts payable and accrued expenses	10,090	2,600
Total current liabilities	<u>44,510</u>	<u>37,021</u>
Debt borrowings net of current maturities	<u>877,568</u>	<u>872,473</u>
Total liabilities	922,078	909,493
 Net position:		
Total net position (deficit)	<u>3,871,419</u>	<u>4,782,873</u>
Total liabilities and net position	<u>\$ 4,793,498</u>	<u>\$ 5,692,367</u>

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2020	Actual YTD 8/31/2020	Budget YTD 6/30/2021	Variance	
Revenues and other support					
District Tax Revenues	\$ 5,887,501	\$ 979,023	\$ 984,551	(5,528)	-1%
Rents	196,841	32,276	34,570	(2,294)	-7%
Other revenues	15,136	-	83	(83)	
Total revenues	6,099,478	1,011,299	1,019,205	(7,905)	
Expenses					
Professional fees - executive director	130,166	21,500	22,037	537	2%
Professional fees	124,198	13,526	96,631	83,106	86%
Supplies	5,399	-	1,517	1,517	100%
Purchased services	6,350	250	2,413	2,163	90%
Repairs and maintenance	23,008	3,143	3,876	733	19%
Rents	31,880	4,700	4,744	44	1%
Utilities	10,811	1,347	2,342	995	42%
Insurance	59,728	13,926	9,750	(4,176)	-43%
Depreciation and amortization	190,351	31,725	61,171	29,446	
Interest	52,015	8,617	8,667	50	1%
Travel, meeting and conferences	9,368	-	2,500	2,500	100%
Other expenses	59,214	1,112	48,271	47,159	98%
Total expenses	702,488	99,846	263,917	164,071	
Operating gains	5,396,991	911,454	755,287	156,166	21%
Transfers	(7,304,490)	-	(663,734)		
Increase(Decrease) in net position	(1,907,499)	911,454	91,554		
Net position at <i>beginning of the year</i>	5,778,919	3,871,419	3,871,419		
Net position at the <i>end of the period</i>	\$ 3,871,419	\$ 4,782,873	\$ 3,962,973		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2020	Actual YTD 8/31/2020
Increase(Decrease) in net position	\$ (1,907,499)	\$ 911,454
Add Non Cash items		
Depreciation	190,351	31,725
Changes in operating assets and liabilities		
Grant and other receivables	223	(679,086)
Prepaid expenses and deposits	8,649	(48,185)
Accounts payable and accrued expenses	(27,948)	(7,490)
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	(1,736,224)	208,418
Cash flows from investing activities		
Acquisition of Property Plant and Equipment	0	(0)
Changes in assets limited to use	78,558	(27,709)
Net Cash used in investing activities	78,558	(27,710)
Cash flows from financing activities		
Principal payments on debt borrowings	(30,257)	(5,095)
Net cash used by financing activities	(30,257)	(5,095)
Net change in cash and cash equivalents	(1,687,923)	175,613
Cash at the beginning of the year	2,900,713	1,212,789
Cash at the end of the period	<u>\$ 1,212,789</u>	<u>\$ 1,388,403</u>

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2020	Jaber 6/30/2020	As of 6/30/2020
Assets			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 1,212,789	\$ -	\$ 1,212,789
Grant and other receivables	298,418	0	298,418
Prepaid expenses and deposits	6,628	(0)	6,627
Total current assets	1,517,834	(0)	1,517,834
Due To Due From	14,926	(14,926)	0
Assets limited as to use	0	646,751	646,751
Capital Assets, net of accumulated depreciation	1,695,784	927,900	2,623,684
	3,228,544	1,559,726	4,788,269
Other Assets	5,229	0	5,229
Total assets	3,233,772	1,559,726	4,793,498
Liabilities and Net Position			
<u>Current liabilities:</u>			
Current maturities of debt borrowings	34,421	0	34,421
Accounts payable and accrued expenses	10,090	0	10,090
Total current liabilities	44,511	0	44,511
Debt borrowings net of current maturities	877,568	0	877,568
Total liabilities	922,079	0	922,079
Net position:			
Total net position (deficit)	2,311,693	1,559,726	3,871,419
Total liabilities and net position	\$3,233,772	\$1,559,726	\$4,793,498

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2020	Jaber 6/30/2020	Actual YTD 6/30/2020
Revenues and other support			
District Tax Revenues	5,887,501	0	5,887,501
Rents	0	196,841	196,841
Other revenues	15,136	0	15,136
Total revenues	5,902,637	196,841	6,099,478.27
Expenses			
Professional fees - executive director	130,166	0	130,166
Professional fees	115,022	9,176	124,198
Supplies	5,399	0	5,399
Purchased services	6,350	0	6,350
Repairs and maintenance	379	22,629	23,008
Rents	31,880	0	31,880
Utilities	918	9,892	10,811
Insurance	55,804	3,924	59,728
Depreciation and amortization	152,951	37,400	190,351
Interest	52,015	0	52,015
Travel, meeting and conferences	9,368	0	9,368
Other expenses	55,288	3,926	59,215
Total expenses	615,541	86,947	702,488
Operating gains	5,287,096	109,894	5,396,990
Transfers	(7,074,714)	(229,776)	(7,304,490)
Increase(Decrease) in net position	(1,787,618)	(119,882)	(1,907,500)
Net position at <i>beginning of the year</i>	4,099,311	1,679,608	5,778,919
Net position at the <i>end of the period</i>	2,311,693	1,559,726	3,871,419

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual
	6/30/2020	6/30/2020	YTD 6/30/2020
Increase(Decrease) in net position	(1,787,618)	(119,882)	(1,907,500)
Add Non Cash items			
Depreciation	152,951	37,400	190,351
Changes in operating assets and liabilities			
Grant and other receivables	223	0	223
Prepaid expenses and deposits	4,724	3,924	8,648
Due To Due From	0	(0)	(0)
Accounts payable and accrued expenses	(27,947)	0	(27,947)
Net Cash provided(used) by operating activities	(1,657,666)	(78,559)	(1,736,225)
Cash flows from investing activities			
Acquisition of Property Plant and Equipment	0	0	0
Changes in assets limited to use	0	78,558	78,558
Net Cash used in investing activities	0	78,558	78,559
Cash flows from financing activities			
Principal payments on debt borrowings	(30,257)	0	(30,257)
Net cash used by financing activities	(30,257)	0	(30,257)
Net change in cash and cash equivalents	(1,687,923)	(0)	(1,687,923)
Cash at the beginning of the year	2,900,713	(0)	2,900,713
Cash at the end of the period	1,212,789	(0)	1,212,789

CITY OF ALAMEDA HEALTH CARE DISTRICT

October 19, 2020

Memorandum to: City of Alameda Health Care District
Board of Directors

From: Debi Stebbins
Executive Director

RE: Proposed Board Meeting Schedule 2020-2021

Based on the feedback from Board members regarding the draft of a Board meeting schedule, the revised calendar for the balance of 2020 and for 2021 is as follows. The dates in April and August changed from the earlier version of the calendar.

Major Action Items

2020

Monday, December 14 True-Up Tax Distribution to AHS

2021

Monday, February 8 December Tax Installment to AHS
Distribution from Jaber Funds to AHS

Monday, April 12 Review and Approval District FY 21-22 Budget
Review Annual Audit Engagement

Monday, June 14 Adoption of Parcel Tax Levy resolution
Review and Approval of 2020-2021 Parcel Tax Budget
Executive Director Evaluation and Contract Review

Monday, August 9 Mutual Certification and Indemnification with County
Review of FY 2021-2022 Insurance Renewals

Monday, October 11 Review and Acceptance of FY 2020-2021 Audit
Review of CY 2022 Meeting Calendar

Monday, December 13

CITY OF ALAMEDA HEALTH CARE DISTRICT

Meeting Date: October 19, 2020

To: City of Alameda Health Care District, Board of Directors

From: Debi Stebbins, Executive Director

Subject: Election of District Officers and Appointment to Liaison Positions

The annual election of City of Alameda Health Care District Officers is scheduled to take place at the October 19, 2020 Board Meeting. Election of officers last occurred in August 2019.

Article III, Section 1., Officers of the District Bylaws provides for the election of District Officers. Officers shall hold their office for terms of one (1) year or until such time as a successor is elected. An officer may be removed from office by a majority of the Board of Directors at any time. Officers may serve consecutive terms.

Current List of Officers and Offices

Office/Liaison Position	Board Member
President / Representative #1 to City of Alameda Liaison Committee	Michael Williams
1 st Vice President	Gayle Codiga
2 nd Vice President	
Secretary	Tracy Jensen
Treasurer	
Alameda Health System Liaison	Tracy Jensen
Community Health Liaison	
Alameda Hospital Liaison	Robert Deutsch, MD
Representative #2 on City of Alameda Liaison Committee	Robert Deutsch, MD

Board members were asked for their preferences for offices and liaison positions. Results are listed below.

President Williams will ask for nominations for each office beginning with President and proceed with discussion and voting for each office. The nominations, discussion and voting will continue in the following order outlined below in the table.

Board Member Preferences	Board of Directors (by Alpha)				
	Codiga ¹	Deutsch	Jensen	Popalardo ²	Williams
President / Representative #1 to City of Alameda Liaison Committee					1 st
1 st Vice President	X				
2 nd Vice President					
Secretary			X		
Treasurer					
Alameda Health System Liaison			X		
Community Health Liaison					
Alameda Hospital Liaison		X			
Representative #2 on City of Alameda Liaison Committee		X			

Please note from the Bylaws: *“Each officer shall be elected upon receiving a majority vote with each member of the Board of Directors having one vote. In the event that there is no majority for a single office, the candidate with the fewest votes shall be eliminated from candidacy and a runoff election with the remaining candidates shall take place. In the event that more than two candidates have an equal number of votes, the office shall be selected by random lot.”*

Excerpt from the Bylaws of Offices of the Board is attached.

F. Officers shall hold their office for terms of one (1) year or until such time as a successor is elected. An officer may be removed from office by a majority of the Board of Directors at any time. Officers may serve consecutive terms.

G. Officers will report to the full District Board on any significant developments involving District staff, community outreach involving the District, or interactions with the Alameda Health System Board or senior staff.

Section 2. President

A. The President shall perform the following duties:

1. Preside over the meetings of the Board of Directors;
2. Sign and execute (jointly with the Secretary where appropriate), in the name of the District, all contracts and conveyances and all other instruments in writing that have been authorized by the Board of Directors;
3. Subject to any duly-adopted Policy of the Board regarding the signing of checks, exercise the power to co-sign, with the Secretary checks drawn on the funds of the District whenever:
 - a. There is no person authorized by resolution of the Board of Directors to sign checks on behalf of the District regarding a particular matter; or
 - b. It is appropriate or necessary for the President and Secretary to sign a check drawn on District funds.
4. Have, subject to the advice and publicly approved decisions of the Board of Directors, general responsibility for the affairs of the District.
5. Provide the District's Executive Director with general supervisory input during the year, in accordance with publicly approved decisions of the Board of Directors and/or consultation with a duly appointed District liaison. This supervision shall include attention to significant employment activities such as performance appraisals, disciplinary activities, and salary and benefits negotiations.
6. Generally discharge all other duties that shall be required of the President by the Bylaws of the District.

B. If at any time, the President is unable to act as President, the Vice Presidents, in the order hereinafter set forth, shall take the President's place and perform the President's duties; and if the Vice Presidents are also unable to act, the Board may appoint someone else to do so, in whom shall be vested, temporarily, all the functions and duties of the office of the President.

Section 3. Vice-Presidents

A. In the absence of the President or given the inability of the President to serve, the First Vice-President, or in the First Vice-President's absence, the Second Vice-President, shall perform the duties of the President.

B. Perform such reasonable duties as may be required by the members of the Board of Directors or by the President.

Section 4. Secretary

The Secretary shall have the following duties:

A. To act as Secretary of the District and the Board of Directors.

B. To be responsible for the proper keeping of the records of all actions, proceedings, and minutes of meetings of the Board of Directors.

C. To be responsible for the proper recording, and maintaining in a special book or file for such purpose, all ordinances and resolutions of the Board of Directors (other than amendments to these Bylaws) pertaining to policy or administrative matters of the District and its facilities.

D. To serve, or cause to be served, all notices required either by law or these Bylaws. In the event of the Secretary's absence, inability, refusal or neglect to do so, such notices may be served by any person so directed by the President or Board of Directors.

E. To perform such other duties as pertain to the Secretary's office and as are prescribed by the Board of Directors.

Section 5. Treasurer

A. The Board of Directors shall establish its own treasury and shall appoint a Treasurer charged with the safekeeping and disbursement of the funds in the treasury.

B. The Treasurer shall be responsible for the general oversight of the financial affairs of the District, including, but not limited to oversight of the receiving and depositing of all funds accruing to the District, coordinating and overseeing the proper levy and collection of the District's annual parcel tax, performance of all duties incident to the office of Treasurer and such other duties as may be delegated or assigned to him or her by the Board of Directors, provided, however, that the District staff shall implement, and carry out the day to day aspects of the District's financial affairs.

C. The Treasurer shall maintain active and regular contact with the District staff for the purpose of obtaining that information necessary to carry out his or her duties.

Section 6. Alameda Health System (AHS) Liaison

A. As authorized by section 3.1 of the Joint Powers Agreement entered into by Alameda Health System (AHS) and the City of Alameda Health Care District, the District may nominate one designee to serve as a voting member of the AHS Board of directors.

B. Upon approval of the nomination by the County Board of Supervisors, the appointee will be a voting member of the AHS Board of Directors, and shall be the District's AHS Liaison, serving as the primary conduit of information between the Board of AHS and the Board of the District.

C. The AHS Liaison shall consistently attend meetings of the Boards of both AHS and the District, and keep each Board informed of decisions or other developments that are relevant to the other Board and their key staff. However, the AHS Liaison shall not disclose to either Board any information that has been discussed within closed session of one of the Boards, or information that is otherwise subject to confidentiality protection.

D. The AHS Liaison shall always act in the best interests of the District, and will notify the District Board if there is a situation known to be or likely to become a conflict between the AHS Liaison's loyalties to the District and to the AHS Board or other health-related entity.

Section 7. Community Health Liaison

A. The Community Health Liaison shall be a major conduit of information between the Board and its staff in matters involving community health assessment and improvement activities.

B. The Community Health Liaison will regularly meet with District staff and other community leaders or groups to accomplish the mission of the District.

Section 8. Alameda Hospital Liaison

A. The Alameda Hospital Liaison shall be a major conduit of information between the Board and its staff in matters involving the operation, programs, services and quality of care under the auspices of Alameda Hospital.

B. The Alameda Hospital Liaison will have regular dialogue with District staff and with the Alameda Hospital Chief Administrative Officer, and will keep the Board informed of decisions or other developments that are relevant to accomplishing the mission of the District.



Memorandum to: City of Alameda Health Care District Board of Directors

From: Debi Stebbins, Executive Director

RE: Membership in Association of California Health Care Districts

Recommendation: Reactivate City of Alameda Health Care District in the Association of California Health Care Districts at a cost of \$8,000 per year.

Background: Alameda Hospital had been a founding member of both the California Hospital Association (CHA) and the Association of California Health Care Districts for many years. Prior to the affiliation with Alameda Health System, Alameda Hospital dropped its membership in ACHD and put its efforts toward more active involvement in the leadership and advocacy efforts of CHA. Since our District no longer operates the hospital or skilled nursing facilities directly, we are no longer eligible for direct membership in CHA. The District does follow CHA's initiatives, including participation in many of the advocacy efforts of CHA. AHS also is an active participant in CHA leadership.

The District does qualify for membership in ACHD. ACHD supports the diverse needs of California Health Care districts, including advocacy, education and leadership development. The California Hospital Association has identified modification of the hospital seismic standards in the wake of the COVID-19 virus as their single highest advocacy priority beginning with the next legislative session (see more in Executive Director report). The District will continue to participate in those advocacy efforts. Meanwhile, the District can also join in the parallel advocacy efforts on seismic issues with ACHD. Membership in ACHD will position the District to play a more active role in these advocacy issues and other issues facing California District hospitals.

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: October 19, 2020

TO: City of Alameda Health Care District, Board of Directors

FROM: Gayle Codiga, 2nd Vice President
Dennis Popalardo, 1st Vice President

SUBJECT: Renewal of Contract with Deborah E. Stebbins Group, LLC and Adjustment in Compensation for Services of Executive Director

Recommendation:

Following an annual evaluation by the Board of Directors, it is recommended that the contract with THE DEBORAH E. STEBBINS GROUP, LLC to provide the District with the services of an Executive Director (namely, Deborah E. Stebbins) be extended for one year to June 11, 2021 according to the following principal terms, all of which will be incorporated into a mutually agreeable written agreement between the parties:

Term and Termination: Initial term of one year, renewable for successive one-year terms, subject to the right of either party to terminate the agreement upon 90 days prior written notice.

Time Commitment: The parties anticipate approximately 1000 hours per year, to be structured as the demands of the position require

Compensation: \$133,000 per year, payable in equal monthly installments against invoices submitted by the Contractor effective July 1, 2020.

Office/Tools/Equipment: Contractor will have access to District office space and equipment, but will utilize Contractor's facilities and equipment when working away from the District office

Expenses: Contractor will be reimbursed for the actual costs of incidental expenses incurred in fulfilling the duties hereunder, such as tolls, parking and mileage (at the IRS standard rate). Extraordinary expenses (such as out of area travel, conference fees, etc.) must be pursuant to the District's budget and approved in advance by the Board President.

Intellectual Property. All District-related intellectual property developed with the assistance of Contractor shall be and remain the property of the District.

It is recommended that the Board authorize the Board President to approve and execute a renewed contract under the terms outlined above.

Audited Financial Statements
CITY OF ALAMEDA
HEALTH CARE DISTRICT
June 30, 2020

Audited Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2020

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Management's Discussion and Analysis

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2020

The District Clerk and Treasurer of the City of Alameda Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2020 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 District's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2020 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

Financial Highlights

For the year of operations ending June 30, 2020, the District received \$5,887,501 million in parcel taxes from the County of Alameda and \$196,841 in rental income. The prior year taxes were \$5,902,625 and rental income was \$199,820.

Total District expenses for 2020 were \$702,487: (\$190,351 in depreciation and amortization, \$52,015 in interest expense, \$232,864 in professional fees, \$59,728 in insurance and \$167,529 in various other types of expenses. Transfers to the Alameda Health System were \$7.3 million, leaving the District with a decrease in net position for the year of \$(1,907,499).

Total District expenses for 2019 were \$1,077,444: (\$220,565 in depreciation and amortization, \$53,178 in interest expense, \$480,378 in professional fees, \$54,593 in insurance and \$268,730 in various other types of expenses. Transfers to the Alameda Health System were \$3.2 million, leaving the District with an increase in net position for the year of \$1,827,721.

The District continues to operate as a health care district which allows for the continued collection of parcel taxes and certain rental income from which the District will pay operating expenses. Excess earnings are remitted to Alameda Health System (AHS) in order to support the operations of the Alameda Hospital by AHS.

Statements of Net Position

As of June 30, 2020, the District's current assets are comprised of \$1,212,789 in operating cash, \$298,418 in parcel taxes receivable and \$6,627 in prepaid assets. Other assets include cash and cash equivalents of \$646,751 which are restricted for specific purposes, \$2,623,684 of capital assets, net of accumulated depreciation and \$5,229 in debt issue costs. Current liabilities of the District include \$34,421 of current maturities of debt borrowings and \$10,090 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to \$877,568.

Management's Discussion and Analysis

CITY OF ALAMEDA HEALTH CARE DISTRICT

As of June 30, 2019, the District's current assets are comprised of \$2,900,713 in operating cash, \$298,641 in parcel taxes receivable and \$15,276 in prepaid expenses. Other assets include cash and cash equivalents of \$725,309 which are restricted for specific purposes, \$2,811,794 of capital assets, net of accumulated depreciation and \$7,470 in capitalized debt issue costs. Current liabilities of the District include \$32,688 of current maturities of debt borrowings and \$38,039 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to \$909,558.

Statements of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2020 and 2019, the District realized a decrease in net position of \$(1,907,499) and an increase in net position of \$1,827,721, respectively. The 2020 year approximated budget and expectations.

Next Year's Budget

The District annual budget for 2021 has been set at approximately \$6.0 million in revenue sources. Operating expenses for 2021 are expected to be approximately \$.7 million which includes depreciation and amortization of \$185,000. Excess earnings will continue to be remitted to AHS to help support the operations of the Alameda Hospital, formerly operated by the District.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon Avenue, Suite 211, Fresno, California 93720

Voice: (559) 431-7708 Fax: (559) 431-7685 Email: rjctcpa@aol.com

Report of Independent Auditors

The Board of Directors
City of Alameda Health Care District
Alameda, California

We have audited the accompanying financial statements of the City of Alameda Health Care District, (the District) which comprise the statements of net position as of June 30, 2020 and 2019, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

JW7 & Associates, LLP

Fresno, California
October 5, 2020

Statements of Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	June 30	
	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,212,789	\$ 2,900,713
Other receivables	298,418	298,641
Prepaid expenses and deposits	<u>6,627</u>	<u>15,276</u>
Total current assets	1,517,834	3,214,630
Assets limited as to use	646,751	725,309
Capital assets, net of accumulated depreciation	<u>2,623,684</u>	<u>2,811,794</u>
	4,788,269	6,751,733
Deferred outflows of resources	<u>5,229</u>	<u>7,470</u>
	<u>\$ 4,793,498</u>	<u>\$ 6,759,203</u>
Liabilities		
Current liabilities:		
Current maturities of debt borrowings	\$ 34,421	\$ 32,688
Accounts payable and accrued expenses	<u>10,090</u>	<u>38,039</u>
Total current liabilities	44,511	70,727
Debt borrowings, net of current maturities	<u>877,568</u>	<u>909,558</u>
	922,079	980,285
Net position		
Invested in capital assets, net of related debt	2,623,684	2,811,794
Restricted, by contributors	646,751	725,309
Unrestricted (deficit)	<u>600,984</u>	<u>2,241,815</u>
Total net position	<u>3,871,419</u>	<u>5,778,918</u>
	<u>\$ 4,793,498</u>	<u>\$ 6,759,203</u>

See accompanying notes and auditor's report

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2020</u>	<u>2019</u>
Operating revenues		
Rent and other operating revenue	\$ 211,977	\$ 199,820
Total operating revenues	<u>211,977</u>	<u>199,820</u>
Operating expenses		
Professional fees	232,864	480,378
Supplies	5,399	26,289
Purchased services	29,358	14,676
Building and equipment rent	31,880	28,187
Utilities and phone	10,811	11,129
Insurance	59,728	54,593
Depreciation and amortization	190,351	220,565
Other operating expenses	<u>90,081</u>	<u>188,449</u>
Total operating expenses	<u>650,472</u>	<u>1,024,266</u>
Operating loss	(438,495)	(824,446)
Nonoperating revenues (expenses)		
District tax revenues	5,887,501	5,902,625
Interest expense	(52,015)	(53,178)
Transfers to AHS	<u>(7,304,490)</u>	<u>(3,197,280)</u>
Total nonoperating revenues (expenses)	<u>(1,469,004)</u>	<u>2,652,167</u>
Increase (decrease) in net position	(1,907,499)	1,827,721
Net position at beginning of the year	<u>5,778,918</u>	<u>3,951,197</u>
Net position at end of the year	<u>\$ 3,871,419</u>	<u>\$ 5,778,918</u>

Statements of Cash Flows

See accompanying notes and auditor's report

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from operations, other than patient services	\$ 212,200	\$ 199,224
Cash payments to suppliers and contractors	<u>(479,421)</u>	<u>(762,574)</u>
Net cash (used in) operating activities	(267,221)	(563,350)
Cash flows from noncapital financing activities:		
District tax revenues	5,887,501	5,902,625
Transfers to AHS	<u>(7,304,490)</u>	<u>(3,197,280)</u>
Net cash provided by (used in) noncapital financing activities	(1,416,989)	2,705,345
Cash flows from capital financing activities:		
Principal payments on debt borrowings	(30,257)	(28,751)
Interest payments on debt borrowings	<u>(52,015)</u>	<u>(53,178)</u>
Net cash (used in) capital financing activities	(82,272)	(81,929)
Cash flows from investing activities:		
Net change in assets limited as to use	<u>78,558</u>	<u>(167,638)</u>
Net cash provided by (used in) investing activities	78,558	(167,638)
Net increase (decrease) in cash and cash equivalents	(1,687,924)	1,892,428
Cash and cash equivalents at beginning of year	<u>2,900,713</u>	<u>1,008,285</u>
Cash and cash equivalents at end of year	<u>\$ 1,212,789</u>	<u>\$ 2,900,713</u>

See accompanying notes and auditor's report

Statements of Cash Flows (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2020</u>	<u>2019</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss)	\$ (438,495)	\$ (824,446)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	190,351	220,565
Changes in operating assets and liabilities:		
Other receivables	223	(596)
Prepaid expenses and deposits	8,649	19,088
Accounts payable and accrued expenses	<u>(27,949)</u>	<u>22,039</u>
Net cash provided by operating activities	<u>\$ (267,221)</u>	<u>\$ (563,350)</u>

See accompanying notes and auditor's report

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2020

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: The City of Alameda Health Care District, (d.b.a. Alameda District), heretofore referred to as (the District) is a public entity organized under Local District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the boundaries of the health care district to specified terms of office. The District is located in Alameda, California.

Through April 30, 2014, the District operated Alameda Hospital (the Hospital), which comprised a 100-bed acute care facility, a 35-bed sub acute unit within the Hospital, a 26-bed skilled nursing facility adjacent to the Hospital campus and another 120-bed skilled nursing facility near the Hospital campus which the District took over operations of in August, 2012. Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors, through a joint powers agreement (the affiliation agreement). Through this affiliation with AHS, the District continues to provide health care services primarily to individuals who reside in the local geographic area.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

Management's Discussion and Analysis: The management's discussion and analysis is a narrative introduction and analytical overview of the District's financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management's discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

Assets Limited as to Use: Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

Risk Management: The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 40 years for buildings and improvements, and 3 to 10 years for major moveable equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2020 and 2019, the District has determined that no capital assets are impaired.

Net Position: Net position is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is “restricted” net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

The third category is “unrestricted” net position. This category consists of net position that does not meet the definition or criteria of the previous two categories.

District Tax Revenues: The District receives most of its financial support from parcel taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Parcel taxes are levied by the County on the District’s behalf during the year, and are intended to help finance the District’s activities during the same year. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Parcel taxes are considered delinquent on the day following each payment due date.

Operating Revenues and Expenses: The District’s statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District’s principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

NOTE B - CASH AND CASH EQUIVALENTS

As of June 30, 2020 and 2019, the District had deposits invested in various financial institutions in the form of cash and cash equivalents in the amounts of \$1,859,540 and \$3,626,022 respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

The CGC and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District’s deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District’s deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District’s total deposits. The pledged securities are held by the pledging financial institution’s trust department in the name of the District.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE C - CONCENTRATION OF CREDIT RISK

District Tax Revenues : The District receives approximately 97% of their revenues from the County of Alameda under the parcel taxing program. These funds are used to support operations and meet required debt service agreements. Parcel taxes are levied by the County on the District's behalf during the year. Parcel taxes are secured by properties within the District, management believes that there is no credit risk associated with these parcel taxes.

Financial Instruments: Financial instruments, potentially subjecting the District to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Although deposits exceed the limit in certain bank accounts, management believes that the risk of loss is minimal due to the high financial quality of the bank with which the District does business. Management further believes that there is no risk of material loss due to concentration of credit risk with regards to investments as the District has no investments in equity funds, closed-end funds, exchange-traded products, or other perceived "at risk" alternatives as of June 30, 2020 and 2019.

NOTE D - OTHER RECEIVABLES

Other receivables as were comprised of the following Alameda County parcel taxes in the amounts of \$298,418 and \$298,641 as of June 30, 2020 and 2019, respectively.

NOTE E - ASSETS LIMITED AS TO USE

Assets limited as to use are related to the Jaber agreement as described in Note F and were comprised of cash and cash equivalents in the amounts of \$646,751 and \$725,309 as of June 30, 2020 and 2019, respectively.

NOTE F - RELATED PARTY TRANSACTIONS

The Alameda Hospital Foundation (the Foundation), has been established as a nonprofit public benefit corporation under the Internal Revenue Code Section 501 c (3) to solicit contributions on behalf of the District. Substantially all funds raised except for funds required for operation of the Foundation, are distributed to the District or held for the benefit of the District. The Foundation's funds, which represent the Foundation's unrestricted resources, are distributed to the District in amounts and in period determined by the Foundation's Board of Trustees, who may also restrict the use of funds for District property and equipment replacement or expansion, reimbursement of expenses, or other specific purposes. Effective May 1, 2014, any further donations by the Foundation will be made directly to AHS according to the affiliation agreement. The Foundation is not considered a component unit of the District as the Foundation, in the absence of donor restrictions, has complete and discretionary control over the amounts, the timing, and the use of its donations to the District and management does not consider the assets material.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE G - CAPITAL ASSETS

The District received two parcels of improved rental-real estate by court order dated December 3, 2003, pursuant to the terms of the Alice M. Jaber 1992 Trust. As successor to the former non-profit Alameda Hospital, the District has agreed to abide by the terms of the Trust Agreement. The Trust Agreement and the will of Alice M. Jaber require the District to account for the property as part of the Abraham Jaber and Mary A. Jaber Memorial Fund. Among other things, the District is prohibited from selling all or any portion of the parcels received until after the death of certain named family members and, if the property is sold, it may not be sold to any descendant, spouse or relative to the third degree of any such descendant of a named family member. The net carrying value of this property is \$927,900 and \$965,300 at June 30, 2020 and 2019, respectively. Capital assets as of June 30, 2020 and 2019 were comprised of the following:

	<u>Balance at June 30, 2019</u>	<u>Adjustments & Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2020</u>
Land and land improvements	\$ 1,376,954			\$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,739,728			3,739,728
Construction-in-progress	<u>30,636,238</u>	<u> </u>	<u> </u>	<u>30,636,238</u>
Totals at historical cost	30,636,238			30,636,238
Less accumulated depreciation	<u>(27,824,444)</u>	<u>(188,110)</u>	<u> </u>	<u>(28,012,554)</u>
Capital assets, net	<u>\$ 2,811,794</u>	<u>\$ (188,110)</u>	<u>\$ </u>	<u>\$ 2,623,684</u>

	<u>Balance at June 30, 2018</u>	<u>Adjustments & Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2019</u>
Land and land improvements	\$ 1,376,954			\$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,739,728			3,739,728
Construction-in-progress	<u>30,636,238</u>	<u> </u>	<u> </u>	<u>30,636,238</u>
Totals at historical cost	30,636,238			30,636,238
Less accumulated depreciation	<u>(27,606,120)</u>	<u>(218,324)</u>	<u> </u>	<u>(27,824,444)</u>
Capital assets, net	<u>\$ 3,030,118</u>	<u>\$ (218,324)</u>	<u>\$ </u>	<u>\$ 2,811,794</u>

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE H - DEBT BORROWINGS

As of June 30, 2020 and 2019 debt borrowings were as follows:

	<u>2020</u>	<u>2019</u>
Note payable to a bank; principal and interest at 4.75% due in monthly installments of \$6,457 through October 15, 2022; collateralized by District property:	\$ 911,989	\$ 942,246
	911,989	942,246
Less current maturities of debt borrowings	<u>(34,421)</u>	<u>(32,688)</u>
	<u>\$ 877,568</u>	<u>\$ 909,558</u>

Future principal maturities for debt borrowings for the next succeeding years are: \$34,421 in 2021; \$36,115 in 2022; and \$841,453 in 2023.

NOTE I - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2020 and 2019, the District has no commitments under any construction-in-progress projects for various remodeling, major repair, certain expansion projects on the District's premises.

Operating Leases: The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2020 and 2019, were \$31,880 and \$28,187, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2020 and 2019 are not considered material as AHS has assumed responsibility for the significant leases associated with patient care effective May 1, 2014 according to the affiliation agreement. Other District lease or rent agreements that have initial or remaining lease terms in excess of one year are not considered material.

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2020 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

Risk Management Insurance Programs: AHS has assumed responsibility for all employee-related insurance programs effective May 1, 2014. The District has purchased tail coverage on other specific types of insurance where appropriate in conjunction with the affiliation agreement in order to prevent any lapse in coverage.

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE J - AFFILIATION AGREEMENT

District management had ongoing financial challenges operating a small general acute care District with 24-hour emergency services in this very competitive health care environment. The current and future changes brought about by healthcare reform at both the State and Federal levels, as well as other regulatory requirements and reimbursement reductions greatly compounded the challenges facing the District. Furthermore, the District was in need of capital resources to assist with required seismic retrofits, electronic health record implementation and other deferred facility and equipment replacements. Due to this situation, the District Board of Directors executed an affiliation agreement with a local health care system during the year ended June 30, 2014.

Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors through a joint powers agreement. The agreement called for the transfer of specific assets and liabilities of the District to AHS which were related to the operations of the Alameda Hospital. The District maintained ownership of the Alameda Hospital land and real property (buildings and fixed equipment). The transfer included, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action, together with all the rights and privileges in any way belonging thereto, free and clear of all encumbrances. Through this affiliation, the District will continue to support the providing of health care services to those individuals, primarily, who reside in the local geographic area.

Transfers made to AHS related to this affiliation agreement for the year ended June 30, 2020 and 2019 amounted to \$7,304,490 and \$3,197,280, respectively.

NOTE K - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through October 5, 2020, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.